Shaping Corporate Responsibility for a Connected World

ARM

Supplement to 2014 ARM Corporate Responsibility Report: Shaping Corporate Responsibility in a Connected World

This report is a supplement to the 2014 ARM Corporate Responsibility Report: Shaping Corporate Responsibility in a Connected World. This supplement presents additional information and data that meet the requirements of the Global Reporting Initiative (GRI) G4. This supplement also includes information relevant to the requirements of the United Nations Global Compact (UNGC) Advanced Communication of Progress (COP) self-assessment.

Reporting in accordance with GRI G4

Our 2014 reporting has been prepared in accordance with the GRI G4 Sustainability Reporting Guidelines at the Comprehensive level.

The GRI G4 Guidelines were released in 2013. It is a framework for reporting on the economic, social and environmental performance of an organisation. The Guidelines consist of principles for defining report content and ensuring the quality of reported information together with information relating to performance indicators and other disclosure items. The Guidelines are developed through a global multi-stakeholder process involving representatives from business, labour, civil society and financial markets, as well as auditors and experts in various fields.

The Guidelines emphasise the importance of materiality as the basis for determining report content. Materiality is defined as the threshold at which sustainability issues become sufficiently important that they may substantively influence the assessments and decisions of the business and its stakeholders. On this basis, they should therefore be publicly reported. This approach means that organisations and report users can concentrate on the sustainability impacts that matter, resulting in reports that are more strategic, focused, credible and easier for stakeholders to navigate.

Further detail on the GRI and, its aims, objectives and structure, together with the full GRI G4 Guidelines, are available at www.globalreporting.org.

Communication of Progress in implementing the UN Global Compact Principles

ARM is represented on both the global LEAD and UK network advisory boards of the UNGC, keeping us in touch with our peers and informing us on how we can best contribute to sustainability in our immediate operations, our ecosystem and with wider society. As a Global Compact LEAD company, we submit an annual Communication on Progress (COP) against the 21 advanced criteria that support the ten Global Compact principles. To meet the Advanced criteria we are required to apply at least one of the best practices listed under each of the 21 criteria.

Requirement of the COP

1. Statement by the CEO expressing continued support for the Global Compact and renewing the ongoing commitment of the organisation to the initiative and principles. This has been prepared and will be submitted under separate cover from 30 March 2015, at www.unglobalcompact.org/participant/12151-ARM-Holdings-plc.

2. A description of practical actions that the Company has taken to implement the Global Compact principles. These are included within the Corporate Responsibility Report.

3. A measurement of outcomes, which are included within the main 2014 Corporate Responsibility Report.

This supplement is part of a suite of documents that form our 2014 annual corporate reporting. This includes:

Strategic Report

The Strategic Report contains information about ARM, how we make money and how we run the business. It includes an overview of our main markets, our corporate strategy, business model, key performance indicators and main areas of risk, as well as our progress during 2014.

A copy of the Strategic Report can be downloaded from www.arm.com/reporting2014.

Governance and Financial Report

The Governance and Financial Report explains the way we operate, our approach to corporate governance, and how we remunerate management and our financial performance for 2014.

A copy of the Governance and Financial Report can be downloaded at www.arm.com/reporting2014.

Investor Relations Website

The Investor Relations Website contains more information on what ARM does and how we connect with some of the world's most innovative companies to shape the future of technology. Here you will find our latest financial results and recent case studies of ARM technology in action.

The Investor Relations website can be found at www.arm.com/ir.

Key to location references in the tables:

CRR = 2014 Corporate Responsibility Report.
CRS = 2014 Corporate Responsibility Report Supplement.
SR = 2014 Strategic Report.
GFR = 2014 Governance and Financial Report.
Other = As defined.

Global Compact Advanced COP Self-Assessment

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory notes	Location
Strategy, Governance and Engagement	Implementing the ten Principles into Strategies and Operations.	Criterion 1: The COP describes mainstreaming into corporate functions and business units.	Environment and anti-corruption are embedded into our policies. Human rights and labour are represented by the culture and business ethics of ARM.	GFR, page 27 CRR, page 55
		Criterion 2: The COP describes value chain implementation.	ARM creates value through collaboration and partnership with its ecosystem of over 1,000 companies. ARM designs are used by its Partners in the ecosystem to enable energy-efficient technologies ranging from servers, smartphones and tablets to smart meters and sensors.	CRR, page 10
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.	In 2013, ARM worked with Shift, a specialist non-profit organisation working on business and human rights, to understand more about this area and the key guidelines provided by the UN Guiding Principles on Business and Human Rights. Based on this work, we have adopted a general Human Rights Policy. This is in addition to related existing policies including those on conflict minerals, business ethics and discrimination. These policies remain relevant and are reviewed on an annual basis to ensure they remain appropriate to the organisation, its people and Partners.	CRS. See the detailed GRI G4 disclosures provided in this supplement on page 33 to 35 and pages 42 and 43.
		Criterion 4: The COP describes effective management systems to integrate the human rights principles.	As above. See also the CRR and supporting information within the GFR.	GFR, page 27 CRR, page 55
		Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration.	As above. See also the CRR and supporting information within the GFR.	GFR, page 27 CRR, page 55

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory notes	Location
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Principle 4: The elimination of all forms of forced and compulsory labour. Principle 5: The effective abolition of child labour. Principle 6: The elimination of discrimination in respect of employment and occupation.	Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour.	This reporting supplement contains our detailed disclosures in respect of labour and human rights policy and approach based on the GRI G4 reporting framework.	CRR, page 55 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 27 to 34 and page 42
		Criterion 7: The COP describes effective management systems to integrate the labour principles.	This reporting supplement contains our detailed disclosures in respect of labour and human rights policy and approach based on the GRI G4 reporting framework.	CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 27 to 34 and pages 41 and 42
		Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration.	See the 2014 CRR and statements on governance and approaches to managing people included in this supplement on pages 27 to 35 and pages 41 and 42. Refer also to our description of employee engagement within the CRR on pages 50 to 52.	CRR, page 55 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 27 to 34 and pages 41 and 42
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship.	See the 2014 CRR and statements on governance and approaches to managing environmental issues included in this supplement.	CRR, page 43 and 54 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 20 to 25 and pages 40 and 41
		Criterion 10: The COP describes effective management systems to integrate the environmental principles.	See the CRR and statements on governance and approaches to managing environmental issues included in this supplement.	CRR, page 43 and 54 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 20 to 25 and pages 40 and 41
		Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	See pages 38 to 45 of the 2014 CRR and statements on governance and approaches to managing environmental issues included in this supplement.	CRR, page 43 and 54 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 20 to 25 and pages 40 and 41

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory notes	Location
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption.	Anti-corruption is included within the ARM Code of Business Conduct and Ethics. In addition, specific anti-bribery policies and anti-competitive behaviour policies have been introduced in 2014 and included in mandatory training and sign-off for all employees.	GFR, page 27 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 36 and 43.
		Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.	Adherence and general oversight on anti-corruption is the responsibility of the Compliance Committee that operates within the overall corporate governance structures at ARM.	GFR, page 26
		Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	As above. In addition, any grievance or concern can be raised in accordance with the grievance policy and procedures, or through the confidential whistleblowing mechanisms in place at ARM.	GFR, page 27
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.	ARM is committed to supporting the 10 principles of the UN Global Compact and related declarations, policies and standards. See also the CEO Statement and commitment to UNGC, submitted under separate cover and available from 30 March 2015 at www.unglobalcompact.org/participant/12151-ARM-Holdings-plc.	CRS
		Criterion 16: The COP describes strategic social investments and philanthropy.	See the 2014 CRR for details of strategic approach to social investment and philanthropy and examples of supported projects in 2014.	CRR, pages 22 to 53
		Criterion 17: The COP describes advocacy and public policy engagement.	See the 2014 CRR.	CRR, page 55
		Criterion 18: The COP describes partnerships and collective action.	ARM is represented on both the global LEAD and UK network advisory boards. ARM also collaborates with commercial and non-commercial Partners in conducting its business activities and in its charitable and philanthropic work.	CRR, pages 21 to 53

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory notes	Location
Governance	Corporate sustainability governance and leadership.	Criterion 19: The COP describes CEO commitment and leadership.	A separate, dedicated declaration of commitment to the UNGC and to implementing the ten principles will be submitted as part of our COP to be available on www.unglobalcompact.org.	www.unglobalcompact.org participant/12151-ARM-Holdings-plc.
		Criterion 20: The COP describes Board adoption and oversight.	See the 2014 GFR for detailed information on Board structure, responsibilities, activities and evaluation.	GFR, pages 2 to 11 CRR, page 54
		Criterion 21: The COP describes stakeholder engagement.	In 2014, we began a process to improve our approach to stakeholder engagement. For further details see the 2014 CRR.	CRR, pages 16 to 19

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

We reported our 2013 COP publicly in March 2014. We will be publishing our 2014 COP through the UNGC protocols in March 2015. The COP will include our statement of continued support for the UNGC. These reports are available on the UNGC website at www.unglobalcompact.org.

Global Reporting Initiative (GRI) G4 content index

GENERAL STANDARD DISCLOSURES

The following General Standard Disclosures are applicable to ARM Holdings plc, also referred to as the "Group", unless otherwise specified.

The General Standard Disclosures are divided into seven parts according the GRI G4 guidance: Strategy and Analysis, Organisational Profile, Identified Material Aspects and Boundaries, Stakeholder Engagement, Report Profile, Governance, and Ethics and Integrity.

These Standard Disclosures provide a general strategic view of ARM's approach to sustainability.

Key to location references in the tables:

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Other = As defined.

Where no page reference is provided, the relevant information and any explanation is included in the comment column. In exceptional cases, information is omitted from our annual report. In these instances an explanation is provided in the comment column.

GRI G4 Reference and Description		Covered in 2014 CRR	Covered in 2014 SR	Comment in 2014 GFR	Page Reference	Comment
STRATEGY AND ANALYSIS						
G4-1	CEO Statement.	√	-	-	Page 6 and 7	Refer to location of disclosure.
G4-2	Key impacts and opportunities.	√	√	-	CRR, page 4 and 5 SR, pages 8 to 13	Refer to location of disclosure.
ORGANISATIONAL PROFILE						
G4-3	Name of the organisation.	-	-	√	Page 72	Refer to location of disclosure.
G4-4	Primary brands, products and services.	-	√	-	Pages 16 to 21	Refer to location of disclosure.
G4-5	Location of headquarters.	-	-	√	Page 72	Refer to location of disclosure.
G4-6	Countries of operation.	√	-	√	CRR, page 12. GFR, pages 129 to 131	Refer to location of disclosure.
G4-7	Nature of ownership and legal form.	-	-	√	Page 72	Refer to location of disclosure.
G4-8	Markets served.	-	√	-	Pages 16 to 19	Refer to location of disclosure.
G4-9	Scale of operation.	-	√	-	Pages 2 to 5 and 16 to 19	Refer to location of disclosure.
G4-10	Number of employees.	√	-	-	Page 12	Refer to the CRR for headline employee numbers. Further detail on employees by contract type, grade distribution and gender is included in detailed disclosures below.

