

Contents



Overview

- 05 Sustainability at Arm
- 06 Creating Sustainable Value
- 07 Working Across the Globe
- 08 Managing Sustainability

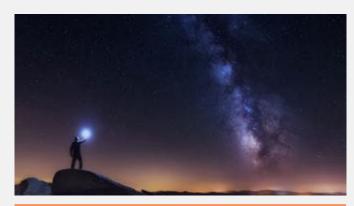




Data Highlights

- 11 Environmental Data
- 14 People Data





United Nations Global Compact

19 Communication on Progress





Global Reporting Index

27 Content Index

About This Report

With transparency our guiding principle, this Sustainability Data Report aims to provide meaningful information to enable stakeholders and partners to assess non-financial performance. The report is our annual Communication on Progress against the UN Global Compact principles and criteria (pages 19 to 25). It also reports in accordance with the Core Global Reporting Initiative Standards (pages 27 to 54).

Your View

We welcome comments on the information provided in this report.

Please email sustainability@arm.com.

Our Sustainability Reporting



Global Goals Impact Report 2018

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

Download

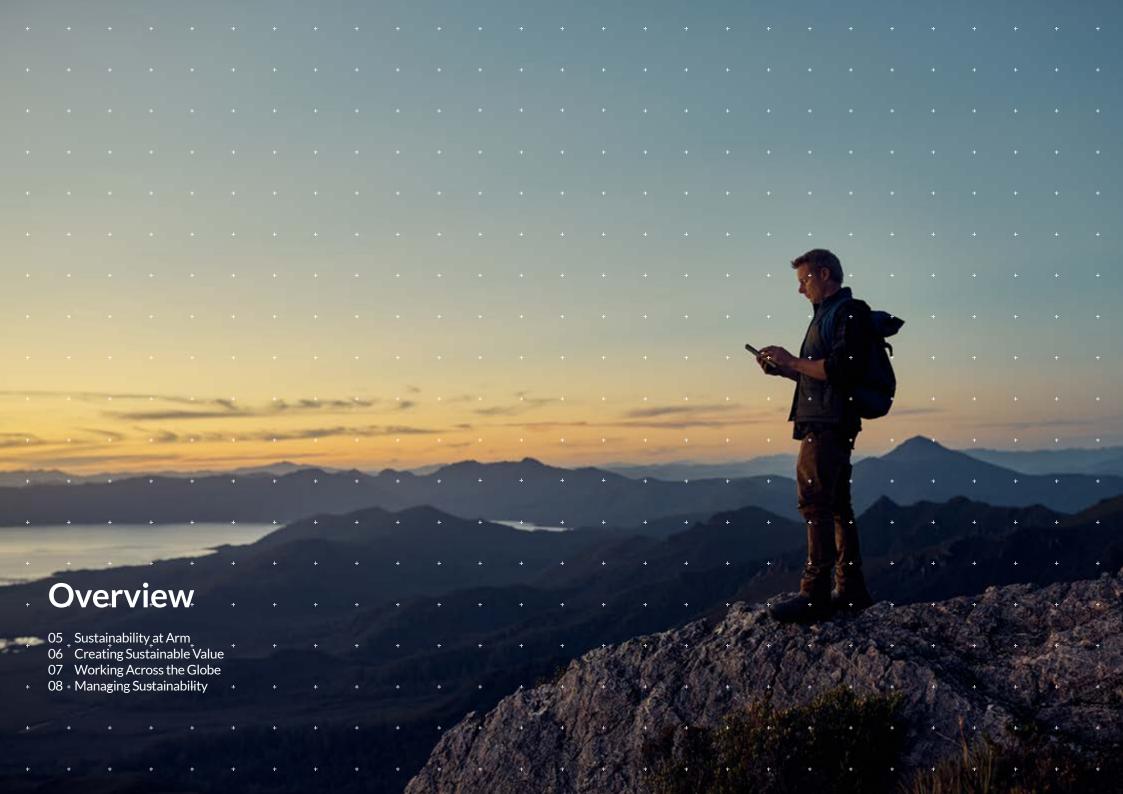


This document: Sustainability Data Report 2018

A supplement to our SDG Impact Report. Provides in-depth data on progress against commitments.

Download

The data in this report covers our financial year 2017 (year ending March 31, 2018).



Overview

Arm is a business working at the forefront of technology. As optimistic architects of tomorrow, we are passionate about how technology can bring communities closer together, and help people lead healthier and happier lives.

About Arm

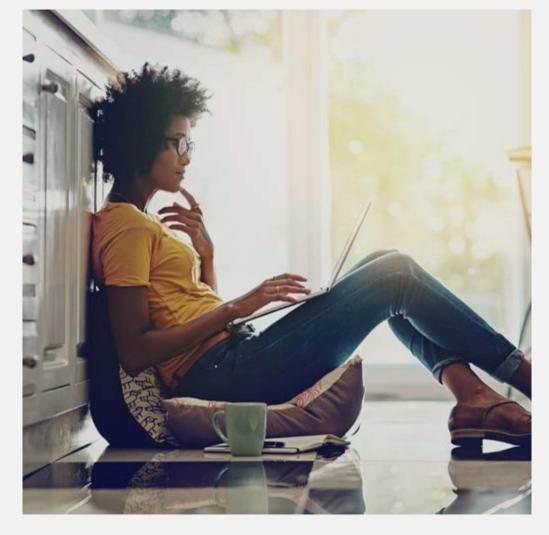
Arm technology is at the heart of a computing and connectivity revolution that is transforming the way people live and businesses operate. Our advanced, energy-efficient processor designs have enabled intelligent computing in more than 125 billion chips. Over 70 percent of the world's population are using Arm technology, which is securely powering products from the sensor to the smartphone to the supercomputer.

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.

In many ways, technology is at a crossroads. To harness its limitless possibilities and create a better future for more people, it must grow responsibly. In other words, technology must be part of the solution to a range of critical global challenges—from transforming education and helping lift millions out of poverty to addressing climate change.

Partnering for Positive Impact

Strong partnerships and innovative approaches are key to seizing opportunities and driving progress on the United Nations (UN) 2030 Global Goals. Doing so benefits the whole global community, including our own business. To unlock progress, we build technology partnerships to deliver impact for the Global Goals through our 2030Vision ecosystem of collaborators. We also contribute actively to international coalitions, including the **UN Global Compact.**



Sustainability at Arm

Responsible partnerships underpin Arm's sustainability approach. By working with like-minded partners globally, we aim to amplify positive impacts across all the themes of our sustainability strategy.

Building Trust

Demonstrating responsible business practice that protects people and planet.

As a partnership-based business working at the forefront of emerging technologies, we need to lead the way in developing best practice surrounding emerging innovations. We are focusing on user security in our research and development, with ethics already a central theme in our artificial intelligence (AI) and IoT divisions. We are also demonstrating best practice when it comes to sustainability. This means continuing to invest in carbon reduction programs, being a good neighbor in the communities where we operate, demonstrating good governance. and reporting our performance transparently.

