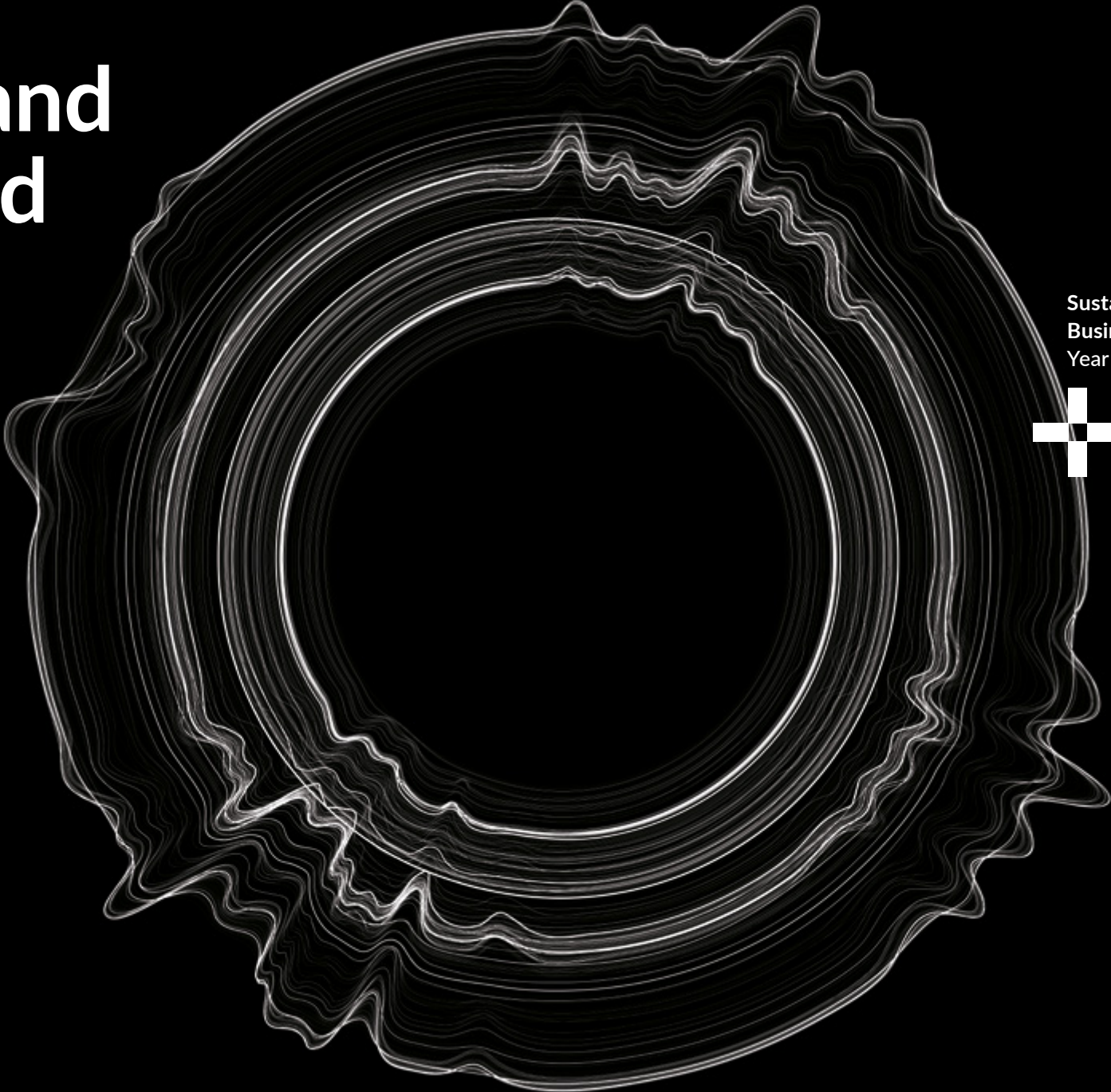


# Listen, Learn, and Respond



Sustainable  
Business Report  
Year ending March 31, 2020



arm

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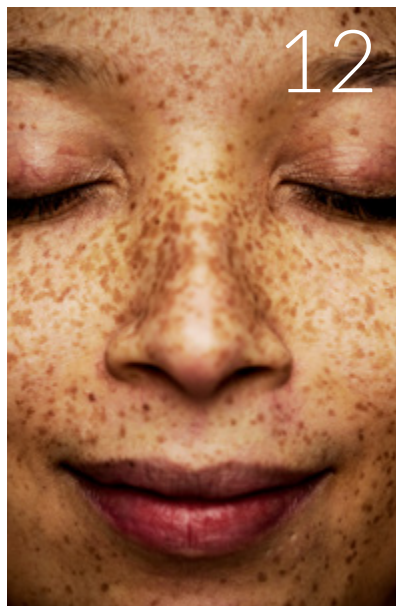
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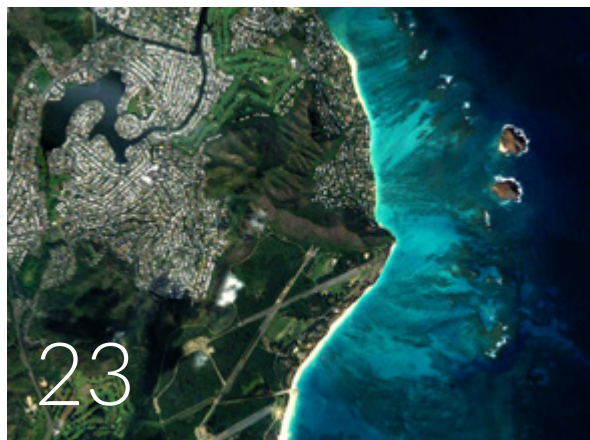
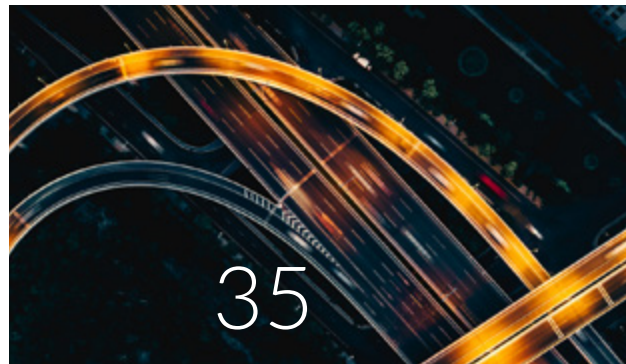
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# Welcome to Our Annual Sustainable Business Report

This report aims to provide transparent, meaningful information on our ethical and sustainability efforts to enable stakeholders and partners to assess our performance. The report details how we sustain our business by creating positive impact—for our people, on the environment, and on society. We believe that listening to all our stakeholders is an essential part of this, and the report also includes our materiality assessment, carried out in consultation with stakeholders to identify the issues that matter most to them.

The report is our annual Communication on Progress against the United Nations Global Compact Principles and criteria (pages 29 to 34). It also reports in accordance with the Global Reporting Initiative (GRI) Standards: Core option (pages 36 to 64). We have set ourselves an objective to have future reports assured by an independent third party. We are beginning this process this year by having our carbon data assured for the first time, and will be developing this further in the years ahead.

### COVID-19

This report was prepared for the year ending March 31, 2020, before the scale and significance of the COVID-19 pandemic became clear and had any significant impact on Arm's business performance, activity, or stakeholder relationships. However, our response to the pandemic gathered pace through March 2020 and continues to deliver support and impact across our business and in society through a number of programs delivered by our partners. For further information on our COVID-19 response, refer to [arm.com](http://arm.com) and to our 2020 Sustainability Impact Report.

### Key Highlights from FY 2019

**12.5%**

Increase in global headcount

**£3.85m**

Donated to charities by Arm and our employees<sup>1</sup>

**>8,700**

Volunteering hours donated by employees

<sup>1</sup> Includes £2.4m in corporate philanthropic support (not reported in 2019) and £1.9m from employees.

## CEO Statement

**Despite only emerging towards the end of our financial year, the impact of COVID-19 is being felt by every single one of us, in every corner of the globe. Life is changing, and can be expected to change further, and while it has undeniably brought many difficulties, it is heartening to see how the world has pulled together to bring hope and comfort to those who need it most.**

While Arm has grown as a company, we have proved that we are still a business that cares for the communities in which we operate—even in the toughest times. We are strongest when we support each other, and we have worked hard to continue that support.



Our vision is for “technology that invisibly enables opportunity for a globally connected population.” Trust and collaborative partnerships are at the very heart of our business model. This privileged position allows us to influence the way technology is used to help deliver the Global Goals.

Our relationships with our sustainability partners, such as the UN Global Compact (UNGC), UNICEF, and the World Health Organization (WHO), are well established. We have seen, and can increasingly expect to see, these strong ties delivering results in addressing some of the world’s biggest social challenges.

“Our vision is for ‘technology that invisibly enables opportunity for a globally connected population.’ Trust and collaborative partnerships are at the very heart of our business model.”

Our longest-standing partnership is with the UNGC. We are proud to be an active member of the UNGC LEAD program, working with an exclusive group of UNGC participants to achieve higher levels of corporate sustainability performance and inspiring action in support of broader UN goals and issues.

We recently celebrated the fifth anniversary of our partnership with UNICEF. This ongoing alliance has helped drive innovation targeting the hardest to reach, providing the vital services they need to thrive, leaving no-one behind.

Our technology already reaches around 70 percent of the global population. Working with our ecosystem of semiconductor and technology partners, we have the potential to improve the quality of life for everyone through advances in artificial intelligence enabling autonomous systems, advanced and affordable healthcare, and connecting the most vulnerable communities to essential services.

“We have the potential to improve the quality of life for everyone.”

Part of being a responsible global citizen is also acknowledging our impact on the planet. This year saw us achieve our carbon and energy targets, and we are working hard to reduce consumption, minimize unnecessary travel, and step more lightly wherever we operate. Our remit now is to be bolder. We are setting new targets to achieve net zero carbon across all our operations by 2030, 20 years ahead of the Paris Agreement guidance.

These are times without precedent. Our core beliefs—We not I, Passion for progress and Be your brilliant self—have never been more important. They act as a guiding star for every member of the Arm family, and a fulcrum for the positive impact we can make in the world through our people, our technology, and our partnerships.

I hope this report will inspire you and show exactly how we are making a difference.

**Simon Segars**  
CEO, Arm Limited

# Listen, Grow, and Transform

## Our Business

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## Our Business

**As experts in computing and connectivity, Arm creates solutions that are transforming the ways businesses operate and people live. Around the world, intelligent computing is powered by around 180 billion chips using our advanced, energy-efficient processor designs to enable intelligent computing.**

### Our Technology

More than 70 percent of people worldwide use Arm's technology, which is creating a globally connected population. Together with our Internet of Things (IoT) software and device management platform, our technology is enabling customers to derive real business value from their connected devices. With an ecosystem of more than 1,000 technology partners, Arm is at the forefront of designing, securing, and managing all areas of computing, from the chip to the cloud.

Our technology can create real change for people and planet. We understand that to bring this change, technology must be used responsibly, maximizing the positive impacts while minimizing any negative ones.



Technology can no longer be developed simply to solve issues of connectivity; it must be part of the solution to the critical global challenges we face today. At Arm, we are using our expertise to create products that can transform education, help lift millions out of poverty, address the growing climate crisis, and help the world meet the challenge of COVID-19.

### Partnerships and Recognition for Positive Impact

While developing our processes to be more sustainable is important, we recognize that we cannot act alone. Real progress on driving the United Nations (UN) 2030 Sustainable Development Goals (the Global Goals) requires strong partnerships and participation in key external initiatives. Only through collaboration with industry partners and governments can we truly benefit the planet and the global community, including our own business. By working with other companies to help deliver the Global Goals, we are transforming how technology is used to support their delivery. Arm also participates in international coalitions, including the UN Global Compact (UNGC), and reports to the Core option of the Global Reporting Initiative (GRI) Standards. You can find out more about our work toward the Goals in our Global Goals Impact Report.

### Recognition, Participation, and Awards

Over the last year, Arm has participated in and supported key external initiatives and partnerships, and has received widespread recognition for our efforts, including the following.



**Sustainable Development Goals**



**Global Reporting Initiative**



**United Nations Global Compact**

**UN Global Compact**



**World's Most Ethical**

Arm joins prestigious group of World's Most Ethical Companies by Ethisphere.

[Read more](#)



**NewB Award**

Presented to **Team Arm** for our transformative approach to community engagement.



**Careers Excellence Award**

Arm named **Large Employer of the Year** for delivering an innovative approach to careers guidance with meaningful encounters for young people.



**Bett Awards**

Arm's Education program was shortlisted for the **Higher Education or Further Education Digital Services** award for work in addressing the skills gap in computing and STEM.

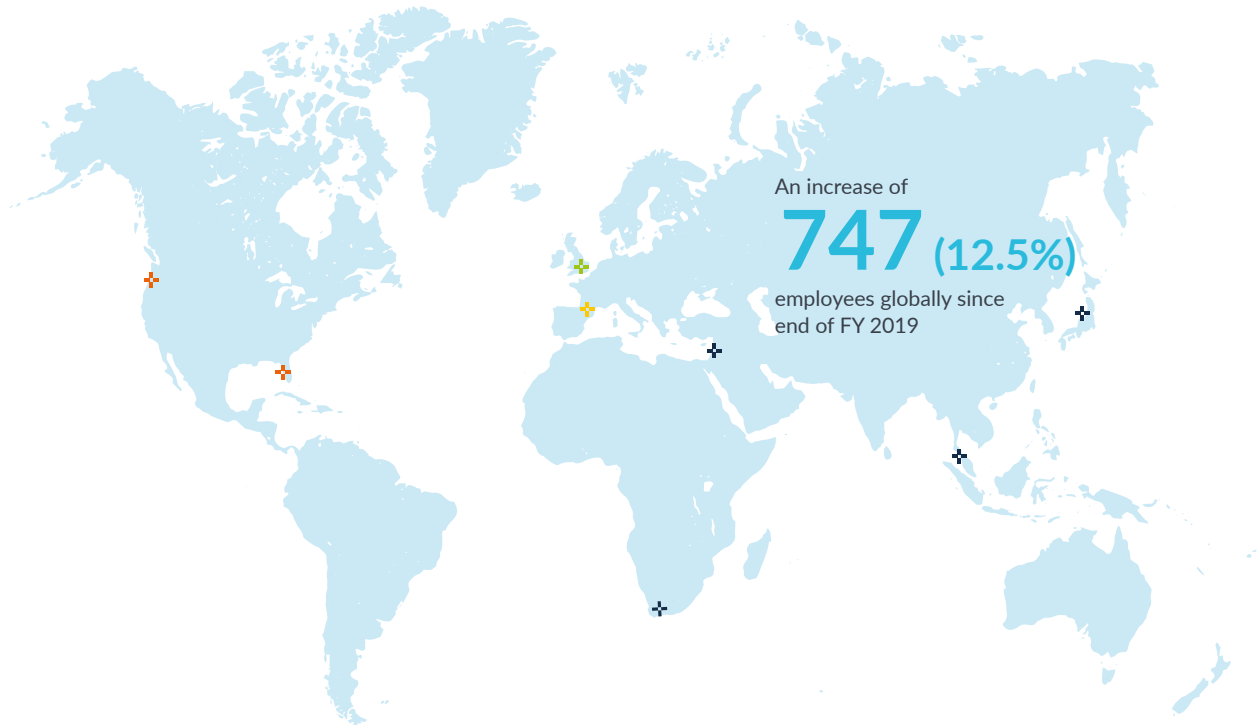
## Our Global Presence

Arm's headquarters are located in Cambridge, U.K. We have a further 42 offices in 18 countries, including major research and development (R&D) centers in the U.K., U.S., China, Israel, France, Norway, and Sweden.

FY 2019 has been a period of considerable change at Arm, as well as substantial growth. This success is reflected in significant increases in our employee numbers across our global locations. As of March 31, 2020, Arm employed 6,732 people: 5,370 technical staff<sup>1</sup> and 1,362 non-technical staff.

### Business Highlights<sup>2</sup>

North America		United Kingdom		Rest of Europe		Asia, Africa, Middle East	
Offices	Employees	Offices	Employees	Offices	Employees	Offices	Employees
9	1,522 +205 in 2019	8	2,918 +372 in 2019	13	1,150 +25 in 2019	12	1,142 +145 in 2019



	Year ending March 31, 2018	Year ending March 31, 2019	Year ending March 31, 2020
Market share for Arm-based application processors in mobile devices	90%	90%	95%
Cumulative licenses signed	1,577	1,694	1,767
Arm-based chips shipped <sup>3</sup>	21.1bn	22.5bn	22.8bn
Market share <sup>4</sup>	34%	33%	34%
Revenue	£1,368m	£1,395m	£1,491m
R&D investment	£564m	£656m	£673m*
Established employees worldwide	5,886	5,985	6,732
Nationalities employed by Arm globally	82	89	99

\*Unaudited

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

<sup>2</sup> Employee figures here refer to established employees only (excluding fixed term and external, which includes self-employed individuals, contractors, and consultants who are not directly employed by Arm).