GRI G4 Reference and Description		Covered in 2014 CRR	Covered in 2014 SR	Comment in 2014 GFR	Page Reference	Comment
G4-11	Collective bargaining agreements.	-	-	-	CRS	We do not limit or restrict the rights of our people to freedom of association. However, we do not disclose the percentage of employees actively participating in collective bargaining agreements.
G4-12	Supply chain description.	√	-	-	Pages 12 to 14	Refer to location of disclosure.
G4-13	Significant changes.	-	-	-	CRS	There have been no significant changes during the reporting period regarding structure or ownership.
G4-14	Precautionary approach.	√	-	-	Pages 16 to 20, and 40	Refer to location of disclosure.
G4-15	External charters.	√	-	-	Page 21	Refer to location of disclosure.
G4-16	Memberships and partnerships.	-	-	-	CRS	ARM is a member of many external associations and industry organisations in the countries in which it operates. Examples include the International Telecommunications Union (ITU), United National Global Compact (UNGC), World Economic Forum (WEF) and EngineeringUK. However, a full listing is not maintained centrally, and is therefore not available for external reporting. ARM does not contribute substantive funding to external associations beyond routine membership fees.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES						
G4-17	List of entities.	-	-	√	Page 72	Refer to location of disclosure.
G4-18	Defining report content.	√	-	-	Page 1 and 18 to 20	Refer to CRR for overview of the process for stakeholder inclusiveness and determining material issues. See section below, "Material aspects and boundaries" for description of process and relevancy of material aspects to ARM and its operations.
G4-19	List of material issues.	√		-	Page 20	See also section below, "Material aspects and boundaries".
G4-20	Define materiality boundaries and limitations.	√	-	-	Pages 18 to 20	We are a global business. We define our material issues based on our global operations and impacts. We consider that our seven material sustainability issues are equally relevant to all countries in which we operate and to all entities within the Group.
G4-21	Materiality defined by geography.	-	-	-	CRS	We are a global business. We define our material issues based on our global operations and impacts. In cases where there are localised issues that may be considered locally material, we address them through our approach to engagement with local communities. Therefore these will be included within our material issue of "Communities".
G4-22	Restatements.	√	-	-	Page CRS	The only restatements of information provided in previous reports relate to our carbon emissions and energy consumption. For emissions, this is the result of a change in the application of emission factors from a countrywide average to a state-by-state basis. A restatement of energy consumption has also been made. We have also restated our energy consumption as we now have greater accuracy in our reporting and an increase in the proportion of the global estate reporting actual data, as opposed to estimated data. This was the result of changes we made in our carbon accounting system and supporting processes during 2014. We do not expect to restate our historic carbon or energy data again in future years.
G4-23	Significant reporting changes.	-	-	-	CRS	There have been no significant changes from previous reporting periods in the scope and aspect boundaries.
STAKEHOLDER ENGAGEMENT						
G4-24	Stakeholder groups.	√	-	-	Pages 16 and 17	Refer to location of disclosure. We provide a list of seven stakeholder categories which comprise 30 stakeholder groups. for brevity we do not publish a list of all stakeholder groups or the members of those groups.
G4-25	Basis for identification.	√	-	-	Pages 16 and 17	Refer to location of disclosure.
G4-26	Approach to stakeholder engagement.	√	-	-	Pages 16 and 17	Refer to location of disclosure.
G4-27	Key topics raised.	√	-	-	Page 17	Refer to location of disclosure.

GRI G4 Reference and Description		Covered in 2014 CRR	Covered in 2014 SR	Comment in 2014 GFR	Page Reference	Comment
REPORT PROFILE						
G4-28	Reporting period.	√	-	-	Page 1	Refer to location of disclosure.
G4-29	Previous report.	√	-	-	Page 1	Refer to location of disclosure.
G4-30	Reporting cycle.	√	-	-	Page 1	Refer to location of disclosure.
G4-31	Contact point.	√	-	-	Rear cover	Refer to location of disclosure.
G4-32	Content index.		-	-	CRS	This supplement represents our GRI content index "in accordance" at the Comprehensive level.
G4-33	Assurance.	√	-	-	Page 55	We have not obtained external independent assurance over our 2014 non-financial reporting. However, as part of our 2014 UNGC COP, we did receive peer review of our 2013 reporting from three member organisations. The feedback was positive and has assisted us in improving our reporting approach for 2014.
						We are in the process of developing a three-year assurance implementation strategy. This will combine internal and external assurance to help us improve our systems and processes and establish trust in our sustainability reporting. We expect to focus initially on assurance over our quantitative reporting with a view to obtain full-report assurance over the course of the three-year plan.
						As a starting point, we have scheduled an internal audit review of our 2014 energy and carbon data during 2015 by our Business Assurance function. This has been included in the 2015 audit plan, ratified by the Group Audit Committee.
GOVERNANCE						
G4-34	Governance structure.	√	-	√	CRR, page 54 GFR, page 9	We report on governance structures in varying levels of detail across our 2014 reporting suite. Governance insofar as it specifically relates to corporate responsibility and sustainability is included within the CRR report. Further detail of the wider corporate governance structures, committees and accountabilities is included in the 2014 GFR.
G4-35	Governance process: delegated responsibility.	-	-	√	Page 13	Refer to location of disclosure.
G4-36	Governance process: Executive responsibility.	-	-	√	Page 17	Refer to location of disclosure.
G4-37	Governance process: Consultation.	√	-	-	Page 54	Consultation between stakeholders, management and the highest governance body on economic, environmental and social (EES) topics is generally managed by the ARM Corporate Responsibility function. Mechanisms exist to escalating issues through to relevant members of the executive management team. These include direct communication and face-to-face interaction, and more formal channels such as Project Diamond and the Energy Use and Climate Change Committee (EUCCC) process.
G4-38	Highest governance body.	√	-	√	CRR, page 54 GFR, pages 6 to 12	Refer to location of disclosure.
G4-39	Highest governance body (chair).	√	-	√	CRR, page 54 GFR, pages 11 and 12	Refer to location of disclosure.
G4-40	Nomination process.	-	-	√	Pages 23 and 24	Refer to location of disclosure.
G4-41	Conflicts of interest.	-	-	√	Page 10	Refer to location of disclosure.
G4-42	Role in values and strategy development.	-	-	√	Page 5	The Corporate Responsibility team set the purpose, values and strategy for ARM's approach to sustainability based on an understanding of the broader corporate vision, mission and strategy. This approach is then presented to the Executive Committee and ultimately the Board for approval. The Board are responsible for defining short-term and long-term strategic priorities for the Group.

GRI G4 Reference and Description		Covered in 2014 CRR	Covered in 2014 SR	Comment in 2014 GFR	Page Reference	Comment
G4-43	Competencies and performance evaluation.	-	-	√	Pages 6 and 7, 10 and 14	Refer to location of disclosure.
G4-44	Board performance.	-	-	√	Pages 14 and 15	Refer to location of disclosure.
G4-45	Board role in risk management: process.	-	-	√	Page 19	Refer to location of disclosure.
G4-46	Board role in risk management: review.	-	-	√	Page 20	Refer to location of disclosure.
G4-47	Frequency of ESG review.	-	-	√	Page 28	ESG impacts, risks and opportunities are considered alongside other material issues on an annual basis by the Board.
G4-48	Review of CR Reporting.	-	-	-	N/A	Annual CR reporting is subject to scrutiny across a number of management tiers. The report approach and content is reviewed in detail by the Company Secretary and Chief Financial Officer before receiving approval by the Group Executive.
G4-49	Reporting critical concerns.	-	-	√	Pages 22 and 27	There are formal and informal channels available for communicating critical concerns to the Board. These include the confidential whistleblowing process (described in the Governance and Financial report), committee-based communication channels (for example, the Corporate Responsibility Committee and EUCCC), informal communication and face-to face contact. ARM operates an "open-door" policy whereby employees are encouraged to express their views and concerns to executive management in open forums and interactive media.
G4-50	Number of critical concerns.	-	-	√	Page 27	We have established processes and reporting channels to raise and record critical concerns. However, we do not disclose details of what is discussed at Board meetings. There were three whistleblowing reports in 2014. None of which were found to involve any financial or other loss to the Group. See also disclosure on whistleblowing process and issue reporting.
G4-51	Remuneration disclosures: Executive reward.	-	-	√	Pages 34 to 61	Refer to location of disclosure.
G4-52	Remuneration disclosures: Determination.	-	-	√	Page 52	Information relating to the determination of executive pay and Board remuneration is included within the Governance and Financial Report. To achieve fairness and remain competitive in the market, remuneration consultants are used by the business. Together with appropriate industry benchmarking data, decisions are made on remuneration policies in order to fairly reward our people. This process is also used to determine reward packages that balance between base-pay, performance-related pay, bonus payments and allocation of deferred or vested shares.
G4-53	Remuneration disclosures: Stakeholder involvement.	-	-	√	Page 52	External remuneration consultants and industry benchmarking information is used as the basis for fair and equitable remuneration policies and proposals. Internal mechanisms exist for Senior Management and Executive sign-off on remuneration policies and individual reward.

GRI G4 Reference and Description		Covered in 2014 CRR	Covered in 2014 SR	Comment in 2014 GFR	Page Reference	Comment
G4-54	Remuneration disclosures: Total reward ratios.	-	-	√	Page 37	We publish single figure remuneration information for executive pay. In 2014 the highest paid individual in the organisation, based on single figure remuneration, was our Chief Financial Officer. Based on total salary only, our Chief Executive Officer received the highest amount. We also report on our total staff costs and our employee numbers. Based on this publicly disclosed information it is possible to calculate the ratio of the annual total compensation for the highest-paid individual in the Group to the median annual total compensation for all employees (excluding the highest-paid individual). In 2014, taking a single figure remuneration as the basis for the calculation, the ratio was 1:25. Refer to GFR pages 39 and 90 for source data supporting this calculation.

We do not publish details of the highest paid individuals within each country of significant operation. Nor do we disclose the median total annual compensation in those same countries. We are a global business and apply fair and equitable reward policies across the organisation. This includes offering the same benefits to all our people, wherever they are located.