Enabling Our People

Creating a culture based around purposeful technology.

We are committed to connecting our employees with the positive change they are creating for people, communities, and the environment—so we integrate our sustainability program into initiatives across the business, and run an active employee community engagement programme, Team Arm. Arm employees know that the technology they are building is changing lives and shaping a smarter, more sustainable future. And to keep nurturing strong, inspired talent, we will continue to invest in student mentoring and work experiences for voung people looking to harness the power of technology to build solutions that can change the world.

Improving Lives

Making everyday life safer, healthier, and more efficient.

We are developing smart technology for safer, more sustainable cities and homes, and mobile technology that better connects people to each other. We are also working to measurably improve the health and well-being of people around the world through wearable technology, biometrics, and advanced sensors. Collaborating with a host of partners including UNICEF and the World Health Organization, we are scaling up proven technologies to transform lives. And to better equip the next generation of change-makers with important technical skills, we are bringing purpose-driven science, technology, engineering, and maths (STEM) education to school students so they can build solutions that will make life better for people everywhere.

Realizing Global Goals

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

Achieving the UN 2030 Global Goals will depend on the strategic use of technology, guided by the collective knowledge and imagination of experts from the technology sector and beyond. Our 2030 Vision initiative brings governments, nongovernmental organizations (NGOs), businesses and academia together so that we can 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.

Creating Sustainable Value

Realized in 125+ 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**

People and expertise

5.886 Established employees

R&D investment

f534m

Invested in research and development (normalized)

Technology collaboration

5.201

Engineers and industry experts attending Arm's biggest annual technology conferences and symposia*

How Arm Creates Value

semiconductor companies

Arm receives an upfront

royalty payment for every

Arm licenses the

technology designs to

for use in their chips.

license fee, and also a

chip that contains Arm

technology. By designing

the technology once and

licensing many times,

Arm can cover its own

R&D costs.

Arm employs engineers designing 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.

2-3 years

R&D activity Product development 3-4 years



Royalty

revenue

Upfront license fee

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

21.3hn

Arm-based chips shipped year ending March 31, 2018

Licenses signed

1.577

Cumulative licenses signed

Revenue

\$1.831m

Revenue year ending March 31, 2018

Profits

f145m* **IFRS EBIT**

Patents

6.619

Patents owned or pending

Over 50

Global Goals-related programs Contributing to 14 of the Goals, and more than 37 targets and 41 indicators

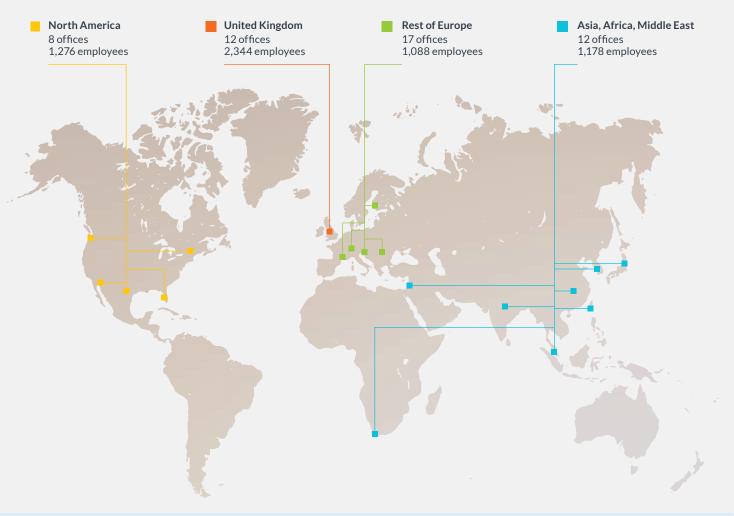
^{*} Arm Research Summit, Arm TechCon and Arm Partner Meeting

^{*} Post acquisition by SoftBank Group Corp (SBG), Arm has significantly accelerated its investment in R&D. This has had the effect of increasing costs faster than revenues, thereby so reducing profits and lowering profitability.

Working Across the Globe

Arm is headquartered in Cambridge, U.K., and has 49 offices in 23 countries, with major R&D centers in the U.K., U.S., China, Israel, France, Norway, and Sweden.

As of March 31, 2018, Arm employs 5,886 people, of whom 4,812 are technical staff¹ and 1,074 are non-technical staff.



	Market share for Arm-based application processors in mobile devices	Cumulative licenses signed	Arm-based chips shipped	Market share	Revenue	Employees worldwide	Nationalities employed by Arm globally
Year ending March 31, 2017	90%	1,442	17.7bn	34%	\$1,689m	4,852	77
Year ending March 31, 2018	90%	1,577	21.3bn	39%	\$1,831m	5,886	82

¹The 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

Managing Sustainability

At Arm, we need to be agile, innovative, and trustworthy. To ensure that we are, we have a well-defined governance framework. starting with the Board of Directors.

Our Governance Structure

As a subsidiary of SBG, overall governance responsibility exists at Group level-read more.

- The Arm Board is responsible for the overall conduct of Arm's business, and delegates authority for the day-today 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 responsible for 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.

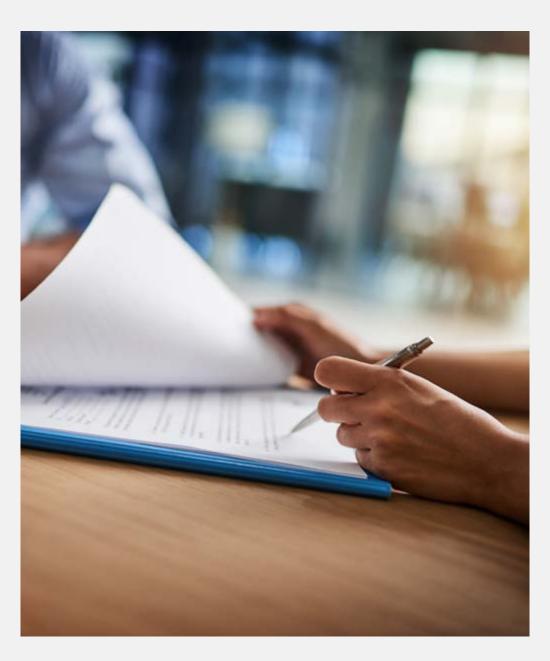
Sustainability Management

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 almost entirely comprises senior executives from key business functions, reflecting the importance of top-level engagement in driving our sustainability strategy and 2030 Vision. 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 **EUCCC** monitors environmental compliance and progress.



Managing Sustainability (continued)



Key Codes and Policies

As the Company continues to grow, we review and improve our governance framework. This includes our Code of Conduct, which is the foundation of our ethics and compliance program. A relaunched version of the CoC is available on Arm's website.