<sup>3</sup> Arm-based chip shipments have been restated for the years ending March 31, 2018 and 2019 due to errors since identified.

<sup>4</sup> Market share for 2018 has been restated for comparison purposes due to a change in the way total market value was calculated for 2019 reporting.

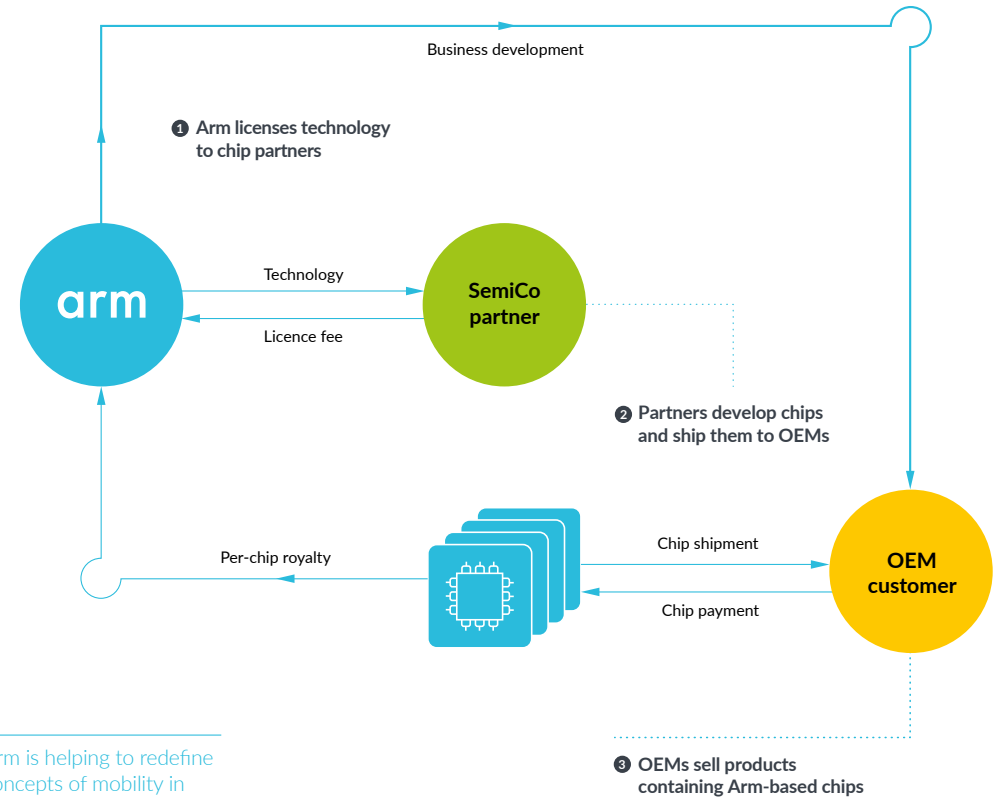
## Architecting a Smarter World—Arm’s Innovative Business Model

From providing the IP for the chip to delivering the cloud services that allow organizations to securely manage the deployment of products throughout their lifecycle, Arm delivers a complete IoT solution for our partners and customers. It’s rooted in our deep understanding of the future of computing and security.

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

We collaborate with our customers, and nurture an ecosystem of companies that depends on Arm technology. This global network is aligned to provide complete solutions—from design to manufacture to end use—based on our architecture.

### Arm Business Model



Arm is helping to redefine concepts of mobility in a new era of automotive innovation. [Read more](#)



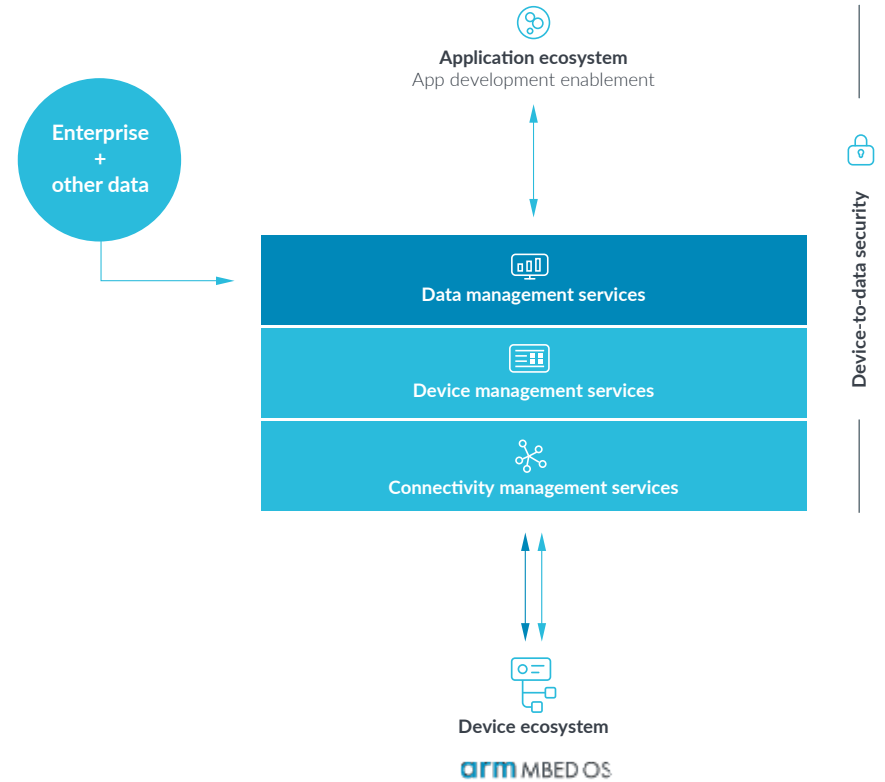
## Supporting Internet Services

The future may see a world with more than a trillion connected devices. We are outsourcing more of our lives to technology, including our personal connections and essential services. This demands a truly imaginative approach to how we secure those devices and protect our societies.

For the IoT to really improve lives and become what we envisage, trust, security, and privacy are essential. Arm embraces new technology and external concepts to ensure this. Artificial intelligence (AI) is empowering change, driving innovation, and creating exciting new possibilities. Arm is forging a path to the future with solutions designed to support the rapid development of AI. Arm combines the hardware, software, tools, and strategic partners needed to accelerate development in a secure and ethical way.

Our IoT Platform is a transformative device-to-data platform for connected IoT that empowers an intelligent enterprise. The platform is a flexible, secure, and efficient foundation, spanning connectivity and device management. It accelerates the time to value of IoT deployments by helping trusted IoT devices to be easily connected on global networks and invisibly administered, and for real-time data to be extracted from them to drive competitive advantage.

### Device-to-Data Platform Built on a Strong Security Framework



Arm has an AI platform for every application. [Read more](#)



## Creating Value for Our Stakeholders

Realized in around 180 billion silicon chips, our device architectures orchestrate the performance of technology that is transforming our lives: from smartphones to supercomputers, from medical instruments to agricultural sensors, and from base stations to servers. This is at the core of how we create both economic and social value.

### What We Need to Execute Our Business Model

#### Arm's Core Beliefs

Shaping a culture for innovation and growth



We, not I



Passion for progress



Be your brilliant self

#### People and expertise

**6,732** established employees

#### R&D Investment

**£673m\***

Invested in R&D (normalized)

#### Technology collaboration

**1,000+**

Connected partners in the Arm ecosystem

### How Arm Creates Value



**R&D activity**  
2-3 years  
Investment phase



**Product development**  
3-4 years  
Licensing phase



**Multiple applications across a range of markets**  
25+ years  
Royalty revenue continues

### The Value We Create

#### Arm-based chips

**22.8bn**

Arm-based chips shipped year ending March 31, 2020

#### Licenses signed

**1,767**

Cumulative licenses signed

#### Revenue

**£1,491m**

Revenue year ending March 31, 2020

#### Profits

**£43m**

IFRS EBIT

#### Patents

**8,312**

Patents owned or pending

#### Global Goals-related programs

**Over 50**

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

\*Unaudited

## Sustaining Our Business by Creating a Positive Impact



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

### Our Sustainability Strategy

Our efforts are targeted in the areas where we can make the biggest impact. Our strategy focuses on our ambitions and we set robust, measurable short- and long-term goals, while developing new methodologies to measure our impacts and progress. We are guided in the measurement of our contribution to the UN Global Goal indicator level, to help ensure that our efforts make a real difference and support the achievement of the targets and goals. Find out more in our Global Goals Impact Report.

### Building Trust

As a leader in emerging technologies, with a wide range of partners, we must also be a leader in setting and evolving best practice. Most of our R&D focuses on improving user security, and ethics is already a central theme in our AI and IoT divisions. Arm is committed to demonstrating that best practice also extends to sustainability. We aim at all times to be a good neighbor in the communities where we operate, and we continually invest in programs to help us to reduce our carbon footprint. We demonstrate good governance in all we do, with transparency and regular reporting on our performance.

### Enabling Our People

Our brilliant people are the heart of creating the technology through which we are shaping a smarter, more sustainable future. We want them to be actively involved with our sustainability programs, seeing for themselves the positive changes our actions create for people, our communities, and the environment. This is why our sustainability program is increasingly integrated into the business and with Team Arm, our employee community engagement program.

It is also important for Arm to nurture a pipeline of strong, inspired talent. We invest heavily in science, technology, engineering, and maths (STEM) education, through both financial donations and employee volunteering time. Our support aims to encourage social mobility, promote diversity and inclusion, and help the next generation of engineering talent.

### Improving Lives

Arm is harnessing our technologies for good. We aim to help build safer, more sustainable cities and homes, creating mobile technology that keeps people connected. We have developed, and continue to expand, wearable technologies, biometrics, and advanced sensors designed to improve the health and well-being of people globally. Through collaborating with key partners such as UNICEF and Be He@lthy, Be Mobile (BHBM), a World Health Organization and International Telecommunication Union joint initiative, we are scaling up proven technologies that can bring widespread benefits.

We are also investing in the future. Today's students are the future of our business. By bringing STEM education programs into schools through the [Arm Education Program](#), we are helping to equip students with the knowledge they need to build technology solutions. Through teaching them important technical skills, we are providing young people with the skills, confidence, and ambition to thrive.

### Realizing the Global Goals

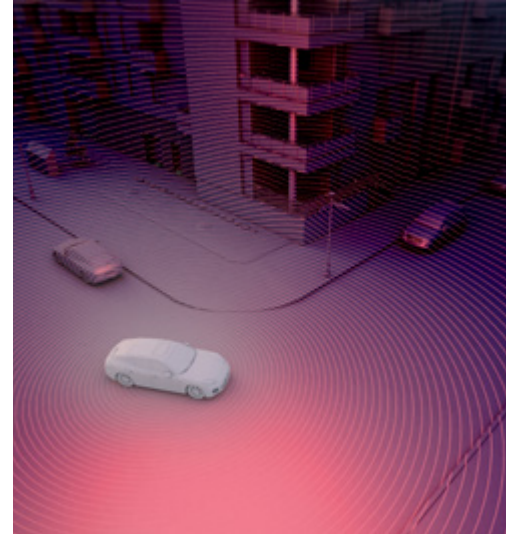
The UN Global Goals have the power to create a better world by 2030 by ending poverty, fighting inequality, and addressing the urgency of climate change. Success will require the strategic use of technology, but will also depend on utilizing the collective knowledge and imagination of experts from the technology sector and beyond. Arm's 2030Vision initiative brings together governments, nongovernmental organizations (NGOs), businesses, and academia to work together on developing technology that will unlock solutions to some of the planet's greatest challenges—climate change, poverty, health, education, and equality. Alongside our partners, Arm will show what technology can make possible and inspire innovations that can accelerate positive change. Discover more about [2030Vision](#).



## Responsible Technology

**Arm is committed to influencing and shaping how technology is used to deliver the 2030 Global Goals. Our vision is for technology that invisibly enables opportunity for a globally connected population.**

Energy-efficient, low-cost Arm-based technologies are ideal for use in applications that can be scaled across every part of the world, including the hardest-to-reach communities. We are looking to a future of a trillion connected devices enabled by the convergence of AI, the IoT, and 5G infrastructure, also known as the fifth wave of computing. These devices will manage everything from energy systems, water usage, traffic flows, and retail stock to harvesting crops and revolutionizing our health services through personalized care.



### Driving into the Future

Arm is working with OEMs and other partners to help simplify and redefine our concept of mobility and enable a new era of automotive innovation for vehicles. We are helping to drive the digital transformation of mobility, with a focus on safety, scalability, and collaboration. Our technologies are supporting functional safety, a critical element for any system deployed within a vehicle as it detects, diagnoses and safely mitigates the occurrence of any fault, preventing harm to people or the environment. Arm's Safety Ready portfolio and functional safety partnerships offer customers the solutions they need for their functional safety-related applications.

### An Arm AI Platform for Every Application

AI is becoming pervasive in all computing applications. Autonomous driving is changing how we use cars. The industrial IoT is changing how we manufacture goods. Radical new business models are set to change our lives in ways we can't imagine. Arm's AI Platform is helping to accelerate advances in AI. In healthcare, Arm's technology is behind AI-powered sensors that track how people with asthma use their inhalers. Research going back over 40 years has shown that over a third of inhaler users misuse their devices, impairing the arrival and/or deposition of aerosol in the lung (Sanchis et al., 2016). Smart sensors provide key, in-depth data to doctor and patient to enable them to better manage the condition—just one way in which Arm's technology is leading to better healthcare solutions.



# Listen, Support, and Enhance

## Our Performance

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## Our People

### Employees

As a business we rely on a strong workforce of passionate employees. For this reason, we have always prioritized building a culture focused on empowering each of our people. We encourage everyone to bring their best selves and their best ideas to work, building business value at the same time.

This culture of support is based on our Core Beliefs:



**We, not I**  
means collaboration first, egos last.



**Passion for progress**  
refers to innovation that enables our ecosystems, Arm, and our people to thrive.



**Be your brilliant self**  
is exemplified by skillful individuality, performance and fulfillment.

These describe how we live as part of the Arm community. The Core Beliefs are simple, memorable, and rich in meaning, and when combined they fully articulate the uniqueness of Arm's culture. We trust our colleagues, actively support personal growth, and encourage innovation. By developing and contributing in line with the Core Beliefs, we create a workplace that people love, and where each of us adds more value, delivers more, and, ultimately, increases the competitive advantage of our business.

### The People Group

The People Group supports our corporate strategic objectives by ensuring that our policies, systems, and processes are efficient, impactful, and meritocratic, enabling a high-performing, highly engaged organization. The Group manages the full employee lifecycle, from recruitment and onboarding to employee development and engagement, including reward and benefits. The recruitment process is managed in collaboration with managers from across the business, enabling specific needs to be defined. The People Group is also responsible for all internal communications, diversity and inclusion, and employee community engagement programs.

### Equal Opportunity

Arm is committed to delivering equal opportunities for all its employees and will 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.

### Promoting Well-being

At Arm, we believe in actively supporting the well-being of our colleagues. One of the ways in which we do this is FlexPot, a financial award for each employee, which they can spend on anything that enhances their well-being—from fitness equipment or education fees to getting onto the property ladder or supporting causes close to their heart.

In 2019, Arm employees donated £1.9m to charity, £565,000 of which came from their FlexPot awards, demonstrating that supporting communities is deeply embedded in the Company's culture.



## £1.45m

Donated to charities and community groups by Arm employees in 2019

## >8,700

Hours volunteered by Arm colleagues in 2019, supporting all 17 Global Goals

### Health and Safety

Our industry, and the environments in which our people operate, are considered low risk from a health and safety perspective. Even so, the safety and welfare of employees, contractors, and visitors remains a priority in all our workspaces globally.

Arm's Health and Safety team sits within the Workplace team, liaising closely across the business to implement and manage operational aspects of occupational health and safety across the Company. The team continually improves its management systems in this area with an audit program that includes external auditing of processes and offices. Ultimate responsibility for health and safety sits with the Board and the CEO.