We note the level of disclosure recommended in the GRI G4 guidelines in respect of G4-54. We accept the importance of transparency in remuneration disclosures. ARM is fully compliant in its reporting on executive pay and related disclosures as required for quoted companies in accordance with the relevant legislation and Companies Act. We are constantly reviewing our approach to remuneration disclosure to ensure we are transparent, equitable and above all compliant. We also note the trends in international reporting and use the guidance provided by frameworks such as GRI in our considerations on our own approaches. |
| G4-55 | Remuneration disclosures: Annual increase ratios. | - | - | √ | Page 39 | Refer to the explanations above regarding our approach to remuneration disclosure.

For 2014, the average increase in base salaries for the executive directors was 3% (3.48% in 2013), and the average increase for the workforce as a whole was 4.35% (4.7%). For 2015 the average increases are 5.57% for the executive directors and 4.78% for the workforce as a whole. Within the overall increase for 2015, the range was 3.48% for the US, rising to 9.03% in Asia, reflecting local market conditions and salary inflation. |
| *ETHICS AND INTEGRITY* | | | | | | |
| G4-56 | Codes of conduct. | √ | - | √ | CRR, page 55

GFR, page 3 | Refer to location of disclosure. |
| G4-57

G4-58 | Internal and external mechanisms (hotlines, whistleblowing). | - | - | √ | Page 27 | There are formal and informal channels available for communicating critical concerns to the Board. These include the confidential whistleblowing process (described in the Governance and Financial Report), committee-based communication channels (for example, the Corporate Responsibility Committee and EUCCC), and informal communication and face-to face contact. ARM operates an "open-door" policy whereby employees are encouraged to express their views and concerns to executive management in open forums and interactive media.

Refer also to the location of disclosure. |

Material aspects and boundaries

GRI G4 guidance highlights 46 material Aspects across three categories – economic, environmental and social. Aspects are those subjects covered by the guidelines that may be material to a business. Note that the economic dimension of sustainability concerns the organisation's impact on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of the organisation, although there is clearly a relationship between these factors.

Material issues are those that reflect the organisation's significant economic, environmental and social impacts, or that substantively influence the assessments and decisions of stakeholders.

ARM has used the GRI guidance as the basis for assessing its material issues and therefore determining report content. We have identified seven material sustainability issues reflecting the critical economic, environmental and social issues for our business. To align with the GRI G4 guidance we have presented these material issues in the context of the 46 material Aspects highlighted by G4.

We concluded that 38 out of the 46 material Aspects have some relevance to ARM and can be mapped to our seven material issues. Some of these are of material importance to our stakeholders, some to ARM as an organisation, and some of interest to both. This is shown in the table below.

We noted through this process that external stakeholders can often only make informed decisions on our business based on the information we disclose, and the context we provide. This has resulted in stakeholders expressing a high level of interest in issues, such as our water consumption or waste streams, which are not significant and really not very material. However, due to the interest shown in these, and other, aspects of our business, in the interests of transparency we have reported on our performance against these aspects.

The table includes comments summarising how and why each of these Aspects are considered material. We also explain why eight of the GRI material Aspects are not considered material to ARM.

Material sustainability issue for ARM	Why this is material to ARM	Material GRI G4 Aspects	Material within the organisation	Relevant external to the organisation	Comment
ECONOMIC CATEGORY					
Economic performance.	These material sustainability issues fit best within the economic category as they relate to how ARM can be financially secure over the long-term. In turn this will impact on ARM's ability to provide livelihoods to its people, to design and enable life changing technologies, and to invest in local communities and wider society. The ability to deliver on each of these material issues also relies on the effective management of the other material issues and the interaction between social, economic and environmental governance.	Economic Performance	√	√	Refer to the Governance and Financial Report for details of ARM's economic performance and taxes paid.
		Market Presence	√	√	This indicator helps demonstrate the contribution to the economic well-being of its employees in significant locations of operation. It is important to ARM that we act as a global business and, at the same time, recognise the contribution that each of our offices has on the local community and the economic contribution it makes to that community at the local, national and regional level.
		Indirect Economic Impacts	√	√	The indirect economic impact of our business varies according to the size of our operation at each of our locations relative to that economy. The most significant impacts therefore are caused by our largest offices. These impacts involve the contribution that our people have to local commerce and on infrastructure, and also to the goods and services that we purchase locally to support our operations.
		Procurement Practices	√	√	ARM operates a "buy local" policy wherever possible and practical. During 2014, we began a process to review our procurement practices and supporting systems and processes. This will continue during 2015 to include how we can incorporate sustainability into our procurement approaches. As a consequence of our annual spend on goods and services, we recognise that this represents a material issue for stakeholders and for ARM.
ENVIRONMENTAL CATEGORY					
Resource efficiency.	Resource efficiency has been identified as the material issue which best describes our approach to environmental responsibility. Our approach is to minimise our own environmental impacts wherever possible. We also seek to enable resource efficiency through our energy-efficient technology.	Materials	-	-	Materials, as defined by GRI is not a material Aspect for ARM or its stakeholders, as the use of raw materials is not part of ARM's core business.
		Energy	√	√	Energy consumption is material to the business as it is a significant contributor to our carbon emissions. We set energy use reduction targets in 2010 to achieve a reduction of 15% by 2020. Our progress against these targets is reported in the CRR. Energy efficiency is also relevant to our business and stakeholders, as our success is founded on energy efficient technology.
		Water	-	√	Water withdrawal and consumption is limited across our global estate. We use water cooling for our Cambridge Campus data centre, but all other water use is restricted to sanitation and catering and employee use. Notwithstanding, water scarcity is an issue that interests our stakeholders around the world. As a responsible business, we need to be aware of our direct consumption and report on this accordingly. We also recognise that our technology may have applications which could contribute to global solutions for reductions in water demand.
		Biodiversity	-	√	ARM does not have a significant impact on biodiversity through its direct operating activities, and this is not a material issue for ARM. However, we recognise that this is an emerging area of interest for stakeholders and we have a responsibility to disclose our impacts on biodiversity and manage these as appropriate.

Material sustainability issue for ARM	Why this is material to ARM	Material GRI G4 Aspects	Material within the organisation	Relevant external to the organisation	Comment
Resource efficiency (continued)		Emissions	√	√	Carbon emissions and contribution to climate change is a major global issue. ARM has targets for carbon reductions for 2020 from a 2010 baseline. Our energy-efficient technology can also contribute to a global reduction in emissions. We consider this to be a material issue, and it is at the core of our approach to environmental responsibility within our Corporate Responsibility vision and strategy.
		Effluents and Waste	-	√	ARM does not have any waste or effluent streams beyond routine office waste, and we do not consider this a material issue for ARM. However, as an environmentally responsible business we recognise that stakeholders do have an interest in all of our environmental impacts and therefore we seek to monitor waste and effluent streams from our business and reduce our impacts as far as is practical.
		Products and Services	√	√	This Aspect represents a major opportunity for ARM, and is therefore material to our sustainability as a business. The impact of our energy-efficient technology during the phase when it is being used has a far greater significance than during the production phase.
		Compliance	√	√	The success of our business model relies on creating shared value and trust. It is vital that we are compliant with relevant laws and regulations across all aspects of our operations.
		Transport	√	√	This Aspect is material insofar as it relates to the transportation of our workforce by air. Our Scope 3 business air-travel forms a significant part of our total emissions footprint, nearly equal to our total Scope 1 and 2 emissions.
		Overall	-	-	Total environmental protection expenditure and investment is not considered material, as our impacts are low and therefore mitigation costs are negligible. This assessment may be reviewed in future years if we make any significant investment in renewable energy or related projects to reduce our carbon emissions.
		Supplier Environmental Assessment	√	√	Demonstrating our understanding of the environment and social impact of our supply chain is becoming more important as we continue to grow as a global business. We have considered this to be a material issue as we focus on getting a better understanding of the impact of our supply chain. Our assessment on its material nature may change as we collect and analyse data from across our supply chain.
		Environmental Grievance Mechanisms	√	√	It is materially important to ARM, as a responsible business, that internal and external stakeholders are able to report grievances and be assured that response and remediation processes are robust. This is relevant to environmental concerns, as it is to any grievance related to our operations.

Material sustainability issue for ARM	Why this is material to ARM	Material GRI G4 Aspects	Material within the organisation	Relevant external to the organisation	Comment
SOCIAL CATEGORY					
Talent attraction, retention and well-being. Product development (innovation).	ARM's people are our strength for designing the next generation of technology, delivering it to our customers, and for growing and maintaining the ARM Partnership. All Aspects relating to our people are considered material for ARM. It is also in the interests of stakeholders that we continue to attract, develop and retain the best people. These factors also combine to ensure we are able to continue to innovate and develop and deliver products and services to our Partners.	Employment	√	√	We provide detailed disclosure on our employment performance. This reflects the importance of this aspect to ARM and our stakeholders.
		Labour/Management Relations	√	√	We seek a high level of engagement between our people and management. This is embedded in our culture and personal development planning, feedback and appraisal processes.
		Occupational Health and Safety (OHS)	√	√	We apply a risk-based approach to managing OHS as part of our duty of care to our people and our immediate neighbours.
		Training and Education	√	√	The personal and professional development of our people is critical to ensuring they remain motivated and engaged by the business. It is also crucial to maintaining the high levels of skills and relevant, up-to-date knowledge of our people.
		Diversity and Equal Opportunity	√	√	Diversity and equal opportunities are important to ARM. As a responsible business, we seek to ensure that we are equitable and fair in our employment policies and practices in relation to these issues. Moreover, in the context of our approaches to corporate responsibility and the promotion of STEM education, we are proactive in engaging more females into engineering to address current imbalances that exist at the national and international levels.
		Equal Remuneration for Women and Men	√	√	As above, ARM is an equal opportunities employer and publicly discloses performance in this area as evidence of that commitment.
		Supplier Assessment for Labour Practices	√	√	We recognise the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organisations and as such, we consider this a materially significant aspect for our business and the interests of our stakeholders. We have taken steps in 2014 to improve our understanding of supplier performance in this area. We have plans for 2015 and beyond to improve data collection and reporting, and to implement, wherever practical, policies and processes to monitor supplier performance in this area and related aspects.
		Labour Practices Grievance Mechanisms	√	√	It is materially important to ARM, as a responsible business, that internal and external stakeholders are able to report grievances and be assured that response and remediation processes are robust. This is relevant to labour practices, as it is to any grievance related to our operations.