We also consider legislation, regulations, and specific best practice guidelines and policies to ensure our approach is current and relevant, and that we conduct our business with integrity and accountability. For example:

- Environment. Arm recognizes that all human activities interact with the environment and considers environmental management to be integral to good business practices. Individuals must take reasonable steps to reduce Arm's environmental impact, considering the environment, and their impact on it, as part of their decisionmaking 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.

Everyone at Arm, including new employees and temporary employees, must confirm their understanding and acknowledgment of all policies that affect them, including changes to existing policies and those being newly introduced.



Environmental Data

Our Environmental Approach

Arm recognizes that its day-to-day activities have an impact on the environment. We are committed to a program of continuous environmental improvement to conserve natural resources and minimize any adverse environmental impact from our operations. We regard environmental regulations, laws, and other codes of practice as minimum standards for environmental performance and endeavor to exceed these standards. We will continue to develop our business by taking into account the effect our activities have on the environment.

Environmental Targets and Performance

Energy efficiency is relevant to our business and stakeholders, as our success is founded on energyefficient technology.

We have established carbon and energy reduction targets and are committed to minimizing our impact on the natural environment. As a member of the UN Global Compact and Caring for Climate, we have declared our commitment to the Ten Principles, three of which relate to environmental responsibility.

In 2010 Arm set targets for reducing our CO₂ emissions and our energy consumption:

Target 1

A 30 percent reduction in tonnes of CO₂ emission per employee by 2020 to 5.88tCO₂e/FTE (tonnes of carbon dioxide equivalent per full-time equivalent, compared to 2010 baseline).

Results

In 2017, our carbon emissions based on a carbon intensity figure per headcount reduced by over 10 percent and we have now achieved the 2020 target.

Our current emissions are 5.19tCO₂e/FTE. This reduction was mainly a result of the procurement of renewable energy but also due to a reduction in energy consumption per employee during 2017.

Target 2

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 2017 our energy consumption was 5.70MWh per FTE against a target of 7.08MWh/FTF. 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; the Cambridge headquarters is powered entirely by renewable energy, which reduced our CO₂ emissions by almost 3,000tCO₂e in 2017. During 2017 we reduced our total building-related CO₂ emissions by 16 percent by purchasing renewable energy.

Our CDP 2017 Climate Change Score was a B, which puts Arm in the Management bracket.

In 2018, Arm committed to adopting Science Based Targets. Further detail on this approach and the revised targets will be publicly communicated as soon as they have been finalized.



Environmental Data (continued)

Environmental Management

Environmental data from our individual operations is reviewed on a monthly, quarterly, and yearly basis. Reports are reviewed at a senior level at halfyearly 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. We apply Defra/DECC greenhouse gas (GHG) conversion factors for company reporting. Our environmental impact assessment includes energy use and air travel as our material CO2e contributors. We have excluded non-material emissions related to refrigerant losses in air conditioning systems, and those relating to motor vehicle use and waste streams.

We report our emissions and energy consumption on an absolute basis and on an intensity basis. Our carbon reduction targets are intensity based. Intensity is measured using a mid-year total headcount, including all full-time and fixed-term employees and 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, our continuous effort to increase energy efficiency across our global estate and the increase in our procurement of renewable energy has resulted in absolute reductions in both energy and emissions at 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.

Arm generally consumes purchased electricity, sourced from a regulated grid, and at some sites, we now procure renewable energy.

We purchase a small amount of gas, which is not considered material to our overall energy consumption.

Wherever possible, we engage closely with landlords of our leased buildings to encourage energy-efficient processes and practices.

Also, we aspire for all offices to be certified at LEED Gold standard or higher and our Property Design Guide includes guidance on sustainability.

Water and Waste

Most of our water use and waste comes from within our offices. We collect water consumption data from all sites where the data is available. Where data is not available, best estimates are made based on headcount. Our total water consumption for FY2017 was 105.73 megaliters.

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.

Our CDP 2017 Water Security Score was a C, which puts Arm in the Awareness bracket.



Environmental Data (continued)

Emissions by Scope (tCO₂e)



Emissions by Scope tCO₂e

		2013	2014	2015	2016 ⁻	FY2016	FY2017
tCO ₂ e	Total Scope 1 and 2 emissions	11,067	13,741	14,978	16,517	16,131	13,330
tCO ₂ e	Scope 1 and 2 intensity by headcount	3.40	3.80	3.60	3.31	3.11	2.10
tCO ₂ e	Total Scope 1, 2, and 3 emissions	21,253	25,383	26,492	32,972	30,995	33,720
tCO ₂ e	Scope 1, 2, and 3 intensity by headcount	6.50	7.10	6.30	6.61	5.98	5.19
MWh	Energy consumption—electricity only	19,550	25,036	30,953	32,081	31,873	35,349
MWh	Electricity consumption intensity per headcount	6.00	7.00	7.40	6.30	6.15	5.40
£m	Sterling revenue normalized	714.60	795.20	968.20	1,234.00	1,297.00	1,368.00
tCO ₂ e/£m	Carbon by economic output	29.70	31.90	27.40	23.99	23.90	24.60

^{*} Due to the acquisition of Arm by SBG in September 2016, Arm's reporting year changed from calendar (in 2016) to financial (from 2017 onwards).

People Data

Employees

As an intellectual property business, Arm has always prioritized its people. Our culture is based on empowering everyone at Arm alike to release their creative potential and build business value in the process, following our Core Beliefs: We not I. Passion for progress. and Be your brilliant self.

We aim to be the best company to work for in our target markets, with a culture rich in innovation and collaboration.

Our People Group

Our People Group supports our corporate strategic objectives. It does this by ensuring that our policies, systems, and processes are efficient, impactful, and meritocratic, enabling a high-performing and highly engaged organization.

The People Group manages the full employee lifecycle, including recruitment, onboarding, talent development. engagement, and reward and benefits, as well as internal communication, diversity and inclusion, and employee community engagement. Recruitment is managed in collaboration with managers across the business to define specific needs, and to select new hires.

Equal Opportunity

Arm aims to deliver 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 environments that are considered low risk from a health and safety perspective. However, the safety and welfare of employees, contractors, and visitors remains a priority in all Group workplaces worldwide.

Arm's Health and Safety team sits within the Property division. It works closely with the Facilities team, which implements operational aspects of occupational health and safety across the Company. The Group 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.