### People Data

#### Information on Employees and Other Workers

##### Total established employees worldwide

Year ending March 31, 2020

**6,732**

2020	6,732
2019	5,985
2018	5,886

##### Total new hires

Year ending March 31, 2020

**1,356**

2020	1,356
2019	1,308
2018	1,486

##### Total established employees by gender

2020

Male	5,340
Female	1,382
Undisclosed	10
<b>Total</b>	<b>6,732</b>



##### Total established employees by gender

2019

Male	4,805
Female	1,180
Undisclosed	0
<b>Total</b>	<b>5,985</b>



##### Total established employees by gender

2018

Male	4,801
Female	1,085
Undisclosed	0
<b>Total</b>	<b>5,886</b>



##### Total established employees by age group

2020

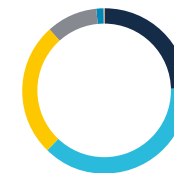
<21	2
21-30	1,645
31-40	2,502
41-50	1,806
51-60	670
61-70	97
>70	5
Unknown	5
<b>Total</b>	<b>6,732</b>



##### Total established employees by age group

2019

<21	2
21-30	1,462
31-40	2,263
41-50	1,565
51-60	598
61-70	91
>70	4
Unknown	0
<b>Total</b>	<b>5,985</b>



##### Total established employees by age group

2018

<21	1
21-30	1,335
31-40	2,353
41-50	1,501
51-60	609
61-70	82
>70	5
Unknown	0
<b>Total</b>	<b>5,886</b>



## Environment

### Our Environmental Approach

All of Arm's activities have an impact on the environment. As our business develops, environmental considerations remain a priority, and we are committed to reducing any adverse operational impacts. We continuously work on programs to conserve natural resources and reduce our emissions. We aim to not just meet environmental regulations, laws, and codes of practice but to exceed them.

### Environmental Targets and Performance

Arm is a member of the UNGC and Caring for Climate, and we have declared our commitment to the Ten Principles of the UNGC, three of which relate to environmental responsibility.

### Our 2020 Targets

In 2010, we established carbon and energy-reduction targets to be achieved by 2020 to minimize our impact on the planet. We achieved those targets in 2017 and by 2020 had made a greater reduction, achieving a 49% reduction in tonnes of CO<sub>2</sub>e per employee and a 35% energy reduction (compared to the targets of 30% and 15% respectively). We are now developing more ambitious targets for 2020–2030, grounded in science and in line with a 1.5°C temperature trajectory and the Paris Agreement.

We met our 2020 targets early and then exceeded them. We have undertaken an accelerating shift toward securing renewable energy for some of our biggest office locations. Despite opening new offices in recent years, including at our Cambridge headquarters and in San Jose, and expanding our people numbers around the world, our use of office space has become more efficient. This, coupled with a wide range of energy-efficiency improvements, has led to a significant reduction in per-capita energy use and carbon emissions.



# -49%

A 49 percent reduction in tonnes of CO<sub>2</sub> emissions per employee, 19 percentage points more than target

### Net Zero by 2030

We have now committed to achieving net zero carbon in our operations by 2030, 20 years ahead of the Paris Agreement guidance. We will be following a best practice approach to defining net zero, achieving absolute reductions as opposed to intensity reductions and using the recommended approach to offsetting. At the end of 2020, we announced the individual targets to deliver our net zero commitment. These targets will follow science-based methodologies and will be shared on our website.

# >33%

More than 33% of our energy use was from renewable sources

### Renewable Energy and Other Initiatives

Our strategy includes the procurement of renewable energy where available; our Cambridge headquarters is powered entirely by renewable energy. As a proportion of our overall energy mix, our consumption from renewable sources has continued to increase. In FY 2019, we consumed 15,234MWh from renewable sources—more than 33 percent of our total energy consumption. Our CDP 2019 climate change score was a B, which puts us in the "Management" bracket.

### Environmental Management

Arm reviews the environmental data from our individual operations on a monthly, quarterly, and yearly basis. Reports are reviewed at senior level by the Sustainability Committee on an annual basis, which includes the COO, and regular updates are made to the Executive Committee.

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

Our emissions and energy consumption are reported on both an absolute basis and an intensity basis. Due to our rapid growth, carbon-reduction targets have been set and reported on an intensity basis. To measure intensity, we use a mid-year total headcount taking into consideration all full-time and fixed-term employees as well as contractors.

Our year-on-year headcount growth previously made it difficult for us to achieve an absolute reduction in both energy and emissions. However, continuous efforts to increase energy efficiency across our facilities globally and to increase procurement of renewable energy have enabled us to achieve absolute reductions in both energy and emissions at individual sites.

Arm's climate change mitigation strategy is overseen by the Sustainability Committee, which includes Executive-level decision-makers representing all aspects of the business. This ensures that those expected to take carbon-reduction actions are also involved in deciding which actions are required.

### Energy

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

The majority of purchased electricity Arm consumes is sourced from a regulated grid, though some of our sites now procure renewable energy. We also purchase a small amount of gas, but not at a level considered material to our overall energy consumption.

Wherever possible, Arm engages closely with the landlords of our leased buildings to encourage energy-efficient processes and practices. Our aim is for all our office spaces to be certified at LEED Gold standard or higher, and our Property Design Guide includes guidance on sustainability.

### Scope 3 Emissions

Our Scope 3 emissions, mainly arising from business travel, have generally increased year on year in line with an increase in our employee numbers. In FY 2019, we recorded a 17 percent reduction that was due largely to a significant drop in business travel towards the end of the financial year due to the COVID-19 pandemic.

We expect our FY 2020 Scope 3 emissions related to business travel to also reflect the impact of COVID-19 on flights taken by our people. We have also initiated approaches to reduce the amount of air travel undertaken by our people through a combination of behavioral change and greater adoption of video conferencing. A new travel policy that focuses on greater employee well-being and carbon reduction is planned for FY 2020.

We encourage behavioral changes to reduce Scope 3 emissions incurred through commuting, and we support the provision of electric-vehicle charging at our larger offices and other travel schemes such as Cycle to Work. A more detailed commute survey is planned for FY 2020 to enable greater support for future modal shift in employee commuting. During FY 2020, we will be expanding our efforts on Scope 3 emissions to further consider the impact of employee commuting and the contribution of our supply chain (procurement) to Scope 3 emissions.

### Water and Waste

The majority of water use and waste at Arm occurs within office spaces. We collect water-consumption data where it is available; at facilities where this is not the case, we make best estimates based on headcount.

In FY 2019, our total water consumption was 91.296 megaliters (down from 104.937 megaliters in 2018-19). The reduction is due to water-efficiency improvements and improvements in our approach to estimating consumption where accurate metering is not available.

Our CDP 2019 water security score was a C, putting Arm in the "Awareness" bracket.

Arm does not currently have any material impacts or risks relating to water, materials, biodiversity, 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. During FY 2020, we will be undertaking work to better understand and define our impact and risks in relation to products and services, specifically in relation to our supply chain (procurement).

### E-waste

Although Arm does not manufacture products, we realize we are part of an industry that generates huge amounts of electronic waste, which is having a growing negative environmental impact. E-waste was highlighted as a high-priority issue by stakeholders in our recently updated materiality assessment (see page 26). We are committed to ongoing dialogue with stakeholders on issues relating to e-waste, and to exploring how industry-wide collaboration across the technology sector can address e-waste as part of delivering the Global Goals.

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

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

#### Emissions Data

Total emissions by scope (tCO<sub>2</sub>e)  
FY 2017

Scope 1	269
Scope 2	13,061
Scope 3	20,391



Total emissions by scope (tCO<sub>2</sub>e)  
FY 2018

Scope 1	455
Scope 2	13,642
Scope 3	21,568



Total emissions by scope (tCO<sub>2</sub>e)  
FY 2019

Scope 1	389
Scope 2	13,561
Scope 3	17,921



See more environmental data in the [Environment Data tables](#).



## Financial Performance

Arm's total revenue for the financial year ending March 31, 2020 was £1,491 million, an increase of £96 million (7 percent) from £1,395 million in the previous year. This was primarily due to the delivery of the first in a family of next-generation processors that will be used in future smartphones, and the full-year effect of acquisitions that were made part-way through 2018, and which also grew strongly. This growth was offset by a general weakness in the semiconductor industry in the first half of the financial year, caused by U.S.-China sanctions and mobile network operators reducing their stock of 4G mobile phones ahead of the launch of new 5G models.

Arm continued to license its technology to semiconductor companies all over the world, taking the number of Arm licensees to 1,767 at March 31, 2020, up from 1,694 the previous year. Arm's customers reported that they had shipped a record number of Arm-based chips, with just under 23 billion chips reported as shipped in the period. Arm also continued to invest in its R&D capability and supporting systems. During the year, Arm increased its global headcount by 11.1 percent, with around 80 percent of the new intake having a technical background.

### Key Performance Data

#### Arm ownership 2019

SoftBank Group (SBG)	75.01%
SoftBank Vision (SBV)	24.99%



#### Total revenue

**£1,491m**

FY 2019	1,491m
FY 2018	1,395m
FY 2017	1,368m

#### R&D investment

**£673m\***

FY 2019	673m*
FY 2018	656m
FY 2017	564m

\*Unaudited

#### Market share for Arm-based application processors in mobile devices<sup>1</sup>

FY 2019	95%
FY 2018	90%
FY 2017	90%

#### Cumulative licenses signed

FY 2019	1,767
FY 2018	1,694
FY 2017	1,577

#### Arm-based chips shipped<sup>2</sup>

FY 2019	22.8bn
FY 2018	22.5bn
FY 2017	21.1bn

#### Employees

**15.9%** increase in total people numbers between FY 2018 and FY 2019<sup>3</sup>

FY 2019	8,636
FY 2018	7,450
FY 2017	7,021

established, fixed-term, and external employees

<sup>1</sup> Market share for 2018 has been restated for comparison purposes due to a change in the way total market value was calculated for 2019 reporting.

<sup>2</sup> FY 2017 and FY 2018 figures have been restated following a recalculation of data for those years.

<sup>3</sup> Employee figures here include all established, fixed-term employees and external, which includes self employed individuals, contractors, and consultants who are not directly employed by Arm.

## Social Impact

**We want to see technology creating a sustainable world for people everywhere, with safe and secure environments for people to live and work in and where vital resources are safeguarded and maximized.**

### Powering Technology to Save Lives

With growing populations, chronic conditions, and rising costs, many countries are struggling to deliver their public health commitments. The devastating impact of COVID-19 has made addressing these issues even more pressing. Technology powered by Arm is helping unlock solutions that address a lack of access to affordable healthcare services, inadequate infrastructure, and obstacles to information sharing.

### Broadening Access to Digital Healthcare

Be He@lthy, Be Mobile (BHBM) is a joint initiative of the World Health Organization and the International Telecommunication Union, of which Arm is a partner. BHBM asked us to help them solve the problem of providing digital healthcare in low-resource settings.

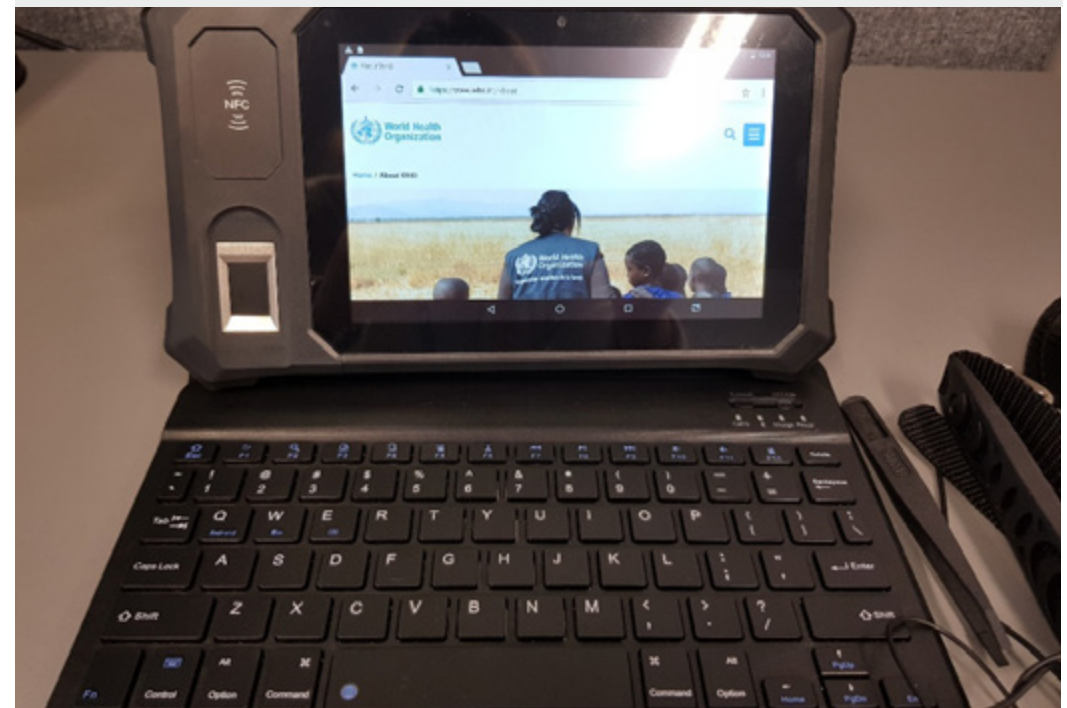
In much of the developing world, healthcare systems are paper based, outdated, unreliable, and do not offer additional benefits such as diagnostics and health alerts. Switching to digital healthcare, though, is not an option for community health workers serving remote locations with no electricity and difficult physical conditions that prevent devices working.

Due to Arm's unique position within the semiconductor ecosystem, we were able to convene the right partners from our global network to develop and test the concept for a new tablet for the healthcare market. The project aimed to understand the need for a new device and test if it was technically feasible and economically viable.

After consulting nearly 100 health experts, government representatives, and community healthcare workers to develop the ideal specification, we developed a prototype device. Key features included three- to four-day battery life, front and rear cameras with flash for diagnostics, rugged design, and a SIM card for voice and SMS connectivity. Field testing in Bangladesh and Tanzania was completed in December 2019.

100 percent of respondents using paper-based methods in Tanzania felt that the prototype was better than their existing method of delivering healthcare, while 89 percent of all respondents felt that the tablet would help them better deliver treatment for certain health conditions, including TB, malaria, and HIV.

We are now working to identify the right partners to take this project from prototype to reality by developing a device with the potential to enable healthcare workers to deliver more reliable and better healthcare to many millions of patients in developing countries.





### Giving Young People a Voice in Policy Reform

Public policy reform is typically a complex process, subject to constantly evolving political, social, and economic challenges. While reform can affect multiple demographics, the voices of young people are rarely sought before policies are executed. Yet to be truly effective, policy-making must go beyond prescriptive statements to engage directly with young people on the issues and services that directly affect them. UNICEF's U-Report provides that engagement.

U-Report started in 2011 as an initiative to hear from young people in Uganda via SMS. The financial support provided by Arm allowed UNICEF to scale up U-Report, which now has more than 8 million users in 60 countries. Free, anonymous, and easy to use, the social messaging tool enables interactions between young people and their communities, governments, and civil society organizations. Users, called "U-Reporters," share opinions and information on topics that affect them, with the data from regular polls made available in real time. This information goes to UNICEF and

governments to be aggregated and analyzed, creating an intergenerational dialogue that places young people at the forefront of change.

Thanks to the improved technology and Arm's networks, U-Report has been integrated across messaging platforms such as Facebook Messenger, WhatsApp, and Viber—allowing UNICEF to reach and engage new audiences. Now, with Facebook's Free Basics platform—a free, limited internet service for developing markets—U-Report can also reach people in countries where the costs of SMS are prohibitive.

With the ongoing improvements to U-Report catalyzed by Arm, UNICEF has been able to send short, sharp messages to keep in touch with U-Reporters. This has provided crucial support in emergency situations, both to alert young people and their families of imminent danger and to share life-saving information. UNICEF is now exploring the possibility of using U-Report to engage groups who are not constrained by country borders, such as migrants and refugees.

### How Technology Can Spread the Word

Around 2 billion people worldwide—just over 25 percent of the population—rely on subsistence farming to feed themselves and their families. Life can be hard, food security is low, and poverty and malnutrition are rife.

Information about farming techniques could help these farmers increase their yields or raise healthier livestock. For those living in remote, rural communities, multiple barriers—including low literacy rates, a lack of infrastructure, electricity, and mass media, and social or cultural gender norms and biases—can make accessing that information almost impossible. But technology is helping.

The Amplio Talking Book is a rugged audio device designed for sharing information in such remote, off-grid, low-literacy environments. Powered by the Arm Cortex-M4, the unit uses mains power or batteries to deliver local-language content targeting knowledge, attitudes, and practices. No internet connectivity is required.

Used by governments and development organizations such as UNICEF, CARE, and USAID, the Talking Book gives access to information on topics such as sustainable agriculture, maternal health, child protection, financial literacy, hygiene and sanitation, and malaria prevention.

Content, ranging from educational songs and interviews to dramas and peer/influencer endorsement, can be refreshed regularly. An integrated loudspeaker enables families to listen and learn together, and listeners can play messages on demand and record feedback using the integrated microphone. This feedback, along with usage data, allows organizations to monitor program engagement, identify issues and trends, and continually refine their content for greater impact. The Talking Book is currently helping many thousands of people and communities in Ghana, Kenya, Rwanda, and Uganda.