Material sustainability issue for ARM	Why this is material to ARM	Material GRI G4 Aspects	Material within the organisation	Relevant external to the organisation	Comment
Ethics and integrity.	Protecting our reputation is very important to us and critical to securing long-term relationships for long-term growth. The ARM Code of Business Conduct and Ethics is the foundation of how we interact with all of our stakeholders. This Code is supplemented by our human rights policies and adherence to legislative requirements relevant to the countries where we have offices.	Investment	-	-	This Aspect is not considered material to ARM because we do not have significant investment agreements or exposure to human rights risks in our day-to-day business relationships. However, we do consider human rights more broadly to be material and have a policy around human rights incorporated into our Code of Business Conduct and Ethics.
		Non-discrimination	√	√	ARM considers this material insofar as it relates to human rights and employee rights.
		Freedom of Association and Collective Bargaining	√	√	ARM considers this material insofar as it relates to human rights and employee rights.
		Child Labour	-	-	This is not considered material for ARM or its main stakeholder groups. ARM does not manufacture products and does not have any identified risks associated with child labour within its operations or those of its tier-one suppliers.
		Forced or Compulsory Labour	√	√	ARM considers this material insofar as it relates to human rights and employee rights.
		Security Practices	-	-	This is not considered material for ARM or its main stakeholder groups. ARM does not employ significant security trained personnel or undertake training of its own people in security. Where these services are engaged by ARM, they are managed within the prevailing laws, accreditation, and regulations of those countries in which we operate.
		Indigenous Rights	-	-	This is not considered material for ARM or its main stakeholder groups. ARM does not manufacture products and does not have any identified risks associated with indigenous rights within its operations or those of its tier-one suppliers.
		Assessment	√	√	We consider this material on the basis of the significance of human rights as a global issue, and our global business activity. Despite this recognition, we have undertaken work with Shift, a specialist non-profit organisation working on business and human rights, which concluded our risk in this area is low. This work was undertaken in 2013, and we consider its findings to still be applicable as there have been no significant changes to our business structure or operations since then.
		Supplier Human Rights Assessment	√	√	We recognise the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organisations and as such, we consider this a materially significant Aspect for our business and our stakeholders. We have taken steps in 2014 to improve our understanding of supplier performance in this area. We have plans for 2015 and beyond to improve data collection and reporting, and to implement, wherever practical, policies and processes to monitor supplier performance in this area and related aspects.
		Human Rights Grievance Mechanisms	√	√	It is materially important to ARM, as a responsible business, that internal and external stakeholders are able to report grievances and be assured that response and remediation processes are robust. This is relevant to human rights as it is to any grievance related to our operations.

Material sustainability issue for ARM	Why this is material to ARM	Material GRI G4 Aspects	Material within the organisation	Relevant external to the organisation	Comment
Community.	We operate within a global community. We rely on that community as the end customers for our designs, to provide current and future employees and investors, and on the goodwill of the communities in which we have offices.	Local Communities	√	√	This Aspect is material for ARM and many of its stakeholder groups.
Partnerships. Product Development (innovation).	As above. It is critical to our ongoing success that we engender trust in all our interactions with our Partners. This is only achievable if we maintain the highest ethical and moral standards in our business activities, across issues such as anti-corruption, marketing communications and customer privacy. Robust, long-term relationships with our Partners are vital for us to innovate and collaborate to develop new products.	Anti-corruption	√	√	Our commitment to anti-corruption is demonstrated by our ongoing support for implementing the 10 Principles of the United Nations Global Compact.
		Public Policy	√	√	How we engage in public policy discussion, who we engage with, and what our approach is, is important in building trusted relationships with stakeholders. Our contributions to this area, together with a demonstration of transparency, are important to ARM's Partners and other stakeholder groups.
		Anti-competitive Behaviour	√	√	As above. Anti-competitive behaviour and abiding by the laws and regulations in all countries we operate in is of material importance to ARM and all its stakeholder groups.
		Compliance	√	√	As above.
		Supplier Assessment for Impacts on Society	√	√	We recognise the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organisations and as such, we consider this a materially significant aspect for our business and the interests of our stakeholders. We have taken steps in 2014 to improve our understanding of suppliers' performance in this area. We have plans for 2015 and beyond to improve data collection and reporting, and to implement, wherever practical, policies and processes to monitor supplier performance in this area and related aspects.
		Grievance Mechanisms for Impacts on Society	√	√	It is materially important to ARM, as a responsible business, that internal and external stakeholders are able to report grievances and be assured that response and remediation processes are robust. This is relevant to our impacts on society as it is to any grievance related to our operations.
		Customer Health and Safety	-	-	This Aspect is not materially important to ARM or its stakeholder groups, as it is not wholly relevant to our core business activities and the technology we deliver to our Partners.
		Product and Service Labelling	-	-	This Aspect is not materially important to ARM or its stakeholder groups, as it is not wholly relevant to our core business activities and the technology we deliver to our Partners.
		Marketing Communications	√	√	We must be clear, fair and complete in the way we market our products. The continued success of the ARM ecosystem relies on mutual trust and respect. Marketing and communicating our products in an honest and transparent manner is a critical aspect of maintaining that trust and respect.
		Customer Privacy	√	√	This Aspect is fundamental to establishing and maintaining strong and trusting relationships with our Partners. We will also ensure that we are compliant with any prevailing laws, regulations and codes of conduct that relate to privacy for all countries in which we operate.
		Compliance	√	√	The Group has an established internal control system designed to ensure compliance with all applicable laws, regulations and with internal policies across its operations. Our Code of Business Conduct and Ethics governs how we provide full, understandable and accurate content in our public disclosures, as well as complete compliance with all applicable laws and regulations. Our corporate policies prevent sponsorship of illegal activities including those that violate equal opportunity and discrimination laws and best practice.

SPECIFIC STANDARD DISCLOSURES

GRI G4 Guidelines organise Specific Standard Disclosures into three categories: – Economic, Environmental and Social. The Social category is further divided into four sub-categories, which are Labour Practices and Decent Work, Human Rights, Society and Product Responsibility.

The 2014 ARM Corporate Responsibility Report has been prepared in accordance with GRI G4 at the Comprehensive level. This requires that we only provide a Standard Specific Disclosure for each material Aspect. We have determined that 38 out of the 45 material Aspects presented by the GRI G4 guidance are relevant to ARM and its stakeholders. This is explained more fully in the previous section.

In most cases we disclose information within our standard annual reporting suite. Report location and page references are included in the table below. Where the disclosure is provided in this supplementary report, we use the abbreviation CRS in the page reference column and the disclosure in the adjacent comment section.

