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A copy of the Strategic Review can be downloaded from: [www.arm.com/reporting](http://www.arm.com/reporting)

# Our reporting approach

Arm was acquired by Softbank Group Corp (SBG) in September 2016 and is now a fully owned subsidiary of SBG.

Arm's operations are independent from the rest of SBG, although now Arm works closely with other SBG companies, and Arm provides insight into longer term technology trends that may benefit SBG.

As a consequence of the acquisition, we have changed our financial year end and reporting year to align with SBG. We previously reported with a December 31 year end. Our financial year end is now March 31.

This report conforms to expectations of the Global Reporting Initiative G4, at the Comprehensive level.

Arm is represented on both the global LEAD and UK network advisory boards of the UNGC. 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.

The focus of this report is to update on commitments made in 2015, to update our UNGC Commitment on Progress and on our performance using the Global Reporting Initiative standard.

The reporting is provided for stakeholders and partners in Arm's sustainability approach and performance.

For the purposes of historical and future year-on-year comparisons, we have presented data within this report for both year ending 31 December 2015 and the year ending 31 March 2017.

## About Arm

Arm is the world's leading designer of key technologies that are used in semiconductor computer chips.

We design the processors used in over 95% of the world's smartphones sold each year; and our technology can also be found in many other devices from digital TVs to automotive systems to smart sensors and to the data centers that run the cloud. Our technology is everywhere.

For more information on Arm, our mission and our ecosystem of innovators go to <https://www.arm.com/>

# Corporate Responsibility Strategy

We are the architects of tomorrow. Arm defines the pervasive computing shaping today's connected world. Realized in 100 billion silicon chips, our device architectures orchestrate the performance of the technology transforming our lives – from smartphones to supercomputers, from medical instruments to agricultural sensors, and from base stations to servers.

Our Corporate Responsibility (CR) strategy addresses responsible business within our organization and through our value chain, benefiting communities and society as a whole.

We seek to embed responsible business practices throughout our operations, including supply chain, value chain and in how we respond to the needs of our people, to engage and inspire them to be their brilliant selves everyday.

Through our technology we can contribute to delivering the United Nations Global Goals for Sustainable Development. Leveraging our ecosystem of innovators, we can reach billions, improving lives through access to affordable healthcare, access to education and creating livelihoods.

Our delivery approach is organized around four strategic themes:

- > **Education** – inspiring the next generation of engineers.
- > **Health** – using technology for good enabling affordable healthcare for everyone.
- > **Impact of our technology** – accelerating private sector solutions to UN Global Goals through technology.
- > **Responsible Business Practice** – including employee volunteering, diversity and inclusion, health and wellbeing, environmental footprint and impact, supply chain, local community investment and compliance.

# CR Strategic Drivers

## Four strategic drivers on material issues for long-term growth

Enabling the extraordinary through our **people**.

Building **trust** in everything we do.

Providing opportunities for new technology through **innovation**.

Investing in sustainable **relationships** for long-term growth and impact.

## What does this mean?

### People

We develop IP. Our people are highly skilled and qualified, they are critical to our success. We must create an environment that respects, inspires and rewards our people. Our industry also needs more qualified STEM graduates, particularly women. We need to ensure that we are inclusive as an industry and as a company to support greater diversity and gender balance. Attracting and retaining the right people is our most important sustainability issue.

### Trust

Trust lies at the heart of our business model. Within our CR program, in education and health, we provide support to young and vulnerable people. It is essential we operate with the highest levels of integrity and ethics, in a transparent manner, and deliver on our promises. Maintaining this culture will help build strong relationships with Partners. A reputation for being a high-trust organization will also help us to recruit and retain the best people who are proud to be working at Arm.

### Innovation

To achieve our goals we must maintain a culture of collaboration and innovation that is constantly seeking to improve existing approaches and apply creative solutions to complex problems. Innovation is encouraged across Arm. This is not limited to our engineering teams; it is fundamental to all that we do as a business.

### Relationships

We cannot deliver our business strategy or our CR program alone. We rely on our ecosystem of commercial and CR Partners to reach our goals together with civic society and our communities. Strong relationships are crucial to achieving this, and we are proud of the links we have made with a diversity of organizations over the years.

## How do we measure the success of our Corporate Responsibility strategy?

- > Employee engagement survey score
- > Engagement in Team Arm activities and initiatives
- > Business and financial performance
- > Environmental performance
- > Reach and impact of our CR programs and Partnerships

# Creating sustainable value

Arm is the world's leading semiconductor intellectual property (IP) supplier. The technology we design is at the heart of many of the digital electronic products sold in the world.



<sup>1</sup> This is an estimated figure

# Working Across the Globe

Arm is headquartered in Cambridge, UK, and has 45 offices in 19 countries, with major R&D centers in the UK, US, China, Israel, France, Norway and Sweden.