## Accelerating Learning

Empowering people with opportunities to develop their skills is fundamental to Arm's vision. Our [Education and Research](#) initiatives provide dedicated support at all levels working with academic, education, and industry partners, supporting technological innovation and talent development through computing and STEM. These programs accelerate learning by drawing on our technological expertise, innovation, and partner ecosystem, providing access to Arm IP, tools, and a wide range of resources to support students, educators, and researchers.

### Developing the Next Generation

Arm's partnership with FIRST (For Inspiration and Recognition of Science and Technology)—a global robotics community preparing young people for the future—was launched in 2019. Students work in teams supported by a network of schools, mentors, and coaches to take part in mentor-based STEM programs that involve building robots. The programs prepare students for the world of work through developing their self-confidence, as well as communication and leadership skills. The partnership is vital in allowing Arm to support the next generation of engineers and innovators for us and our ecosystem.

Through 2020 and beyond, we are investing in the best young STEM talent around the world while enabling our people to volunteer their time and skills. Arm is the global sponsor of FIRST's Control Award, part of the [FIRST Tech Challenge](#).

The FIRST Tech Challenge recognizes teams that make innovative use of programming and sensors on their robots. In the UK, we are also the FIRST Tech Challenge Inclusion Partner. During the year we provided bursaries to 60 schools nationally, enabling them to access a FIRST robotics kit and participate in FIRST's program. Our Arm School Program (ASP) has supported FIRST through co-creation of content as well as support from our people, who can volunteer their time, skills, and passion as mentors.

In addition, the Team Arm FIRST Fund has provided grants to 22 teams who are supported by colleagues from eight of our U.S. and EMEA offices. In all, more than 70 Arm employees have volunteered at FIRST events this year, and more than 500 have engaged with the partnership more broadly.



### Supporting Schools and Inclusivity

Arm has a long history of support for schools to inspire, inform, and engage young people in STEM around the world. Through our Team Arm program, Arm people contribute thousands of hours a year around the world to support quality STEM programs in schools, such as those run by the Engineering Development Trust in the U.K. and FIRST. We also help deliver Code Clubs, Micro:bit (minicomputer)-based learning, and activity days linking the curriculum to real-world challenges and career insights.

The ASP works with key partners and drives initiatives to help close the STEM skills gap. Through resources and training, our goal is to give all learners the opportunity to develop the interests, skills, and knowledge that support a lifetime of engagement in STEM.

### Resources

The ASP supports teachers to improve student engagement with curriculum-linked [resources](#) for computing and STEM subjects.

In response to the COVID-19 crisis in 2020, and to support home learning, we rolled out YouTube content, introducing learners to key programming concepts in computer science through use of the Micro:bit.

### Partners

ASP engages with key stakeholders to support best practice in STEM education—from teachers to EdTech companies and research groups.

### Supporting Inclusivity in Tech for Young People

Arm partners with The Tech Interactive, a hub for STEM education and outreach for youths in California's Silicon Valley and beyond. The partnership encompasses engagement and funding for multiple opportunities throughout the year.

The marquee event each year is the Tech Challenge, in which teams are presented with problems for which they must engineer solutions. Each team demonstrates their work to a group of judges from Arm.

With our focus on inclusivity, Arm also sponsors Girls at The Tech, a program promoting STEM education for girls. Our volunteers assist Tech Interactive staff at an exhibition that attracts more than 1,000 attendees, helping them to develop career aspirations in science and technology. Exhibits are adapted specifically to encourage girls to take part in STEM learning activities.

Other Tech Interactive events supported by Arm include a Sensory Sensitivity Day, which engages students on the autism spectrum, and an annual visit by around 100 local fifth-grade students for a day of science and exploration.

**Safeguarding the Natural World**

The Global Goals identify fundamental challenges to our planet, from climate change to habitat loss and the extinction of species. But simply limiting the adverse impacts of human activity is not enough—there is an urgent and critical need to safeguard and conserve the natural resources, ecosystems, and biodiversity on which we all depend.

“As the world’s first technology hub dedicated to wildlife conservation, the OI Pejeta Conservation Technology Lab will play a central role in building technology-enabled responses that can keep pace with the growing threats to global biodiversity.”

**Joanna Elliott,**  
Senior Director of Conservation Partnerships  
at Fauna & Flora International

**Transforming Conservation Through Technology**

Arm, in partnership with Fauna & Flora International (FFI) and Liquid Telecom, has opened the Conservation Technology Lab at OI Pejeta Conservancy in Kenya to research, test, and develop new technology-based solutions to conservation challenges around the world.

The Tech Lab aims to be a world-leading collaborative hub for the testing, support, and development of technologies. It is hoped that the facility will help accelerate learning and embrace accessible, scalable conservation solutions to improve biodiversity, conservation, and human well-being locally and globally. Our aim is for the Lab to serve as a model for global conservation efforts.

Start-up funding and additional technical assistance for the Tech Lab has been provided by The Royal Foundation, Arm, and FFI. The work of the Lab is also being supported by the global conservation technology community through WILDLABS.NET.

The Tech Lab is already helping OI Pejeta in the advancement of remote sensing using the IoT by monitoring cattle movements with Sigfox, a low-power, wide-area network technology provided by Liquid Telecom. This technology will soon be adapted to rhino tracking at OI Pejeta, which will make a significant difference to security and data collection. Sigfox technology allows for longer battery life than older radio collars or mobile network solutions, thus enabling much smaller devices that are less intrusive to animals. Tapping into the latest advancements in data science, the IoT, and big data analytics, the Tech Lab will also support real-time monitoring of all animals throughout the conservancy and the wider landscape, helping to both protect endangered species from poachers and improve overall wildlife management.

Being based at a leading wildlife conservancy site, the OI Pejeta Conservation Tech Lab is able to quickly ascertain the effectiveness of new solutions, and how best to adapt them to create a bigger impact within the relevant demographic areas. We can combine cutting-edge technology with cost-effective and straightforward solutions to ensure we have significant impact on the challenges facing conservation.



**Global Grand Challenges**

Global Grand Challenges (GGC) is a series of initiatives launched by the Bill & Melinda Gates Foundation to accelerate transformational solutions for the world’s biggest problems in health and development.

Arm and UNICEF have partnered with the Foundation to support one of those initiatives—Digital Innovations for WASH (Water, Sanitation, and Hygiene) in Urban Settings. The aim is to improve access to safe, clean, affordable water in urban areas through a competition to attract innovative ideas, and investing in and mentoring the winners.

With 547 proposals received from 47 countries, UNICEF, our people, and Arm Sustainability teams have now partnered to focus on supporting the best solutions to scale up. Our focus is on tech in urban innovation that will have a direct impact on children and communities.



**Team Arm**

Our award-winning employee engagement program, Team Arm, is part of Arm's initiatives to support strong communities. It includes group projects as well as individuals who have taken on the role of Champions, working with their colleagues to raise funds, volunteer time, and offer skills to benefit local communities and wider society.

**Global Goals Immersion Program**

The Global Goals Immersion Program is a chance for future leaders at Arm to develop and practice skills such as strategic planning, problem-solving, resilience, and working with people from different cultures, while gaining highly personal experiences of the UN Global Goals in action. The program provides participants with a deeper understanding of the potential for Arm technology to enable meaningful change by ensuring that our technology can be of benefit to everyone.

Arm has launched this program as part of working towards our mission of using our sustainability partnership model to ensure Arm technology helps to achieve the Global Goals. Our ambition is that, over time, this will grow to include a suite of partners and Global Goals-focused opportunities

Two pilot projects are taking place in Zambia and will focus on using audio technology to strengthen rural communities' sexual health. The first visit took place in early 2020. An additional pilot project in Malawi will look at using drone technology for predictive flood modeling.



**Missing Maps**

Some 3.6 billion people in the world do not have access to the internet. Giga is a global initiative launched by UNICEF and ITU to connect every school to the internet and every young person to information, opportunity, and choice. Giga is mapping the demand for connectivity using schools as a base point and, as part of this work, Arm have been teaming up with UNICEF to help put the world's most vulnerable places on a map. Our "Mapathons" will globally contribute to mapping a project in Makueni County, Kenya, identified as high priority by UNICEF. Together we have mapped 60,580 buildings, representing an area home to 235,000 people.

# Listen, Engage, and Develop



## Our Principles

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## Business Ethics

**As Arm’s business continues to grow and develop, our governance framework also evolves to ensure it stays relevant. This includes our [Code of Conduct](#), upon which our ethics and compliance program is built.**

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

**Environment.** All human activities involve interaction with the world around us, making environmental management integral to good business practices. Everyone at Arm must take reasonable steps to reduce the business’s environmental impact, taking account of effects on this as part of their decision-making process.

**Donations.** Arm does not make any political donations.

**Human rights.** Arm has signed the Universal Declaration of Human Rights. Relevant human rights principles are integrated into our policies for employees and contractors and into our [Supplier Code of Conduct](#), which sets out Arm’s expectations of its suppliers.

**Whistleblowing.** Arm operates a confidential whistleblowing procedure through which individuals can report concerns about regulatory and/or policy violations or any unethical business practices without fear of retaliation.

**Anti-bribery and corruption.** Arm’s approach to complying with anti-bribery and corruption legislation is set out in our [Code of Conduct](#) and our Anti-Bribery and Corruption Policy.

We also provide guidance and training to employees on this topic to ensure they comply.

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

### World’s Most Ethical

#### Arm joins prestigious group of World’s Most Ethical Companies by Ethisphere

In 2020, Arm was named as one of the World’s Most Ethical Companies by the Ethisphere® Institute, a global leader in defining and advancing the standards of ethical business practices. Arm has been recognized as one of only four honorees in the electronics and semiconductor industry and one of 132 companies globally that earned the distinction.

The selection process for this award is vigorous and grounded in Ethisphere’s proprietary Ethics Quotient®, which is designed to measure an organization’s practical decision-making and the development of best practices in business ethics. This included a thorough assessment of Arm’s culture, environmental and social practices, ethics and compliance activities, governance, diversity, and our initiatives to support strong values throughout our ecosystem.

Increasingly, employees, partners, stakeholders, and our community want to see companies take responsibility for important issues such as diversity and inclusion, the environment, and sustainable business practices. Arm’s strong and ongoing commitment to leadership in these areas is guided by our core belief in establishing a culture of high ethical standards that steer our behavior and operations as part of the broader global community.



With an ecosystem of more than 1,000 partners, we work each day to build on our legacy of trust and integrity. Whether it be calling for an industry-wide effort to take responsibility for a new set of [ethical AI design principles](#), convening the technology industry via [2030Vision](#) to support the delivery of the Global Goals, or establishing engineering best practices that make our [technology more secure and trustworthy](#), our goal at Arm is to make positive change with a purpose-based strategy.

Ultimately, Arm’s foundational technology helps connect global communities and transforms lives. We are honored to be recognized for our high ethical standards and practices as we work with our partners to build trustworthy systems that impact and advance humanity.



## Governance

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

### Our Governance Structure

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

The **Arm Board** is responsible for the overall conduct of Arm’s business. Authority for the day-to-day operation of the Company is delegated to the **Executive Committee (EC)**. The **Audit Committee**, supported by **Internal Audit**, provides independent oversight of business activities.

The **EC** is in charge of defining and delivering the business strategy, developing and embedding the corporate culture, allocating capital across the business, and governance. It has overall responsibility for the management system and for ensuring it is designed and operating effectively. The EC also sets the direction for **Arm’s committees**, which conduct periodic reviews of operations and results.

The **Compliance Committee (CC)**, ensures that all necessary compliance issues are resolved and that policies are appropriate to the needs of the business. Throughout the business, the **CC** oversees compliance 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)** is responsible for decision-making on environmental and social topics.

The **SC** comprises senior executives from key business functions, reflecting the importance of top-level engagement in driving our sustainability strategy. Chaired by the Head of Sustainability, it meets quarterly to identify and review our overall approach, including opportunities, program progress, and budgets.

### Managing the Risks of Our Business Arm’s Approach to Risk Management

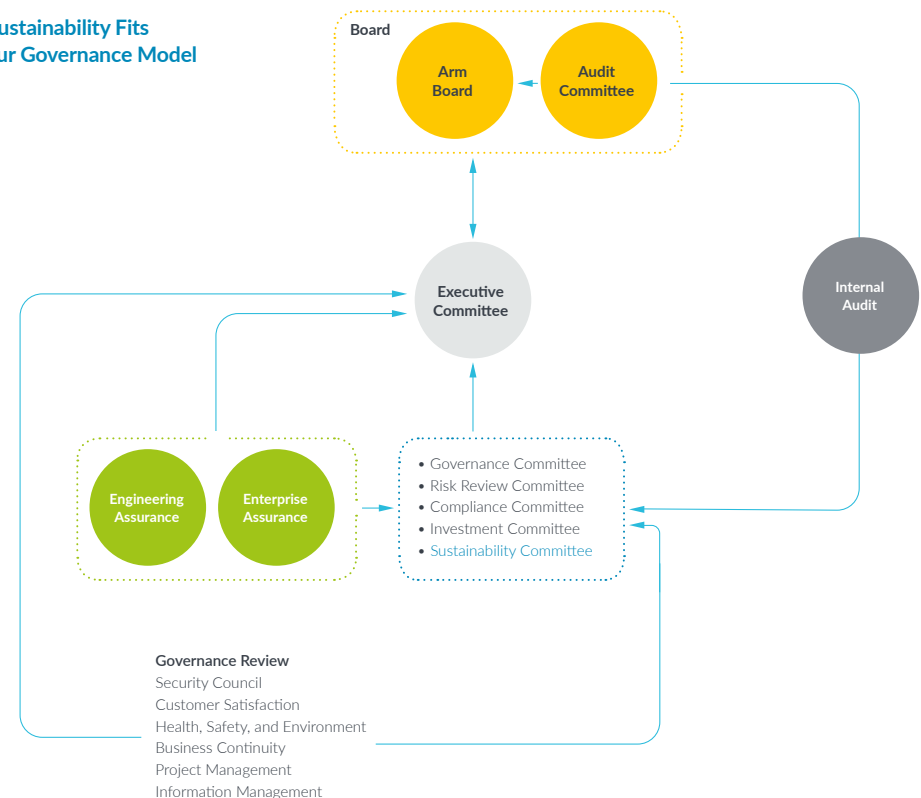
Arm has a robust risk management and internal control process in place to: identify key risks; assign ownership for each risk at a senior management level; identify both existing and planned management activities to mitigate each risk; assess the residual likelihood and impact of each risk; and ensure ongoing monitoring and reporting of each risk.

The group’s activities expose it primarily to financial risks, including cash flow risk, credit risk, and liquidity risk. The **Risk Review Committee** has been delegated by the Executive Committee for the oversight of Arm’s risk management framework and the practices management uses to identify, assess, manage, and monitor key strategic and operational risks of the business, including identification and management of emerging risks.

Although the Committee has the primary and formal authority and responsibility for managing risk at the corporate level, the business and the functions within the business are accountable for managing the risks associated with achieving the business’s strategic objectives and ensuring the effectiveness of the risk management process. In relation to sustainability-related risk, the Sustainability team works closely across functions including Legal, Workplace (facilities), and Procurement, to identify and mitigate risks such as climate change, supply chain, and compliance.

Arm is currently exploring how to quantify exposure and impacts in relation to the recommendations of the Task Force on Climate-related Financial Disclosures.

### How Sustainability Fits Into Our Governance Model



# Materiality Assessment

## Our Methodology and Approach

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

We have identified specific issues as top-priority areas, where we can have the biggest impact. It is particularly important for our business to listen to our stakeholders –external and internal—and understand the issues that matter to them. That includes young people, who are our talent of tomorrow.

Because we take listening to our stakeholders very seriously, we are also taking action to address those issues considered less material to our business but that are of high importance to them, such as responsible procurement practices and indirect economic impacts.

## Assessing Our Material Issues

To identify these issues, we undertook a materiality assessment in 2019, including research and engaging with external and internal stakeholders. However, in the short time since our materiality assessment, the world has changed dramatically, and in ways few people could have envisaged just a year ago.

To reflect this, and to ensure we capture new and emerging issues early, we undertook a refresh of our materiality in March 2020. The results will help shape and sharpen our focus on the matters that mean the most to our stakeholders in the wake of the COVID-19 pandemic and around the growth of the Black Lives Matter movement.

The refresh built on the work done last year, which identified issues across four categories:

- Environmental
- Social
- Economic
- Governance

The issues identified as a result of this process have been placed on a matrix, their relative position based on the degree of influence on stakeholder decisions, and significance of impact that Arm has or can make by addressing a particular issue.

The matrix was shared with a workshop of internal stakeholders to view and agree upon the ranking given to each issue.