Specific Standard Disclosure						
Standard Disclosure	*Standard Disclosure Title*	*Covered in 2014 CRR*	*Covered in 2014 SR*	*Covered in 2014 GFR*	*Page Reference*	*Comment*
CATEGORY: ECONOMIC PERFORMANCE						
ASPECT: ECONOMIC PERFORMANCE						
G4-EC1	Direct economic value generated and distributed.	-	√	√	SR, page 3 GFR, page 68 to 123	Refer to location of disclosure.
G4-EC2	Financial implications and other risks and opportunities for the organisations activities due to climate change.	√	-	-	Page 41	No material risks or opportunities have been identified by ARM that specifically relate to climate change. However, the cornerstone of the business of ARM is the design of energy-efficient technology. ARM technology makes a significant contribution to global reductions in carbon emissions for the ICT sector due to the low-power consumption of its semiconductor designs. A report by the Carbon Trust into the impact of ARM technology in commercial servers is included in the 2014 Corporate Responsibility Report.
G4-EC3	Coverage of the organisations defined benefit plan obligations.	-	-	√	Page 47	Refer to location of disclosure.
G4-EC4	Financial assistance received from government.	-	-	√	Page 64	Refer to location of disclosure.
ASPECT: MARKET PRESENCE						
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	-	-	-	CRS	We hire people based on their qualifications and experience regardless of gender, religion, race, nationality or political affiliation. This policy also applies to employee compensation.
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	-	-	-	CRS	We hire people based on their qualifications and experience regardless of gender, religion, race, nationality or political affiliation. This policy also applies to employee compensation.
ASPECT: INDIRECT ECONOMIC IMPACTS						
G4-EC7	Development and impact of infrastructure investments and services supported.	√	-	-	Pages 22 to 53	We support our local communities through our Corporate Responsibility programme. On occasion, this will involve infrastructure investment and the support for services where it is appropriate.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	√	-	-	Page 12 and 13	Understanding our significant indirect economic impacts is an integral part of our CR strategy, governance and performance review approach. We measure our own success, partly by the number of ARM-based chips shipped by our Partners in a given year. These are the chips that end up in a wide range of end applications and commercially available devices. We consider this number as a relevant and reasonable metric for demonstrating and communicating the economic impact of our business. During 2014 we undertook a review of our global procurement practices. This included an in-depth analysis of our spending, source of spend (for example, where the ARM budget holder is located) and supplier locations. The results of this are presented at a high level in our CR report. This analysis shows, our indirect impact through our support of suppliers on the economies we operate in.
ASPECT: PROCUREMENT PRACTICES						
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	√	-	-	Pages 12 and 13	We do not record and report in detail on this indicator. We do operate a "buy local" approach across our procurement function as part of our selection criteria, alongside other considerations such as commercial terms, service quality and performance. During 2014, we undertook a review of our global procurement practices. This included an in-depth analysis of our spending, source of spend (i.e. where the ARM budget holder is location) and supplier locations. The results of this are presented at a high level in our CR report. This analysis shows that we tend to have the highest spend on suppliers in the three regions of the world where we have the most people and offices. This is an indication, at the high level, of our commitment to local suppliers.
CATEGORY: ENVIRONMENTAL						
ASPECT: MATERIALS						
G4-EN1	Materials used by weight or volume.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
G4-EN2	Percentage of materials used that are recycled input materials.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
ASPECT: ENERGY						
G4-EN3	Energy consumption within the organisation.	√	-	-	Page 42	Refer to location of disclosure.
G4-EN4	Energy consumption outside of the organisation.	√	-	-	Page 41	Independent research has shown that our energy-efficient technology can be used to reduce energy consumption significantly, compared with the use of alternative or conventional technologies. We have provided an example of this in the 2014 CR report showcasing the work of the Carbon Trust and ARM-based energy-efficient servers. 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 organisation.
G4-EN5	Energy intensity.	√	-	-	Page 42	We calculate intensity based on total headcount which includes all full-time and fixed term employees and contractors. We have historically used a year-end headcount figure to calculate our intensity, but changed in 2014 to use a mid-year figure as a more appropriate measure of our position. Refer to the location of disclosure for further information.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-EN6	Reduction of energy consumption.	√	-	-	Page 42 and 43	Our global energy consumption increased in absolute terms and intensity by headcount in 2014. This was a consequence of our growth in global estate and a new data centre located at our Austin (US) office. Refer to the location of disclosure for further information.
G4-EN7	Reductions in energy requirements of products and services.	√	-	-	Page 41	Independent research has shown that our energy-efficient technology can be used to reduce energy consumption significantly compared with the use of alternative or conventional technologies. We have provided an example of this in the 2014 CR report showcasing the work of the Carbon Trust and ARM-based energy-efficient servers.
ASPECT: WATER						
G4-EN8	Total water withdrawal by source.	-	-	-	CRS	Consumption at all our global offices is for personal use, cleaning and sanitation. We also use water for cooling at our Cambridge data centre. ARM does not currently consider water to be of material importance due to low consumption and demand across our estate. However, in the context of GRI G4, we have included water within our material issues this year because it is an issue of growing importance to stakeholders and we recognise that we have a responsibility to comment upon and disclose our own impacts.
G4-EN9	Water sources significantly affected by withdrawal of water.	-	-	-	CRS	As above. Our organisational consumption of water is not considered material. Therefore, we do not consider that we significantly affect any water sources by withdrawal, for the purposes of our operations.
G4-EN10	Percentage and total volume of water recycled and reused.	-	-	-	CRS	As above. Our organisational consumption of water is not considered material. We do not maintain an accurate record of recycled and reused water across our global estate. We record water consumed and re-used for the purposes of cooling at our CEEDA Gold Standard accredited data centre located on our Cambridge Campus (UK). This is monitored for operational reasons but data is not available for public reporting.
ASPECT: BIODIVERSITY						
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	-	-	-	CRS	ARM does not currently consider biodiversity to be of material importance due to the low impact of our offices and related operations (for example, travel to work, direct emissions, waste streams) on the surrounding physical environment. However, in the context of GRI G4, we have considered biodiversity within our material issues this year because it is an issue of emerging importance to stakeholders and we recognise that we have a responsibility to comment upon and disclose our own impacts across all aspects of the environment. As of 31 December 2014, ARM has 36 offices in 18 countries. Biodiversity is considered low risk due to the nature of the business operations of ARM. ARM has not recorded any instances of its operations being located in an area of high biodiversity value outside protected areas.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	-	-	-	CRS	As above. The impact of our activities, products and services on biodiversity in protected areas and areas of high biodiversity value is not considered material. ARM has not recorded any impact of its operations on biodiversity of protected areas of high biodiversity value.
G4-EN13	Habitats protected or restored.	-	-	-	CRS	As above. The impact of our activities, products and services on protected habitats, or those with special significance is not considered material. ARM has not recorded any impact of its operations on protected habitats or areas. As a consequence, we do not maintain data or disclose information on this indicator.
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	-	-	-	CRS	As above. ARM is not aware of any impact that its operations has on IUCN Red List species and national conservation list species.
ASPECT: EMISSIONS						
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	√	-	√	CRR, page 42 / GFR, page 30	ARM reports on its direct and indirect (Scope 1 and Scope 2) carbon emissions as part of its obligations under the UK Mandatory Carbon Reporting Regulations. Refer to location of disclosure.
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	√	-	√	CRR, page 42 / GFR, page 30	ARM reports on its direct and indirect (Scope 1 and Scope 2) carbon emissions as part of its obligations under the UK Mandatory Carbon Reporting Regulations. Refer to location of disclosure.
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	√	-	√	CRR, page 42 / GFR, page 30	ARM voluntarily reports on its Scope 3 emissions insofar as they relate to business (air) travel. This is because air travel represents a significant portion of our overall environmental and emissions footprint. Refer to location of disclosure.
G4-EN18	Greenhouse gas (GHG) emissions intensity.	√	-	√	CRR, page 42 / GFR, page 30	We calculate intensity based on total headcount which includes all full-time and fixed term employees and contractors. We have historically used a year-end headcount figure to calculate our intensity, but changed in 2014 to use a mid-year figure as a more appropriate measure of our position. This is considered reasonable in the context of our operations and organisational structure. In 2014, we have also represented carbon emissions in terms of revenue. This is also 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. Refer to the location of disclosure for further information.
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	√	-	-	Pages 42 and 43	See also our recent Carbon Disclosure Project reporting submissions at www.cdp.net.
G4-EN20	Emissions of ozone-depleting substances (ODS).	-	-	-	CRS	ARM does not emit any significant ozone-depleting substances through its direct operations.
G4-EN21	NOx, SOx, and other significant air emissions.	-	-	-	CRS	ARM does not emit any significant NOx and SOx from its operations.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
ASPECT: EFFLUENTS AND WASTE						
G4-EN22	Total water discharge by quality and destination.	-	-	-	CRS	ARM does not currently consider effluents and waste to be of material importance. Due to the low impact of our offices on the surrounding physical environment. However, in the context of GRI G4 we have considered effluents and waste within our material issues this year because it is an issue of importance to stakeholders, particularly in our local communities. We recognise that we have a responsibility to comment upon and disclose our own impacts across all aspects of the environment. 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 recognised local or regional agencies.
G4-EN23	Total weight of waste by type and disposal method.	-	-	-	CRS	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 recognised local or regional agencies.
G4-EN24	Total number and volume of significant spills.	-	-	-	CRS	During 2014, ARM recorded no significant spills or unplanned or uncontrolled discharges across its global estate.
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	-	-	-	CRS	Under the terms of the Basel Convention Annex I, II, III, and VIII, ARM does manage waste deemed hazardous in respect of e-waste (for example, old computers and computer paraphernalia). An audit was carried out in 2014 to measure and manage our handling of e-waste.
G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organisations discharges of water and runoff.	-	-	-	CRS	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 recognised local or regional agencies.
ASPECT: PRODUCTS AND SERVICES						
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	√	√	-	CRR, page 41 SR, pages 10 to 13	ARM does not manufacture a physical product and therefore the environmental impact of our products and services is minimal. We recognise that there is an impact associated with the activities of our Partners who turn our designs into chips and then ship those into a multitude of commercially available devices. However, this is countered by the positive impact that our technology has on environmental issues. Research has shown that ARM technology makes a significant contribution to global reductions in carbon emissions for the ICT sector due to the low-power consumption of its semiconductor designs. There are also many examples of where our technology has been used to address environmental issues spanning agriculture, forest fire prevention, and waste and emission management.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	-	-	-	CRS	ARM outsources the manufacturing process and sells a small number of physical products including development boards and debuggers. The volumes of these items are not material to the business by quantity or turnover, representing less than 1% of revenues in 2014. No detailed data related to this indicator is available for reporting for 2014.
ASPECT: COMPLIANCE						
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	-	-	-	CRS	No fines or non-monetary sanctions were issued to ARM for non-compliance with environmental laws and regulations in any of its global locations during 2014.
ASPECT: TRANSPORT						
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce.	√	-	-	Page 42	ARM does manufacture and sell a small number of physical products including development boards and debuggers. The volumes of these items are not material to the business by quantity or turnover, representing less than 1% of revenues in 2014. These activities do not have any significant environmental impact. Transportation of workforce for the purposes of business by air travel represents our most significant environmental impact. Our Scope 3 emissions attributable to air travel represent almost half our total carbon emissions footprint. Refer to location of disclosure for more information.
ASPECT: OVERALL						
G4-EN31	Total environmental protection expenditures and investments by type.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT						
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	-	-	-	CRS	During 2014 we added requirements relating to environmental responsibility into our standard supplier Terms of Business. These referred to the suppliers' requirement to demonstrate environmental responsibility and to comply in all material respects with applicable environmental laws and regulations in force from time to time, in relation to satisfying their supply. 100% of new suppliers being created as repeat vendors in our financial systems (that is, excluding one-off payments) are required to agree to the environmental responsibility requirements within the responsible business section of the standard ARM Terms of Business. During 2014 we also began a process to review our procurement practices and supporting systems and processes. This will continue during 2015 to include consideration of how we can further embed sustainability into our procurement approach.
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	√	-	-	Page 13	During 2014 we began a process to review our procurement practices and supporting systems and processes. This included an in-depth analysis of our spending, source of spend (for example, where the ARM budget holder is location) and supplier locations. The results of this are presented at a high level in our CR report. This analysis provided supporting evidence to our view that ARM does not have any significant (negative) actual or potential environmental impacts occurring within its supply chain.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS						
G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.	-	-	-	CRS	There were no recorded grievances against ARM relating to its environmental impacts during 2014.
CATEGORY: SOCIAL						
ASPECT: EMPLOYMENT						
G4-LA1	Total number of employees.	-	-	-	CRS	
G4-LA1	Rates of new employee hires and employee turnover by age group, gender and region.	-	-	-	CRS	

G4-LA1 — Total number of employees.

Employee Category	2014 Male	2014 Female	2014 Total	2013 Male	2013 Female	2013 Total
Total Established, fixed-term & External	3154	640	3794	2705	579	3284
Establish Employees	2758	536	3294	2346	487	2833
Fixed-term Employees	71	37	108	63	36	99
External	325	67	392	296	56	352

Employee Category	2014 Full-time	2014 Part-time	2014 Total	2013 Full-time	2013 Part-time	2013 Total
Total Established, fixed-term & External	3704	90	3794	3182	102	3284
Establish Employees	3223	71	3294	2766	67	2833
Fixed-term Employees	102	6	108	88	11	99
External	379	13	392	329	23	352

Total Established, Fixed-term & External	2014 Male	2014 Female	2014 Total	2013 Male	2013 Female	2013 Total
Asia Pacific	216	51	267	199	48	247
EMEA	1767	309	2076	1500	265	1765
India	557	120	677	452	105	557
US	614	160	774	554	161	715

G4-LA1 — Rates of new employee hires and employee turnover by age group, gender and region.

New joiners and leavers by region and gender.

