

# Sustainability Data Report

Year ending March 31, 2019



arm

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## Welcome to Our Annual Sustainability Data Report

This report aims to provide transparent, meaningful information on our ethical and sustainability efforts to enable stakeholders and partners to assess our performance. The report is our annual Communication on Progress against the United Nations Global Compact Principles and criteria ([pages 21 to 28](#)). It also reports in accordance with the Global Reporting Initiative (GRI) Standards: Core option ([pages 29 to 49](#)).

The data in this report covers our financial year 2018 (year ending March 31, 2019).

## Our Sustainability Reporting

### Global Goals Impact Report 2019

How Arm is driving sustainable positive impact on the Global Goals.

[Download](#)



### Sustainability Data Report 2019

Supplements our Global Goals Impact Report and provides in-depth data on progress against commitments.



## Key Highlights from FY 2018

### 2020

Carbon and energy reduction targets met

### £1.4m

Raised and donated to charity

### 5,985

Established employees around the world



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# Introduction

As a business, Arm is leading the world of technology. We want to create products that facilitate a brighter future, bring communities together, and help people lead healthier and happier lives through state-of-the-art technologies.

## Who is Arm?

As experts in computing and connectivity, Arm is creating solutions to transform how businesses operate and people live. Our advanced, energy-efficient processor designs have enabled intelligent computing in more than 155 billion chips. Arm's technology is used by more than 70 percent of people worldwide, working behind the scenes to create a globally connected population.

This technology, combined with our Internet of Things (IoT) software and device management platform, enables customers to derive real business value from their connected devices. Together with our 1,000+ technology partners, we are at the forefront of designing, securing, and managing all areas of computing, from the chip to the cloud.

We understand that for technology to create real change for people and planet, it must act responsibly. Technology can no longer be developed simply to solve issues of connectivity: it must be developed as part of the solution to a range of critical global challenges. At Arm, we are harnessing our expertise to create products that will transform education, help lift millions out of poverty, and address the growing climate crisis.



## Partnering for Positive Impact

Developing our processes to be more sustainable is a start; however, driving real progress on the United Nations (UN) 2030 Sustainable Development Goals requires strong partnerships. Only by collaborating with industry partners and governments can we benefit the planet and global community, including our own business. Working with others in the sector to help deliver the

Global Goals, we are transforming the use of technology to support their delivery. We also contribute actively to international coalitions, including the UN Global Compact. You can find out more about our work toward the Goals in our [Global Goals Impact Report](#).

## Managing the World's Data

Our IoT Services Group's (ISG) mission is to securely connect and manage the world's intelligent devices and data. To do this, we have developed Pelion—our IoT platform for managing device, data, and connectivity in an easy, secure, and reliable way. With Pelion, a business's various devices can be safely connected across regions, networks, and protocols.

# Creating Sustainable Value

Realized in over 150 billion silicon chips, our device architectures orchestrate the performance of the technology transforming our lives: from smartphones to supercomputers, from medical instruments to agricultural sensors, and from base stations to servers. This is core to how we create both economic and social value.

## What We Need to Execute Our Business Model

Arm's Core Beliefs—shaping a culture for innovation and growth

- We, not I
- Passion for progress
- Be your brilliant self

People and expertise

**5,985**

Established employees

R&D investment

**£589m**

Invested in research and development (normalized)

Technology collaboration

**1,000+**

Connected partners in the Arm ecosystem

## How Arm Creates Value



Arm employs engineers to design advanced technology for computer chips. We invest in R&D programs, hiring more engineers and investing in productivity tools as future generations of technology become increasingly complex.

**R&D activity**  
2–3 years



Investment phase



Arm licenses the technology designs to semiconductor companies for use in their chips.

Arm receives an upfront license fee, and a royalty payment for every chip that contains Arm technology. By designing the technology once and licensing many times, Arm can cover its own R&D costs.

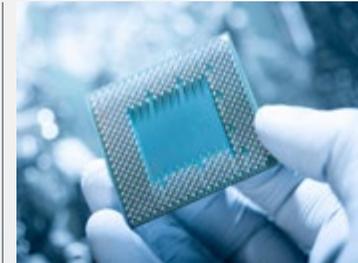
**Product development**  
3–4 years



Upfront license fee



Royalty revenue



Arm's customers can use the designs they have licensed in multiple chips, increasing the value to them and generating additional royalty revenue for Arm.

Arm's designs can ship for many years. One of our very early designs, from 1993, is still shipping today.

**Multiple applications across a range of markets**  
+25 years



Royalty revenue continues

## The Value We Create

Arm-based chips

**22.9bn**

Arm-based chips shipped year ending March 31, 2019

Licenses signed

**1,694**

Cumulative licenses signed

Revenue

**£1,395m**

Revenue year ending March 31, 2019

Profits

**£1,285m\***

IFRS EBIT

Patents

**7,528**

Patents owned or pending

Global Goals-related programs

**Over 50**

Contributing to 14 of the Goals, and more than 37 targets and 41 indicators

\* Including the sale of a 51 percent stake in Arm China subsidiary and a gain in the revaluation of the remainder, totaling £1,194m.

# How Our Business Model Creates Value

Arm has an innovative business model. We license our technology to a network of partners, with every licensee paying an upfront fee to gain access to our designs. These are used, alongside their own technology, to create smart, energy-efficient chips across a diverse range of markets. Arm receives a royalty on every chip sold that uses one of our technology designs.

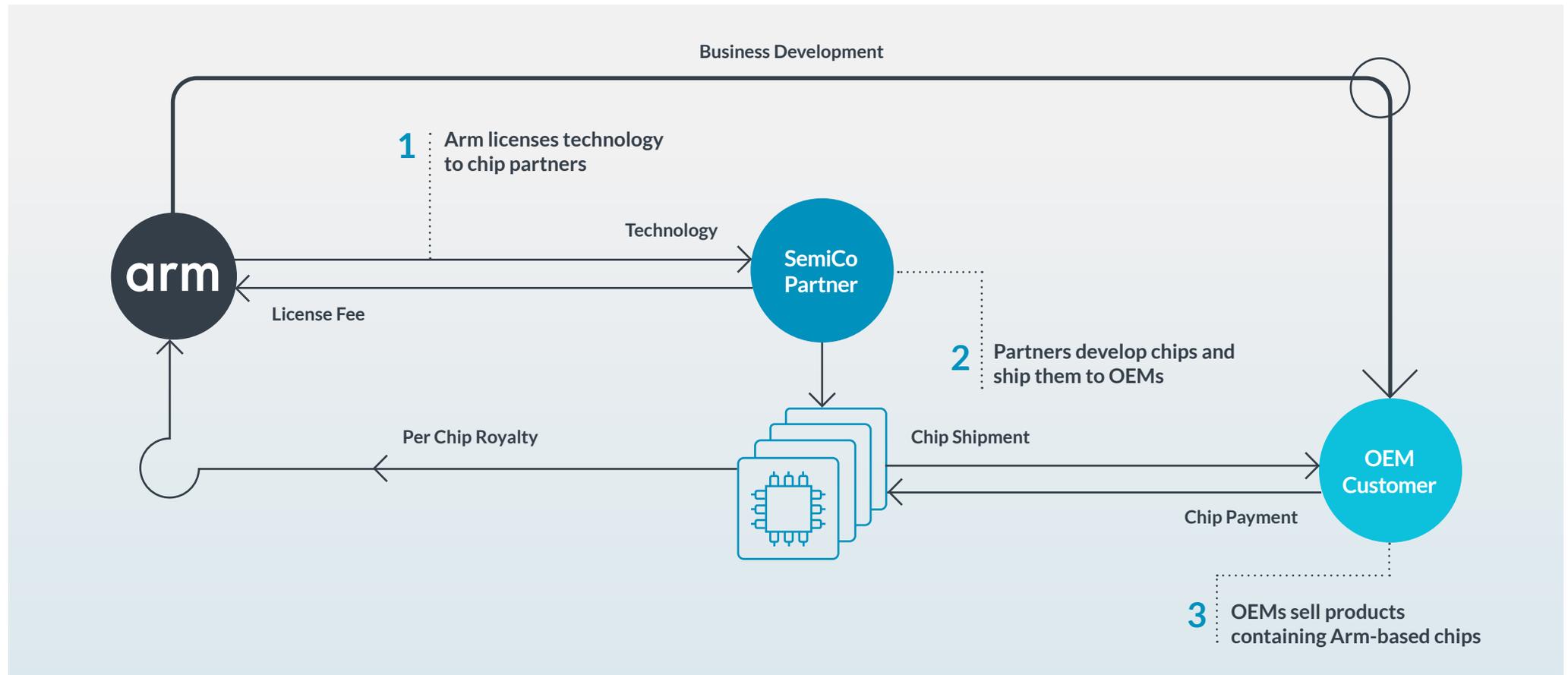
Our success relies on our ability to listen to and understand the needs of our semiconductor and OEM (original equipment manufacturer) partners, who have a long history of developing cost-efficient, low-power chips. We combine their input with our own research to create the next generation of technology. Always open to new ideas, we collaborate and spend time with our customers, facilitated by Arm's presence

in major regions where our customers are located.

Arm nurtures an ecosystem of companies, the Arm Connected Community, that depends on Arm technology. This global network is aligned to provide complete solutions—from design to manufacture to end use—based on our architecture. We share our knowledge, experience, and innovations with these

companies, enabling greater collaboration and compatibility, lowering development costs, and helping to accelerate innovation through Arm-based technologies.

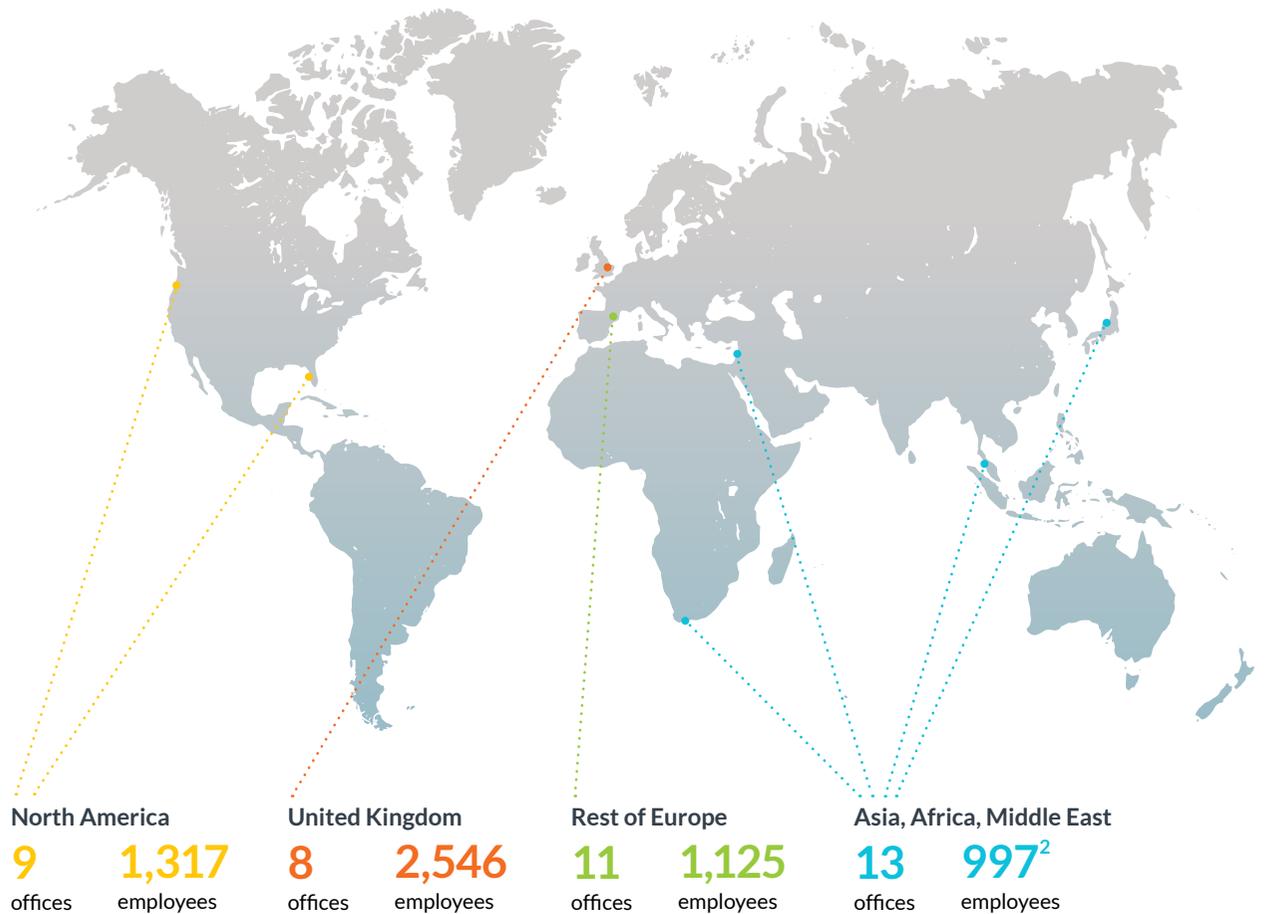
Everything we do, every day, is based on our Core Beliefs: We, not I; Passion for progress; and Be your brilliant self. Read more about how they shape our community and culture on [page 16](#).