**Our Materiality Matrix**



### Key

- |   |   |
|---|---|
| <span style="color: green;">●</span> <b>Environmental</b> | <span style="color: blue;">●</span> <b>Economic</b>       |
| 1. Climate crisis   | 13. Economic performance                                  |
| 2. Water  | 14. Business resilience                                   |
| 3. Waste  | 15. Indirect economic impacts                             |
| 4. E-waste  | 16. Responsible procurement practices                     |
| <span style="color: orange;">●</span> <b>Social</b>       | 17. Tax   |
| 5. Employee experience                                    | <span style="color: darkblue;">●</span> <b>Governance</b> |
| 6. Diversity and equal opportunity                        | 18. Anti-corruption and anti-competitive behavior         |
| 7. Developing a future workforce                          | 19. Public policy   |
| 8. Human rights and forced labor                          | 20. Ethics and integrity                                  |
| 9. Future of work   | 21. Value chain sustainability                            |
| 10. Privacy and security                                  |   |
| 11. Accessible and inclusive products                     |   |
| 12. Responsible technology                                |   |

## Materiality Assessment continued

### Listening to Our Stakeholders

**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.**

Part of our engagement in 2019 included a youth group and workshop. The youth focus group provided an opportunity to engage with Arm’s potential future workforce and users of our technologies. Activities enabled students to explore potential ways in which technology can be used to identify and develop solutions to climate change problems, the future of education, and employment. They also rated Arm’s material issues in terms of which were most important to them, and the results were integrated with the overall materiality assessment.

### Our Key Stakeholders

During our materiality refresh in 2020, we listened to the opinions of a wider group of stakeholders, both externally and from across Arm. The stakeholders whose opinions are of most significance to our work include:

- Local community
- Investors (current owner SBG and SVF)
- Partners
- Industry
- Government and regulators
- Charitable and community partners
- Employees

### Issues Raised

The assessment revealed that stakeholders put climate crisis, privacy and security, and responsible technology as the most significant issues that Arm should be addressing. This is in line with our current strategy, and in the workshop it was reflected that these three issues are interconnected and underpin our approach to sustainability at Arm.

Some issues have increased in significance: responsible procurement practices and indirect economic impacts have moved up in significance since last year’s assessment.

### New Concerns in 2020

New issues were identified at the desk-based research phase and were also proposed by some stakeholders in the interviews. The mention of business resilience reflects the instability of supply chains and geopolitical uncertainty seen this year. Another new issue, tax, reflects the increasing demand for companies to make transparent tax disclosures, and the new tax standard introduced by GRI.

Many stakeholders interviewed identified the opportunity for Arm to use its unique position to drive sustainability in the technology value chain, and address critical issues for the industry that Arm itself perhaps does not have direct contact with. One such example issue is e-waste, another new topic identified as significantly material this year.

“There is an enormous opportunity for Arm’s chips to get the world using less energy.”

“We have a strong position in the ecosystem—trust and influence in the industry. We need to continue to engage with local communities, build partnerships and ecosystems, bring others to the table. We are beginning to lead by example.”

“It’s really important to communicate positive impact in helping the world be more sustainable.”

“To be more responsible and sustainable we need to be better at training and redeploying people. Strategic workforce planning is needed to keep people and reduce turnover.”

“Have fewer goals and make them clearer. Bring technology partners together to reach goals.”

“Diversity and equal opportunity is entirely in Arm’s control—it can have 100% impact.”

“Arm could be talking to its customers to align its sustainability strategy with theirs.”

# Listen, Participate, and Improve

UN Global Compact  
29 UNGC Communication  
on Progress



## United Nations Global Compact Communication on Progress

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

Arm is proud to be part of the UN Global Compact (UNGC), the world's largest corporate sustainability initiative. We actively participate in this initiative as part of our wider commitment to achieve a better, fairer world in which technology and economic growth advance the sustainable development of communities everywhere.

Arm is also a member of the LEAD program. LEAD is an exclusive collection of 36 companies that have been recognized for demonstrating high levels of engagement with the UNGC. On the following pages, we provide our self-assessed Communication on Progress (COP) to the Advanced level for our financial year ending March 31, 2020.

This COP is a summary of the actions we have taken to further the Ten Principles of the UNGC and the 21 advanced criteria that support them, and covers the following areas:

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

The summary also includes actions taken in response to the COVID-19 pandemic.



## United Nations Global Compact Communication on Progress *continued*

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
<b>Strategy, Governance, and Engagement</b>	Implementing the Ten Principles into Strategies and Operations.	Criterion 1: The COP describes mainstreaming into corporate functions and business units.	<p>The Group's <u>Code of Conduct</u> is available on the Group's website. The Code is regularly reviewed to ensure it is current and relevant; the most recent reissue was in January 2020. 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 Conduct.</p> <p>Our <u>Supplier Code of Conduct</u> sets out the requirements of the Bribery Act and all other relevant requirements. Suppliers must commit to these regulations as a condition of doing business with us, and arrangements with contractors and suppliers are reviewed and updated to ensure compliance. The Compliance Committee oversees the reporting procedures and monitors and escalates reports in appropriate circumstances.</p> <p>Environmental compliance and progress are monitored by the Sustainability Committee.</p> <p>The Sustainability Committee manages sustainability issues and reports to the Executive Committee.</p> <p>One of Arm's key performance indicators (KPIs) requires that all new employees, including temporary employees, sign off their understanding of and commitment to adhere to all policies that relate to them in the PolicyHub. Employees are further required to sign off new policies or significant changes to a policy.</p>
		Criterion 2: The COP describes value chain implementation.	<p>With an ecosystem of over 1,000 companies, Arm creates value through partnerships and collaboration. Arm's designs are used by partners to create energy-efficient technologies such as servers, smartphones, tablets, smart meters, and sensors.</p> <p>As electronic devices become more complex and sophisticated, the silicon chips inside them need to work harder. As such, the semiconductor industry is becoming increasingly specialized, with innovative enterprises that focus on specific stages of the value chain. For Arm, the niche is developing Intellectual Property (IP) components at the design stage, while our other focus is on building tools for manufacturing chips, chip fabrication, or software development.</p> <p>Given the nature of our work as an IP company, we do not have a material supply chain of raw materials coming into the business. However, we do purchase a wide range of goods and services from many suppliers, who are distributed globally. We attach great importance to the supply side of our value chain, and suppliers are entitled to do business with us, conditional on compliance with the Arm Supplier Code of Conduct.</p>

## United Nations Global Compact Communication on Progress *continued*

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Criterion 3: The COP describes robust commitments, strategies, or policies in the areas of human rights.	Arm has signed the Universal Declaration of Human Rights. Our Human Rights Policy is incorporated into our <a href="#">Code of Conduct</a> . This is in addition to related existing policies regarding business ethics and discrimination. These policies remain relevant and are reviewed annually to ensure they remain relevant to the organization, our people and partners, and legislation such as the U.K. Modern Slavery Act.
	Principle 2: Businesses should make sure they are not complicit in human rights abuses.	Criterion 4: The COP describes effective management systems to integrate the human rights principles.	As above, our Human Rights Policy is incorporated in our <a href="#">Code of Conduct</a> . The Compliance Committee oversees the reporting procedures and monitors and escalates reports in appropriate circumstances.
		Criterion 5: The COP describes effective mechanisms of human rights integration.	We have integrated relevant human rights principles into our policies for employees and contractors.
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Criterion 6: The COP describes robust commitments, strategies, or policies in the area of labor.	This Sustainable Business 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 <a href="#">2019 U.K. Gender Pay Gap Report</a> provides further detail on total earnings by gender.
		Criterion 7: The COP describes effective management systems to integrate the labor principles.	Arm has in place a confidential whistleblowing procedure through which employees can report concerns, make suggestions, and seek advice on aspects of business practices, regulations, or policies without fear of retaliation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Criterion 9: The COP describes robust commitments, strategies, or policies in the area of environmental stewardship.	Due to our rapid growth, absolute measures of carbon emissions are not a practical or realistic means to measure performance. To most accurately measure our efforts, we use carbon intensity. We also use this measure as the basis for setting reduction targets.
			Our approach to measuring carbon emissions will change following the establishment of our Net Zero by 2030 commitment. We will set absolute reduction targets to meet this commitment.
	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 pages <a href="#">15–16</a> of this report.
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	Arm has met its environmental carbon- and energy-reduction targets for 2020 and is in the process of establishing new absolute reduction targets to meet our new Net Zero by 2030 commitment.

## United Nations Global Compact Communication on Progress *continued*

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
<p><b>Anti-Corruption</b></p>	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Criterion 12: The COP describes robust commitments, strategies, or policies in the area of anti-corruption.</p>	<p>Our Anti-Corruption Policy is included within the Arm <u>Code of Conduct</u>. In addition, a specific Anti-Bribery and Corruption Policy has been in place since 2014 and is included in mandatory training and annual sign-off for all employees.</p> <p>In 2017–18, Arm's Office of Ethics and Compliance grew significantly with the hiring of specialists in the areas of anti-bribery and corruption, antitrust, trade compliance, U.S. Government contracts, and data privacy.</p>
		<p>Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.</p>	<p>As above.</p> <p>Adherence and general oversight on anti-corruption is the responsibility of the Compliance Committee (CC). The CC oversees compliance throughout the business with all relevant standards, international regulations, and trading requirements, including direct oversight of internal controls and financial, employment, health and safety, environmental, business continuity, customer satisfaction, and security processes and policies.</p> <p>The CC reports to the Executive Committee and the Audit Committee throughout the year, and its minutes are reviewed by the Audit Committee and the Board.</p>
		<p>Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.</p>	<p>As above.</p> <p>In addition, any concern can be raised in accordance with our confidential whistleblowing mechanisms.</p> <p>Our Office of Ethics and Compliance monitors and reviews approval requests under the Gifts and Entertainment process, through which any Arm employee wishing to give or receive a gift or hospitality worth £200 or more (or local equivalent) needs to request prior approval.</p> <p>We lead globally by example. The decisions that each of us make can have a significant impact. Bribery and corruption are serious international issues and there are many laws, including the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act, that prohibit corrupt conduct and create offences with serious penalties for both companies and individuals who break those laws.</p> <p>We do not offer, give, accept, or agree to accept bribes under any circumstances, nor do we tolerate anyone acting on behalf of Arm engaging in such behavior.</p> <p>Specifically, we never offer, promise or provide anything of value to anyone, whether commercial partners or public officials, to secure any advantage, obtain or keep customer business, or influence any commercial decisions. Neither do we accept or demand anything of value to influence our decision-making on behalf of Arm.</p> <p>"Anything of value" is very broad and can include cash, cash equivalents (gift cards), gifts, favors, food, entertainment, and opportunities.</p>



## United Nations Global Compact Communication on Progress *continued*

Scope	UNGC Principle	Criteria for UNGC Advanced Level	Comments
UN Goals and Issues	Taking action in support of broader UN goals and issues.	Criterion 15: The COP describes core business contributions to UN goals and issues.	<p>Arm is committed to supporting the Ten Principles of the UNGC and related declarations, policies, and standards.</p> <p>This report represents part of our annual COP to the UNGC. You can read our full COP for the financial year ending March 31, 2020 together with a letter from our CEO confirming our ongoing commitment to supporting the Ten Principles of the UNGC and related declarations, policies, and standards on the <a href="#">UNGC website</a>.</p>
		Criterion 16: The COP describes strategic social investments and philanthropy.	<p>Our sustainability approach has four main strategic themes:</p> <ol style="list-style-type: none"> <li>1. Building trust—Demonstrating responsible practice that protects people and planet and ensuring business transparency through regular reporting.</li> <li>2. Enabling our people—Creating a workplace culture based around purposeful technology and involving our employees in our sustainability strategy and community projects.</li> <li>3. Improving lives—Supporting education and making everyday life safer, healthier, and more efficient through developing smart technology for people, homes, and cities.</li> <li>4. Realizing Global Goals—Creating collaborations through our <a href="#">2030Vision</a> that harness the power of technology to transform our world, guided by collective knowledge, expertise, and imagination.</li> </ol>
		Criterion 17: The COP describes advocacy and public policy engagement.	<p>We look for opportunities to drive the adoption of transformational technologies, including addressing perceived market failures and helping realize the wider social and environmental benefits of technology.</p> <p>Arm engages with governments and other institutions around the world on a variety of specialist policy issues related to our business interests. These are handled by our Public Affairs and Government Relations teams. We have strict policies on bribery, and we are politically neutral: we do not support political parties or make political donations. We occasionally receive requests to indicate public support for particular policies, and we judge these on a case-by-case basis. All requests are reported to the Public Affairs team.</p>
		Criterion 18: The COP describes partnerships and collective action.	<p>Arm is represented on both the global LEAD and U.K. network advisory boards. In addition, we are members of the Business Ambition for Climate &amp; Health Platform and the Action Platform for Reporting on the SDGs.</p> <p>Arm also collaborates with commercial and non-commercial partners in conducting our business activities and in our charitable and philanthropic work. For further detail, see our <a href="#">website</a>.</p>

## United Nations Global Compact Communication on Progress *continued*

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

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

# Listen, Target, and Achieve

Global Reporting Initiative  
36 GRI Content Index



## Global Reporting Initiative: Content Index

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

Our reporting is again mapped to the GRI Standards. These highlight the most material topics—those that reflect an organization’s most significant economic, environmental, and social impacts or that substantively influence the assessments and decisions of stakeholders. This year we are also reporting on the new 2018 Standards for Occupational Health and Safety, Water, and Effluents and the new 2019 Standard on Tax.

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

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



## GRI Content Index

GRI Standard	Disclosure	2020 Location and Notes
<b>Organization profile</b>	102-1	Name of the organization Arm Limited <a href="#">Company</a>
	102-2	Activities, brands, products, and services <a href="#">Arm Products</a> <a href="#">Arm Solutions</a> Our Business <a href="#">p.5</a> Our Global Presence <a href="#">p.6</a> Architecting a Smarter World—Arm’s Innovative Business Model <a href="#">p.7</a> Supporting Internet Services <a href="#">p.8</a>
	102-3	Location of headquarters <a href="#">Arm Worldwide Offices</a> The registered office and global headquarters of the Company is 110 Fulbourn Road, Cambridge CB1 9NJ, U.K.
	102-4	Location of operations <a href="#">Arm Worldwide Offices</a>
	102-5	Ownership and legal form Arm Limited is a subsidiary of SBG, which owns 75.01 percent. The SoftBank Vision Fund holds the remaining 24.99 percent.
	102-6	Markets served <a href="#">Arm Solutions</a> <a href="#">Arm Partner Ecosystem</a> Globally
	102-7	Scale of the organization People Data <a href="#">p.14</a> As at March 31, 2020, we have 6,732 established employees and 8,636 established, fixed-term and external employees.
	102-8	Information on employees and other workers Our Global Presence <a href="#">p.6</a> People Data <a href="#">p.14</a> People Data <a href="#">pp.53–56</a> Information on Employees and Other Workers <a href="#">p.14</a> Contractors (external workers who are not Arm employees) made up 20.16 percent of our workforce. People Data <a href="#">pp.53–56</a> Arm employs a significant number of placement students and interns on fixed-term contracts during the summer.