Region	Gender	2014 Joiners	2014 Leavers	2013 Joiners	2013 Leavers
Asia Pac	Female	7	6	8	3
	Male	35	16	60	9
Asia Pac Total		**42**	**22**	**68**	**12**
EMEA	Female	71	27	48	17
	Male	388	117	279	56
EMEA Total		**459**	**144**	**327**	**73**
India	Female	24	14	15	3
	Male	104	32	86	42
India Total		**128**	**46**	**101**	**45**
US	Female	25	32	30	9
	Male	109	61	93	39
US Total		**134**	**93**	**123**	**48**
Grand Total		**763**	**305**	**619**	**178**

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-LA1	Rates of new employee hires and employee turnover by age group, gender and region (continued).	-	-	-	CRS	*(see table below)*

Region	Age Group	2014		2013	
Asia Pac	21–30	10	1	28	0
	31–40	26	12	35	6
	41–50	5	7	4	3
	51-60	0	2	1	3
	61–70	1	0	0	0
Asia Pac Total		**42**	**22**	**68**	**12**
	<21	1	0	0	0
	21–30	175	28	150	14
	31–40	168	48	125	29
	41–50	85	38	43	23
	51–60	29	23	9	9
	61–70	1	7	0	0
EMEA Total		**459**	**144**	**327**	**73**
India	<21	1	0	2	1
	21–30	88	21	62	18
	31–40	37	20	33	23
	41–50	2	4	4	2
	51–60	0	1	0	0
	Unknown	0	0	0	1
India Total		**128**	**46**	**101**	**45**
US	21–30	38	6	34	6
	31–40	52	19	36	19
	41–50	27	30	33	10
	51–60	15	34	19	9
	61–70	2	4	1	4
US Total		**134**	**93**	**123**	**48**
Grand Total		**763**	**305**	**619**	**176**

28 new starters left within the year 2014: 3.7% (9 in 2013: 1.5%).

Rate of Global Average Turnover for 2014: 9.8% (2013: 6.8%).

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	-	-	-	CRS	All employees receive the same level of benefits across all offices around the world. Temporary employees are excluded from benefits where the benefit is not practical or where administration costs are prohibitively expensive when considering the benefit to the employee for the time of employment, for example: – Pension/401k schemes. – Insurances, such as medical, travel, life and permanent health insurances. – Bonus. Temporary employees are compensated for exclusion from these benefit schemes by receiving increased levels of basic pay.
G4-LA3	Return to work and retention rates after parental leave, by gender.	-	-	-	CRS	Retention rates after parental leave: Male: 100% (2013: 100%). Female: 93% (2013: 91%).
ASPECT: LABOUR/MANAGEMENT RELATIONS						
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	-	-	-	CRS	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.
ASPECT: OCCUPATIONAL HEALTH AND SAFETY						
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programme.	-	-	-	CRS	ARM does not differentiate between workers and management in terms of its committee membership, monitoring or advisory processes. Therefore, the percentage of total workforce represented by health and safety committees can be considered as 100%.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	-	-	-	CRS	Human Resources maintain this information locally. Incidences of work-related injuries, occupational diseases and other lost days are very rare, but no detailed information is available for external reporting.
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	-	-	-	CRS	This indicator is not relevant to the nature of our work, our industry, or the risk profile of our employees. Therefore no detailed information is available for reporting against this indicator.
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	-	-	-	CRS	Trade Union membership is not restricted by ARM but is considered as sensitive personal data under UK law and subject to different country specific disclosure requirements. Therefore no detailed information is available for reporting against this indicator.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
ASPECT: TRAINING AND EDUCATION						
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	-	-	-	CRS	The following data relates to established employees only. Overall average hours of training per year per employee: 29.23 hours (2013: 32.26). Average hours of training per employee by gender and employee category:

	2014		2013	
	Female	**Male**	**Female**	**Male**
EMEA				
Executive Committee	8	15	24	45.25
Individual Contributor	29.31	31.61	27.04	28.11
Manager	29.55	26.62	30.12	23.12
Senior Management	42.57	23.63	23.67	37.04
	29.74	**30.03**	**27.57**	**27.21**
ASIA				
Executive Committee	n/a	n/a	n/a	n/a
Individual Contributor	30.03	33.53	29.86	47.23
Manager	39.86	30.14	43	61.9
Senior Management	n/a	24.67	n/a	50.42
	31.89	**32.52**	**32.11**	**50.74**
INDIA				
Executive Committee	n/a	n/a	n/a	n/a
Individual Contributor	33.78	39.43	45.84	42.85
Manager	29.42	35.93	50	41.23
Senior Management	n/a	23	n/a	40.5
	33.09	**38.38**	**46.65**	**42.42**
US				
Executive Committee	n/a	6.33	n/a	50.67
Individual Contributor	21.16	19.71	26.46	25.38
Manager	25.61	24.63	40.44	30.2
Senior Management	11.6	18.93	46.8	47.17
	21.57	**20.8**	**29.9**	**28.26**
GRAND TOTAL	**28.04**	**29.46**	**32.43**	**32.23**

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	√	-	-	CRS	Refer to location of disclosure.
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	√	-	-	CRR, page 48 CRS	**99.6%** of ARM Feedback and Development System (AFDS) forms from eligible established employees were submitted in 2014 with ten exceptions noted, which were delayed into 2015 and were completed by the end of February 2015. This includes individuals who are exempt from the process, for example, those on maternity leave, long-term sickness or very recent starters. Based on completed performance reviews for non-exempted established employees, those submitting AFDS forms in 2014 were: **By gender:** 95% of female employees (2013: 94%). 99% of male employees (2013: 98%). **By employee category:** Executive Committee: 93%* Senior Management: 100%* Management: 99%* Individual Contributor: 99%* * 2013 data not reported and therefore not available for comparison.
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY						
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	-	√	√	SR, page 47 GFR, pages 4 and 27 CRS	Ethnic origin is defined differently by location and therefore available data is not directly comparable. Reporting is only possible as follows: Gender split: Total Established employees: 3284 (2013: 2833) Female: 536 (16%); (2013: 487 (17%)) Male: 2758 (84%); (2013: 2346 (83%))

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity (continued).	-	-	-	CRS	*(see table below)*

Management Level	Gender	2014 Total	2014 %	2013 Total	2013 %
Executive Committee	Female	2	14	2	15
	Male	12	86	11	85
Total		**14**	**100**	**13**	**1**
Individual Contributor	Female	428	18	385	19
	Male	1954	82	1668	81
Total		**2382**	**100**	**2053**	**100**
Management	Female	92	12	89	14
	Male	681	88	570	86
Total		**773**	**100**	**659**	**1**
Senior Management	Female	14	11	11	10
	Male	111	89	97	90
Total		**125**	**100**	**108**	**100**

Age and employee category split: Total Established employees: 3284 (2013: 2833)

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity (continued).	-	-	-	CRS	*(see table below)*

Management Level	Age Group	2014 Total	2014 %	2013 Total	2013 %
Executive Committee					
	41–50	9	64	7	54
	51–60	5	36	6	46
Total		**14**	**100**	**13**	**100**
Individual Contributor	<21	2	<1	1	<1
	21–30	826	35	674	33
	31–40	925	39	801	39
	41–50	433	18	386	19
	51–60	168	7	172	8
	61–70	28	1	19	1
Total		**2382**	**100**	**2053**	**100**
Management	21–30	41	5	46	7
	31–40	409	53	324	49
	41–50	242	31	226	34
	51–60	74	10	55	8
	61–70	7	1	8	1
Total		**773**	**100**	**659**	**100**
Senior Management	31–40	16	13	13	12
	41–50	80	64	73	68
	51–60	25	20	18	17
	61–70	4	3	4	4
Total		**125**	**100**	**108**	**100**

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN						
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	-	-	-	CRS	The following data is maintained for the significant locations of operation to reflect total remuneration: EMEA, UK and India. In total these locations represent >90% of employees.

Management Level	Ratio of Female to Male Salary	
	2014	**2013**
EMEA:		
Executive Committee	107%	116%
Senior Management	95%	95%
Management	93%	92%
Individual Contributor	87%	94%
Overall Average	95%	99%
US:		
Executive Committee	n/a	n/a
Senior Management	92%	92%
Management	95%	112%
Individual Contributor	95%	98%
Overall Average	94%	101%
India:		
Executive Committee	n/a	n/a
Senior Management	n/a	n/a
Management	90%	89%
Individual Contributor	95%	94%
Overall Average	92%	92%

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES						
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria.	-	-	-	CRS	During 2014, we added requirements relating to responsible labour practices into our standard supplier Terms of Business. These referred to the suppliers requirement to respect and promote the rights set out in the International Labour Organisation's International (ILO) Labour Standards and the provisions of the United Nations' Universal Declaration of Human Rights in respect of both its personnel and its suppliers.
						100% of new suppliers being created as repeat vendors in our financial systems (i.e. excluding one-off payments) are required to agree to the responsible labour practices requirement within the Responsible Business section of the standard ARM Terms of Business.
						During 2014, we also began a process to review our procurement practices and supporting systems and processes. This will continue during 2015 to include consideration of how we can further embed sustainability into our procurement approaches.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.	-	-	-	CRS	During 2014, we began a process to review our procurement practices and supporting systems and processes. This included an in-depth analysis of our spending, source of spend (i.e. where the ARM budget holder is location) and supplier locations. The results of this are presented at a high level in our CR report. This analysis provided supporting evidence to our view that ARM does not have any significant (negative) actual or potential impacts on labour practice occurring within its supply chain.
ASPECT: LABOUR PRACTICE GRIEVANCE MECHANISMS						
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms.	-	-	-	CRS	There were no recorded grievances against ARM relating to its labour practices during 2014.
SUB-CATEGORY: HUMAN RIGHTS						
ASPECT: INVESTMENT						
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
ASPECT: NON-DISCRIMINATION						
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	-	-	-	CRS	We can only estimate the total time spent in training relating to human rights. Human rights forms part of the ARM Code of Business Conduct and Ethics policy. All new employees are required to complete on-line training on all company policies, including the Code of Business Conduct and Ethics. All existing employees must complete an annual re-confirmation of acceptance and understanding of this policy. This is all conducted through on-line training, a short test that they must pass, and sign-off by the individual to confirm their understanding of the policies and how it applies to them. Based on this approach: • 100% of employees receive annual human rights on-line training.
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING						
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	-	-	-	CRS	There were no incidents of discrimination raised and recorded by ARM during 2014.
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	-	-	-	CRS	There were no operations or suppliers identified by ARM which were at risk of restricting the right to exercise freedom of association and collective bargaining during 2014.