# Working Across the Globe

Arm's headquarters is located in Cambridge, U.K. We have a further 41 offices in 23 countries and major research and development (R&D) centers in the United Kingdom, the United States, China, Israel, France, Norway, and Sweden.

As of March 31, 2019, Arm employs 5,985 people, of whom 4,857 are technical staff<sup>1</sup> and 1,128 are non-technical staff.



	Year ending March 31, 2017	Year ending March 31, 2018	Year ending March 31, 2019
Market share for Arm-based application processors in mobile devices <sup>3</sup>	90%	90%	90%
Cumulative licenses signed	1,442	1,577	1,694
Arm-based chips shipped	17.7bn	21.3bn	22.9bn
Market share <sup>3</sup>	32%	35%	33%
Revenue	£1,271m	£1,368m	£1,395m
Employees worldwide	4,852	5,886	5,985
Nationalities employed by Arm globally	77	82	89

<sup>1</sup> The definition of "Technical Employees" has been agreed with the U.K. Takeover Panel, full details of which were set out in section 4 of the letter in the scheme documentation dated August 3, 2016 and which is available on [Arm's website](#).

<sup>2</sup> Employee figures here include established, fixed-term and external employees.

<sup>3</sup> Market share for 2017 and 2018 have been restated for comparison purposes due to a change in the way total market value was calculated for 2019 reporting.

# Sustainability at Arm

Forming strong relationships is crucial to Arm’s sustainability approach. By working with global partners who share our values, we can increase our positive impacts in all areas of our sustainability strategy.

## Our Sustainability Strategy

We target our efforts in the areas where we can have the biggest impact. We are currently reviewing our strategy, focusing on our ambitions and setting robust and measurable short- and long-term goals, while developing new methodologies to measure our impacts and progress.

We measure our contribution at the UN Global Goal indicator level, to ensure that our efforts are making a tangible difference and supporting the achievement of the targets and goals.

Find out more in our [Global Goals Impact Report](#).



## Building Trust

Demonstrating responsible business practice that protects people and planet.

As a leader in the emerging technologies industry, with a range of partners, we must also be leaders in evolving best practice innovations. Most of our R&D focuses on improving user security, with ethics already a central theme in our artificial intelligence (AI) and IoT divisions.

Our commitment to demonstrating best practice also extends to sustainability. We continuously invest in programs that enable us to reduce our carbon footprint, while working to be a good neighbor in the communities where we operate and demonstrating good governance. To ensure we are always transparent in our efforts, we continue to regularly report on our performance.

## Enabling Our People

Creating a culture based around purposeful technology.

We want our employees to be actively involved with our sustainability programs and to observe first-hand the positive change we create for people, our communities, and the environment. This is why our sustainability program is increasingly integrated into the business and with Team Arm, our employee community engagement program.

Our employees are at the heart of creating technology that is changing lives and shaping a smarter, more sustainable future. To keep nurturing strong, inspired talent, we invest heavily in science, technology, engineering, and maths (STEM) education, both in cash donations and through employee volunteering time, to encourage social mobility, promote diversity and inclusion, and support the next generation of engineering talent.



## Improving Lives

Making everyday life safer, healthier, and more efficient.

We are harnessing our technologies for good: to build safer, more sustainable cities and homes, and to create mobile technology that keeps people connected. We have developed, and continue to expand, a range of wearable technologies, biometrics, and advanced sensors designed to improve the health and wellbeing of people globally. Collaborating with a host of partners including UNICEF and the World Health Organization, we are scaling up proven technologies.

Today’s students are the future of our business. We are bringing STEM education programs to school students to equip them with the knowledge they need to build technology solutions. By teaching them important technical skills, we are equipping these young people with the skills, confidence, and ambition to thrive.

## Realizing the Global Goals

Forming collaborations that harness the power of technology to transform our world.

Achieving the UN 2030 Global Goals will depend not only on the strategic use of technology, but also on the collective knowledge and imagination of experts from the technology sector and beyond. Our 2030Vision initiative brings together governments, nongovernmental organizations (NGOs), businesses, and academia, working together to develop technology that will unlock solutions to climate change, poverty, health, education and equality. Together with our partners, we will show what technology can make possible and inspire innovations that can accelerate positive change.

[Discover more about 2030Vision.](#)

# Our Approach to Materiality

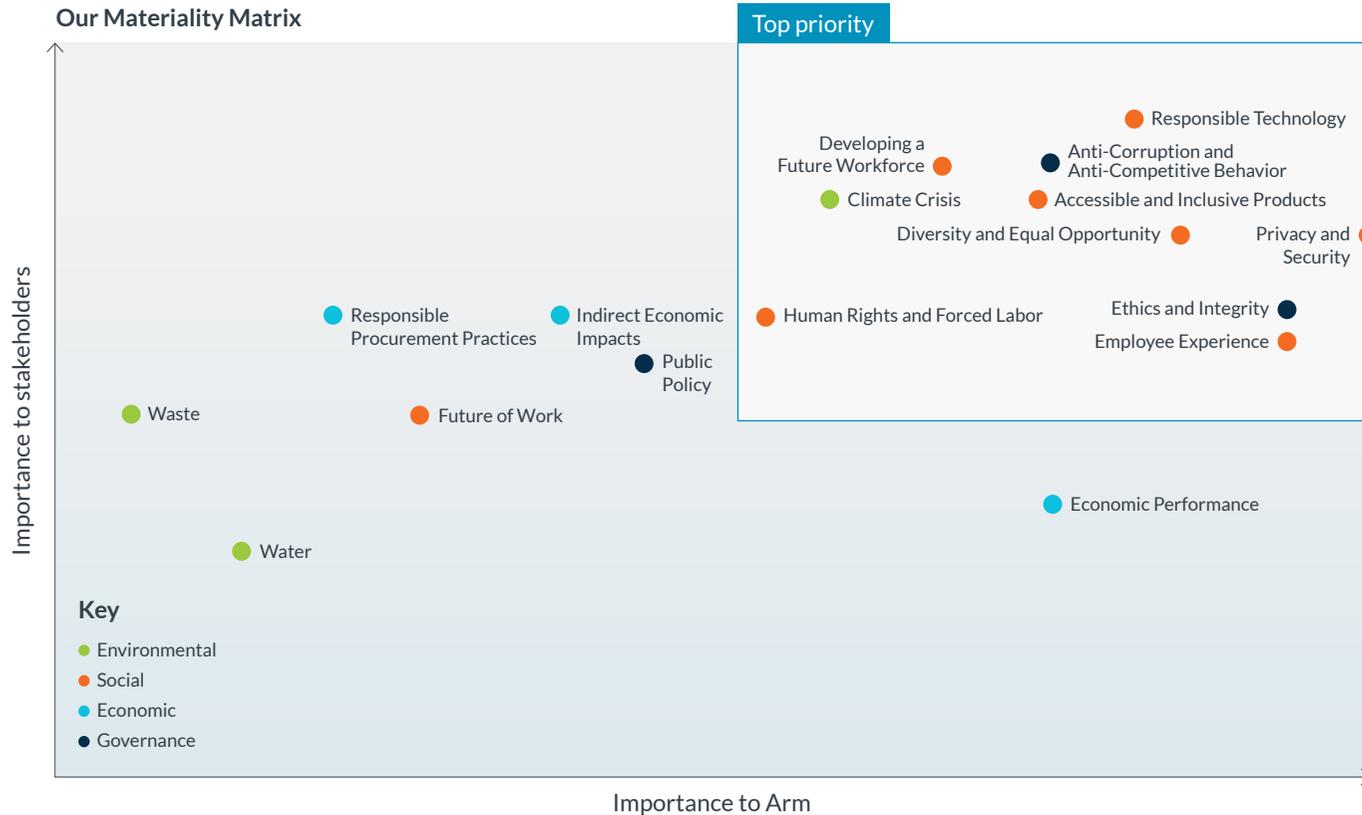
Our sustainability efforts are guided by the issues that are most important to our stakeholders and those that have a material impact on our business.

To identify these issues, we undertook a materiality assessment, through research, engaging with external and internal stakeholders, and hosting a youth group and workshop. The results will help shape and sharpen our focus on those matters that mean the most to our stakeholders.

The youth focus group provided an opportunity to engage with Arm’s potential future workforce and users of our technologies. Activities allowed students to explore the potential role of technology in climate change solutions, the future of education, and employment. They also rated Arm’s material issues in terms of which were most important to them, and the results were integrated with the overall materiality assessment.

Following the materiality assessment process, issues have been divided into four categories: Environmental, Social, Economic, and Governance.

We have identified specific issues as top priority areas: these are material to our business and where we believe we can have the most impact. Because we take the views of our stakeholders very seriously, we are also taking action to address those issues considered less material to our business but that are of high importance to our stakeholders, such as Responsible Procurement Practices and Indirect Economic Impacts.



The issues identified as a result of this process have been placed on a matrix, their relative position based on the degree of stakeholder interest and importance to Arm.

## Results of the Assessment

The level of importance attributed to some issues was intentionally increased in some cases. For example, Accessible and Inclusive Products moved higher up the matrix, based on an internal perspective that Arm can make a great impact in this area, which is aligned with the company’s core ambitions and commitment to the Global Goals.

In addition, certain topics were clustered together under one heading and, as they now incorporate multiple issues, also increased in importance on the matrix.

This clustering included:

- Both Energy and Emissions being incorporated into Climate Crisis
- Non-Discrimination falling under Diversity and Equal Opportunity
- Employee Standards, Well-Being, and OH&S now coming under Employee Experience

An additional issue, Developing a Future Workforce, was added to cover Arm’s support for education and training, both for people at Arm and for the industry as a whole.

Find out about the projects we are undertaking to address our material issues in our [Global Goals Impact Report](#).

# Managing Sustainability

At Arm, we must be innovative, trusted, and able to respond rapidly to change. We have developed a clearly defined governance framework that begins with the Board of Directors.

## Our Governance Structure

As Arm is a subsidiary of SoftBank Group, overall governance responsibility exists at Group level—[read more about our corporate governance](#).

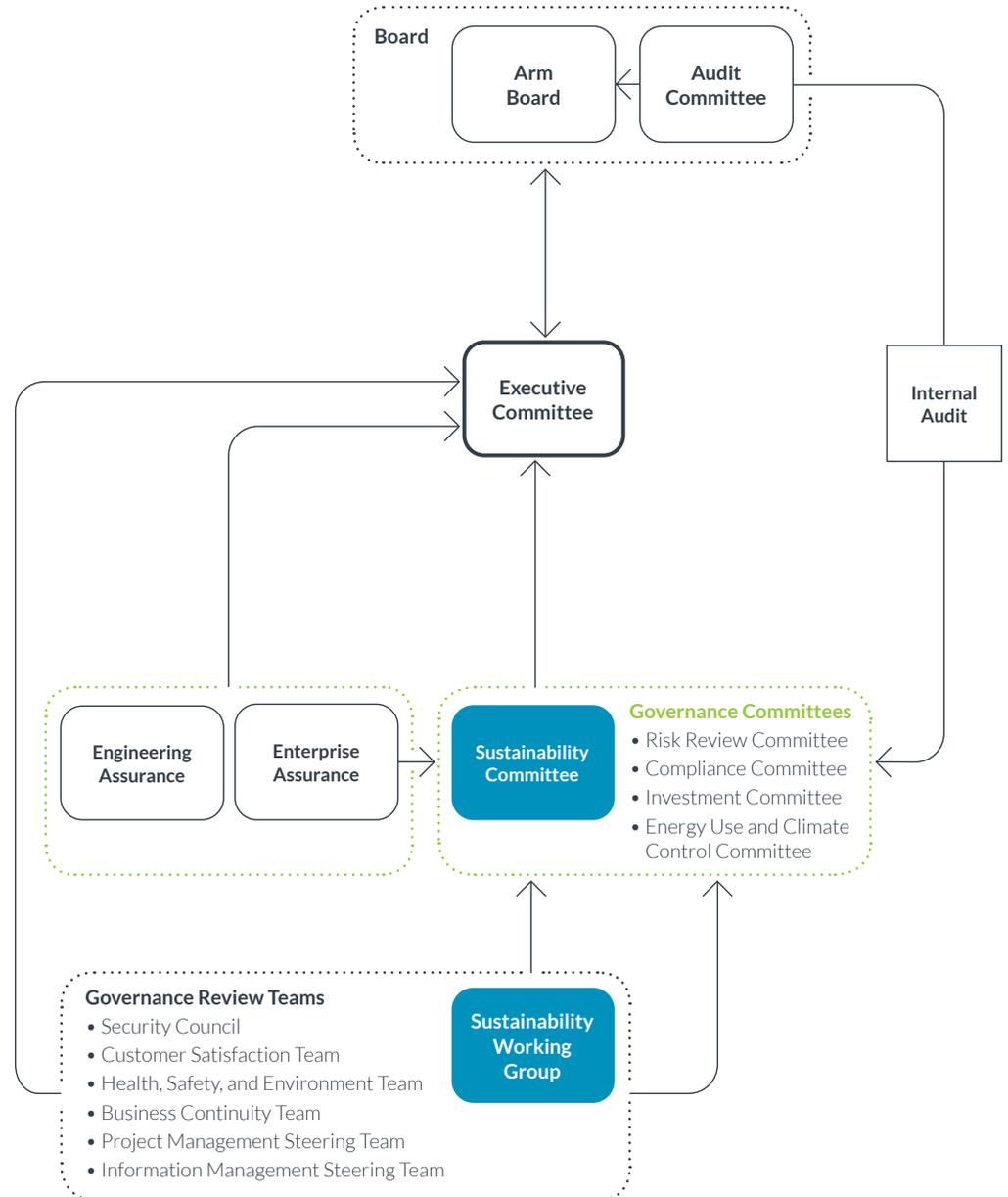
- The **Arm Board** is responsible for the overall conduct of Arm’s business and delegates authority for the day-to-day operation of the Company to the **Executive Committee (EC)**. The **Audit Committee**, supported by **Internal Audit**, provides independent oversight of business activities.
- The **EC** is in charge of defining and delivering the business strategy, developing and embedding the corporate culture, allocating capital across the business, performance execution, and governance. It has overall responsibility for the management system and is responsible for ensuring it is designed and operating effectively. It also sets the direction for **Governance Committees**, which conduct periodic reviews of operations and results.