## GRI Content Index *continued*

GRI Standard	Disclosure	2020 Location and Notes
	102-9 Supply chain	<p>Arm is an office-based organization with an associated supply base. Arm Group Procurement is a global gateway for third parties to become suppliers. Group Procurement is a category-driven and center-led function that supports all business units, enterprise functions, and geographies. Group Procurement is responsible for designing and delivering the full range of supply-base projects and solutions, implementing best practices, systems, and controls to support strategic goals.</p> <p>In 2019–20 the Arm procurement spend exceeded £600 million. Arm has over 2,800 suppliers globally. However, the top 20 suppliers (by spend) represent around 35 percent of the total spend. These 20 suppliers are considered critical suppliers and are subject to the greatest level of risk management and customer relationship management. Arm’s most significant suppliers (by spend) include professional and legal services and providers of electronic design automation (EDA) tools.</p> <p>The Arm Supplier Code of Conduct was launched in 2015 and is currently being reviewed and refreshed in order to ensure it remains relevant and consistent with other Arm policies, including the Arm Code of Conduct. The Code of Conduct is provided to all existing and new suppliers, who are required to sign up to accept the Code prior to being registered to supply Arm.</p>
	102-10 Significant changes to the organization and its supply chain	There have been no significant changes to the organization in the period April 1, 2019 to March 31, 2020.
	102-11 Precautionary Principle or approach	Arm does not apply the precautionary principle, as our direct environmental impact is minimal. Despite this, however, we take this impact seriously and are a LEAD member of the United Nations Global Compact (UNGC), which encompasses environmental commitments.
	102-12 External initiatives	<p>We respond to a number of internationally recognized reporting frameworks and initiatives. They include CDP and the UNGC (LEAD member).</p> <p>Our annual Sustainable Business Report is completed in accordance with the GRI Standards. In addition, Arm voluntarily participates in an annual return to the Dow Jones Sustainability Index for benchmarking and performance-measurement purposes.</p>
	102-13 Membership of associations	Arm is a member of many external associations and industry organizations in the countries in which it operates. These include the International Telecommunication Union, UNGC, EngineeringUK, techUK, Techworks, and Business in the Community.
<b>Strategy</b>	102-14 Statement from senior decision-maker	2020 Global Compact: <a href="#">Letter of Commitment</a>
<b>Ethics and integrity</b>	102-16 Values, principles, standards, and norms of behavior	<p>Arm recognizes that its strength is the high caliber of its people and how it conducts business: fairly, openly, and with integrity. The foundation of Arm’s approach to ethical business is the Company’s <a href="#">Code of Conduct (CoC)</a>, which includes our Human Rights Policy. All employees and directors are required to sign off the CoC (and other key policies) every year and undertake mandatory training on the CoC and specific areas of compliance such as data privacy, antitrust, anti-bribery, and corruption. A global whistleblowing hotline is available to allow employees and directors to report any ethics- or compliance-related concerns anonymously at any time.</p> <p>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 2019–20, there were no incidents of non-compliance with the laws and regulations under which we are governed.</p> <p>Sustaining Our Business by Creating a Positive Impact <a href="#">p.10</a>                      Business Ethics <a href="#">p.24</a>                      Governance <a href="#">p.25</a></p>

## GRI Content Index *continued*

GRI Standard	Disclosure	2020 Location and Notes	
	102-18	Governance structure	The Arm Board (chaired by the CEO of SBG) oversees the Arm Executive Committee (chaired by the CEO of Arm). Our Governance Structure <a href="#">p.25</a> The Sustainability Committee is responsible for decision-making on environmental and social topics. Economic decision-making is the responsibility of the Governance committees and ultimately the Executive Committee.
<b>Stakeholder engagement</b>	102-40	List of stakeholder groups	As a business, we engage with hundreds of stakeholders around the world every day. These can be categorized into seven groups, as outlined below: <ul style="list-style-type: none"> <li>• Local community</li> <li>• Investors (current and future)</li> <li>• Partners</li> <li>• Industry</li> <li>• Government and regulators</li> <li>• Charitable and community partners</li> <li>• Employees</li> </ul>
	102-41	Collective bargaining agreements	We do not restrict the rights of our people to freedom of association. The Group does not presently operate 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. Materiality Assessment <a href="#">pp.26-27</a>
	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. We hold regular materiality assessments to engage stakeholders and ensure we are focusing on the issues that are most material to our stakeholders and to our business. Materiality Assessment <a href="#">pp.26-27</a>
	102-44	Key topics and concerns raised	Materiality Assessment <a href="#">pp.26-27</a> Our stakeholders contact us to discuss many different topics, and we respond to these queries individually. We respond to the results of the materiality assessment by ensuring alignment with our strategy and reporting on an ongoing basis.

GRI Content Index *continued*

GRI Standard	Disclosure	2020 Location and Notes	
Reporting practice	102-45	Entities included in the consolidated financial statements	Arm Limited submits an annual report and consolidated financial statements, which are available via <a href="#">UK Companies House</a> .
	102-46	Defining report content and topic Boundaries	Welcome to Our Annual Sustainable Business Report <a href="#">p.2</a> Materiality Assessment <a href="#">pp.26-27</a>
	102-47	List of material topics	Materiality Assessment <a href="#">pp.26-27</a> GRI: Content Index <a href="#">p.36</a>
	102-48	Restatements of information	We have restated the research and development (R&D) spend for the year ending March 31, 2019 due to changes in financial accounting policies applied when calculating R&D expense. Market share for the year ending March 31, 2018 has been restated for comparison purposes due to a change in the way total market value was calculated for the year ending March 31, 2020. No other restatements have been made in this report.
	102-49	Changes in reporting	A detailed materiality assessment was conducted in 2019. This process was repeated and the scope/number of participants from stakeholder groups extended in 2020. We consider materiality assessments informed by stakeholder engagement as an ongoing process and, as such, we expect some changes from year to year as we broaden our reach and as the expectations of stakeholders shift in response to changing micro- and macro-economic, social, and environmental conditions.
	102-50	Reporting period	This report covers the period from April 1, 2019 to March 31, 2020. Welcome to Our Annual Sustainable Business Report <a href="#">p.2</a>
	102-51	Date of most recent report	<a href="#">Arm Sustainability Reports</a> Our Sustainable Business Report and Sustainability Impact Report are produced annually and published on our website.
	102-52	Reporting cycle	Our reporting cycle is April 1 to March 31.
	102-53	Contact point for questions regarding the report	<a href="mailto:sustainability@arm.com">sustainability@arm.com</a>
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55	GRI content index	Our GRI Content Index is in our Sustainable Business Report 2020.
	102-56	External assurance	



## Material Topics

GRI Standard	Disclosure	2020 Location and Notes
<b>ECONOMIC</b> Economic performance		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries Arm is a global business with two revenue streams: licensing and royalty. <a href="http://www.arm.com">www.arm.com</a> Materiality Assessment <a href="#">pp.26-27</a> Financial Performance <a href="#">p.17</a> <a href="#">Our Global Suppliers</a>
	103-2	The management approach and its components Financial Performance <a href="#">p.17</a> Our Principles <a href="#">pp.23-27</a> The Finance function reports to the Executive Committee, which reports to the Board and to SBG. Arm's results are consolidated into the SBG report. <a href="http://www.arm.com">www.arm.com</a>
	103-3	Evaluation of the management approach Our Principles <a href="#">pp.23-27</a>
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed Our latest financial results are available at <a href="#">Arm Investor Relations</a> .
<b>Market presence</b>		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries Materiality Assessment <a href="#">pp.26-27</a> Financial Performance <a href="#">p.17</a> <a href="http://www.arm.com">www.arm.com</a>
	103-2	The management approach and its components Governance <a href="#">p.25</a> Financial Performance <a href="#">p.17</a>
	103-3	Evaluation of the management approach Governance <a href="#">p.25</a> Financial Performance <a href="#">p.17</a>
GRI 202: Market presence 2016	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, or family connections. This policy also applies to employee compensation. In the U.K., Arm is a Living Wage Employer. See: <a href="http://www.livingwage.org.uk">www.livingwage.org.uk</a> We don't collect this information as it is deemed non-applicable to our Company. See Gender Pay Gap Reports for the U.K. and France at <a href="#">Arm Sustainability Reports and Resources</a> .

## Material Topics continued

GRI Standard		Disclosure	2020 Location and Notes
	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.
<b>Indirect economic impacts</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Materiality Assessment <a href="#">pp.26-27</a> Social Impact <a href="#">pp.18-22</a> Governance <a href="#">p.25</a> <a href="http://www.arm.com">www.arm.com</a>
	103-2	The management approach and its components	Governance <a href="#">p.25</a> Social Impact <a href="#">pp.18-22</a>
	103-3	Evaluation of the management approach	Governance <a href="#">p.25</a>
GRI 203: Indirect economic impacts	203-2	Significant indirect economic impacts	The design of a processor or a library of physical IP requires a large amount of R&D investment and expertise. Arm carries out this function for a large proportion of the technology sector, licensing our technology to partners. Arm takes on the R&D, saving the industry as a whole an estimated \$20 billion a year on R&D. We are unable to estimate our indirect economic impacts due to the scale, complexity, and diversity of our value chain. However, our technology reaches around 70 percent of the world's population, and through a multitude of different end uses, the billions of chips we ship annually improve lives and have proven impact in healthcare, education and poverty alleviation. See the latest Global Goals Impact Report
<b>Procurement practices</b>			
GRI 103: Management approach 2016	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.). Materiality Assessment <a href="#">pp.26-27</a>
	103-2	The management approach and its components	The Procurement team reports to the CFO, who heads the Finance Leadership team. Procurement engages with client groups on procurement via the Procurement team category managers.
	103-3	Evaluation of the management approach	The CFO represents Procurement on the Arm Executive Committee, which reports to the Board.

## Material Topics continued

GRI Standard		Disclosure	2020 Location and Notes
GRI 204: Procurement practices 2016		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.
<b>Anti-corruption</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	As a global company, Arm's Anti-Bribery and Corruption (ABC) Policy and guidance are based on internationally accepted best practice guidelines. Our ABC Policy prohibits anyone working for, or on behalf of, Arm from soliciting, accepting, agreeing to receive, promising, offering, or giving a bribe, facilitation payment, kickback, or other improper payment, whether it involves private individuals or public officials. Boundaries: <ul style="list-style-type: none"> <li>• Internal: all Arm employees and directors, and anyone acting on Arm's behalf; all businesses and locations</li> <li>• External: suppliers</li> </ul> Materiality Assessment <a href="#">pp.26-27</a> Business Ethics <a href="#">p.24</a> Governance <a href="#">p.25</a>
	103-2	The management approach and its components	While ABC is referenced in the CoC, it also exists as one of three separate policies requiring sign-off by all employees every year (in addition to the CoC). Business Ethics <a href="#">p.24</a> Governance <a href="#">p.25</a>
	103-3	Evaluation of the management approach	An annual audit is undertaken of the Arm Management System by external, independent auditors who test the management system against the requirements of ISO 9001:2015. In addition, the Arm Internal Audit function conduct regular reviews related to aspects of Arm's overall approach to managing sustainability-related compliance risks and processes. We are constantly reviewing Arm's annual sustainability reporting process and format in order for it to remain relevant and accessible for all stakeholders.
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	
	205-2	Communication and training about anti-corruption policies and procedures	All our employees, including our Executive Committee, receive training on ABC. We require all our suppliers and their employees to commit to Arm's Supplier Code of Conduct as a condition of doing business with us. The CoC covers bribes and corruption in the section on business integrity. In addition to these requirements, our contractual terms of business (or supply agreements) set out specific obligations in respect of responsible business and anti-bribery. <a href="#">Arm's Supplier Code of Conduct</a>

## Material Topics continued

GRI Standard		Disclosure	2020 Location and Notes
	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, 2020.
<b>Anti-competitive behavior</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	As a global company, Arm bases its Antitrust Policy and guidance on internationally accepted best practice guidelines. Arm's Antitrust Policy mainly focuses on anti-competitive agreements with competitors. Antitrust laws also have broader implications for sales terms and the Company's mergers and acquisitions activity. Boundaries: <ul style="list-style-type: none"> <li>• Internal: all Arm employees; all businesses and locations</li> <li>• External: n/a</li> </ul> Materiality Assessment <a href="#">pp.26-27</a>
	103-2	The management approach and its components	While antitrust is referred to in the CoC, there is also a corporate policy on antitrust. Antitrust training is provided to all employees, with customized content based on employee risk profiles.
	103-3	Evaluation of the management approach	An annual audit is undertaken of the Arm Management System by external, independent auditors who test the management system against the requirements of ISO 9001:2015. In addition, the Arm Internal Audit function conduct regular reviews related to aspects of Arm's overall approach to managing sustainability-related compliance risks and processes. We are constantly reviewing Arm's annual sustainability reporting process and format in order for it to remain relevant and accessible for all stakeholders.
GRI 206: Anti-competitive behavior 2016	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, 2020.
<b>Tax</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Materiality Assessment <a href="#">pp.26-27</a> Social Impact <a href="#">pp.18-22</a> Governance <a href="#">p.25</a> <a href="http://www.arm.com">www.arm.com</a>
	103-2	The management approach and its components	Governance <a href="#">p.25</a> Business Ethics <a href="#">p.24</a>
	103-3	Evaluation of the management approach	Governance <a href="#">p.25</a> Business Ethics <a href="#">p.24</a>

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
GRI 207: Tax	207-1	<p>Approach to tax</p> <p>Overall accountability for the management of risk resides with the Executive Committee, and that responsibility is delegated to the Risk Review Committee and Compliance Committee. These committees oversee the Corporate Risk Register, which includes tax risk, and compliance throughout the business with Arm's policies.</p> <p>The Risk Owner and Senior Accounting Officer for tax is the CFO. The CFO assigns the day-to-day operations for the management of tax to the Tax function, led by the Global Head of Tax, who works closely with the business. The Tax function provides an oversight role in identifying, managing, and monitoring tax risk, in addition to providing advice on tax issues and preparing or reviewing tax filings. Arm's Tax function consists of suitably qualified and experienced individuals who have development plans in place to support their ongoing training to ensure they remain up to date with changes in legislation and industry practice.</p> <p>Where there is uncertainty or complexity in how relevant tax law should be applied, external advice may be sought to support Arm's decision-making process, including, where necessary, support with Arm's tax compliance filing obligations. Key tax risk indicators are tracked and reported to the Executive Committee for consideration on a periodic basis.</p> <p>We publish our tax strategy on <a href="http://www.arm.com">www.arm.com</a></p>
	207-2	<p>Tax governance, control, and risk management</p> <p>Arm's policy is to comply with all applicable laws, rules, regulations, and reporting requirements relevant to the Group. Tax compliance is key to the Group, and Arm manages tax in line with its governance framework and risk management procedures, which reflect the regulatory, legal, and commercial environment in which Arm operates.</p> <p>Arm strives to comply with the spirit as well as the letter of the law and seeks to pay the right amount of tax, at the right time and in the right place.</p> <p>Arm has a robust risk management process in place to identify key risks; assign ownership for each risk at a senior management level; identify existing and planned management activities against each risk; assess the residual likelihood and impact of each risk; and ensure ongoing monitoring and reporting of each risk.</p> <p>Arm has a risk management framework that provides guidance on the Group's risk management processes. The Arm Management System (AMS) is the business management and governance system used across Arm and sets out roles and responsibilities that guide the risk management culture within the Arm Group. It details the internal controls that Arm needs to manage risk for the long- and short-term success of the business. Included within the AMS are the policies, procedures, and controls that are embedded in the approach Arm takes to managing risk, including tax risk.</p> <p>Internal Audit is responsible for regularly monitoring and testing the effective operation of Arm's tax control framework.</p>
	207-3	<p>Stakeholder engagement and management of concerns related to tax</p> <p>Arm is committed to paying the correct taxes in each relevant jurisdiction and follows a policy of full disclosure in its dealings with tax authorities worldwide. Arm engages, on a timely basis, with all relevant tax authorities with integrity, transparency, and in a spirit of cooperative compliance.</p> <p>Arm typically seeks to engage proactively with tax authorities to resolve any uncertainty over the treatment or administration of its tax affairs. The complexity of the tax laws and regulations that relate to Arm's businesses means that from time to time Arm may disagree with tax authorities on the technical interpretation of a particular area of tax law, for example where there is ambiguity in the law and its intent. Historically, such occasions have been resolved through discussion with the respective tax authority.</p>
	207-4	<p>Country-by-country reporting</p> <p>Arm does not publicly report tax paid on a country-by-country basis. However, within our published annual report and consolidated financial statements lodged with U.K. Companies House, we disclose total tax paid, including withholding taxes from which an effective global tax rate can be calculated.</p>

## Material Topics continued

### Environment Data

		FY 2017	FY 2018	FY 2019
tCO <sub>2</sub> e	Scope 1 emissions	269	455	389
tCO <sub>2</sub> e	Scope 2 emissions (market-based)	13,061	13,642	13,561
tCO <sub>2</sub> e	Scope 2 emissions (location-based)	16,471	16,404	16,153
tCO <sub>2</sub> e	Scope 3 emissions	20,390	21,568	17,921
tCO <sub>2</sub> e	Total Scope 1 and 2 emissions	13,330	14,097	13,950
tCO <sub>2</sub> e	Scope 1 and 2 intensity by headcount	2.10	1.93	1.87
tCO <sub>2</sub> e	Total Scope 1, 2, and 3 emissions	33,720	35,666	31,871
tCO <sub>2</sub> e	Scope 1, 2, and 3 intensity by headcount	5.19	4.88	4.27
MWh	Energy consumption—electricity only	35,349	36,677	40,182
MWh	Electricity consumption intensity per headcount	5.40	5.04	5.38
MWh/%	Renewable electricity and % of total energy consumption	9,560 (26%)	10,376 (27%)	15,234 (33%)
£m	Sterling revenue normalized	1,368	1,395	1,491
tCO <sub>2</sub> e/£m	Carbon by economic output	24.69	25.57	21.37
Megaliters	Water consumption	105.7	105	91.3