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
Specific Standard Disclosure						
ASPECT: CHILD LABOUR						
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
ASPECT: FORCED OR COMPULSORY LABOUR						
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	-	-	-	CRS	None of our operations are considered at specific risk for forced or compulsory labour. We manage this risk by only dealing with reputable suppliers and ensuring all suppliers agree to follow the ARM Terms of Business when they register as a supplier. The Terms of Business include a requirement for suppliers to respect and promote the rights set out in the International Labour Organisations (ILO) International Labour Standards and provision of the United Nations Universal Declaration of Human Rights.
ASPECT: SECURITY PRACTICES						
G4-HR7	Percentage of security personnel trained in the organisations human rights policies or procedures that are relevant to operations.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
ASPECT: INDIGENOUS RIGHTS						
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
ASPECT: ASSESSMENT						
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	-	-	-	CRS	ARM has previously worked with Shift, a specialist non-profit organisation to understand more about this area and the key guidelines provided by the UN Guiding Principles on Business and Human Rights. We have adopted a general Human Rights Policy. This is in addition to related existing policies including those on conflict minerals, business ethics and discrimination.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT						
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	-	-	-	CRS	During 2014 we added requirements relating to human rights into our standard supplier Terms of Business. These referred to the suppliers' requirement to respect and promote the rights set out in the International Labour Organisations (ILO) International Labour Standards and provision of the UN's Universal Declaration of Human Rights.
						100% of new suppliers being created as repeat vendors in our financial systems (that is excluding one-off payments) are required to agree to the human rights requirements within the Responsible Business section of the standard ARM Terms of Business.
						In 2014 we also began a process to review all aspects of our procurement practices and supporting systems and processes. This will continue during 2015 to include consideration of how we can further embed sustainability into our procurement approaches.
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	-	-	-	CRS	During 2014 we began a process to review our procurement practices and supporting systems and processes. This included an in-depth analysis of our spending, source of spend (for example, where the ARM budget holder is location) and supplier locations. The results of this are presented at a high level in our CR report. This analysis provided supporting evidence to our view that ARM does not have any significant (negative) actual or potential environmental impacts occurring within its supply chain.
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS						
G4-HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms.	-	-	-	CRS	There were no recorded grievances against ARM relating to its human rights impacts during 2014.
SUB-CATEGORY: SOCIETY						
ASPECT: LOCAL COMMUNITIES						
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	√	-	-	CRR, page 52 CRS	Over 75% of our offices have actively participated in TeamARM employment engagement activity during 2015. This represents participation of over 50% of our people. ARM's Corporate Responsibility programme seeks to engage all offices in its activities and communications. Each office is also allocated a budget for local community activity based on the number of employees located at that office. Each office is encouraged to select, donate and engage with local community charities and use their budget accordingly. During 2014, over 75% of offices were actively involved in local community engagement. As we expand our impact assessment methodology (refer to pages 8 and 9 of our Corporate Responsibility Report), we expect to be able to improve the measurement, monitoring and reporting on the impacts made in the local community across all of our offices.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	-	-	-	CRS	Taking into account the nature of our business, location of our operations and our environmental impacts, we do not consider that our operations have any significant actual or potential negative impact on local communities. This view is supported by feedback we receive from the local communities in which we have offices and we operate. This feedback is received and documented as part of our stakeholder engagement process. The feedback does highlight those issues that are of material interest to the local community, but it does not include any serious concerns about our impact. The feedback we do receive is used by ARM to shape its strategy for corporate responsibility in the community. For more information on our approach to stakeholder engagement, refer to pages 16 and 17 of the 2014 Corporate Responsibility Report.
ASPECT: ANTI-CORRUPTION						
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	-	-	-	CRS	None of our operations are considered at specific risk of corruption. However, we acknowledge that we operate globally, and within countries that have a typically higher risk of corruption. For example, those highlighted in corruption perception indexes and anti-corruption surveys. Our people also travel frequently and, irrespective of their office location, they conduct business globally. We respond to the risk of corruption by having strict policies for anti-corruption, anti-competition and anti-bribery. All employees must sign off their understanding and acceptance of these policies on an annual basis.
G4-SO4	Communication and training on anti-corruption policies and procedures.	-	-	-	CRS	All employee policies are maintained within Policyzone on our intranet. All employees must sign off their understanding and acceptance of all core policies on an annual basis. This requires on-line training and testing for some of the most critical policies, such as anti-corruption, anti-competition and our Code of Business Conduct and Ethics.
G4-SO5	Confirmed incidents of corruption and actions taken.	-	-	-	CRS	There were no confirmed incidents of corruption involving ARM or its people during 2014.
ASPECT: PUBLIC POLICY						
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	-	-	√	Page 30	The Group does not make any political donations.
ASPECT: ANTI-COMPETITIVE BEHAVIOUR						
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	-	-	-	CRS	ARM was not directly named in any legal actions relating to anti-competitive behaviour, anti-trust and monopoly practices in 2014.
ASPECT: COMPLIANCE						
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-	-	-	CRS	No fines or non-monetary sanctions were issued to ARM for non-compliance with laws and regulations in any of its global locations during 2014.

Specific Standard Disclosure						
Standard Disclosure	*Standard Disclosure Title*	*Covered in 2014 CRR*	*Covered in 2014 SR*	*Covered in 2014 GFR*	*Page Reference*	*Comment*
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY						
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	-	-	-	CRS	During 2014, we added requirements relating to corporate social responsibility policies and practices into our standard supplier Terms of Business. These referred to the supplier requirement to maintain a document (or documents) setting out its policy on Corporate Social Responsibility (CSR Policy) and at the request of ARM, disclose a copy of the CSR Policy to ARM. They must also demonstrate the impact and effectiveness of the CSR Policy. 100% of new suppliers being created as repeat vendors in our financial systems (that is, excluding one-off payments) are required to agree to the terms within the Responsible Business section of the standard ARM Terms of Business relating to Corporate Social Responsibility policy and practices. In 2014 we also began a process to review all aspect of our procurement practices and supporting systems and processes. This will continue during 2015 to include consideration of how we can further embed sustainability into our procurement approaches.
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	-	-	-	CRS	During 2014, we began a process to review our procurement practices and supporting systems and processes. This included an in-depth analysis of our spending, source of spend (where the ARM budget holder is located) and supplier locations. The results of this are presented at a high level in our CR report. This analysis provided supporting evidence to our view that ARM does not have any significant (negative) actual or potential impacts on society occurring within its supply chain.
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY						
G4-SO11	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms.	-	-	-	CRS	There were no recorded grievances against ARM relating to its impacts on society during 2014.
CATEGORY: PRODUCT RESPONSIBILITY						
ASPECT: CUSTOMER HEALTH AND SAFETY						
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
ASPECT: PRODUCT AND SERVICE LABELLING						
G4-PR3	Type of product and service information required by the organisations procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	-	-	-	CRS	Aspect not material to ARM. See comment in section above.
G4-PR5	Results of surveys measuring customer satisfaction.	-	-	-	CRS	This Aspect, as defined by GRI G4, under the heading Product and Service Labelling, is not considered material to ARM. This is based on the GRI narrative and description of its Aspects.

Customer service is important to ARM and is measured and reported amongst the businesses' KPIs. We use customer satisfaction surveys to measure our performance in serving customers and in how we respond to their requests for support.

The stretch performance target for customer satisfaction for 2014 was 90% of returned surveys marked Very Satisfied or Satisfied in response to the question: "How satisfied are you with the support you receive from ARM?" This is based on our achievement of 85% customer satisfaction rates in 2013.

Data is regularly reported to ARM's Management and Executive Board and any issues are reviewed and followed up with suitable action plans until issues are resolved.

In 2014, a total of 8045 surveys were sent out with a 24.1% response rate (2013: 24.6):

Area	Satisfaction 2014	Target 2014
Support	88.1% (+0.4% on 2013)	90%
Product	82.2% (+0.1%)	90%
Documentation	67.3% (+0.3%)	75%
Delivery	71.5% (+0.4%)	75%

The current process measures customer satisfaction in relation to our response to customer service and support requests. It does not measure our overall engagement with customers and Partners. We are in the process of extending customer satisfaction, including setting KPIs, for our legal and sales support teams. This will begin during 2015.

Specific Standard Disclosure

Standard Disclosure	Standard Disclosure Title	Covered in 2014 CRR	Covered in 2014 SR	Covered in 2014 GFR	Page Reference	Comment
ASPECT: MARKETING AND COMMUNICATIONS						
G4-PR6	Sale of banned or disputed products.	-	-	-	CRS	ARM was not involved in any way in the sale of banned or disputed products during 2014.
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	-	-	-	CRS	There were no incidents of non-compliance with regulatory and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship during 2014.
ASPECT: CUSTOMER PRIVACY						
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	-	-	-	CRS	No substantiated complaints regarding breaches of customer privacy or loss of customer data were made during 2014.
ASPECT: COMPLIANCE						
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	-	-	-	CRS	No fines or non-monetary sanctions were issued to ARM for non-compliance with laws and regulations concerning the provision and use of its products and services in any of its global locations during 2014.

GRI G4 Disclosures of Management Approach

This index summarises our approach to managing sustainability topics associated with risks and opportunities, and is provided in accordance with Global Reporting Initiative G4 guidelines.

The 2014 ARM Corporate Responsibility Report has been prepared in accordance with GRI G4 at the Comprehensive level. This requires that we only provide a Disclosures of Management Approach (DMA) for each material Aspect. We have determined that 38 out of the 46 material Aspects presented by the GRI G4 guidance are relevant to ARM and its stakeholders.

Economic category	
Economic Performance; market presence.	Refer to 2014 Governance and Financial Report. Refer also to our model for how ARM creates value within the 2014 CR Report, pages 10 and 11.
Indirect economic impacts.	Refer to 2014 Governance and Financial Report.
Procurement practices.	Refer to relevant indicator disclosures in previous sections.
Monitoring and evaluation.	Detailed information on financial goals and performance, including executive management performance and remuneration can be found in the 2014 Governance and Financial Report.
Policies and links.	Further information can be found in the 2014 Governance and Financial Report. www.arm.com/reporting2014.

Environment category	
Energy.	The ARM estate generally consumes purchased electricity sourced from a regulated grid on commercial terms. Each site, through its facilities management team, takes responsibility for its own monitoring, management and local reporting, which is coordinated centrally through the Global Estates team. A small amount of purchased gas is used across the global estate, but this is not material to overall consumption. Energy consumption and efficiency is overseen by a central Global Estates team with data reported to the Energy Use and Climate Change Committee (EUCCC) twice a year. The ARM estate consists of 36 offices in 18 countries. It is Group policy to lease offices. This approach has implications on the extent to which ARM can control and implement energy-efficiency for its office space. However, ARM engages closely with landlords to encourage energy-efficient processes and practices wherever possible. ARM has also committed to only leasing office space that is LEED (Leadership in Energy and Environmental Design) Accredited by the US Green Buildings Council (USGBC) or BREEAM rated. BREEAM is the preferred scheme for a number of the national Green Building Councils across Europe. This is demonstrated by our recent office moves in India, China and Austin, all of which are accredited for energy efficiency.
Water, biodiversity, emissions, effluents and waste, products and services, compliance.	ARM has a Global Environmental Policy that addresses the impact of the Company on the environment including offices and operations of ARM. ARM recognises that all human activities interact with the environment and considers environmental management to be an integral part of good business practice. The policy includes a commitment to regularly review the actual and potential environmental interactions of our activities, and to strive for continual improvement in our environmental performance and the prevention of pollution, including the appropriate use of objectives and targets. ARM does not currently have any material impacts or risks relating to materials, water, biodiversity, products and services, compliance, or transport. The ARM Global Environmental Policy includes emissions, effluents and waste. ARM reviews environmental data that is captured by individual operations on a monthly, quarterly and yearly basis. Individual operations ensure data is accurate and is kept up-to-date in the centralised system. Reports are generated and reviewed at a corporate (senior management) level at the monthly EUCCC meeting that the COO attends. Regular updates to the Executive Committee are also made. ARM operates within its ISO 9001 accredited ARM Management System AMS. Processes lie within the AMS to cover all aspects of business risk and ensure they are mitigated, as far as reasonably possible. ARM integrates climate change into its business strategy both operationally and in the development of future products and services. Operationally, the EUCCC manage the strategy. The EUCCC includes key decision makers from all the principal divisions of the business. This ensures that those expected to execute the decisions around carbon reduction are also involved in making them. Our Global Property Director chairs the Committee which also includes our Chief Operating Officer and Head of Procurement.