- One of those sub-committees, the **Compliance Committee (CC)**, ensures that all necessary compliance issues are resolved and that policies are appropriate to the needs of the business. The **CC** oversees compliance throughout the business with all relevant international regulations, trading requirements, and standards, including oversight of financial, employment, environmental, and security processes and policies.

## Sustainability Management

The **Sustainability Committee (SC)** and the **Energy Use and Climate Control Committee (EUCCC)** are responsible for decision-making on environmental and social topics.

- The **SC** comprises senior executives from key business functions, reflecting the importance of top-level engagement in driving our sustainability strategy. It is chaired by the Head of Sustainability and meets quarterly to identify and review our overall approach, including opportunities, program progress, and budgets.
- The **Sustainability Working Group** supports the **SC** and ensures the sustainability strategy is delivered.
- The **EUCCC** monitors environmental compliance and progress.



# Key Codes and Policies

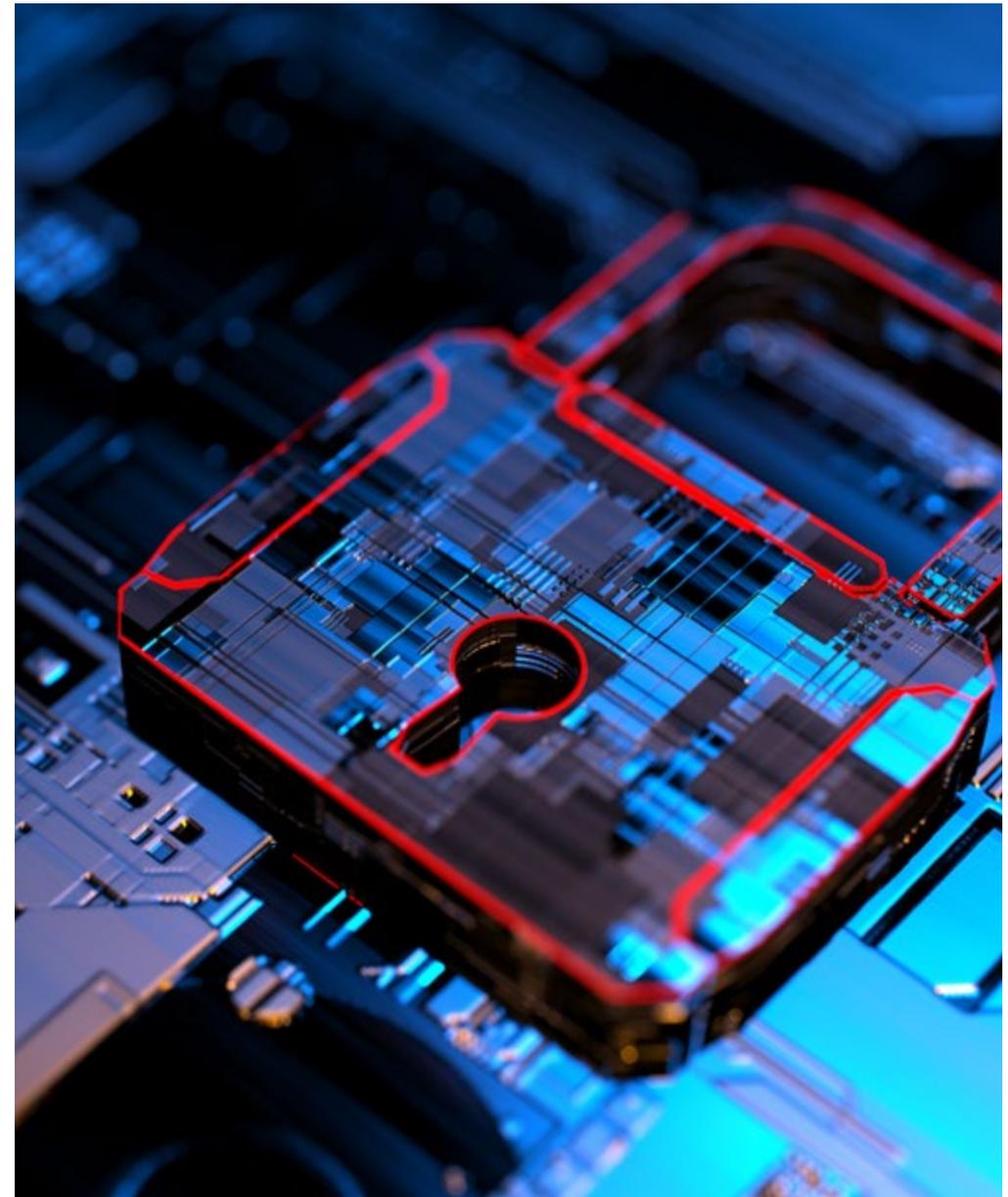
As we continue to grow and develop our business, we evolve our governance framework to ensure it stays relevant. This includes our Code of Conduct, fully updated and released in October 2018, upon which our ethics and compliance program is built.

We must conduct our business with integrity and always be accountable for our actions. To ensure our approach to compliance is as relevant as possible, we consider the most recent legislation, regional regulations, and industry best practice guidelines.

- **Environment.** Arm recognizes that all human activities interact with the environment and considers environmental management to be integral to good business practices. Each person at Arm must take reasonable steps to reduce the business’s environmental impact, considering effects on the environment as part of their decision-making process.
- **Donations.** Arm does not make any political donations.
- **Human rights.** Arm has signed the Universal Declaration of Human Rights. We have integrated relevant human rights principles into our policies for employees and contractors and into the [Supplier Code of Conduct \(available on our website\)](#), which sets out Arm’s expectations of its suppliers.
- **Whistleblowing.** Arm operates a confidential whistleblowing procedure for individuals to report concerns about regulatory and/or policy violations, or any unethical business practices, without fear of retaliation.

- **Anti-bribery and corruption.** [Arm’s Code of Conduct \(available on our website\)](#) and Anti-Bribery and Corruption Policy set out our approach to complying with anti-bribery and corruption legislation. We also provide guidance and training to employees on this topic to ensure they comply.

Every employee at Arm—whether established, new, or temporary—must review our Code of Conduct and confirm that they have acknowledged and understood all policies that may apply to them. This includes reviewing newly introduced policies and changes that have been made to existing ones.





## Data Highlights

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# The Environment: Our Performance

## Our Environmental Approach

All our activities have an impact on the environment. We are committed to reducing any adverse operational impacts and are continuously working on programs to conserve natural resources and reduce our emissions. We want not only to meet environmental regulations, laws, and codes of practice but to exceed them, and environmental considerations remain a priority as our business develops.

## Environmental Targets and Performance

Energy efficiency is particularly pertinent to our business and stakeholders, as our success is founded on energy-efficient technology. As a member of the UN Global Compact (UNGC) and Caring for Climate, we have declared our commitment to the Ten Principles of the UNGC, three of which relate to environmental responsibility.

In 2010, we established carbon and energy reduction targets to be achieved by 2020 to minimize our impact on the planet. We have since achieved our 2020 targets and are preparing to create science-based targets in line with the Paris Agreement.

The setting of new targets will form part of an overhaul of our environment policies and strategy, which will be presented in detail in our 2019 reports.

## Our 2020 Targets

**A 30 percent reduction in tonnes of CO<sub>2</sub> emissions per employee by 2020 to 5.88tCO<sub>2</sub>e/FTE** (tonnes of carbon dioxide equivalent per full-time equivalent, compared to 2010 baseline).

### Results

In FY 2018, our carbon emissions based on a carbon intensity figure per headcount reduced to 40 percent below the base year, and we have now achieved the 2020 target.

Our current emissions are 4.88tCO<sub>2</sub>e/FTE. This reduction was mainly a result of the procurement of renewable energy but was also due to a reduction in energy consumption per employee during FY 2018.

**A 15 percent reduction in energy use per employee by 2020 to 7.08MWh/FTE** (megawatt hours per full-time equivalent, compared to 2010 baseline).

### Results

In FY 2018, our energy consumption was 5.04MWh/FTE, representing a 39.5 percent reduction from the 2010 baseline. This has been achieved through a combination of energy-reducing initiatives across the globe, more efficient use of our space, and an increase in FTEs.

## Renewable Energy and Other Initiatives

Our strategy includes the procurement of renewable energy where available; our Cambridge headquarters is powered entirely by renewable energy. As a proportion of our overall energy mix, our consumption from renewable sources has continued to increase. In FY 2018, we consumed 10,367MWh from renewable sources—more than 28 percent of our total energy consumption.

Our CDP 2018 Climate Change Score was a B, which puts Arm in the Management bracket.



## The Environment: Our Performance (continued)

### Environmental Management

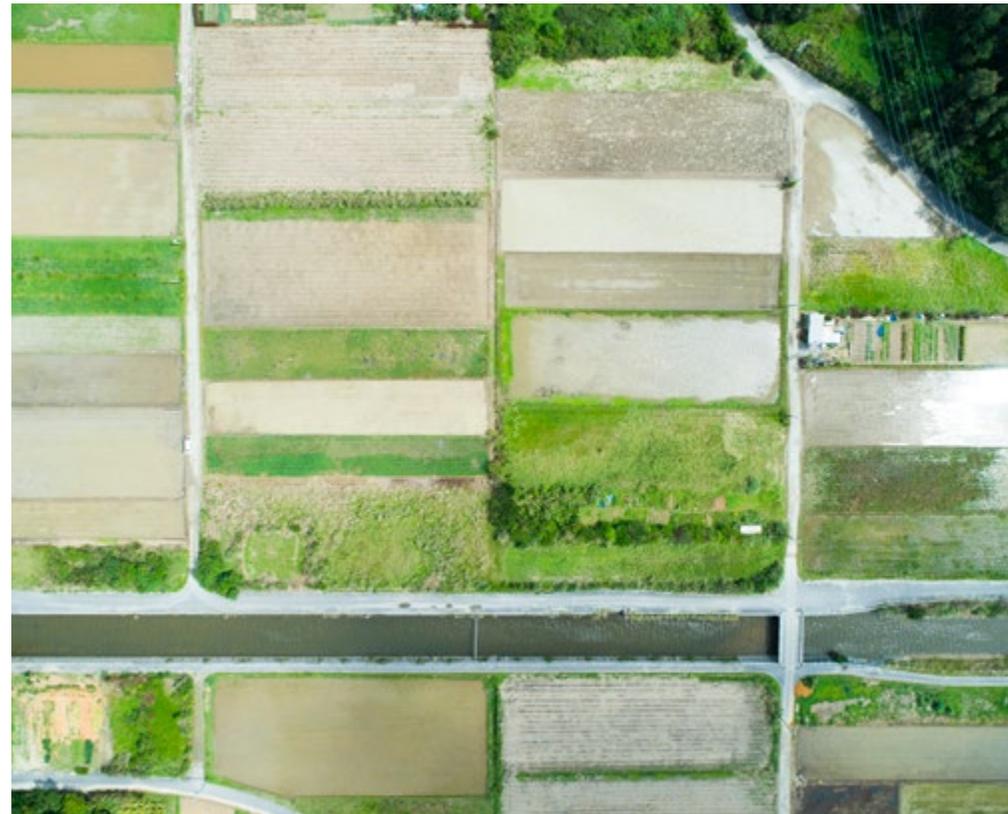
We review the environmental data from our individual operations on a monthly, quarterly, and yearly basis. Our reports are reviewed at senior level during half-yearly Energy Use and Climate Control Committee (EUCCC) meetings, attended by the COO, with regular updates made to the Executive Committee. We operate within the ISO 9001-accredited Arm Management System, which covers all business risks and ensures they are mitigated as far as possible.