Information on Employees and Other Workers

Measure	Male	Female	Undisclosed	Total
Total Established, Fixed-term, and External*	5,651	1,356	14	7,021
Established Employees	4,801	1,085		5,886
Fixed-term Employees	111	80		191
External*	739	191	14	944

Measure	Region	Male	Female	Undisclosed	Total
	Total	5,651	1,356	14	7,021
Table 1 Palate 1 Pala	Asia Pacific	399	109		508
Total Established, Fixed-term, and External* by region and gender	EMEA	3,490	727	14	4,231
by region and gender	India	694	233		927
	U.S.	1,068	287		1,355

Measure	Full-time total	Male	Female	Undisclosed	Part-time total	Male	Female	Total employees
Total Established, Fixed-term, and External*	6,872	5,573	1,285	14	149	78	71	7,021
Established Employees	5,761	4,733	1,028		125	68	57	5,886
Fixed-term Employees	174	105	69		17	6	11	191
External*	923	735	188	14	7	4	3	944

Parental Leave

	Female	Male
Total number of employees that took parental leave by gender	45	124
Total number of employees that returned to work after parental leave ended by gender	43	122
Number of employees who remained working for Arm 12 months after their parental leave ended by gender	43	116
Return-to-work and retention rates after parental leave by gender	96%	94%

^{*} External = contractors (not employees of Arm).

People Data (continued)

New Employee Hires and Employee Turnover

Measure	Region	Male	Female	Total
	Total	1,143	343	1,486
	Asia Pacific	87	27	114
Starters by region and gender	EMEA	722	172	894
	India	139	52	191
	U.S.	195	92	287

Measure	Region	<21	21-30	31-40	41-50	51-60	61-70	70+	Total
	Total	1	501	536	314	124	8	2	1,486
	Asia Pacific		35	55	23	1			114
Starters by region and age group	EMEA	1	292	339	192	67	2	1	894
	India		114	67	9	1			191
	U.S.		60	75	90	55	6	1	287

• Rate of new hires for period was 25 percent (established only) (total number of new hires/end-of-March 2018 headcount)

Measure	Region	Male	Female	Total
	Total	543	136	679
	Asia Pacific	174	53	227
Leavers by region and gender	EMEA	221	46	267
	India	71	17	88
	U.S.	77	20	97

Measure	Region	<21	21-30	31-40	41-50	51-60	61-70	70+	Total
	Total		162	285	161	53	17	1	679
	Asia Pacific		27	135	61	4			227
Leavers by region and age group	EMEA		71	103	62	20	10	1	267
	India		53	27	7	1			88
	U.S.		11	20	31	28	7		97

• Rate of global average turnover for period was 13 percent.

^{*} External = contractors (not employees of Arm).

People Data (continued)

Diversity of Governance Bodies and Employees

		Male	Female	Total
Gender split	Total established	4,801	1,085	5,886
Gender spire	Percentage	82%	18%	

	Age group	<21	21-30	31-40	41-50	51-60	61-70	70+	Total
Age split	Total established	1	1,335	2,353	1,501	609	82	5	5,886
	Percentage	<1%	23%	40%	26%	10%	1%	<1%	

		Male	Female	Total
	Executive Committee	9	3	12
	Percentage	75%	25%	
	Individual contributor	3,399	851	4,250
Managametheral	Percentage	80%	20%	
Management level— gender split	Management	920	167	1,087
gender spilt	Percentage	85%	15%	
	Senior management	473	64	537
	Percentage	88%	12%	
	Total			5,886

	Age group	<21	21-30	31-40	41-50	51-60	61-70	70+	Total
	Executive Committee			1	7	4			12
	Percentage			8%	59%	33%			
Management level— age group split	Individual contributor	1	1,256	1,689	848	388	67	1	4,250
	Percentage	<1%	30%	39%	20%	9%	2%	<1%	
	Management		77	570	347	84	6	3	1,087
	Percentage		7%	52%	32%	8%	<1%	<1%	
	Senior management		2	93	299	133	9	1	537
	Percentage		<1%	17%	56%	25%	2%	<1%	

United Nations Global Compact: Communication on Progress

At Arm, we believe effective progress on critical issues has to be driven collectively. For this reason, we are proud to be part of the UN Global Compact (UNGC), the world's largest corporate sustainability initiative. Our active participation demonstrates our commitment to achieving a better, fairer world in which technology and economic growth advance the sustainable development of communities everywhere. Arm is a member of the LEAD program, which represents the cutting edge of the UNGC and comprises businesses selected for their high level of engagement.

On the following pages, we provide our self-assessed Communication on Progress (COP) to the Advanced level for our financial year ending March 31, 2018. This summarizes what we have done to further the ten Global Compact principles 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 next self-assessment will be submitted to the UNGC as our COP in July 2019.



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.	The Group's Code of Conduct is available on the Group's website. The Code is 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 Code of Business Conduct and Ethics.
			Arrangements with contractors and suppliers have been, and will continue to be, reviewed and updated to reflect the requirements of the Bribery Act and all other relevant requirements. These are set out in our Supplier Code of Conduct, which suppliers are required to commit to as a condition of doing business with us.
			The Compliance Committee oversees the reporting procedures, and monitors and escalates reports in appropriate circumstances.
			Environmental compliance and progress is monitored by the Energy Use and Climate Control Committee.
			The Sustainability Committee manages sustainability issues and reports to the Executive Committee.
			It is an Arm Key Performance Indicator (KPI) that all new employees, including temporary employees, sign off their understanding and acknowledgment to adhere to all relevant policies in the PolicyHub. Employees are then required to sign off new policies or significant changes to a policy.
		Criterion 2: The COP describes value chain implementation.	Arm creates value through collaboration and partnership with its ecosystem of more than 1,000 companies. Arm designs are used by its partners to enable energy-efficient technologies ranging from servers, smartphones, and tablets to smart meters and sensors.
			Every day, electronic devices are becoming more sophisticated. This means that the silicon chips inside them have to work harder. As a result, the semiconductor industry has had to specialize, with innovative enterprises focusing on a specific stage in the value chain. Arm's niche is in developing IP components within the design stage. Others specialize in building the tools needed to manufacture the chips, chip fabrication, and developing software.
			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 a large number of suppliers, who are distributed globally. We attach great importance to the supply side of our value chain, and all suppliers must commit to the Arm Supplier Code of Conduct as a condition of doing business with us.

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 area of human rights.	Arm has signed the Universal Declaration of Human Rights. Our Human Rights Policy is incorporated in our Code of Business Conduct and Ethics. This is in addition to related existing policies including those on business ethics, and discrimination. These policies remain relevant and are reviewed annually to ensure they remain appropriate to the organization, our people and partners, and legislation such as the U.K. Modern Slavery Act.
	Principle 2: Businesses should make sure that they are not complicit in	Criterion 4: The COP describes effective management systems to integrate the human rights principles.	As above, our Human Rights Policy is incorporated in our Code of Business Conduct and Ethics. The Compliance Committee oversees the reporting procedures, and monitors and escalates reports in appropriate circumstances.
	human rights abuses.	Criterion 5: The COP describes effective monitoring and evaluation 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.	Arm's Data Report contains our detailed disclosures in respect of labor and human rights, based on the Global Reporting Initiative (GRI) reporting framework. In addition, Arm's 2017 U.K. Gender Pay Gap Report provides further detail on total earnings by gender.
	Principle 4: The elimination of all forms of forced and compulsory	Criterion 7: The COP describes effective management systems to integrate the labor principles.	This report contains our detailed disclosures in respect of management systems supporting labor principles based on the GRI framework.
	labor. Principle 5: The effective abolition of child labor. Principle 6: The elimination of discrimination in respect of employment and occupation.	Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labor principles integration.	The Arm Engagement Survey has run annually since 2002. We use an engagement index to represent overall performance. Results are consistently above the average for our sector. In addition to the engagement survey, we seek feedback through one-to-one and group consultations, discussions during and after internal conferences, and through our annual personal development and appraisal process.