Transport.	This Aspect is only relevant insofar as it relates to the transport of employees. ARM is a global business and maintaining and building strong relationships with Partners, new customers and colleagues requires a high level of business travel. ARM voluntarily discloses its Scope 3 carbon emissions as they have a material impact on ARM's overall carbon impact. Business travel is carefully monitored and managed by the ARM Travel Team in conjunction with its travel agent partner. A travel policy is in place to provide guidance, and in some cases restrictions, on flights, including travel class. Travel information presented by costs is reported to Executive Management on a monthly basis. Carbon emission data is reported twice a year through the EUCCC.
Supplier environmental assessment.	We include requirements relating to environmental responsibility in our standard supplier Terms of Business. These refer to the suppliers' requirement to demonstrate how they enforce environmental responsibility and comply in all material respects with applicable environmental laws and regulations in force in relation to satisfying their supply.
	We regularly engage with our suppliers and perform documented performance reviews of a selection of key suppliers each year.
	During 2014 we began a process to review our procurement practices and supporting systems and processes. This will continue throughout 2015 to include consideration of how we can further embed sustainability into our procurement approaches, and expand and formalise existing management approaches.
Environmental grievance mechanisms.	ARM operates a whistleblowing policy for employees to report unethical business practices to senior management in the strictest confidence. This may be used to report environmental concerns. Grievances or other concerns or questions can be raised by external third parties and will be managed and escalated as required. This may include consideration by the Compliance Committee which is responsible for setting appropriate policies and procedures and taking a lead in ensuring compliance with them.
Monitoring and evaluation.	ARM maintains a dedicated system for recording and reporting on its carbon emissions. Aggregated data for the Group as a whole is publicly reported for ARM's Scope 1 and Scope 2 emissions. Detailed data by office, country and region is analysed internally but not currently publicly reported for reasons of materiality. This is because our emissions are not significant in the context of our industry sector, or the countries and regions we operate in.
	Our emissions occur largely as a result of purchased energy (Scope 2) and business (air) travel (Scope 3). We will consider a more detailed disclosure of our emissions if stakeholders request it.
	We have the following targets for our environmental performance in respect of energy and emissions:
	– A 30% reduction in tonnes of CO_2e emissions per employee by 2020 from a 2009 baseline.
	– A 15% reduction in energy consumed per person by 2020 measured in kWh from a 2009 baseline.
Policies and links.	www.cdp.net.
	www.arm.com/ir.
	www.arm.com/reporting2014.
Social category	
SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK	
Employment, labour management relations, training and education, diversity and equal opportunity and equal remuneration for women and men.	Our business strategy and performance is a strong platform for positive growth for our people, who are outstanding in our industry. We aim to be the best company to work for in our target markets, with a culture rich in innovation and collaboration. The HR department at ARM enables the delivery of a high performance, high engagement organisation by ensuring that our people policies, systems and processes are efficient, impactful and meritocratic across ARM. The structure of the HR team, its defined roles and responsibility and management oversight is designed to support the corporate strategic objectives of the business.
	The HR department at ARM is responsible for managing recruitment in collaboration with managers across the business that defines their needs and then work with HR to select new employees. HR also has responsibility for training and education, employee engagement, employee reward and benefits, and internal communications. Policies for equal opportunities and related legal obligations are monitored and managed by HR.
	ARM strives for equal opportunities for all its employees and does not tolerate any harassment of, or discrimination against, its staff. HR is represented on the ARM Executive Committee by the Executive VP of People.

Occupational health and safety.	The Group operates in an industry and in environments which are considered low risk from a health and safety perspective. However, the safety and welfare of employees, contractors and visitors is a priority in all Group workplaces world-wide.
	The ARM Facilities Management team are responsible for occupational health and safety. The Group continues to improve its management systems in this area with an audit programme that includes external auditing of processes and offices. The ultimate responsibility for health and safety sits with the Board and the CEO.
Supplier assessment for labour practices.	This Aspect is managed through the procurement function and the use of the standard ARM Terms of Business as a reference point for supplier's respect for labour practices and human rights.
Labour practices grievance mechanisms.	The Compliance Committee oversees compliance throughout the business with all relevant international regulations, including direct oversight of employment, health and safety, environmental, business continuity and security processes and policies. The Committee consists of the General Counsel, the Chief Operating Officer, the Chief Financial Officer, the EVP, People, and the VP Business Assurance/Head of Internal Audit, the Chief Information Officer, the VP Operations and the Company Secretary.
	ARM operates a whistleblowing policy for employees to report unethical business practices to senior management in the strictest confidence. This may be used to report concerns over labour practices. Management structures may be used internally to raise issues and concerns. All employees have a dedicated HR representative who then can then discuss any matters of concern in the strictest confidence.
	Grievances or other concerns or questions can be raised by external third parties and will be managed and escalated as required. This may include consideration by the Compliance Committee which is responsible for setting appropriate policies and procedures and taking a lead in ensuring compliance with them.
Monitoring and evaluation.	One of the corporate key performance indicators of ARM is to ensure performance appraisals are completed by all staff. Senior level staff in divisions at ARM is incentivised to obtain 100% completion. If they fail to achieve this, there is a ceiling on the individual performance level these senior staff can obtain.
	The ARM people engagement survey is also used to measure employee satisfaction, attitude and can be used to raise issues, concerns or suggestions for improvement. Selected survey results are also used a KPIs for the business.
Policies and links.	www.arm.com/reporting2014.
	www.arm.com/careers/life-at-arm/index.php.
SUB-CATEGORY: HUMAN RIGHTS	
Non-discrimination, freedom of association and collective bargaining, forced or compulsory labour.	ARM has signed the Universal Declaration of Human Rights and has integrated relevant human rights principles into its policies for employees and contractors. ARM issued a policy on Human Rights during 2013. This policy complements existing policies, which include the Global Equal Employment Opportunities, the Company Health and Safety Policy, Grievance policy and procedure, the Company Whistleblowing Policy, and the Company Code of Business Conduct and Ethics. All policies are endorsed by the Board and Executive management.
Supplier human rights assessment.	This Aspect is managed through the procurement function and the use of the standard ARM Terms of Business as a reference point for suppliers' respect for human rights.
Human rights grievance mechanisms.	The Compliance Committee oversees compliance throughout the business with all relevant international regulations, including direct oversight of employment, health and safety, environmental, business continuity and security processes and policies. The Committee consists of the General Counsel, the Chief Operating Officer, the Chief Financial Officer, the EVP, People, the VP Business Assurance/Head of Internal Audit, the Chief Information Officer, the VP Operations and the Company Secretary.
Monitoring and evaluation.	Refer to the role of the Compliance Committee described above.
Policies and links.	www.arm.com/reporting2014.
	www.arm.com/ir.
SUB-CATEGORY: SOCIETY	
Local communities.	Engagement with the local community is managed through the Corporate Responsibility function. Refer to the 2014 Corporate Responsibility for detail on the strategy and approach for delivering outreach and engagement with the community. This report, together with this reporting supplement provides full detail of the governance structures and performance monitoring and evaluation.
Public policy.	Public policy engagement operates within the Corporate Responsibility function. Further details of our approaches and activity can be found in the 2014 Corporate Responsibility Report.

Anti-competitive behaviour, compliance.	ARM endeavours to be honest and fair in its relationships with its customers and suppliers and to be a good corporate citizen respecting the laws of the countries in which it operates.
	These policies include Conflict Minerals, Global Equal Employment Opportunities, Company Health and Safety Policy, grievance policy and procedures, the Company Whistleblowing Policy, and the Company Code of Business Conduct and Ethics.
Supplier assessment for impact on society.	This Aspect is managed through the procurement function and the use of the standard ARM Terms of Business as a reference point for suppliers' consideration of their impact on society and corporate social responsibility approaches.
Grievance mechanisms for impacts on society.	ARM operates a whistleblowing policy for employees to report unethical business practices to senior management in the strictest confidence. This may be used to report concerns over labour practices. Grievances or other concerns or questions can be raised by external third parties and will be managed and escalated as required. This may include consideration by the Compliance Committee which is responsible for setting appropriate policies and procedures and taking a lead in ensuring compliance with them.
Monitoring and evaluation.	Refer to the role of the Compliance Committee and overall Corporate Governance structures, roles and responsibilities. See 2014 Governance and Financial Report.
	See also 2014 Corporate Responsibility Report and 2014 Strategic Report, for information relating to the annual development planning and performance appraisal processes that exist to monitor and evaluate the performance of individuals in delivering strategy and implementing policy.
Policies and links.	www.arm.com/reporting2014/cr.
SUB-CATEGORY: PRODUCT RESPONSIBILITY	
Marketing communications, customer privacy and compliance.	Our approach is driven by our Code of Business Conduct and Ethics and related policies include anti-bribery, anti-corruption and anti-competition. ARM also demonstrates its commitment to operating in a responsible and ethical manner at all times, and in all activities through its membership of the UNGC LEAD Programme and its annual Communication on Progress against the 21 advanced criteria that support the ten Global Compact principles. This is endorsed by the CEO in his annual statement by expressing continued support for the Global Compact and renewing the ongoing commitment of the organisation to the initiative and principles. Refer also to the CEO statements in the 2014 Strategic Report and the Corporate Responsibility Report.
Monitoring and evaluation.	This reporting supplement provides the basis for accumulating our performance data. Internal performance across these Aspects is managed through the ARM annual feedback and development system (AFDS).
Policies and links.	www.unglobalcompact.org/participant/12151-ARM-Holdings-plc.
	www.arm.com/ir.