Arm reports on emissions from operations under our financial control, with regional conversion factors applied as required. For company reporting, we apply Defra/DECC greenhouse gas (GHG) conversion factors. Energy use and air travel are our material CO<sub>2</sub>e contributors to our environmental impact assessment. Our assessment excludes non-material emissions from sources such as refrigerant losses from air-conditioning systems, as well as emissions from motor vehicle use and waste streams.

While our emissions and energy consumption are reported on both an absolute basis and an intensity basis, due to our rapid growth we set our carbon reduction limits on an intensity basis. Intensity is measured using a mid-year total headcount that takes into consideration all full-time and fixed-term employees as well as contractors.

Arm's climate change mitigation strategy is managed by the EUCCC, which includes key decision-makers from all operational divisions, ensuring that those expected to take carbon reduction actions are also involved in deciding which actions are required.

Our continuous, year-on-year growth has made it difficult for us to achieve an absolute reduction in both energy and emissions in the past. However, through continuous efforts to increase energy efficiency across our facilities globally and to increase procurement of renewable energy, we have achieved absolute reductions in both energy and emissions at the individual site level.



### Energy

Due to the scale and range of devices powered by Arm technology, we are not able to quantify the energy use of our products and related services outside of the organization.

The majority of purchased electricity consumed by Arm is sourced from a regulated grid, while at some sites we now procure renewable energy. Arm also purchases a small amount of gas; however, this is not considered material to overall energy consumption.

Wherever possible, we engage closely with landlords of our leased buildings to encourage energy-efficient processes and practices. We aspire for all our office spaces to be certified at LEED Gold standard or higher, and our Property Design Guide includes guidance on sustainability.

### Water and Waste

The majority of water use and waste at Arm occurs within office spaces. Where data is available, we collect water consumption data, while best estimates based on headcount are made in facilities where data is not available. In FY 2018, our total water consumption was 105 megaliters.

Our CDP 2018 Water Security Score was a C, which puts Arm in the Awareness bracket.

Arm does not currently have any material impacts or risks relating to water, materials, biodiversity, products and services, compliance, or transport. However, we recognize that all human activities interact with the environment and consider environmental management to be integral to good business practice. For example, we acknowledge the growing impact of electronic waste, and with this in mind we are developing a company-wide environmental strategy that will, for the first time, encompass e-waste.

## The Environment: Our Performance (continued)

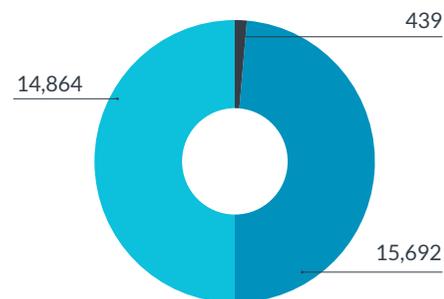
### Data

#### Emissions by Scope (tCO<sub>2</sub>e)

- Scope 1 (direct emissions)
- Scope 2 (indirect emissions from purchased electricity)
- Scope 3 (indirect emissions including air travel)

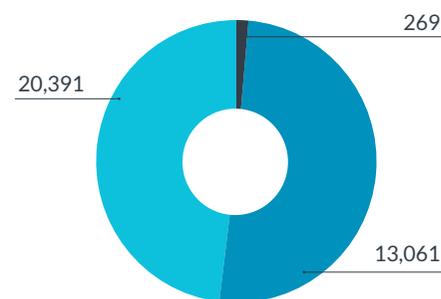
#### FY 2016

04.01.2016-03.31.2017



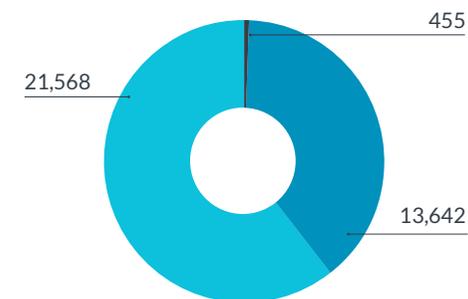
#### FY 2017

04.01.2017-03.31.2018



#### FY 2018

04.01.2018-03.31.2019



#### Emissions by Scope tCO<sub>2</sub>e

		2014	2015	2016	FY 2016*	FY 2017	FY 2018
tCO <sub>2</sub> e	Total Scope 1 and 2 emissions	13,741	14,978	16,517	16,131	13,330	14,097
tCO <sub>2</sub> e	Scope 1 and 2 intensity by headcount	3.80	3.60	3.31	3.11	2.10	1.93
tCO <sub>2</sub> e	Total Scope 1, 2, and 3 emissions	25,383	26,492	32,972	30,995	33,720	35,666
tCO <sub>2</sub> e	Scope 1, 2, and 3 intensity by headcount	7.10	6.30	6.61	5.98	5.19	4.88
MWh	Energy consumption—electricity only	25,036	30,953	32,081	31,873	35,349	36,677
MWh	Electricity consumption intensity per headcount	7.00	7.40	6.34	6.15	5.40	5.04
£m	Sterling revenue normalized	795	968	1,234	1,297	1,368	1,395
tCO <sub>2</sub> e/£m	Carbon by economic output	31.90	27.40	23.99	23.90	24.60	25.57

\* Due to the acquisition of Arm by SBG in September 2016, Arm's reporting year changed from December 31 year-end to a March 31 year-end (from March 31, 2017).

# People: Our Performance

## Employees

As a business that relies on a strong workforce of passionate employees, we have always prioritized our people. We have built a culture based on empowering each of our employees, encouraging them to bring their best selves and their best ideas to work, building business value at the same time.

This culture of support is based on our Core Beliefs:

 We, not I Collaboration first, egos last

 Passion for progress Innovation to make lives better for the individual and for Arm

 Be your brilliant self Skillful individuality, performance, and fun

These beliefs describe how we live as part of the Arm community. They are simple, memorable, and rich in meaning but only fully articulate the uniqueness of Arm’s culture when they are combined.

We trust our colleagues, actively support personal growth, and encourage innovation. Developing and contributing in line with the Core Beliefs, we not only create a place where people love to work, but where each of us adds more value, delivers more, and, ultimately, increases the competitive advantage of Arm.

### Shaping the Extraordinary is What Makes a Leader at Arm

The Core Beliefs for leadership articulate our expectations. Arm leaders set extraordinary challenges and dare people to rise to them. They aim to create a culture where innovation flourishes and all can succeed. Putting our

vision and purpose ahead of their own agenda, our leaders enable Arm to defy the ordinary.

The Core Beliefs explicitly or implicitly enable Arm people and their managers to assess how they can contribute to and inform development discussions, reviews, and objectives. As we aim to be the employer of choice in our industry, we are creating a workplace where innovation and collaboration are top priorities. The Core Beliefs are also used as part of the selection process to inform recruitment decisions.

## Our People Group

To support our corporate strategic objectives, the People Group ensures that our policies, systems, and processes are efficient, impactful, and meritocratic, enabling a high-performing and highly engaged organization.

The full employee lifecycle is managed through the People Group, from recruitment and onboarding to employee development and engagement, including reward and benefits. The recruitment process is managed in collaboration with managers from across the business in order to define specific needs and to select new hires.

In addition, the People Group is responsible for all internal communications, diversity and inclusion efforts, and employee community-engagement programs.

## Equal Opportunity

Arm delivers equal opportunities for all its employees and does not tolerate any harassment of, or discrimination against, its people. Equal opportunity policies and related legal obligations are monitored and managed by the People Group.



The People Group is represented on the Executive Committee by the Chief People Officer.

## Health and Safety

We operate in an industry, and in environments, that are considered low risk from a health and safety perspective. However, the safety and welfare of employees, contractors, and visitors remain a priority in all our global workspaces.

Arm’s Health and Safety team sits within the Property division, working closely with the Facilities team, which implements operational aspects of occupational health and safety across the company. The team continues to improve its management systems in this area with an audit program that includes external auditing of processes and offices.

The ultimate responsibility for health and safety sits with the Board and the CEO.

## People: Our Performance (continued)

### Data

#### Information on Employees and Other Workers

	Male	Female	Undisclosed	Total
<b>Total established, fixed-term, and external*</b>	5,952	1,488	10	7,450
<b>Established employees</b>	4,805	1,180		5,985
<b>Fixed-term employees</b>	91	37	1	129
<b>External*</b>	1,056	271	9	1,336

	Region	Male	Female	Undisclosed	Total
<b>Total established, fixed-term, and external* by region and gender</b>	Total	5,952	1,488	10	7,450
	Asia Pacific	398	96		494
	EMEA	3,716	798	10	4,524
	India	709	267		976
	United States	1,129	327		1,456

	Full-time total	Male	Female	Undisclosed	Part-time total	Male	Female	Total employees
<b>Total established, fixed-term, and external*</b>	7,301	5,880	1,411	10	149	72	77	7,450
<b>Established employees</b>	5,860	4,744	1,116		125	61	64	5,985
<b>Fixed-term employees</b>	110	81	28	1	19	10	9	129
<b>External*</b>	1,331	1,055	267	9	5	1	4	1,336

\* External = Contractors (not Arm employees).

#### Parental Leave

	Female	Male
Total number of employees who took parental leave by gender	61	298
Total number of employees who returned to work after parental leave ended by gender	61	297
Number of employees who remained working for Arm 12 months after their parental leave ended by gender	43	112
Return to work rate after parental leave by gender	100%	100%
Retention rates 12 months after parental leave by gender	96%	90%

## People: Our Performance (continued)

### New Employee Hires and Employee Turnover

	Region	Male	Female	Total
<b>Starters by region and gender</b>	Total	976	332	1,308
	Asia Pacific	132	16	148
	EMEA	522	169	691
	India	118	60	178
	United States	204	87	291

	Region	<21	21-30	31-40	41-50	51-60	61-70	70+	Total
<b>Starters by region and age group</b>	Total	1	501	430	261	98	16	1	1,308
	Asia Pacific		22	79	42	5			148
	EMEA	1	274	243	126	42	4	1	691
	India		135	36	7				178
	United States		70	72	86	51	12		291

Rate of new hires for period was 22 percent (established only) (total number of new hires/end of March 2019 headcount).

	Region	Male	Female	Total
<b>Leavers by region and gender</b>	Total	690	175	865
	Asia Pacific	34	5	39
	EMEA	355	83	438
	India	94	21	115
	United States	207	66	273

	Region	<21	21-30	31-40	41-50	51-60	61-70	70+	Total
<b>Leavers by region and age group</b>	Total		147	294	236	154	34		865
	Asia Pacific		4	19	14	2			39
	EMEA		70	167	126	64	11		438
	India		44	49	20	1	1		115
	United States		29	59	76	87	22		273

Rate of global average turnover for period was 15 percent.

## People: Our Performance (continued)

### Diversity of Governance Bodies and Employees

		Male	Female	Total
Gender split	Total established	4,805	1,180	5,985
	Percentage	80%	20%	

		<21	21-30	31-40	41-50	51-60	61-70	70+	Total
Age group split	Total established	2	1,462	2,263	1,565	598	91	4	5,985
	Percentage	<1%	24%	38%	26%	10%	2%	<1%	

		Male	Female	Total
Management level—gender split	Executive Committee	6	3	9
	Percentage	67%	33%	
	Individual contributor	3,383	923	4,306
	Percentage	79%	21%	
	Management	900	176	1,076
	Percentage	84%	16%	
	Senior management	516	78	594
	Percentage	87%	13%	
	Total			5,985

## People: Our Performance (continued)

		<21	21-30	31-40	41-50	51-60	61-70	70+	Total
Management level—age group split	Executive Committee				4	5			9
	Percentage				44%	56%			
Individual contributor		2	1,369	1,603	896	362	73	1	4,306
	Percentage	<1%	32%	37%	21%	8%	2%	<1%	
Management			89	561	331	87	6	2	1,076
	Percentage		8%	52%	31%	8%	<1%	<1%	
Senior management			4	99	334	144	12	1	594
	Percentage		<1%	17%	56%	24%	2%	<1%	



# United Nations Global Compact

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# United Nations Global Compact Communication on Progress

**We believe that to effectively improve our efforts towards critical issues, we must work together—not only with other Arm employees but with external partners too.**

We are proud to be part of the UN Global Compact (UNGC), the world's largest corporate sustainability initiative. We actively participate in this initiative as part of our commitment to achieve a better, fairer world in which technology and economic growth advance the sustainable development of communities everywhere. Arm is also a member of the LEAD program, an exclusive collection of 36 companies that have been recognized for demonstrating high levels of engagement with the UNGC.