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
<b>ENVIRONMENTAL</b>		
<b>Energy</b>		
GRI 103: Management approach 2016	103-1	<p>Explanation of the material topic and its Boundaries</p> <p>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). Materiality Assessment <a href="#">pp.26-27</a> Environment <a href="#">pp.15-16</a></p>
	103-2	<p>The management approach and its components</p> <p>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 Sustainability Committee, which meets four times a year to discuss all aspects of Arm’s sustainability strategy and performance including all the strands of activity in relation to our environmental aspects and impacts. The Workplace team 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 as company-level risks for review, escalation, and mitigation within the Arm Management System (AMS). Governance <a href="#">p.25</a> Environment <a href="#">pp.15-16</a></p>
	103-3	<p>Evaluation of the management approach</p> <p>Outputs of the Sustainability Committee in relation to sustainability, including environmental performance, are reviewed by the Executive Committee. The current management approach to energy consumption is considered to be sufficient for the current needs of the Company.</p>
GRI 302: Energy 2016	302-1	<p>Energy consumption within the organization</p> <p>Total electricity consumption: 40,187MWh      Gas: 5,681MWh Renewable electricity: 15,234MWh      Total energy consumption: 45,868MWh</p> <p>Arm does not collect separate data on energy consumption for heating and cooling; this is included in overall electricity and gas consumption. We do not use any energy for steam generation. We do not sell any electricity. To collate energy data and calculate emissions, we use an online portal from Ecometrica. We use the most recent Defra/BEIS emissions factors to calculate emissions. Emissions Data <a href="#">p.16</a> Environment Data <a href="#">p.46</a></p>
	302-2	<p>Energy consumption outside of the organization</p> <p>Due to the scale and range of devices powered by Arm technology, we are not able to quantify the energy use of our products and related services outside of the organization.</p>

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
	302-3 Energy intensity	The energy intensity ratio for the organization is 5.38MWh/FTE (FY 2019). We calculate intensity based on a mid-year total headcount, which includes all 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. Energy used for heating and cooling is included in the total electricity and gas consumption. The ratio used is within the organization only. Emissions Data <a href="#">p.16</a> Environment Data <a href="#">p.46</a>
	302-4 Reduction of energy consumption	The intensity figure for energy consumption has increased from 5.04MWh/FTE (FY 2018) to 5.38MWh/FTE (FY 2019). This is due to the opening of new office space at the Cambridge (U.K.) headquarters and also a change in office location in San Jose to a larger site. The base year (FY 2010) figure for this intensity is 8.33MWh/FTE. The current emission targets were set in FY 2010 for a ten-year period ending in 2020. The targets were based on headcount intensity figures. Emissions Data <a href="#">p.16</a>
<b>Water and Effluents</b>		
GRI 103: Management approach 2016	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 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. Materiality Assessment <a href="#">pp.26-27</a> Water and Waste <a href="#">p.16</a>
	103-2 The management approach and its components	The current management approach to water consumption is based on water not being a significant risk or a limiting factor for the business. Water and Waste <a href="#">p.16</a>
	103-3 Evaluation of the management approach	We will continue to strengthen our approach to water consumption and improve our reporting. Water and Waste <a href="#">p.16</a>



## Material Topics continued

GRI Standard		Disclosure	2020 Location and Notes
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	<p>Consumption at all our global offices is for personal use, cleaning, and sanitation. We also use water for cooling at our Cambridge Data Center.</p> <p>Water is measured at sites where we have the ability to do so.</p> <p>Every year, Arm responds to CDP's water security questionnaire. We currently hold a C score for our most recent submission.</p> <p>Arm does not withdraw water from wetlands, rivers, lakes, or oceans. Our total water consumption for FY 2019 was 91,296.83 cubic meters (down from 104,937 cubic meters in FY 2018).</p> <p>Water and Waste <a href="#">p.16</a> Environment Data <a href="#">p.46</a></p>
	303-2	Management of water discharge-related impacts	<p>Waste water from Arm offices in every location around the world is passed through domestic waste water systems and treated according to local laws and regulations.</p> <p>Water and Waste <a href="#">p.16</a></p>
	303-3	Water withdrawal	<p>Arm's water consumption is for general office requirements (personal sanitation, catering requirements and human consumption) and is sourced through domestic water supply systems.</p>
	303-4	Water discharge	<p>Arm's water consumption is for general office requirements (personal sanitation, catering requirements, and human consumption) and is waste water is discharged through domestic water waste systems.</p>
<b>Emissions</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Arm collects emissions data from all Arm sites where it is available. The data collected includes electricity consumption, gas consumption, and business air travel. For emissions from electricity and gas, where the data is not available, best estimates are made.</p> <p>For intensity figures, we use mid-year headcount figures including all FTE.</p> <p>Materiality Assessment <a href="#">pp.26-27</a> Environment <a href="#">pp.15-16</a></p>
	103-2	The management approach and its components	<p>The Arm Risk Review Committee will prioritize risks, including climate-related risks, and escalate to the Executive Committee if deemed necessary. Risks are scored using a matrix based on likelihood and impact. Risks of the highest status become corporate-level risks and are reviewed by the Board of our parent company.</p> <p>Asset-level risks follow the same applied process for review, escalation, and mitigation within the AMS as company-level risks. Outputs of the AMS are reviewed by the Executive Committee.</p> <p>Environment <a href="#">pp.15-16</a></p>
	103-3	Evaluation of the management approach	<p>Governance <a href="#">p.25</a></p>

Material Topics *continued*

GRI Standard	Disclosure	2020 Location and Notes
GRI 305: Emissions 2016	305-1	<p>Direct (Scope 1) GHG emissions</p> <p>FY 2019 Scope 1 emissions: 389tCO<sub>2</sub>e FY 2010 (base year) Scope 1 emissions: 419tCO<sub>2</sub>e Emissions are calculated using the latest Defra/BEIS emission factors, using an operational control approach. Environment <a href="#">pp.15-16</a> Environment Data <a href="#">p.46</a></p>
	305-2	<p>Energy indirect (Scope 2) GHG emissions</p> <p>FY 2019 location-based energy Scope 2 emissions: 16,153tCO<sub>2</sub>e FY 2019 market-based energy Scope 2 emissions: 13,561tCO<sub>2</sub>e FY 2010 (base year) Scope 2 emissions: 7,360tCO<sub>2</sub>e Emissions are calculated using the latest Defra/BEIS emission factors, using an operational control approach. Environment <a href="#">pp.15-16</a> Environment Data <a href="#">p.46</a></p>
	305-3	<p>Other indirect (Scope 3) GHG emissions</p> <p>FY 2019 Scope 3 emissions: 17,921tCO<sub>2</sub>e FY 2010 (base year) Scope 3 emissions: 5,878tCO<sub>2</sub>e Emissions are calculated using the latest Defra/BEIS emission factors, using an operational control approach. Environment <a href="#">pp.15-16</a> Environment Data <a href="#">p.46</a></p>
	305-4	<p>GHG emissions intensity</p> <p>We calculate intensity based on total mid-year headcount, which includes all FTE. We also represent our carbon emissions in terms of revenue. This is considered relevant because it represents consumption based on our contribution to economic output. Therefore, it is a measure that is comparable across all industry sectors and in the context of the wider economy and sustainable development. Carbon by economic output: FY 2019 21.37tCO<sub>2</sub>e/£m Scope 1, 2 and 3 intensity by headcount: FY 2019 4.27tCO<sub>2</sub>e/FTE Environment <a href="#">pp.15-16</a> Environment Data <a href="#">p.46</a></p>
	305-5	<p>Reduction of GHG emissions</p> <p>We calculate intensity based on total mid-year headcount, which includes all FTE. We also represent our carbon emissions in terms of revenue. This is considered relevant because it represents consumption based on our contribution to economic output. Therefore, it is a measure that is comparable across all industry sectors and in the context of the wider economy and sustainable development. Carbon by economic output reduced by 4.2 tCO<sub>2</sub>e/£m, (from 25.57tCO<sub>2</sub>e/£m in FY 2018 to 21.37tCO<sub>2</sub>e/£m in FY 2019) Scope 1, 2, and 3 emissions by headcount reduced by 0.61 tCO<sub>2</sub>e/FTE (from 4.88 in FY 2018 to 4.27 in FY 2019) Environment <a href="#">pp.15-16</a></p>

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
<b>Effluents and waste</b>		
GRI 103: Management approach 2016	103-1	<p>Explanation of the material topic and its Boundaries</p> <p>Across our global estate, Arm does not have any uncontrolled or unplanned water discharge from its operations. All waste streams relating to employee consumption, catering, and cleaning (and other domestic uses) are managed through recognized local or regional agencies. Materiality Assessment <a href="#">pp.26-27</a> Water and Waste <a href="#">p.16</a></p>
	103-2	<p>The management approach and its components</p> <p>The management approach to waste management varies depending on location and region. Our global estate is either rented, leased, or serviced office space, and in many locations, our landlords will be managing the waste removal as well as the effluents. In other locations, waste is managed under contracts for cleaning. Water and Waste <a href="#">p.16</a></p>
	103-3	<p>Evaluation of the management approach</p> <p>The current management approach to effluents and waste is under review. Governance <a href="#">p.25</a></p>
GRI 306: Effluents and waste 2016	306-1	<p>Water discharge by quality and destination</p> <p>The majority of water use and waste at Arm occurs within office spaces. Where data is available, we collect water-consumption data, while best estimates based on headcount are made in facilities where data is not available. 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. Water and Waste <a href="#">p.16</a></p>
	306-2	<p>Waste by type and disposal method</p> <p>Waste is a material topic but is very difficult to measure across the global estate due to the different approaches to waste and dependency on landlords in many locations. Waste data is not collected consistently across the global estate, and reliable data is only available for some U.K. sites. The types of waste generated from our estate include general office waste, food waste where recycling facilities are not provided, recyclable waste (for example paper, cardboard, glass, cans, and plastic) and non-recyclable waste such as non-recyclable plastic. We recycle our IT equipment and other electrical waste. Furniture is recycled as much as possible.</p>
	306-3	<p>Significant spills</p> <p>For the year ending March 31, 2020, Arm recorded no significant spills or unplanned or uncontrolled discharges across its global estate.</p>

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
<b>Environmental compliance</b>		
GRI 103: Management approach 2016	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. Materiality Assessment <a href="#">pp.26–27</a> Our Principles <a href="#">p.23</a>
	103-2	The management approach and its components Arm complies with all current regulations and is prepared to adapt to comply with future regulations as they are published. The Arm Health, Safety, and Environment (HSE) team and the Property team have operational responsibility for delivering energy-efficiency projects and controlling costs within our estate. The HSE and Property teams, which have membership and oversight from the Business Continuity Management, Audit, Property, Legal, and People departments, meet regularly and discuss current regulations as an ongoing agenda item in every meeting.
	103-3	Evaluation of the management approach The management approach to environmental compliance is considered to be sufficient for the current needs of the Company. Governance <a href="#">p.25</a>
GRI 307: Environmental compliance 2016	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, 2020.
<b>Supplier environmental assessment</b>		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries Arm has a self-serve model for procurement. Our central Procurement team develops policies and provides support on processes and technology to enable us to identify suppliers and make sourcing decisions. The Procurement team supports procurement across Arm's largest locations (the U.K. and U.S.). Our procurement policies apply to all suppliers set up on the finance system. A small number of low-value suppliers are paid outside of this system. The Procurement team is responsible for the Supplier Code of Conduct. <a href="#">Arm Supplier Code of Conduct</a>
	103-2	The management approach and its components The Procurement team reports to the CFO, who heads up the Finance Leadership team. Procurement engages with client groups on procurement issues via category managers.
	103-3	Evaluation of the management approach The CFO represents Procurement on the Arm Executive Committee, which reports to the Board.
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria All new suppliers are sent the <a href="#">Supplier Code of Conduct</a> 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.
	308-2	Negative environmental impacts in the supply chain and actions taken Arm has not identified any materially significant negative environmental impacts in our supply chain that exist as a direct consequence of our operations.

## Material Topics continued

### People Data

#### Information on employees and other workers

	Male	Female	Undisclosed	Total
Total established, fixed term, and external*	6,604	1,741	291	8,636
Established employees	5,340	1,382	10	6,732
Fixed-term employees	110	53	0	163
External*	1,154	306	281	1,741

	Region	Male	Female	Undisclosed	Total
Total established, fixed term, and external* by region and gender	Total	6,604	1,741	291	8,636
	Asia Pacific	475	118	1	594
	EMEA	4,052	937	271	5,260
	India	847	295	0	1,142
	United States	1,230	391	19	1,640

	Full-time total	Male	Female	Undisclosed	Part-time total	Male	Female	Total
Total established, fixed term, and external*	8,465	6,512	1,662	291	171	92	79	8,636
Established employees	6,586	5,266	1,310	10	146	74	72	6,732
Fixed-term employees	150	101	49	0	13	9	4	163
External*	1,729	1,145	303	281	12	9	3	1,741

\* External = Contractors (not Arm employees)

#### Return to work after parental leave, by gender

	Male	Female
Retention rates after parental leave	93%	93%

## Material Topics continued

### People Data continued

#### New employee hires and employee turnover

	Region	Male	Female	Undisclosed	Total
Starters by region and gender	Total	1,016	333	7	1,356
	Asia Pacific	81	21	1	103
	EMEA	559	174	5	738
	India	129	39	0	168
	United States	247	99	1	347

Rate of new hires for period was 20 percent (established only) (total number of new hires/end of March 2020 headcount).

	Region	Male	Female	Undisclosed	Total
Leavers by region and gender	Total	471	126	14	611
	Asia Pacific	29	12	4	45
	EMEA	267	64	7	338
	India	51	17	2	70
	United States	124	33	1	158

	Region	>21	21-30	31-40	41-50	51-60	61-70	Unknown	Total
Leavers by region and age group	Total	0	132	215	154	68	17	25	611
	Asia Pacific	0	8	13	16	4	0	4	45
	EMEA	0	70	125	84	37	8	14	338
	India	0	30	35	2	1	0	2	70
	United States	0	24	42	52	26	9	5	158

## Material Topics continued

### People Data continued

#### Diversity of governance bodies and employees

		Male	Female	No information	Total					
Gender split	Total established	5,340	1,382	10	6,732					
	Percentage	79.32%	20.53%	0.15%						
		>21	21-30	31-40	41-50	51-60	61-70	71+	Unknown	Total
Age group split	Total established	2	1,645	2,502	1,806	670	97	5	5	6,732
	Percentage	<1%	24%	37%	27%	10%	1%	<1%	<1%	
		Male	Female	No information	Total					
Management level—gender split	Executive Committee	6	3	0	9					
	Percentage	67%	33%	0%						
	Individual contributor	3,787	1,068	10	4,865					
	Percentage	78%	22%	<1%						
	Management	958	209	0	1,167					
	Percentage	82%	18%	0%						
	Senior Management	589	102	0	691					
	Percentage	85%	15%	0%						
Total					6,732					

## Material Topics continued

### People Data continued

#### Diversity of governance bodies and employees continued

		>21	21-30	31-40	41-50	51-60	61-70	71+	Total
Age group split	Executive Committee	0	0	0	4	4	1	0	9
	Percentage	0%	0%	0%	44%	44%	11%	0%	
	Individual contributor	2	1,551	1,780	1,041	415	69	2	4,865 <sup>1</sup>
	Percentage	<1%	32%	37%	21%	9%	1%	<1%	
Management	Management	0	91	599	375	92	8	2	1,167
	Percentage	0%	8%	51%	32%	8%	<1%	<1%	
Senior Management	Senior Management	0	3	123	386	159	19	1	691
	Percentage	0%	<1%	18%	56%	23%	3%	<1%	
Total									6,732

#### Graduate hires and apprenticeships

	Region	Male	Female	Undisclosed	Total
Graduate hires, April 1, 2019 to March 31, 2020	Asia Pacific	2	0	0	2
	EMEA	113	28	2	143
	India	25	16	0	41
	United States	16	7	0	23
	Total	156	51	2	209

#### Work experience/apprenticeships/sponsored students by location

	Location	Number of placements
Location data, April 1, 2019 to March 31, 2020	Norway	1
	U.K.	95
	Total	96

<sup>1</sup> Data unavailable for five employees.



## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
<b>SOCIAL</b>		
<b>Employment</b>		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries Materiality Assessment <a href="#">pp.26-27</a> Governance <a href="#">p.25</a> Our People <a href="#">pp.13-14</a>
	103-2	The management approach and its components Governance <a href="#">p.25</a> Our People <a href="#">pp.13-14</a>
	103-3	Evaluation of the management approach Governance <a href="#">p.25</a> Our People <a href="#">pp.13-14</a>
GRI 401: Employment 2016	401-1	New employee hires and employee turnover Governance <a href="#">p.25</a> Our People <a href="#">pp.13-14</a> FY 2018: 15.01% Natural: 7.74% Unnatural: 7.25% <sup>1</sup> FY 2019: 9.23% Natural: 6.73% Unnatural: 2.42% <sup>1</sup>
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees All permanent part-time employees receive the same benefits as permanent full-time employees. We offer benefits packages across all of our global offices, including: <ul style="list-style-type: none"> <li>• Pension/401k schemes</li> <li>• Insurances, such as medical, travel, life, and permanent health insurances</li> <li>• Bonuses</li> </ul> There are two types of temporary employees: those employed on a fixed-term basis by Arm and contractors. In some locations, temporary employees do not receive some benefits and are compensated by receiving increased levels of basic pay.
	401-3	Parental leave We offer parental leave to our established employees. People Data <a href="#">pp.53-56</a>
<b>Labor/management relations</b>		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries Materiality Assessment <a href="#">pp.26-27</a> Our Principles <a href="#">p.23</a> Our People <a href="#">pp.13-14</a>
	103-2	The management approach and its components Our Principles <a href="#">p.23</a> Our People <a href="#">pp.13-14</a>
	103-3	Evaluation of the management approach Our Principles <a href="#">p.23</a>

<sup>1</sup> There were a small number of unclassified leavers.