Scope	UNGC Principle Criteria for UNGC Advanced Level		Comments
Environment	Principle 7: Businesses should support a precautionary approach to environmental	Criterion 9: The COP describes robust commitments, strategies, or policies in the area of environmental stewardship.	We use carbon intensity as the most appropriate indicator to measure our carbon performance and the basis on which to set reduction targets. While absolute measures are useful, due to our rapid growth, this is not a practical or realistic means to measure performance. Our measurement approach will change when we adopt Science Based Targets.
	challenges. 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 page 12 of this document.
	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.	In 2018, Arm committed to adopting Science Based Targets. Further detail on this approach, revised targets, and our environmental impact strategy will be publicly communicated once the targets have been approved by the Science Based Targets initiative.

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
Anti-Corruption	Anti-Corruption Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Criterion 12: The COP describes robust commitments, strategies, or policies in the area of anti-corruption.	Our Anti-Corruption Policy is included within the Arm Code of Conduct. 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. In 2017/18, Arm's Office of Ethics and Compliance grew significantly with the hiring of specialists in the area of anti-bribery and corruption, antitrust, trade compliance, U.S. Government contracts, and data privacy. Arm management believes that investing in specialist in-house capability will ensure that compliance, including with anti-bribery and corruption laws, becomes even more effective within the organization.
		Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.	As above. Adherence and general oversight on anti-corruption is the responsibility of the Compliance Committee. The Compliance Committee 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. The Compliance Committee reports to the Executive Committee and the Audit Committee throughout the year and its minutes are reviewed by the Audit Committee and the Board.
		Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	As above. In addition, any concern can be raised in accordance with our confidential whistleblowing mechanisms. In 2017, the Arm Internal Audit team assessed the controls we have in place in relation to anti-bribery and recommended a number of actions. 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.

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
UN Goals and Issues	Taking action in support of broader UN goals	Criterion 15: The COP describes core business contributions to UN goals	Arm is committed to supporting the Ten Principles of the UN Global Compact and related declarations, policies, and standards.
	and issues.	and issues.	This is our latest COP, which we are due to submit to the UNGC in July 2019. You can read our COP for financial year ending March 31, 2017, as well as the CEO Statement and commitment to UNGC, on the UNGC website.
		Criterion 16: The COP describes	Our sustainability approach has four main strategic themes:
		strategic social investments and philanthropy.	1. Building Trust —Arm's approach as a company working at the forefront of technology, and how we foster responsible business practice in our operations that protects people and planet.
			2. Enabling Our People —Creating a workplace culture based around purposeful technology and connecting our employees with the positive change they are creating for people, communities, and the environment.
			3. Improving Lives —Supporting education and making everyday life safer, healthier, and more efficient through developing smart technology for people, homes, and cities.
			4. Realizing Global Goals —Creating collaborations through our 2030Vision that harness the power of technology to transform our world, guided by collective knowledge, expertise, and imagination.
		Criterion 17: The COP describes advocacy and public policy engagement.	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.
			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 in place 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.
			In December 2017, we led the formation of 2030 Vision, a partnership to catalyze technology innovation for the United Nations Global Goals for Sustainable Development across the technology sector and beyond.
		Criterion 18: The COP describes partnerships and collective action.	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.
			Arm also collaborates with commercial and non-commercial partners in conducting our business activities, and in our charitable and philanthropic work. For further detail, see our website.

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
Governance	Corporate sustainability governance and leadership.	Criterion 19: The COP describes CEO commitment and leadership.	In December 2017, Arm's CEO, Simon Segars, publicly launched 2030Vision at St James's Palace, London. 2030Vision is the Arm-founded initiative to unite the technology sector to deliver on the Global Goals. A separate, dedicated declaration of commitment to the UNGC and to implementing the Ten Principles can be found on the UNGC website. The CEO has stated a mission for Arm to be a sustainability leader. Detail on our sustainability governance can be found in this Data Report and on Arm's website.
		Criterion 20: The COP describes Board adoption and oversight.	As a subsidiary of SBG, overall governance responsibility exists at Group level. Further information can be found on the SBG website. The Arm Board delegates responsibility of 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.
		Criterion 21: The COP describes stakeholder engagement.	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.

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

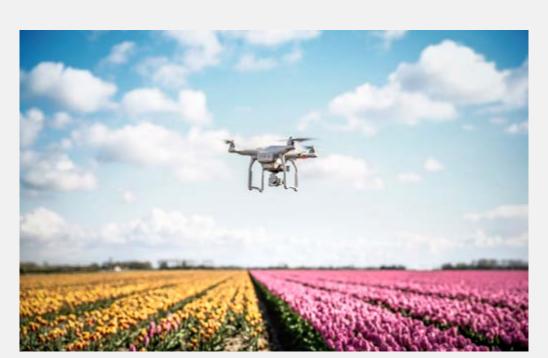


Global Reporting Initiative: Content Index

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

In 2018, we moved away from GRI G4 Indicators and mapped our reporting to the GRI Standards. The Standards highlight 23 material topics across three categories: economic, environmental, and social. Those topics included are material to the business.

Note that the economic dimension of sustainability concerns the organization's impact on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of the organization, although there is clearly a relationship between these factors.



Material issues are those that reflect the organization's significant economic, environmental, and social impacts, or that substantively influence the assessments and decisions of stakeholders. Arm has used the GRI guidance as the basis for assessing its material issues and therefore determining report content. This year we have focused on including those issues within our reporting which are most material to Arm; we welcome feedback from our stakeholders on this approach.

The GRI Index includes comments summarizing how and why each of these topics are considered material.

We have grouped our material issues into four growth drivers that support our short-, medium-, and long-term success.

• Trust: Trust lies at the heart of our business model. It is essential we operate with the highest levels of integrity and ethics, deliver on our promises, and operate in a transparent manner. Maintaining a culture of high integrity will help build strong relationships with partners. A reputation for being a "high-trust organization" will also help us recruit and retain the best people, who will be proud to work at Arm.