On the following pages, we provide our self-assessed Communication on Progress (COP) to the Advanced level for our financial year ending March 31, 2019.

This summarizes what we have done to further the Ten Principles of the UNGC and the 21 advanced criteria that support them, covering the following areas:

- Strategy, Governance, and Engagement
- Human Rights
- Labor
- Environment
- Anti-Corruption
- UN Goals and Issues
- Governance

Our most recent self-assessment was submitted to the UNGC as our COP in July 2019.



## United Nations Global Compact Communication on Progress (continued)

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
Strategy, Governance, and Engagement	Implementing the Ten Principles into Strategies and Operations.	Criterion 1: The COP describes mainstreaming into corporate functions and business units.	<p>The Group’s <a href="#">Code of Conduct</a> is available on the Group’s <a href="#">website</a>. The Code is regularly reviewed to ensure it is current and relevant; the most recent reissue was in October 2018. In addition, the Company Rules incorporate appropriate provisions to meet our obligations under the U.K. Bribery Act 2010 and other anti-bribery and corruption legislation. A training and communication program for all employees is in place to ensure our people understand the requirements of the Act and the reporting procedures. Our Human Rights Policy is incorporated in our <a href="#">Code of Business Conduct and Ethics</a>.</p> <p>Our <a href="#">Supplier Code of Conduct</a> sets out the requirements of the Bribery Act and all other relevant requirements. Suppliers must commit to these regulations as a condition of doing business with us, and arrangements with contractors and suppliers are reviewed and updated to ensure compliance.</p> <p>The Compliance Committee oversees the reporting procedures and monitors and escalates reports in appropriate circumstances.</p> <p>Environmental compliance and progress are monitored by the Energy Use and Climate Control Committee.</p> <p>The Sustainability Committee manages sustainability issues and reports to the Executive Committee.</p> <p>One of Arm’s key performance indicators (KPIs) requires that all new employees, including temporary employees, sign off their understanding of and acknowledgment to adhere to all policies that relate to them in the PolicyHub. Employees are further required to sign off new policies or significant changes to a policy.</p>
		Criterion 2: The COP describes value chain implementation.	<p>With an ecosystem of over 1,000 companies, Arm creates value through partnerships and collaboration. Arm’s designs are used by partners to create energy-efficient technologies such as servers, smartphones, tablets, smart meters, and sensors.</p> <p>As electronic devices become more complex and sophisticated, the silicon chips inside them need to work harder. As such, the semiconductor industry is becoming increasingly specialized, with innovative enterprises that focus on specific stages of the value chain. For Arm, the niche is developing IP components at the design stage, while other focus is on building tools for manufacturing chips, chip fabrication, or software development.</p> <p>Given the nature of our work as an IP company, we do not have a material supply chain of raw materials coming into the business. However, we do purchase a wide range of goods and services from many suppliers, who are distributed globally. We attach great importance to the supply side of our value chain, and suppliers are entitled to do business with us conditional to compliance with the <a href="#">Arm Supplier Code of Conduct</a>.</p>

## United Nations Global Compact Communication on Progress (continued)

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Criterion 3: The COP describes robust commitments, strategies, or policies in the areas of human rights.	Arm has signed the Universal Declaration of Human Rights. Our Human Rights Policy is incorporated into our <a href="#">Code of Business Conduct and Ethics</a> . This is in addition to related existing policies regarding business ethics and discrimination. These policies remain relevant and are reviewed annually to ensure they remain relevant to the organization, our people and partners, and legislation such as the U.K. Modern Slavery Act.
	Principle 2: Businesses should make sure they are not complicit in human rights abuses.	Criterion 4: The COP describes effective management systems to integrate the human rights principles.	As above, our Human Rights Policy is incorporated in our <a href="#">Code of Business Conduct and Ethics</a> . The Compliance Committee oversees the reporting procedures and monitors and escalates reports in appropriate circumstances.
		Criterion 5: The COP describes effective mechanisms of human rights integration.	We have integrated relevant human rights principles into our policies for employees and contractors.
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Criterion 6: The COP describes robust commitments, strategies, or policies in the area of labor.	This Data Report contains our detailed disclosures in respect of labor and human rights, based on the Global Reporting Initiative (GRI) reporting framework.  In addition, <a href="#">Arm's 2018 U.K. Gender Pay Gap Report</a> provides further detail on total earnings by gender.
		Criterion 7: The COP describes effective management systems to integrate the labor principles.	Arm has in place a confidential whistleblowing procedure through which employees can report concerns, make suggestions, and seek advice on aspects of business practices, regulations, or policies without fear of retaliation.

## United Nations Global Compact Communication on Progress (continued)

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Criterion 9: The COP describes robust commitments, strategies, or policies in the area of environmental stewardship.	Due to our rapid growth, absolute measures of carbon emissions are not a practical or realistic means to measure performance. To most accurately measure our efforts, we use carbon intensity. We also use this measure as the basis for setting reduction targets.  Our approach to measuring carbon emissions will change following the establishment of our science-based targets.
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Criterion 10: The COP describes effective management systems to integrate the environmental principles.	Refer to detailed information on <a href="#">page 13 and 14</a> of this report.
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	Arm has met its environmental carbon and energy reduction targets for 2020 and is in the process of establishing science-based targets as the basis for future reductions.

## United Nations Global Compact Communication on Progress (continued)

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<p>Criterion 12: The COP describes robust commitments, strategies, or policies in the area of anti-corruption.</p>	<p>Our Anti-Corruption Policy is included within the Arm <a href="#">Code of Conduct</a>. In addition, a specific Anti-Bribery and Corruption Policy has been in place since 2014 and is included in mandatory training and annual sign-off for all employees.</p> <p>In 2017/18, Arm's Office of Ethics and Compliance grew significantly with the hiring of specialists in the areas of anti-bribery and corruption, antitrust, trade compliance, U.S. Government contracts, and data privacy.</p>
		<p>Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.</p>	<p>As above.</p> <p>Adherence and general oversight on anti-corruption is the responsibility of the Compliance Committee (CC). The CC oversees compliance throughout the business with all relevant standards, international regulations, and trading requirements, including direct oversight of internal controls and financial, employment, health and safety, environmental, business continuity, customer satisfaction, and security processes and policies.</p>
		<p>Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.</p>	<p>As above.</p> <p>In addition, any concern can be raised in accordance with our confidential whistleblowing mechanisms.</p> <p>Our Office of Ethics and Compliance monitors and reviews approval requests under the Gifts and Entertainment process, through which any Arm employee wishing to give or receive a gift or hospitality worth £200 or more (or local equivalent) needs to request prior approval.</p>

## United Nations Global Compact Communication on Progress (continued)

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
UN Goals and Issues	Taking action in support of broader UN goals and issues.	<p>Criterion 15: The COP describes core business contributions to UN goals and issues.</p>	<p>Arm is committed to supporting the Ten Principles of the UNGC and related declarations, policies, and standards.</p> <p>This is our latest COP, which was submitted to the UNGC in July 2019. You can read our COP for the financial year ending March 31, 2018, as well as the CEO Statement and commitment to the UNGC, on the <a href="#">UNGC website</a>.</p>
		<p>Criterion 16: The COP describes strategic social investments and philanthropy.</p>	<p>Our sustainability approach has four main strategic themes:</p> <ol style="list-style-type: none"> <li>1. <b>Building Trust</b>—Demonstrating responsible practice that protects people and planet and ensuring business transparency through regular reporting.</li> <li>2. <b>Enabling Our People</b>—Creating a workplace culture based around purposeful technology and involving our employees in our sustainability strategy and community projects.</li> <li>3. <b>Improving Lives</b>—Supporting education and making everyday life safer, healthier, and more efficient through developing smart technology for people, homes, and cities.</li> <li>4. <b>Realizing Global Goals</b>—Creating collaborations through our <a href="#">2030Vision</a> that harness the power of technology to transform our world, guided by collective knowledge, expertise, and imagination.</li> </ol>
		<p>Criterion 17: The COP describes advocacy and public policy engagement.</p>	<p>We look for opportunities to drive the adoption of transformational technologies, including addressing perceived market failures and helping realize the wider social and environmental benefits of technology.</p> <p>Arm engages with governments and other institutions around the world on a variety of specialist policy issues related to our business interests. These are handled by our Public Affairs and Government Relations teams. We have strict policies on bribery, and we are politically neutral; we do not support political parties or make political donations. We occasionally receive requests to indicate public support for particular policies, and we judge these on a case-by-case basis. All requests are reported to the Public Affairs team.</p>
		<p>Criterion 18: The COP describes partnerships and collective action.</p>	<p>Arm is represented on both the global LEAD and U.K. network advisory boards. In addition, we are members of the global Business Innovation Platform and the global SDG Reporting Platform.</p> <p>Arm also collaborates with commercial and non-commercial partners in conducting our business activities and in our charitable and philanthropic work. For further detail, <a href="#">see our website</a>.</p>

## United Nations Global Compact Communication on Progress (continued)

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
Governance	Corporate sustainability governance and leadership.	Criterion 19: The COP describes CEO commitment and leadership.	<p>Our 2019 Annual Sustainability Impact Report includes commitment from CEO Simon Segars to working in partnership across the Tech Sector and with UN Agencies to deliver on the Global Goals.</p> <p>A separate, dedicated declaration of commitment to the UNGC and to implementing the Ten Principles can be found on the <a href="#">UNGC website</a>. The CEO has stated a mission for Arm to be a sustainability leader.</p> <p>Detail on our sustainability governance can be found in this Data Report and on <a href="#">Arm's website</a>.</p>
		Criterion 20: The COP describes Board adoption and oversight.	<p>As Arm is a subsidiary of SBG, overall governance responsibility exists at Group level. Further information can be found on the <a href="#">SBG website</a>.</p> <p>The Arm Board delegates responsibility for the management of the business and delivery of strategic objectives to the Executive Committee. This Committee is supported by a sub-committee structure and delegates responsibility to management within the business to deliver corporate strategic objectives on a day-to-day basis.</p>
		Criterion 21: The COP describes stakeholder engagement.	<p>We engage with hundreds of stakeholders around the world every day. At the heart of our business, we have dedicated teams managing relationships with customers, partners, investors, and employees to ensure that their needs are regularly addressed. Other stakeholder groups, such as local community leaders, are engaged on an issue-by-issue basis. Regular engagement involving more than 1,000 of our people and more than 350 external stakeholders enables us to understand the needs, concerns, and expectations of our stakeholders. This allows us to define our material issues and to develop and deliver strategies that respond to those needs.</p>

Note that we have not reported against the follow-up questions related to Business and Peace because we do not have operations in high-risk or conflict-affected areas.



# Global Reporting Initiative

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# Global Reporting Initiative: Content Index

The following information has been prepared in accordance with Core Global Reporting Initiative (GRI) Standards.

Our reporting is once again mapped to the GRI Standards. These highlight 23 material topics—those that reflect an organization's most significant economic, environmental, and social impacts or that substantively influence the assessments and decisions of stakeholders.

Arm has been reporting against the GRI framework since 2010. The framework enables reporting that allows comparison to different organizations and analysis, presenting concise but detailed information on issues material to Arm and its stakeholders.

In 2018, Arm began reporting in accordance with GRI Core option standards. We expect to continue GRI reporting and working with GRI and other appropriate and global frameworks and organizations to ensure our reporting stays relevant, in line with best practice, transparent, and useful for our stakeholders.