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
GRI 402: Labor/management relations 2016	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 affected. 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.
<b>Occupational health and safety (2018)</b>		
GRI 103: Management approach 2016	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. Materiality Assessment <a href="#">pp.26-27</a> Health and Safety <a href="#">p.14</a>
	103-2 The management approach and its components	Health and safety is part of the AMS and is managed by the global Health and Safety team. The team is focused on the needs of our people, and is responsible for a fast-growing property portfolio of office space, 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. Governance <a href="#">p.25</a> Health and Safety <a href="#">p.14</a>
	103-3 Evaluation of the management approach	The current management approach to occupational health and safety has been evaluated and is considered to be sufficient for the current needs of the Company. Our Principles <a href="#">p.23</a> Health and Safety <a href="#">p.14</a>

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	<p>We operate in an industry, and in environments, that are considered low risk from a health and safety perspective. However, the safety and welfare of employees, contractors, and visitors remain a priority in all our global workspaces.</p> <p>Arm's Global Health and Safety team sits within the Workplace Planning &amp; Resilience team, working closely with the Regional Workplace Experience teams, which implement operational aspects of occupational health and safety across the Company. The team continues to improve its management systems in this area with an audit program that includes external auditing of processes and offices and global use of a health and safety management tool for tracking of health and safety actions, maintenance documentation and some contractor management.</p> <p>The ultimate responsibility for health and safety sits with the Board and the CEO.</p> <p>Arm complies with all current regulations and is prepared to adapt to comply with future regulations as they are published. The Regional Health and Safety Governance teams (HSGT) meet on a monthly basis and discuss changes to current regulations as an ongoing agenda item in every meeting.</p> <p>Health and Safety <a href="#">p.14</a></p>
	403-2 Hazard identification, risk assessment, and incident investigation	<p>The Arm Workplace team is responsible for ensuring that the Arm offices are safe and secure places of work.</p> <p>Both internal and external risk assessments are carried out regularly, and any actions arising are tracked and reviewed on an ongoing basis. All regions have a dedicated Workplace Experience team, which is responsible for ensuring corrective actions are carried out and that control measures are in place.</p> <p>All accidents, incidents and near misses are logged centrally, investigated, and reviewed regularly.</p> <p>Health and Safety <a href="#">p.14</a></p>
	403-3 Occupational health services	<p>The Company is continually looking at improving the workplace and well-being offerings across all offices. For example, sit-stand desks are now offered in many offices as standard.</p> <p>There is a dedicated Well-being team, who carry out Display Screen Equipment (DSE) assessments, and provide physiotherapy and physical well-being sessions such as HIIT training, yoga, and pilates.</p> <p>All employees can access online DSE training, as well as an online desk-assessment tool where they are guided through a desk setup and shown how they can make improvements to their desk setup.</p> <p>An online course is available for people who carry out manual handling as part of their job.</p> <p>Medical health insurance is included for employees in certain locations and is also available as an optional, tax-efficient benefit in some locations.</p>
	403-4 Worker participation, consultation, and communication on occupational health and safety	<p>There is no formal process for employee consultation on health and safety. However, it is the responsibility of all employees to report any concerns or maintenance requirements relating to the safe and secure operating environment within or in close proximity to any Arm office.</p>
	403-5 Worker training on occupational health and safety	<p>Health and safety standards, expectations, protocols, and responsibilities are included within the induction process for all new employees.</p>

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
403-6	Promotion of worker health	<p>Arm offers a range of health and well-being-related support to all employees globally. The following are examples of the support and resources available to employees:</p> <ul style="list-style-type: none"> <li>• Themed events and promotions such as Mental Health Awareness Week or coordinated fundraising and awareness-raising on specific health issues such as cancer or physical health</li> <li>• “Flexpot,” an award available to all employees to spend (and then reclaim) on well-being and/or personal development to support the individual and family members (e.g. school fees, sports equipment, learning and education costs)</li> <li>• Ergonomic desk assessment provided to all employees</li> <li>• Healthy Minds intranet pages offering readings, trainings, podcasts, and videos and a guide on how to support others</li> <li>• External links for readings on mental health: boosting resilience at work, managing stress, dealing with feeling overwhelmed</li> <li>• Self-teaching training such as Managing Mental Health at Work courses available on Arm intranet</li> <li>• Training for managers: Stress Awareness for Managers</li> <li>• Podcasts and videos on mental health topics</li> <li>• Recommended (and paid-for) applications/specialist counseling for mental health and other concerns</li> </ul>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The Arm Workplace team is responsible for ensuring that the Arm offices are safe and secure places of work. Risk assessments are carried out when large events are taking place within the offices, including when large numbers (i.e. more than 10) of external visitors are expected to attend an event within an Arm office building.
403-8	Workers covered by an occupational health and safety management system	The Arm Health and Safety Management System is used to manage health and safety for all employees globally, which includes full-time established employees, fixed-term employees, and contractors. The management system is audited annually through the Arm-wide Enterprise Assurance ISO 9001 audit.
403-9	Work-related injuries	We do not publicly disclose data on incidences.
403-10	Work-related ill health	All employees in Arm are required to report any accidents or near misses at work, logging them on an online central portal. The accident and near miss statistics from the portal are reviewed monthly in the regional HSGT meetings. Regional variations in the regulations regarding the reporting of accidents are adhered to. We do not publicly disclose data on incidences.

### Training and education

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Materiality Assessment <a href="#">pp.26-27</a> Enabling Our People <a href="#">p.10</a> Our People <a href="#">pp.13-14</a>
	103-2	The management approach and its components	Our Principles <a href="#">p.23</a> Our People <a href="#">pp.13-14</a>
	103-3	Evaluation of the management approach	Enabling Our People? <a href="#">p.10</a> Our People <a href="#">pp.13-14</a>
GRI 404: Training and education 2016	404-1	8.85hrs average training hours per FTE	People Manager Transition Development: Essentials is designed to enable and empower People Managers at Arm with awareness and understanding of some of the key skills needed to be an effective People Manager. The program is modular (three modules) and focuses on continuity and practice. It looks at the strengths and work styles of each participant and makes the link to how to best leverage those strengths and styles in their management role. The course also covers critical People Manager skills such as communication, delegation, and change. We covered 437 managers in FY 2019 and 621 in FY 2018.

## Material Topics continued

GRI Standard		Disclosure	2020 Location and Notes
	404-2	Programs for upgrading employee skills and transition assistance programs	<p>Arm’s strategy for developing its people does not focus on the quantity of training hours but on providing quality and relevant training to ensure all our employees are provided with the development they need both short and long term. Our Global Learning and Development team also leads global initiatives around various development requirements and career development. Additionally, a series of development-related questions are asked in our annual Employee Engagement Survey, allowing us to track the success of initiatives put in place the year prior and identify additional areas of focus for the year ahead.</p> <p>An example of transition assistance support provided to employees is the “Essentials” program. Essentials is designed to enable and empower People Managers at Arm with awareness and understanding of some of the key skills needed to be an effective People Manager. The program is modular (three modules) and focuses on continuity and practice. It looks at the strengths and work styles of each participant and makes the link to how to best leverage those strengths and styles in their management role. The course also covers critical People Manager skills such as communication, delegation, and change.</p>
<b>Diversity and equal opportunity</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Materiality Assessment <a href="#">pp.26-27</a> Our People <a href="#">pp.13-14</a>
	103-2	The management approach and its components	Our People <a href="#">pp.13-14</a> Enabling Our People <a href="#">p.10</a>
	103-3	Evaluation of the management approach	Governance <a href="#">p.25</a>
GRI 405: Diversity and equal opportunity 2016	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. Employees <a href="#">p.13</a> People Data <a href="#">p.14</a>
	405-2	Ratio of basic salary and remuneration of women to men	U.K. figures were published publicly in April 2018 in our <a href="#">Gender Pay Gap Report</a> . We have completed comprehensive analysis globally; however, we are yet to share this publicly. Our pay structures do not systematically discriminate based on gender or any other factor—this is shown in the report, but the information is confidential.
<b>Non-discrimination</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Materiality Assessment <a href="#">pp.26-27</a> Our People <a href="#">pp.13-14</a>
	103-2	The management approach and its components	Our People <a href="#">pp.13-14</a>
	103-3	Evaluation of the management approach	Governance <a href="#">p.25</a>
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There were no substantiated incidents of discrimination raised and recorded by Arm during the year ending March 31, 2019.

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes
<b>Human rights assessment</b>		
GRI 103: Management approach 2016	103-1	<p>Explanation of the material topic and its Boundaries</p> <p>Arm has signed the Universal Declaration of Human Rights and integrated relevant human rights principles into our policies for employees and contractors. These include the CoC and the Supplier CoC. Arm also published its first Modern Slavery Statement last year.</p> <p>Boundaries:</p> <ul style="list-style-type: none"> <li>• Internal: all employees, all businesses and locations</li> <li>• External: suppliers</li> </ul> <p>Materiality Assessment <a href="#">pp.26-27</a> <a href="#">Modern Slavery Statement</a></p>
	103-2	<p>The management approach and its components</p> <p>As an IP company, our supply chain of raw materials is negligible. As a result, our associated risks are low. We do, however, purchase a wide range of goods and services from a large number of globally distributed suppliers. We require all our suppliers and their employees to commit to Arm's Supplier CoC as a condition of doing business with us. Our Supplier CoC covers labor and human rights and sets out Arm's expectations of suppliers in relation to child labor, forced or involuntary labor, compensation and working hours, and diversity and equality.</p> <p><a href="#">Arm Supplier Code of Conduct</a></p>
	103-3	<p>Evaluation of the management approach</p> <p>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.</p> <p>Governance <a href="#">p.25</a></p>
GRI 412: Human rights assessment 2016	412-1	<p>Operations that have been subject to human rights reviews or impact assessments</p> <p>Our operations have not been reviewed for human rights, given our low risk profile.</p>
	412-2	<p>Employee training on human rights policies or procedures</p> <p>We do not conduct any compulsory training on human rights topics as part of CoC 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 on human rights to all staff.</p>
<b>Supplier social assessment</b>		
GRI 103: Management approach 2016	103-1	<p>Explanation of the material topic and its Boundaries</p> <p>Arm has a self-serve model for procurement. Our central Procurement team develops policies and provides support on processes and technology to enable us to identify suppliers and make sourcing decisions. 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.</p> <p>The Procurement team is responsible for our <a href="#">Supplier Code of Conduct</a>. Materiality Assessment <a href="#">pp.26-27</a></p>

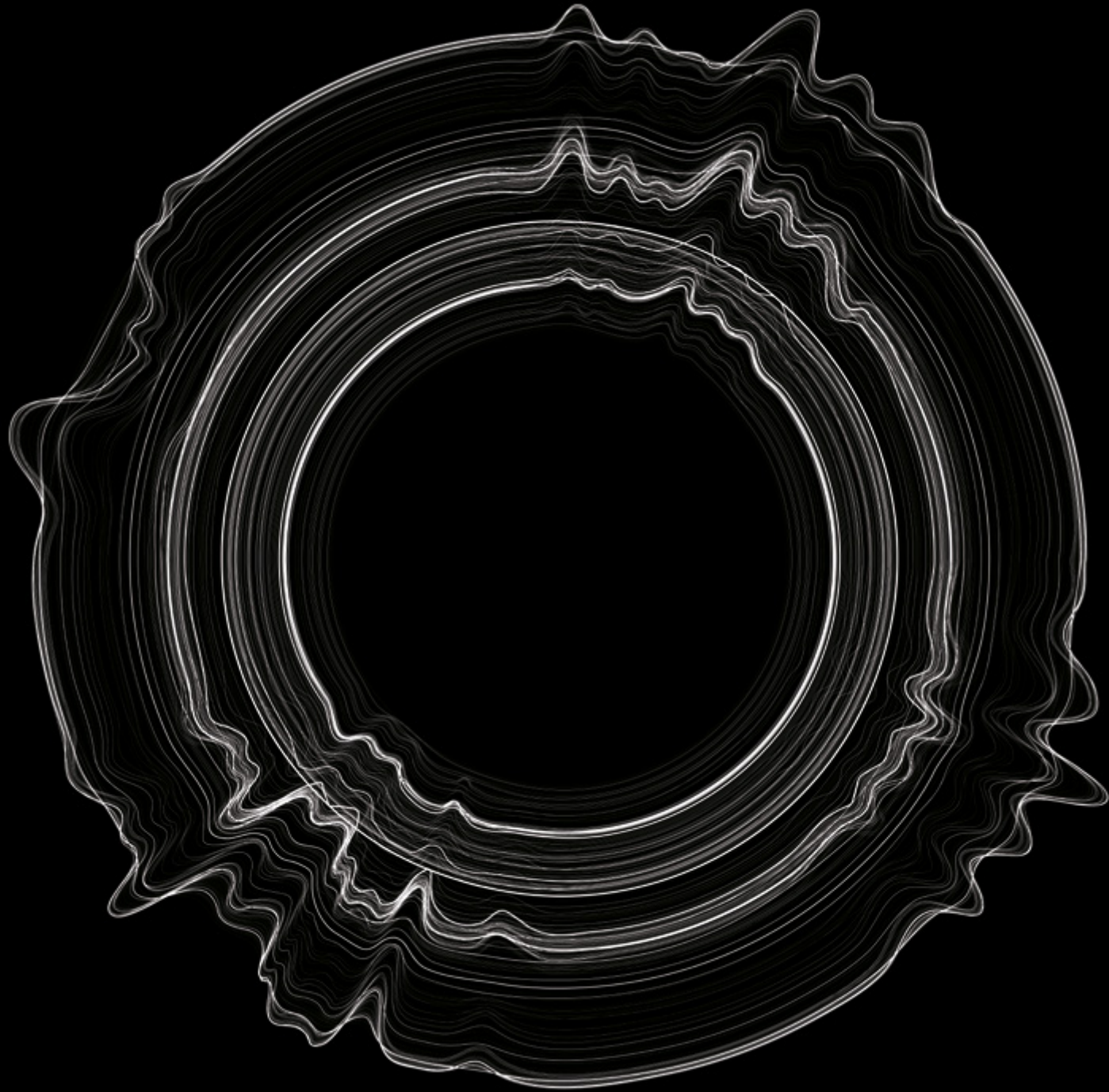
## Material Topics continued

GRI Standard		Disclosure	2020 Location and Notes
	103-2	The management approach and its components	The Procurement team reports to the CFO, who heads up the Finance Leadership team. Procurement engages with client groups on procurement via Category Managers. A clear whistleblowing mechanism is detailed within the Supplier CoC. <a href="#">Governance p.25</a> <a href="#">Arm Supplier Code of Conduct</a>
	103-3	Evaluation of the management approach	The CFO represents procurement on the Arm Executive Committee, which reports to the Board. <a href="#">Governance p.25</a>
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	All new suppliers are sent the Supplier CoC before being added to the finance system. New suppliers must accept the Supplier CoC in writing and are therefore self-screened against our social criteria. The Supplier CoC includes social criteria that suppliers must manage and remain compliant with. All new contracts require reconfirmation of compliance with the Supplier CoC. <a href="#">Arm Supplier Code of Conduct</a>
<b>Public policy</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Materiality Assessment <a href="#">pp.26-27</a>
	103-2	The management approach and its components	Business Ethics <a href="#">p.24</a>
	103-3	Evaluation of the management approach	Governance <a href="#">p.25</a>
GRI 415: Public policy 2016	415-1	Political contributions	The Group does not make any political donations. <a href="#">Code of Conduct</a>
<b>Customer privacy</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Materiality Assessment <a href="#">pp.26-27</a>
	103-2	The management approach and its components	Supporting Internet Services <a href="#">p.8</a>
	103-3	Evaluation of the management approach	Governance <a href="#">p.25</a>
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	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, 2020.

## Material Topics continued

GRI Standard	Disclosure	2020 Location and Notes	
<b>Socioeconomic compliance</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Materiality Assessment <a href="#">pp.26-27</a>
	103-2	The management approach and its components	Governance <a href="#">p.25</a> Business Ethics <a href="#">p.24</a>
	103-3	Evaluation of the management approach	Governance <a href="#">p.25</a>
GRI 419: Socioeconomic compliance 2016	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, 2020.





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**arm**