- Innovation: Being innovative helps us solve complex problems. We must constantly innovate as part of our core business, help our partners meet their goals, and apply creative solutions to innovate the internal processes and systems that support the business.
- People: We develop IP. Our people are highly skilled and qualified and critical to our success, so we must create an environment that respects, inspires, and rewards them. Our industry also needs more qualified STEM graduates, particularly women, to be available for employment. We need to ensure that we are inclusive, as an industry and as a company, to support greater diversity and gender balance. Attracting and retaining the right people is our most important sustainability issue.
- Partnerships: We cannot deliver our business strategy or our sustainability program alone. We rely on our ecosystem of commercial and charity partners to reach our goals. Sustainable relationships are crucial to achieving this.

General Disclosures

GRI Standard		Indicator	Location and/or information
Organization profile	102-1	Name of the organization	Arm Limited Investor Relations
	102-2	Activities, brands, products, and services	About Arm: p.4 Arm Products Arm Solutions 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. Arm Worldwide Offices
	102-4	Location of operations	Arm Worldwide Offices
	102-5	Ownership and legal form	Arm Limited is a subsidiary of SBG. Investor Relations
	102-6	Markets served	Globally Arm Solutions Arm Partner Ecosystem
	102-7	Scale of the organization	Working across the Globe: p.7 People Data Highlights: p.14 Arm is a subsidiary of SBG, which owns 75.01 percent. The SoftBank Vision Fund holds the remaining 24.99 percent. Arm Financial Results
	102-8	Information on employees and other workers	Working across the Globe: p.7 People Data Highlights: p.14 13.45 percent of employees were contractors (external workers who are not employees). This number can be found on p.15. 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. 2017 Strategic Review

GRI Standard		Indicator	Location and/or information
Organization profile (cont.)	102-10	Significant changes to the organization and its supply chain	There have been no significant changes. 24.99 percent of Arm's equity was transferred from SBG Corporation to SoftBank Vision Fund.
	102-11	Precautionary principle or approach	Arm does not apply the precautionary principle as our environmental impact is not material. While our environmental impact is minimal, 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 the Carbon Disclosure Project, the UNGC (LEAD member) and the London Benchmarking Group. 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, Engineering UK, tech UK, Techworks, and Business in the Community.
Strategy	102-14	Statement from senior decision-maker	2018 Global Compact: Letter of commitment
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 Code of Conduct (CoC), 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 2017/18, there were no incidents of non-compliance with the laws and regulations under which we are governed.
			Sustainability at Arm: p.5
			Managing Sustainability: p.8

GRI Standard		Indicator	Location and/or information
Governance	rnance 102-18 Governance structure		The Arm Board (chaired by the CEO of the SBG) oversees the Arm Executive Committee (chaired by the CEO of Arm). Managing Sustainability—Our Governance Structure: p.8 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: Local community Investors (current owner SBG) Partners Industry Government and regulators Charitable and community partners Employees
	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. No stakeholder engagement was undertaken specifically as part of the report preparation process.
	102-44	Key topics and concerns raised	Our stakeholders contact us to discuss many different topics, and we respond to these queries individually.

GRI Standard		Indicator	Location and/or information
Reporting practice	102-45	Entities included in the consolidated financial statements	Please see our strategic review for more information, available at <u>Arm Investor Relations</u> .
	102-46	Defining report content and topic Boundaries	About This Report: p.2 GRI Context Index: p.27
	102-47	List of material topics	GRI Context Index: p.27
	102-48	Restatements of information	There are no restatements in this report.
	102-49	Changes in reporting	In our 2017 Data Report we reported against every GRI topic, even those which are not material to Arm. Following a reassessment of our material topics and external guidance we are now only reporting against those GRI topics which are material to Arm.
	102-50	Reporting period	This report covers the period from April 1, 2017 to March 31, 2018. About This Report: p.2
	102-51	Date of most recent report	Our last Sustainability Report represents a 15-month period from January 1, 2016 to March 31, 2017. This reflected a change in our reporting to align with our change in financial year. This can be found at \underline{Arm} Sustainability Reports.
	102-52	Reporting cycle	Our reporting cycle is April 1 to March 31.
	102-53	Contact point for questions regarding the report	sustainability@arm.com
	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 2018 Data Report.
	102-56	External assurance	We do not currently seek external assurance.

Material Topics

GRI Standard		Indicator	Location and/or information	Omission	
Economic performance	Economic performance				
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. See our 2017 Strategic Review. Arm Financial Results Our Global Suppliers		
	103-2	The management approach and its components	Managing Sustainability: p.8 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. See our 2017 Strategic Review. Arm Financial Results		
	103-3	Evaluation of the management approach	Managing Sustainability: p.8		
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	Our latest financial results are available at <u>Arm Investor Relations</u> .		

GRI Standard		Indicator	Location and/or information	Omission		
Market presence	Market presence					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8 GRI Content Index: p.27 See our 2017 Strategic Review. Arm Financial Results			
	103-2	The management approach and its components	Managing Sustainability: p.8			
	103-3	Evaluation of the management approach	Managing Sustainability: p.8			
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. We don't collect this information as it is deemed non-applicable to our Company.	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		

GRI Standard		Indicator	Location and/or information	Omission		
Indirect economic imp	Indirect economic impacts					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8 GRI Content Index: p.27 See our 2017 Strategic Review. Arm Financial Results			
	103-2	The management approach and its components	Managing Sustainability: p.8			
	103-3	Evaluation of the management approach	Managing Sustainability: p.8			
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.	Information unavailable		
			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 collect exact figures on our indirect economic impacts.			
Procurement practices	s					
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.).			
	103-2	The management approach and its components	The Procurement team reports into 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 into 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		

GRI Standard		Indicator	Location and/or information	Omission
Anti-corruption				
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: Internal: all Arm employees, directors, and anyone acting on Arm's behalf; all businesses and locations External: suppliers Managing Sustainability: p.5	
	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). In 2017/18, Arm's Ethics and Compliance Office (ECO) grew significantly with the hiring of specialists in the areas of ABC, antitrust, trade compliance, U.S. Government contracts, and data privacy. Arm management believes that investing in specialist in-house capability will ensure that compliance, including with ABC laws, becomes even more effective within the organization. Managing Sustainability: p.5	
	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. Arm's ECO is still in the process of implementing these recommendations, many of which require cross-functional collaboration.	
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.	
	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, 2018.	

GRI Standard		Indicator	Location and/or information	Omission		
Anti-competitive beha	Anti-competitive behavior					
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: Internal: all Arm employees; all businesses and locations External: n/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. In 2017/18, Arm's ECO grew significantly with the hiring of specialists in the areas of ABC, antitrust, trade compliance, U.S. Government contracts, and data privacy. Arm management believes that investing in specialist in-house capability will ensure that compliance, including with antitrust laws, becomes even more effective within the organization. Antitrust training is provided to all employees with customized content based on employee risk profiles.			
	103-3	Evaluation of the management approach	Management identified a need to step up antitrust compliance. As a result, an antitrust lawyer was recruited. A number of measures are currently being implemented. No evaluation has been undertaken yet.			
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, 2018.			