# General Disclosures

GRI Standard	Disclosure	Location and/or information
Organization profile 102-1	Name of the organization	Arm Limited <a href="#">Investor Relations</a>
102-2	Activities, brands, products, and services	Who is Arm? <a href="#">p.04</a> <a href="#">Arm Products</a> <a href="#">Arm Solutions</a> None of our products or services are banned in any markets.
102-3	Location of headquarters	The registered office of the Company is 110 Fulbourn Road, Cambridge CB1 9NJ, U.K. <a href="#">Arm Worldwide Offices</a>
102-4	Location of operations	<a href="#">Arm Worldwide Offices</a>
102-5	Ownership and legal form	Arm Limited is a subsidiary of SBG. <a href="#">Investor Relations</a>
102-6	Markets served	Globally <a href="#">Arm Solutions</a> <a href="#">Arm Partner Ecosystem</a>
102-7	Scale of the organization	Working Across the Globe <a href="#">p.07</a> People: Our Performance > Data > Information on Employees and Other Workers <a href="#">p.17</a> Arm is a subsidiary of SBG, which owns 75.01 percent. The SoftBank Vision Fund holds the remaining 24.99 percent. <a href="#">Arm Financial Results</a>
102-8	Information on employees and other workers	Working Across the Globe <a href="#">p.07</a> People: Our Performance > Data > Information on Employees and Other Workers <a href="#">p.17</a> Contractors (external workers who are not Arm employees) made up 17.93 percent of our workforce. This number can be found on <a href="#">p.17</a> . Arm employs a significant number of placement students and interns on fixed-term contracts during the summer.
102-9	Supply chain	Arm is an office-based organization with an associated supply chain. In 2015, we introduced a range of improvements to our supplier management process. These included improvements to how we measure and manage supplier performance. The supplier management process can be used across key areas of Arm to help mitigate the risk of poor-performing suppliers and provide proactive supplier management. <a href="#">www.arm.com</a>
102-10	Significant changes to the organization and its supply chain	In June 2018, Arm sold a 51 percent interest in its Chinese subsidiary and then entered into a joint venture with the purchasing consortium.

GRI Standard	Disclosure	Location and/or information
	102-11 Precautionary Principle or approach	Arm does not apply the precautionary principle as our direct environmental impact is minimal. Despite this, however, we take this impact seriously and are a LEAD member of the United Nations Global Compact (UNGC), which encompasses environmental commitments.
	102-12 External initiatives	We respond to a number of internationally recognized reporting frameworks and initiatives. They include CDP and the UNGC (LEAD member). Our annual Sustainability Data Report is completed in accordance with the GRI Standards at Core level.
	102-13 Membership of associations	Arm is a member of many external associations and industry organizations in the countries in which it operates. These include the International Telecommunication Union, UNGC, EngineeringUK, techUK, Techworks, and Business in the Community.
Strategy	102-14 Statement from senior decision-maker	2019 UN Global Compact: <a href="#">Letter of Commitment</a>
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	Arm recognizes that its strength is the high caliber of its people and how it conducts business: fairly, openly, and with integrity. The foundation of Arm's approach to ethical business is the Company's <a href="#">Code of Conduct (CoC)</a> , which includes our Human Rights Policy. All employees and directors are required to sign off the CoC (and other key policies) every year and undertake mandatory training on the CoC and specific areas of compliance such as data privacy, antitrust, anti-bribery, and corruption. A global whistleblowing hotline is available to allow employees and directors to report any ethics or compliance-related concern anonymously at any time. As the Company continues to grow, we seek to review and improve our governance framework, taking into account legislation, regulations, and specific best practice guidelines and policies. Our corporate policies aim to prevent sponsorship of illegal activities, including those that violate equal opportunity and discrimination laws and best practice. In 2018/19, there were no incidents of non-compliance with the laws and regulations under which we are governed. <a href="#">Sustainability at Arm p.08</a> <a href="#">Managing Sustainability p.10</a> <a href="#">People: Our Performance p.16</a>
	102-18 Governance structure	The Arm Board (chaired by the CEO of SBG) oversees the Arm Executive Committee (chaired by the CEO of Arm). <a href="#">Managing Sustainability &gt; Our Governance Structure p.10</a> The Sustainability Committee and the Energy Use and Climate Change Committee (EUCCC) are responsible for decision-making on environmental and social topics. Economic decision-making is the responsibility of the Governance committees.
Stakeholder engagement	102-40 List of stakeholder groups	As a business, we engage with hundreds of stakeholders around the world every day. These can be categorized into seven groups, as outlined below: <ul style="list-style-type: none"> <li>• Local community</li> <li>• Investors (current owner SBG)</li> <li>• Partners</li> <li>• Industry</li> <li>• Government and regulators</li> <li>• Charitable and community partners</li> <li>• Employees</li> </ul>

GRI Standard	Disclosure	Location and/or information
	102-41 Collective bargaining agreements	We do not restrict the rights of our people to freedom of association. The Group does not presently operate any collective agreements with any trade unions.
	102-42 Identifying and selecting stakeholders	Stakeholders are defined as any internal or external group that can be expected to be affected by our activities, products, and decisions. Stakeholder engagement, as a means of achieving effective collaboration, has been a fundamental part of Arm's business since the Company was formed.
	102-43 Approach to stakeholder engagement	At the heart of our business, we have dedicated teams managing relationships with customers, partners, investors, and employees to ensure that their needs are regularly addressed. Other stakeholder groups, such as local community leaders, are engaged on an issue-by-issue basis. Regular engagement between Arm employees and our stakeholders enables us to understand the needs, concerns, and expectations of our stakeholders. This allows us to develop and deliver strategies that respond to those needs. In 2019 we held interviews and a focus group as part of a materiality assessment, as preparation for this report. <a href="#">Our Approach to Materiality p.09</a>
	102-44 Key topics and concerns raised	Our stakeholders contact us to discuss many different topics, and we respond to these queries individually.
Reporting practice	102-45 Entities included in the consolidated financial statements	Please see our strategic review for more information, available at <a href="#">Arm Investor Relations</a> .
	102-46 Defining report content and topic Boundaries	Welcome to Our Annual Sustainability Data Report <a href="#">p.02</a> GRI: Content Index <a href="#">p.30</a>
	102-47 List of material topics	GRI: Content Index <a href="#">p.30</a>
	102-48 Restatements of information	Market share for 2017 and 2018 have been restated for comparison purposes due to a change in the way total market value was calculated for 2019 reporting. See <a href="#">p.07</a>
	102-49 Changes in reporting	There have been no significant changes to material topics during the reporting period. Material topics reported against are in line with the results of our most recent materiality assessment.
	102-50 Reporting period	This report covers the period from April 1, 2018 to March 31, 2019. Welcome to Our Annual Sustainability Data Report <a href="#">p.02</a>
	102-51 Date of most recent report	<a href="#">Arm Sustainability Reports</a> Our last Sustainability Report was released in April 2019 and covers a period from April 1, 2017 to March 31, 2018.
	102-52 Reporting cycle	Our reporting cycle is April 1 to March 31.
	102-53 Contact point for questions regarding the report	<a href="mailto:sustainability@arm.com">sustainability@arm.com</a>
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55 GRI content index	Our GRI Content Index is in our 2019 Sustainability Data Report.
	102-56 External assurance	We do not currently seek external assurance.

# Material Topics

GRI Standard	Disclosure	Location and/or information	Omission
<b>ECONOMIC</b>			
<b>Economic performance</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Arm is a global business with two revenue streams: licensing and royalty. <a href="http://www.arm.com">www.arm.com</a> Our Approach to Materiality <a href="#">p.09</a> <a href="#">Arm Financial Results</a> <a href="#">Our Global Suppliers</a>
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a> Key Codes and Policies <a href="#">p.11</a> The finance function reports to the Executive Committee, which reports to the Board and into SBG. Arm's results are consolidated into the SBG report. <a href="#">Arm Financial Results</a> <a href="http://www.arm.com">www.arm.com</a>
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a>
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	Our latest financial results are available at <a href="#">Arm Investor Relations</a> .
<b>Market presence</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability <a href="#">p.10</a> GRI: Content Index <a href="#">p.30</a> <a href="#">Arm Financial Results</a> <a href="http://www.arm.com">www.arm.com</a>
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a>
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a>

GRI Standard	Disclosure	Location and/or information	Omission	
GRI 202: Market presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	We hire people based on their qualifications and experience regardless of race, creed, color, nationality, ethnic origin, age, religion or similar belief, political affiliation, gender, gender reassignment, sexual orientation, marital status, and family connections. This policy also applies to employee compensation. In the U.K., Arm is a Living Wage Employer. See: <a href="http://www.livingwage.org.uk">www.livingwage.org.uk</a> We don't collect this information as it is deemed non-applicable to our Company. See gender pay gap reports for the U.K. and France at <a href="#">Arm Sustainability Reports and Resources</a> .	Not applicable
	202-2	Proportion of senior management hired from the local community	We do not have this information available to track. As a global organization, we focus on hiring diverse leadership talent from multiple geographies and may search internally or externally (regionally, nationally, and internationally) to find the best talent. We do relocate leaders to our core locations where appropriate but do not discriminate in the hiring process for any reason. The focus is on acquiring the best talent for Arm. We do categorize significant locations of operation. Hub and satellite offices of significant size, and our leadership teams, are mostly focused in these locations	Information unavailable
<b>Indirect economic impacts</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Our Approach to Materiality <a href="#">p.09</a> Managing Sustainability <a href="#">p.10</a> GRI: Content Index <a href="#">p.30</a> <a href="http://www.arm.com">www.arm.com</a> <a href="#">Arm Financial Results</a>	
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a>	
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a>	
GRI 203: Indirect economic impacts	203-2	Significant indirect economic impacts	The design of a processor or a library of physical IP requires a large amount of R&D investment and expertise. Arm carries out this function for a large proportion of the technology sector, licensing our technology to partners. Arm takes on the R&D, saving the industry as a whole an estimated \$20 billion a year on R&D. We are unable to estimate our indirect economic impacts due to the scale, complexity, and diversity of our value chain.	Information unavailable
<b>Procurement practices</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Arm has a self-serve model for procurement. Our central Procurement team develops policies and provides support on processes and technology to enable supplier identifications and sourcing decisions. This model is supported by the Procurement Guide and is available on the Procurement intranet site. The Procurement team supports procurement across Arm's largest locations (the U.K. and U.S.). <a href="#">Our Approach to Materiality p.09</a>	

GRI Standard	Disclosure	Location and/or information	Omission
	103-2	The management approach and its components	The Procurement team reports to the CFO, who heads the Finance Leadership team. Procurement engages with client groups on procurement via the Procurement team category managers.
	103-3	Evaluation of the management approach	The CFO represents procurement on the Arm Executive Committee, which reports to the Board.
GRI 204: Procurement practices	204-1	Proportion of spending on local suppliers	While we encourage spending with local suppliers in our global offices, our localized self-serve procurement model means that we do not have the centralized systems in place to report on the proportion of spending on local suppliers. Information unavailable
<b>Anti-corruption</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	As a global company, Arm's Anti-Bribery and Corruption (ABC) Policy and guidance are based on internationally accepted best practice guidelines. Our ABC Policy prohibits anyone working for, or on behalf of, Arm from soliciting, accepting, agreeing to receive, promising, offering, or giving a bribe, facilitation payment, kickback, or other improper payment, whether it involves private individuals or public officials. Boundaries: <ul style="list-style-type: none"> <li>• Internal: all Arm employees, directors, and anyone acting on Arm's behalf; all businesses and locations</li> <li>• External: suppliers</li> </ul> Our Approach to Materiality <a href="#">p.09</a> Managing Sustainability <a href="#">p.10</a>
	103-2	The management approach and its components	While ABC is referenced in the CoC, it also exists as one of three separate policies requiring sign-off by all employees every year (in addition to the CoC). <a href="#">Managing Sustainability p.10</a>
	103-3	Evaluation of the management approach	In 2017, the Arm Internal Audit team conducted an audit of the controls we have in place in relation to anti-bribery and recommended a number of actions. These recommendations were implemented during 2018.
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	All our employees, including 100 percent of our Executive Committee, receive training on anti-bribery and corruption. We require all our suppliers and their employees to commit to Arm's Supplier Code of Conduct as a condition of doing business with us. The CoC covers bribes and corruption in the section on business integrity. In addition to these requirements, our contractual terms of business (or supply agreements) set out specific obligations in respect of responsible business and anti-bribery. <a href="#">Arm's Supplier Code of Conduct</a>
	205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption involving Arm or its employees during the year ending March 31, 2019.

GRI Standard	Disclosure	Location and/or information	Omission
<b>Anti-competitive behavior</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	As a global company, Arm bases its Antitrust Policy and guidance on internationally accepted best practice guidelines. Arm's Antitrust Policy mainly focuses on anti-competitive agreements with competitors. Antitrust laws also have broader implications for sales terms and the Company's mergers and acquisitions activity. Boundaries: <ul style="list-style-type: none"> <li>• Internal: all Arm employees; all businesses and locations</li> <li>• External: n/a</li> </ul> Our Approach to Materiality <a href="#">p.09</a>
	103-2	The management approach and its components	While antitrust is referred to in the CoC, there is also a corporate policy on antitrust. Antitrust training is provided to all employees, with customized content based on employee risk profiles.
	103-3	Evaluation of the management approach	Management is constantly reviewing the appropriateness and adequacy of its compliance function and the resources allocated in this area as the overall size of the organization grows. During 2018 a new Head of Compliance was appointed and roles and responsibilities within the wider compliance and legal team updated.
GRI 206: Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Arm was not directly named in any legal actions relating to anti-competitive behavior, antitrust, or monopoly practices during the year ending March 31, 2019.
<b>ENVIRONMENTAL Energy</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Energy consumption is a material topic for Arm, and data is collected for energy consumption from all Arm sites where available. Where consumption data is not available, best estimates are made. For all calculations involving energy consumption, the total is used. For intensity figures, we use headcount figures including all full-time and fixed-term employees, and contractors (FTE). Our Approach to Materiality <a href="#">p.09</a> The Environment: Our Performance <a href="#">p.13-15</a>

GRI Standard	Disclosure	Location and/or information	Omission
103-2	The management approach and its components	<p>The management approach to energy consumption is similar to our approach to climate change.</p> <p>The Executive Committee member with responsibility for Arm’s Climate Change Policy, practice, and management is the COO.</p> <p>The COO sits on the EUCCC, which meets twice a year to bring together all the strands of activity in relation to our environmental aspects and impacts.</p> <p>Arm’s Environmental Policy is owned by the CEO.</p> <p>The Senior Director, Property has operational responsibility for delivering energy efficiency across the business and for monitoring carbon emissions and energy use.</p> <p>The Arm Risk Review Committee will prioritize risks, including climate-related risks, and escalate to the Executive Committee if deemed necessary. Risks are scored using a matrix based on likelihood and impact. Risks of the highest status become corporate-level risks and are reviewed by the Board of our parent company.</p> <p>Asset-level risks follow the same applied process for review, escalation, and mitigation within the Arm Management System (AMS) as company-level risks.</p> <p>Managing Sustainability <a href="#">p.10</a></p> <p>The Environment: Our Performance <a href="#">p.13–15</a></p>	
103-3	Evaluation of the management approach	<p>Outputs of the EUCCC are reviewed by the Executive Committee. The current management approach to energy consumption is considered to be sufficient for the current needs of the Company.</p>	
GRI 302: Energy	302-1	Energy consumption within the organization	<p>Total electricity consumption: 36,677MWh</p> <p>Gas: 1,666MWh</p> <p>Renewable electricity: 10,367MWh</p> <p>Total energy consumption: 38,343MWh</p> <p>Arm does not collect separate data on energy consumption for heating and cooling; this is included in overall electricity and gas consumption. We do not use any energy for steam generation. We do not sell any electricity.</p> <p>To collate energy data and calculate emissions, we use an online portal from Ecometrica.</p> <p>We use the most recent Defra emissions factors to calculate emissions.</p> <p>The Environment: Our Performance &gt; Data &gt; Emissions by Scope <a href="#">p.15</a></p>
	302-2	Energy consumption outside of the organization	<p>Due to the scale and range of devices powered by Arm technology, we are not able to quantify the energy use of our products and related services outside of the organization.</p>
	302-3	Energy intensity	<p>The energy intensity ratio for the organization is 5.04MWh/FTE (FY 2018). We calculate intensity based on a mid-year total headcount, which includes all full-time and fixed-term employees and contractors (FTE). Energy consumption is measured in MWh (megawatt hours).</p> <p>MWh/FTE is one of the climate-related targets we measure at least annually.</p> <p>Electricity and gas consumption from our global estate is included in the energy intensity ratio. Energy used for heating and cooling is included in the total electricity and gas consumption. The ratio used is within the organization only.</p> <p>The Environment: Our Performance &gt; Data <a href="#">p.15</a></p>

GRI Standard		Disclosure	Location and/or information	Omission
	302-4	Reduction of energy consumption	<p>The intensity figure for energy consumption has decreased from 5.7MWh/FTE (FY 2017) to 5.04MWh/FTE (FY 2018). It is not possible to assess how much of this reduction is a direct result of energy conservation and how much is due to the increase in headcount figures. The base year (FY 2010) figure for this intensity is 8.33MWh/FTE.</p> <p>The current emission targets were set in FY 2010 for a ten-year period ending in 2020. Two of the three targets are based on headcount intensity figures.</p> <p>The Environment: Our Performance &gt; Data &gt; Emissions by Scope <a href="#">p.15</a></p>	
<b>Water</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	<p>Arm collects water consumption data from all sites where the data is available. Where data is not available, best estimates are made based on headcount. For intensity figures, we use mid-year headcount figures including all full-time and fixed-term employees, and contractors (FTE).</p> <p>With the exception of our High-Performance Computing Data Centers (HPCDCs) in Austin, U.S. and Cambridge, U.K., Arm only uses water for employee welfare facilities.</p> <p>At our HPCDCs, we have invested significantly in replacing refrigerant gases with high global warming potential with water as a cooling medium. At both sites, it is also possible to use rainwater for cooling.</p> <p>Our Approach to Materiality <a href="#">p.09</a></p> <p>The Environment: Our Performance &gt; Water and Waste <a href="#">p.14</a></p>	
	103-2	The management approach and its components	<p>The current management approach to water consumption is based on water not being a significant risk to the business or a limiting factor.</p> <p>The Environment: Our Performance &gt; Water and Waste <a href="#">p.14</a></p>	
	103-3	Evaluation of the management approach	<p>We will continue to strengthen our approach to water consumption and improve our reporting.</p> <p>The Environment: Our Performance &gt; Water and Waste <a href="#">p.14</a></p>	
GRI 303: Water	303-1	Water withdrawal by source	<p>Consumption at all our global offices is for personal use, cleaning, and sanitation. We also use water for cooling at our Cambridge Data Center.</p> <p>Water is measured at sites where we have the ability to do so.</p> <p>Every year, Arm responds to CDP's Water Security questionnaire. We currently hold a C score for our submission.</p> <p>Arm does not have any data for water withdrawn from rainwater or surface water and does not withdraw water from wetlands, rivers, lakes, or oceans. Our total water consumption for FY 2018 was 105 megaliters.</p> <p>The Environment: Our Performance &gt; Water and Waste <a href="#">p.14</a></p>	Information unavailable
<b>Emissions</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	<p>Arm collects emissions data from all Arm sites where it is available. The data collected includes electricity consumption, gas consumption, and business air travel. For emissions from electricity and gas, where the data is not available, best estimates are made.</p> <p>For intensity figures, we use mid-year headcount figures including all full-time and fixed-term employees, and contractors (FTE).</p> <p>Our Approach to Materiality <a href="#">p.09</a></p> <p>The Environment: Our Performance &gt; Data <a href="#">p.15</a></p>	

GRI Standard	Disclosure	Location and/or information	Omission
	103-2	The management approach and its components	<p>The EUCCC meets twice a year, bringing together all the strands of activity in relation to our environmental aspects and impacts.</p> <p>The Arm Risk Review Committee will prioritize risks, including climate-related risks, and escalate to the Executive Committee if deemed necessary. Risks are scored using a matrix based on likelihood and impact. Risks of the highest status become corporate-level risks and are reviewed by the Board of our parent company. Asset-level risks follow the same applied process for review, escalation, and mitigation within the AMS as company-level risks. Outputs of the AMS are reviewed by the Executive Committee.</p> <p>The Environment: Our Performance &gt; Data <a href="#">p.15</a>                      The Environment: Our Performance &gt; Energy <a href="#">p.14</a></p>
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a>
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	<p>FY 2018 Scope 1 emissions: 455tCO<sub>2</sub>e                      FY 2010 (base year) Scope 1 emissions: 419tCO<sub>2</sub>e                      Emissions are calculated using the latest Defra emission factors, using an operational control approach.                      The Environment: Our Performance &gt; Data <a href="#">p.15</a></p>
	305-2	Energy indirect (Scope 2) GHG emissions	<p>FY 2018 location-based energy Scope 2 emissions: 16,404CO<sub>2</sub>e                      FY 2018 market-based energy Scope 2 emissions: 13,642tCO<sub>2</sub>e                      FY 2010 (base year) Scope 2 emissions: 7,360tCO<sub>2</sub>e                      Emissions are calculated using the latest Defra emission factors, using an operational control approach.                      The Environment: Our Performance &gt; Data <a href="#">p.15</a></p>
	305-3	Other indirect (Scope 3) GHG emissions	<p>FY 2018 Scope 3 emissions: 21,568tCO<sub>2</sub>e                      FY 2010 (base year) Scope 3 emissions: 5,878tCO<sub>2</sub>e                      Emissions are calculated using the latest Defra emission factors, using an operational control approach.                      The Environment: Our Performance &gt; Data <a href="#">p.15</a></p>
	305-4	GHG emissions intensity	<p>We calculate intensity based on total mid-year headcount, which includes all full-time and fixed-term employees, and contractors.</p> <p>We also represent our carbon emissions in terms of revenue. This is considered relevant because it represents consumption based on our contribution to economic output. Therefore, it is a measure that is comparable across all industry sectors and in the context of the wider economy and sustainable development.</p> <p>The Environment: Our Performance &gt; Data <a href="#">p.15</a></p>

GRI Standard	Disclosure	Location and/or information	Omission
305-5	Reduction of GHG emissions	<p>Total absolute GHG emissions have increased as a result of rapid growth, both in headcount and in our global property portfolio.</p> <p>Arm uses intensity figures to measure progress against our emission targets, and these have reduced significantly from the base year (FY 2010).</p> <p>The intensity figure for carbon emissions has decreased from 5.19tCO<sub>2</sub>e/FTE (FY 2017) to 4.88tCO<sub>2</sub>e/FTE (FY 2018). It is not possible to assess how much of this reduction is a direct result of initiatives and how much is due to the increase in headcount figures. The base year (FY 2010) intensity figure is 8.4tCO<sub>2</sub>e/FTE.</p> <p>The Environment: Our Performance &gt; Data <a href="#">p.15</a></p>	
<b>Effluents and waste</b>			
GRI 103: Management approach	103-1	<p>Explanation of the material topic and its Boundaries</p> <p>Across our global estate, Arm does not have any uncontrolled or unplanned water discharge from its operations. All waste streams relating to employee consumption, catering, and cleaning (and other domestic uses) are managed through recognized local or regional agencies.</p> <p>Our Approach to Materiality <a href="#">p.09</a></p> <p>The Environment: Our Performance &gt; Water and Waste <a href="#">p.14</a></p>	
	103-2	<p>The management approach and its components</p> <p>The management approach to waste management varies depending on location and region. Our global estate is either rented, leased, or serviced office space, and in many locations, our landlords will be managing the waste removal as well as the effluents. In other locations, waste is managed under contracts for cleaning.</p> <p>The Environment: Our Performance &gt; Water and Waste <a href="#">p.14</a></p>	
	103-3	<p>Evaluation of the management approach</p> <p>The current management approach to effluents and waste is under review. We will aim to strengthen our approach to effluents and waste wherever possible and improve our reporting.</p> <p>Managing Sustainability <a href="#">p.10</a></p>	
GRI 306: Effluents and waste	306-2	<p>Waste by type and disposal method</p> <p>Waste is a material topic but is very difficult to measure across the global estate due to the different approaches to waste and dependency on landlords in many locations.</p> <p>Waste data is not collected consistently across the global estate, and reliable data is only available for some U.K. sites. The types of waste generated from our estate include general office waste, food waste where recycling facilities are not provided, recyclable waste (for example paper, cardboard, glass, cans, and plastic) and non-recyclable waste such as non-recyclable plastic.</p> <p>We recycle our IT equipment and other electrical waste. Furniture is recycled as much as possible.</p> <p>The majority of water use and waste at Arm occurs within office spaces. Where data is available, we collect water consumption data, while best estimates based on headcount are made in facilities where data is not available. In FY 2018 our total water consumption was 105 megaliters.</p> <p>Arm does not currently have any material impacts or risks relating to water, materials, biodiversity, products and services, compliance, or transport. However, we recognize that all human activities interact with the environment and consider environmental management to be integral to good business practice.</p> <p>Our CDP 2018 Water Security Score was a C, which puts Arm in the Awareness bracket.</p> <p>The Environment: Our Performance &gt; Water and Waste <a href="#">p.14</a></p>	Information unavailable