GRI Standard		Indicator	Location and/or information	Omission			
Environmental perfor	Environmental performance						
Energy	nergy						
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). Environmental Data Highlights: p.11				
	103-2	The management approach and its components	The management approach to energy consumption is similar to our approach to climate change. The Executive Committee member with responsibility for Arm's Climate Change Policy, practice, and management is the COO. 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. Arm's Environmental Policy is owned by the CEO. The Senior Director, Property has operational responsibility for delivering energy efficiency across the business, and for monitoring carbon emissions and energy use. 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 Arm Management System (AMS) as company-level risks. Managing Sustainability: p.8 Environmental Data Highlights: p.11				
	103-3	Evaluation of the management approach	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.				

GRI Standard		Indicator	Location and/or information	Omission
GRI 302: Energy	302-1	Energy consumption within the organization	Total electricity consumption: 35,349MWh Gas: 1,462MWh Renewable electricity: 9,560MWh Total energy consumption: 36,811MWh 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. To collate energy data and calculate emissions, we use an online portal from Ecometrica. We use the most recent Defra emissions factors to calculate emissions. Emissions Data: p.13	
	302-3	Energy intensity	The energy intensity ratio for the organization is 5.7MWh/FTE (FY2017). 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). MWh/FTE is one of the climate-related targets we measure at least annually. Electricity and gas consumption from our global estate is included in the energy intensity ratio. Heating and cooling, where consumed, is included in the total electricity and gas consumption. The ratio used is within the organization only. Emissions Data: p.13	
	302-4	Reduction of energy consumption	The intensity figure for energy consumption has decreased from 6.6MWh/FTE (FY2016) to 5.7MWh/FTE (FY2017). 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 (2010) figure for this intensity is 8.33MWh/FTE. The current emission targets were set in 2010 for a ten-year period ending in 2020. Two of the three targets are based on headcount intensity figures. Emissions Data: p.13	

GRI Standard		Indicator	Location and/or information	Omission
Water				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	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).	
			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.	
			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.	
			Environmental Data Highlights—Water and Waste: p.12	
	103-2	The management approach and its components	The current management approach to water consumption is based on water not being a significant risk to the business or a limiting factor.	
			Environmental Data Highlights—Water and Waste: p.12	
	103-3	Evaluation of the management approach	We will continue to strengthen our approach to water consumption and improve our reporting.	
		арргоаст	Environmental Data Highlights—Water and Waste: p.12	
GRI 303: Water	303-1	Water withdrawal by source	Consumption at all our global offices is for personal use, cleaning, and sanitation. We also use water for cooling at our Cambridge Data Center. Water is measured at sites where we have the ability to do so.	Information unavailable
			Every year, Arm responds to CDP's Water Security questionnaire. We currently hold a C score for our submission.	
			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 2017/18 was 105.73 megaliters.	
			Environmental Data Highlights—Water and Waste: p.12	

GRI Standard		Indicator	Location and/or information	Omission
Emissions				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	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. For intensity figures, we use mid-year headcount figures including all full-time and fixed-term employees, and contractors (FTE).	
			Environmental Data Highlights—Emissions by Scope: p.13	
	103-2	The management approach and its components	The EUCCC meets twice a year, bringing together all the strands of activity in relation to our environmental aspects and impacts.	
			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 follows 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.	
			Environmental Data Highlights—Emissions: p.13	
			Environmental Data Highlights—Energy Use and Climate Control Committee: p.12	
	103-3	Evaluation of the management approach	Managing Sustainability: p.8	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	We report on our direct (Scope 1) carbon emissions as part of our obligations under the U.K. Mandatory Carbon Reporting Regulations.	
			FY2017 Scope 1 emissions: 269tCO ₂ e	
			FY2010 (base year) Scope 1 emissions: 419tCO ₂ e	
			Emissions are calculated using the latest Defra emission factors, using an operational control approach.	
			Environmental Data Highlights—Emissions: p.13	

GRI Standard		Indicator	Location and/or information	Omission
GRI 305: Emissions (cont.)	305-2	2 Energy indirect (Scope 2) GHG emissions	We report on our indirect (Scope 2) carbon emissions as part of our obligations under the U.K. Mandatory Carbon Reporting Regulations.	
			FY2017 location-based energy Scope 2 emissions: 16,471tCO ₂ e	
			FY2017 market-based energy Scope 2 emissions: 13,061tCO ₂ e	
			FY2010 (base year) Scope 2 emissions: 7,360tCO ₂ e	
			Emissions are calculated using the latest Defra emission factors, using an operational control approach.	
			Environmental Data Highlights—Emissions: p.13	
	305-3	Other indirect (Scope 3)	FY2017 Scope 3 emissions: 20,391tCO ₂ e	
		GHG emissions	FY2010 (base year) Scope 3 emissions: 5,878tCO ₂ e	
			Emissions are calculated using the latest Defra emission factors, using an operational control approach.	
			Environmental Data Highlights—Emissions: p.13	
	305-4	GHG emissions intensity	We calculate intensity based on total mid-year headcount, which includes all full-time and fixed-term employees, and contractors.	
			In 2014, we also began representing 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. Environmental Data Highlights—Emissions by Scope: p.13	
	305-5	Reduction of GHG emissions	Total absolute GHG emissions have increased as a result of rapid growth, both in headcount and in our global	
			property portfolio. Arm uses intensity figures to measure progress against our emission targets and these have reduced	
			significantly from the base year (2010).	
			The intensity figure for carbon emissions has decreased from $5.98tCO_2e/FTE$ (FY2016) to $5.19tCO_2e/FTE$ (FY2017). 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 (2010) intensity figure is $8.4tCO_2e/FTE$.	
			Environmental Data Highlights—Emissions by Scope: p.13	

GRI Standard		Indicator	Location and/or information	Omission
Effluents and waste				
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	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. Environmental Data Highlights—Water and Waste: p.12	
	103-2	The management approach and its components	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. Environmental Data Highlights—Water and Waste: p.12	
	103-3	Evaluation of the management approach	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. Managing Sustainability: p.8	
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	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. Waste data is not collected consistently across the global estate and reliable data is only available for some U.K. sites. The type of waste generated from our estate includes 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. We recycle our IT equipment and other electrical waste. Furniture is recycled as much as possible. Environmental Data Highlights—Water and Waste: p.12	Information unavailable
	306-3	Significant spills	For the year ending March 31, 2018, Arm recorded no significant spills or unplanned or uncontrolled discharges across its global estate.	

GRI Standard		Indicator	Location and/or information	Omission	
Environmental complia	Environmental compliance				
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. Managing Sustainability: p.8		
	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 Team (HSET) and the Property team have operational responsibility for delivering energy efficiency projects and controlling costs within our estate. The HSET 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. Managing Sustainability: p.8		
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, 2018.		