GRI Standard	Disclosure	Location and/or information	Omission
306-3	Significant spills	For the year ending March 31, 2019, Arm recorded no significant spills or unplanned or uncontrolled discharges across its global estate.	
<b>Environmental compliance</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Environmental compliance is a material issue for Arm. The global estate and all employees are covered by environmental compliance. <a href="#">Managing Sustainability p.10</a>
	103-2	The management approach and its components	Arm complies with all current regulations and is prepared to adapt to comply with future regulations as they are published. The Arm Health, Safety, and Environment (HSE) team and the Property team have operational responsibility for delivering energy efficiency projects and controlling costs within our estate. The HSE and Property teams, which have membership and oversight from the Business Continuity Management, Audit, Property, Legal, and People departments, meet regularly and discuss current regulations as an ongoing agenda item in every meeting.
	103-3	Evaluation of the management approach	The management approach to environmental compliance is considered to be sufficient for the current needs of the Company. <a href="#">Managing Sustainability p.10</a>
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations	No fines or non-monetary sanctions were issued to Arm for non-compliance with environmental laws and regulations in any of its global locations for the year ending March 31, 2019.
<b>Supplier environmental assessment</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Arm has a self-serve model for procurement. Our central Procurement team develops policies and provides support on processes and technology to enable us to identify suppliers and make sourcing decisions. The Procurement team supports procurement across Arm's largest locations (the U.K. and U.S.). Our procurement policies apply to all suppliers set up on the finance system. A small number of low-value suppliers are paid outside of this system. The Procurement team is responsible for the Supplier Code of Conduct. <a href="#">Arm Supplier Code of Conduct</a>
	103-2	The management approach and its components	The Procurement team reports to the CFO, who heads up the Finance Leadership team. Procurement engages with client groups on procurement issues via category managers.
	103-3	Evaluation of the management approach	The CFO represents procurement on the Arm Executive Committee, which reports to the Board.
GRI 308: Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	All new suppliers are sent the Supplier Code of Conduct before being added to the finance system. New suppliers must accept the Supplier Code of Conduct in writing and are therefore self-screened. The Supplier Code of Conduct includes environmental criteria that suppliers must manage and remain compliant with. All new contracts require reconfirmation of compliance with the Supplier Code of Conduct. <a href="#">Arm Supplier Code of Conduct</a>

GRI Standard		Disclosure	Location and/or information	Omission
<b>SOCIAL Employment</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Our Approach to Materiality <a href="#">p.09</a> Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
GRI 401: Employment	401-1	New employee hires and employee turnover	Managing Sustainability <a href="#">p.10</a> People: Our Performance > Data <a href="#">p.17-20</a>	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	All permanent part-time employees receive the same benefits as permanent full-time employees. We offer benefits packages across all of our global offices, including: <ul style="list-style-type: none"> <li>• Pension/401k schemes</li> <li>• Insurances, such as medical, travel, life, and permanent health insurances</li> <li>• Bonuses</li> </ul> There are two types of temporary employees: those employed on a fixed-term basis by Arm and contractors. In some locations, temporary employees do not receive some benefits and are compensated by receiving increased levels of basic pay.	
	401-3	Parental leave	We offer parental leave to our established employees. People: Our Performance > Data <a href="#">p.17-20</a>	
<b>Labor/management relations</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Our Approach to Materiality <a href="#">p.09</a> Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a>	
GRI 402: Labor/management relations	402-1	Minimum notice periods regarding operational changes	Arm is a global company and, therefore, would provide notice of significant operational changes in line with or greater than the minimum notice required for the location impacted. Employee participation in collective bargaining agreements is country specific and subject to country-specific regulation. There is no detailed information available for reporting in relation to this indicator.	

GRI Standard		Disclosure	Location and/or information	Omission
<b>Occupational health and safety</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Occupational health and safety is a material topic for Arm. Data is collected for accidents and near misses across all Arm sites globally. Our Approach to Materiality <a href="#">p.09</a> Managing Sustainability <a href="#">p.10</a> People: Our Performance > Health and Safety <a href="#">p.16</a>	
	103-2	The management approach and its components	Health and safety is part of the AMS and is managed by the global Health and Safety team. The team is responsible for a fast-growing property portfolio of office space, focused on the needs of our people, while delivering a safe and sustainable environment. Arm approaches health, safety, and welfare by ensuring we exceed all legislation and compliance requirements and by adopting best practice to ensure the safety and well-being of our people at work. The Health and Safety team also plays a prominent role in achieving our corporate goal of reducing our environmental impact. The team sets out the management approach to health and safety once it has been agreed with the Arm executive responsible. All regions where Arm is operational have a Regional Facility Manager, who is responsible for implementing the management approach in their region. Compliance with the agreed approach is subject to both internal and external regular audits. Data is collected for accidents and near misses at all Arm sites globally. Managing Sustainability <a href="#">p.10</a> People: Our Performance > Health and Safety <a href="#">p.16</a>	
	103-3	Evaluation of the management approach	The current management approach to occupational health and safety has been evaluated and is considered to be sufficient for the current needs of the Company. Managing Sustainability <a href="#">p.10</a> People: Our Performance > Health and Safety <a href="#">p.16</a>	
GRI 403: Occupational health and safety	403-1	Workers representation in formal joint management-worker health and safety committees	Arm does not differentiate between workers and management in terms of its committee membership, monitoring, or advisory processes. Therefore, the percentage of the total workforce represented by health and safety committees can be considered to be 100 percent. People: Our Performance > Health and Safety <a href="#">p.16</a>	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Human Resources maintains this information locally. Incidences of work-related injuries, occupational diseases, and other lost days are very rare, but no detailed information is available for external reporting. All employees in Arm are required to report any accidents or near misses at work, logging them on an online portal. The accident and near miss statistics from the portal are reviewed monthly by the HSE team. Regional variations to the regulations regarding the reporting of accidents are adhered to. People: Our Performance > Health and Safety <a href="#">p.16</a>	Information unavailable

GRI Standard		Disclosure	Location and/or information	Omission
<b>Training and education</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Our Approach to Materiality <a href="#">p.09</a> Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
GRI 404: Training and education	404-1	Average hours of training per year per employee	<p>Arm's strategy for developing its people does not place the focus on quantity of training hours but on providing quality and relevant training to ensure all our employees are provided with the development they need both short and long term. During April 2018 to March 2019:</p> <ul style="list-style-type: none"> <li>• 882 recent starters attended our global Big Picture induction event (which is 67 percent of the current new hire population), with the remainder due to attend at a later date, as soon as convenient based on locations and work schedules. This program is designed to foster community in Arm for our new starters.</li> <li>• 240 graduate hires participated in the Global Graduate Conference, which is approximately 90 percent of the total graduate community at Arm. The purpose of this conference is to enable our graduates to learn more about the Arm business model, meet members of the Arm leadership team, meet our global graduate community, and build their Arm network.</li> <li>• Our annual Global Engineering Conference brought together approximately 800 engineers, which accounts for 17 percent of our engineer population. This conference provides a networking opportunity to share and cross-pollinate ideas and challenges.</li> <li>• A new initiative this year was the Global Technical Leadership conference, which brought together around 120 Engineering Leaders (approximately 10 percent of our Engineer Leaders population). The conference is a space for our leaders to agree and align the technology focus areas for the next two to five years.</li> <li>• The Arm Leadership Conference (first held in 2017) saw approximately 230 leaders come together to align key strategic goals and develop leadership capabilities around strategic messaging, emotional intelligence, and leading in a social age. The 2019 Conference, which took place in December, focused on strategy, prioritization, and our people.</li> <li>• People Manager Transition Development: Essentials is designed to enable and empower People Managers at Arm with awareness and understanding of some of the key People Manager skills they need to be effective. 621 managers took part in this training during the year ending March 31, 2019.</li> <li>• Leadership development: We covered approximately 75 leaders in the Leading Across Boundaries and Enterprise Leadership Program.</li> </ul>	

GRI Standard		Disclosure	Location and/or information	Omission
<b>Diversity and equal opportunity</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Our Approach to Materiality <a href="#">p.09</a> Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	For the purpose of this disclosure, we define our governance body as the Arm Executive Committee. We do not collect information on other diversity categories such as minority or vulnerable groups. People: Our Performance > Employees <a href="#">p.16</a>	
	405-2	Ratio of basic salary and remuneration of women to men	U.K. figures were published publicly in April 2018 in our <a href="#">Gender Pay Gap Report</a> . We have completed comprehensive analysis globally; however, we are unable to share this publicly. Our pay structures don't systematically discriminate based on gender or any other factor—this is shown in the report, but the information is confidential.	Confidential information
<b>Non-discrimination</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Our Approach to Materiality <a href="#">p.09</a> Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a> People: Our Performance <a href="#">p.16</a>	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	There were no substantiated incidents of discrimination raised and recorded by Arm during the year ending March 31, 2019.	

GRI Standard		Disclosure	Location and/or information	Omission
<b>Human rights assessment</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	<p>Arm has signed the Universal Declaration of Human Rights and integrated relevant human rights principles into our policies for employees and contractors. These include the CoC and the Supplier CoC.</p> <p>Arm also published its first Modern Slavery Statement last year.</p> <p>Boundaries:</p> <ul style="list-style-type: none"> <li>• Internal—all employees, all businesses and locations</li> <li>• External—suppliers</li> </ul> <p>Our Approach to Materiality <a href="#">p.09</a>                      Managing Sustainability <a href="#">p.10</a>  <a href="#">Modern Slavery Statement</a></p>	
	103-2	The management approach and its components	<p>As an IP company, our supply chain of raw materials is negligible. As a result, our associated risks are low. We do, however, purchase a wide range of goods and services from a large number of globally distributed suppliers.</p> <p>We require all our suppliers and their employees to commit to Arm’s Supplier CoC as a condition of doing business with us. Our Supplier CoC covers labor and human rights and sets out Arm’s expectations of suppliers in relation to child labor, forced or involuntary labor, compensation and working hours, and diversity and equality.</p> <p><a href="#">Arm Supplier Code of Conduct</a></p>	
	103-3	Evaluation of the management approach	<p>Our approach has been evaluated and is deemed suitable, given our risk profile in the area of human rights.</p> <p>We review our policies regularly and update them as necessary.</p>	
GRI 412: Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Our operations have not been reviewed for human rights, given our low risk profile	Not applicable
	412-2	Employee training on human rights policies or procedures	We do not conduct any compulsory training on human rights topics as part of the Code of Conduct training and we haven’t released any standalone training on human rights at this point. There are currently no plans to roll out a specific training module around human rights to all staff.	Not applicable
<b>Supplier social assessment</b>				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	<p>Arm has a self-serve model for procurement. Our central Procurement team develops policies and provides support on processes and technology to enable us to identify suppliers and make sourcing decisions.</p> <p>The Procurement team supports procurement across Arm’s largest locations (the U.K. and U.S.).</p> <p>Our procurement policies apply to all suppliers set up on the finance system. A small number of low-value suppliers are paid outside of this system.</p> <p>The Procurement team is responsible for the Supplier Code of Conduct.</p> <p>Our Approach to Materiality <a href="#">p.09</a>                      Managing Sustainability <a href="#">p.10</a></p>	

GRI Standard	Disclosure	Location and/or information	Omission
	103-2	The management approach and its components	The Procurement team reports to the CFO, who heads up the Finance Leadership team. Procurement engages with client groups on procurement via category managers. A clear whistleblowing mechanism is detailed within the Supplier Code of Conduct. <a href="#">Managing Sustainability p.10</a> <a href="#">Arm Supplier Code of Conduct</a>
	103-3	Evaluation of the management approach	The CFO represents procurement on the Arm Executive Committee, which reports to the Board. <a href="#">Managing Sustainability p.10</a>
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria	All new suppliers are sent the Supplier Code of Conduct before being added to the finance system. New suppliers must accept the Supplier Code of Conduct in writing and are therefore self-screened against our social criteria. The Supplier Code of Conduct includes social criteria that suppliers must manage and remain compliant with. All new contracts require reconfirmation of compliance with the Supplier Code of Conduct. <a href="#">Arm Supplier Code of Conduct</a>
<b>Public policy</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	<a href="#">Our Approach to Materiality p.09</a> <a href="#">Managing Sustainability p.10</a>
	103-2	The management approach and its components	<a href="#">Managing Sustainability p.10</a>
	103-3	Evaluation of the management approach	<a href="#">Managing Sustainability p.10</a>
GRI 415: Public policy	415-1	Political contributions	The Group does not make any political donations. See the <a href="#">Code of Conduct</a>
<b>Customer privacy</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	<a href="#">Our Approach to Materiality p.09</a> <a href="#">Managing Sustainability p.10</a>
	103-2	The management approach and its components	<a href="#">Managing Sustainability p.10</a>
	103-3	Evaluation of the management approach	<a href="#">Managing Sustainability p.10</a>
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	To the best of Arm's knowledge, no substantiated complaints concerning breaches of customer privacy were issued to Arm for non-compliance with laws and regulations in any of its global locations during the year ending March 31, 2019.

GRI Standard	Disclosure	Location and/or information	Omission
<b>Socioeconomic compliance</b>			
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability <a href="#">p.10</a>
	103-2	The management approach and its components	Managing Sustainability <a href="#">p.10</a>
	103-3	Evaluation of the management approach	Managing Sustainability <a href="#">p.10</a>
GRI 419: Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	No fines or non-monetary sanctions were issued to Arm for non-compliance with laws and regulations in any of its global locations during the year ending March 31, 2019.



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