GRI Standard		Indicator	Location and/or information	Omission
Supplier environmenta	al assessmei	nt		
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.	
	103-2	The management approach and its components	The Procurement team reports into 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 into 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.	

GRI Standard		Indicator	Location and/or information	Omission			
Social performance	Social performance						
Employment							
GRI 103: Management	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8				
approach	103-2	The management approach and its components	Managing Sustainability: p.8 People Data Highlights: p.14				
	103-3	Evaluation of the management approach	Managing Sustainability: p.8 People Data Highlights: p.14				
GRI 401: Employment	401-1	New employee hires and employee turnover	Managing Sustainability: p.8 People Data Highlights: p.14				
	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: • Pension/401k schemes • Insurances, such as medical, travel, life, and permanent health insurances • Bonuses 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 Data Highlights: p.14				

GRI Standard		Indicator	Location and/or information	Omission	
Labor/management relations					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8		
	103-2	The management approach and its components	Managing Sustainability: p.8 People Data Highlights: p.14		
	103-3	Evaluation of the management approach	Managing Sustainability: p.8		
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		Indicator	Location and/or information	Omission
Occupational health and safety				
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.	
			Managing Sustainability: p.8	
			People Data Highlights—Health and Safety: p.14	
	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: p.8	
			People Data Highlights—Health and Safety: p.14	
	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: p.8	
			People Data Highlights—Health and Safety: p.14	
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 Data Highlights—Health and Safety: p.14	
			. 55F-5 Sata	

GRI Standard	Indicator	Location and/or information	Omission
GRI 403: 403 Occupational health and safety (cont.)	73-2 Types of injury and rates of inju occupational diseases, lost days and absenteeism, and number of work-related fatalities		Information unavailable

GRI Standard		Indicator	Location and/or information	Omission		
Training and education	Training and education					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8 People Data Highlights: p.14			
	103-2	The management approach and its components	Managing Sustainability: p.8 People Data Highlights—Employees: p.14			
	103-3	Evaluation of the management approach	Managing Sustainability: p.8 People Data Highlights—Employees: p.14			
GRI 404: Training and education	404-1	Average hours of training per year per employee	Arm's strategy for developing its people does not place the focus on the quantity of training hours but on providing quality and relevant training. This ensures all our employees are provided with the development they need over both the short and long term.			
			During April 2017 to March 2018:			
			 1,022 recent starters attended our global Big Picture induction event (an estimated 77 percent of the new hire population). The program is designed to foster a sense of community among our new starters, and covers all job grades and regions across the organization. An estimated 19 percent were female. 			
			 240 graduate hires participated in our Global Graduate Conference (around 90 percent of the total graduate community). An estimated 22 percent were female. The conference enables our graduates to learn more about the Arm business model, meet members of the leadership team, meet our global graduate community, and build their networks. 			
			 Our annual Global Engineering Conference brought together around 800 engineers across all job grades (around 17 percent of our engineer population). An estimated 16 percent were female. The conference promotes networking and opportunities for sharing challenges and ideas. 			
			 Our new Global Technical Leadership Conference attracted around 120 engineering leaders (around 10 percent of the engineer leader population). An estimated 6 percent were female. The conference provides a space for our leaders to agree and align the technology focus areas for the next two to five years. 			
			• The Arm Leadership Conference (a new initiative in 2017) attracted around 230 leaders to align key strategic goals and develop leadership capabilities around topics including strategic messaging, emotional intelligence, and leading in a social age.			

GRI Standard		Indicator	Location and/or information	Omission
GRI 404: Training and education (cont.)	404-2	Programs for upgrading employee skills and transition assistance programs	We build technical capability through our various businesses through on-the-job training and face-to-face sessions. We also provide access to online training courses on the following portals to all members: LinkedIn Learning and Lynda Doulos Technical Training Feabhas Training We focus on enabling leadership transition and capabilities through: Coaching and mentoring programs Leading across boundaries	
	404-3	Percentage of employees receiving regular performance and career development reviews	In financial year 2017, 59.25 percent of employees completed a career development review. This is one of the key strategic priorities of the People team. We have focused on reviewing our existing Arm Feedback and Development System. This was initiated after receiving feedback in our employee engagement survey. The redesigned project is due to be launched by April 2019.	

GRI Standard		Indicator	Location and/or information	Omission	
Diversity and equal opportunity					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8 People Data Highlights—Employees: p.14		
	103-2	The management approach and its components	Managing Sustainability: p.8 People Data Highlights—Employees: p.14		
	103-3	Evaluation of the management approach	Managing Sustainability: p.8 People Data Highlights—Employees: p.14		
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 Data Highlights—Employees: p.14		
	405-2	Ratio of basic salary and remuneration of women to men	U.K. figures were published publicly in April 2018 in our Gender Pay Gap Report. 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	
Non-discrimination					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8 People Data Highlights—Employees: p.14		
	103-2	The management approach and its components	Managing Sustainability: p.8 People Data Highlights—Employees: p.14		
	103-3	Evaluation of the management approach	Managing Sustainability: p.8 People Data Highlights—Employees: p.14		
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, 2018.		

GRI Standard		Indicator	Location and/or information	Omission		
Human rights assessm	Human rights assessment					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	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. Arm also published its first Modern Slavery Statement last year. Boundaries: Internal—all employees, all businesses and locations			
			External—suppliers Managing Sustainability: p.8			
	103-2	The management approach and its components	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. 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.			
	103-3	Evaluation of the management approach	Our approach has been evaluated and is deemed suitable, given our risk profile in the area of human rights. We review our policies regularly and update them as necessary.			
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		

GRI Standard		Indicator	Location and/or information	Omission		
Supplier social assessi	Supplier social assessment					
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. Managing Sustainability: p.8			
	103-2	The management approach and its components	The Procurement team reports into 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. Managing Sustainability: p.8			
	103-3	Evaluation of the management approach	The CFO represents procurement on the Arm Executive Committee, which reports into the Board. Managing Sustainability: p.8			
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.			
Public policy Public policy						
GRI 103: Management	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8			
approach	103-2	The management approach and its components	Managing Sustainability: p.8			
	103-3	Evaluation of the management approach	Managing Sustainability: p.8			
GRI 415: Public policy	415-1	Political contributions	The Group does not make any political donations. See Employee Code of Conduct.			

GRI Standard		Indicator	Location and/or information	Omission			
Customer privacy	Customer privacy						
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8				
	103-2	The management approach and its components	Managing Sustainability: p.8				
	103-3	Evaluation of the management approach	Managing Sustainability: p.8				
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, 2018.				
Socioeconomic compli	ance						
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundaries	Managing Sustainability: p.8				
	103-2	The management approach and its components	Managing Sustainability: p.8				
	103-3	Evaluation of the management approach	Managing Sustainability: p.8				
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, 2018.				