Arm also invests in technology businesses all over the world, and in 2016 launched a technology fund with HOPU to encourage more technology start-ups in China. As of March 31, 2017, Arm employed 4,852 people of whom 3,960 are technical staff with 892 supporting and enabling staff.



| North America |           | United Kingdom |           | Rest of Europe |           | Asia    |           |
|---------------|-----------|----------------|-----------|----------------|-----------|---------|-----------|
| 10            | 1,080     | 12             | 1,937     | 14             | 829       | 9       | 1,006     |
| Offices       | Employees | Offices        | Employees | Offices        | Employees | Offices | Employees |

Arm has continued to show strong growth year-on-year.

|  | Year ending<br>31 December 2015 | Year ending<br>31 March 2015 |
|--|---------------------------------|------------------------------|
|  | 2015                            | 2017                         |
| Market share Arm based application processors in mobile devices. Includes 50% of smartphones | 85%                             | 90%                          |
| Cumulative licenses signed   | 1,348                           | 1,442                        |
| Arm-based chips shipped  | 15bn                            | 17.7bn                       |
| Market share   | 32%                             | 34%                          |
| Revenue  | \$1,489m                        | \$1,689m                     |
| Employees worldwide  | 3,975                           | 4,852                        |
| Nationalities employed by Arm globally   | 72                              | 77                           |

# Global Compact Advanced COP Self-Assessment

|                                     |   |  |  |
|-------------------------------------|---|--|--|
| Strategy, Governance and Engagement | Implementing the ten principles into Strategies and Operations. | <p>Criterion 1: The COP describes mainstreaming into corporate functions and business units.</p> | <p>The Group's Code of Business Conduct and Ethics, which is available on the Group's website, and the Company Rules incorporate appropriate provisions to meet our obligations under the UK Bribery Act 2010 and other anti-bribery and corruption legislation. A training and communication program for all employees is in place to ensure that employees understand the requirements of the Act and the reporting procedures. Our Human Rights policy is incorporated in our Code of Business Conduct and Ethics.</p> <p>Arrangements with contractors and suppliers have been and will continue to be reviewed and updated to reflect the requirements of the Bribery Act. The Compliance Committee oversees the reporting procedures and monitors and escalates reports in appropriate circumstances.</p> <p>Environmental compliance and progress is monitored by the Energy Use and Climate Change Committee.</p> <p>The Corporate Responsibility Committee manages CR issues and reports to the Executive Committee.</p> <p>It is an Arm KPI that all new employees, including temporary employees, sign-off their understanding and acknowledgment to adhere to all relevant policies in the PolicyZone. Employees are then required to sign-off new policies or significant changes to a policy.</p>  |
|                                     |   | <p>Criterion 2: The COP describes value chain implementation.</p>                                | <p>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.</p> <p>Every day, electronic devices are becoming more sophisticated. This means that the silicon chips inside them have to work harder. As a result, the semiconductor industry has had to specialize, with innovative enterprises focusing on a specific stage in the value chain. Arm's niche is in developing IP components within the design stage. Others specialize in building the tools needed to manufacture the chips, chip fabrication, and developing software.</p> <p>As an IP company, we do not have an extensive supply chain of raw materials coming into the business. However, we do purchase a wide range of goods and services from a large number of suppliers. We attach great importance to the supply side of our value chain. Our suppliers are distributed globally. Where possible we support local suppliers and this is reflected in the distribution of our procurement of goods and services by location. Supplier Code of Conduct <a href="https://www.arm.com/company/policies/suppliers">https://www.arm.com/company/policies/suppliers</a>.</p> |

## Global Compact Advanced COP Self-Assessment continued

| Scope        | GC Principle   | Criteria for GC Advanced Level   | Comments  |
|--------------|--|--|---|
| Human Rights | <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p>   | Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.         | Arm has signed the Universal Declaration of Human Rights and we have integrated relevant human rights principles into our policies for employees and contractors. Our Human Rights Policy is incorporated in our Code of Business Conduct and Ethics. This is in addition to related existing policies including those on conflict minerals, business ethics and discrimination. These policies remain relevant and are reviewed on an annual basis to ensure they remain appropriate to the organization, its people and Partners. |
|              |  | Criterion 4: The COP describes effective management systems to integrate the human rights principles.          | As above, our Human Rights Policy is incorporated in our Code of Business Conduct and Ethics. The Compliance Committee oversees the reporting procedures and monitors and escalates reports in appropriate circumstances.   |
|              |  | Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration.     | As above.   |
| Labor        | <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Principle 4: The elimination of all forms of forced and compulsory labor.</p> <p>Principle 5: The effective abolition of child labor.</p> <p>Principle 6: The elimination of discrimination in respect of employment and occupation.</p> | Criterion 6: The COP describes robust commitments, strategies or policies in the area of labor.                | This report contains our detailed disclosures in respect of labor and human rights policy and approach based on the GRI G4 reporting framework.   |
|              |  | Criterion 7: The COP describes effective management systems to integrate the labor principles.                 | This report contains our detailed disclosures in respect of management systems supporting labor principles based on the GRI G4 reporting framework.   |
|              |  | Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labor principles integration. | The Arm Engagement Survey has run since 2002. We use an engagement index to represent overall performance. Results are consistently above the average for our sector. In addition to the engagement survey, we seek feedback through one-to-one and group consultations, discussions during and post-internal conferences and through the annual personal development and appraisal process.  |



| Scope       | GC Principle   | Criteria for GC Advanced Level  | Comments   |
|-------------|--|---|--|
| Environment | Principle 7: Businesses should support a precautionary approach to environmental challenges.                     | Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship. | We use carbon intensity as the most appropriate indicator to measure our carbon performance and the basis on which to set reduction targets. While absolute measures are useful, due to our rapid growth, this is not a practical or realistic means to measure performance. |
|             | Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.            | Criterion 10: The COP describes effective management systems to integrate the environmental principles.             | In 2017, Arm has committed to adopting Science-Based Targets. Further detail on this approach, revised targets and our environmental impact strategy will be publicly communicated in early 2018.  |
|             | Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies. | Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.       | As above.  |

## Global Compact Advanced COP Self-Assessment continued

| Scope           | GC Principle   | Criteria for GC Advanced Level   | Comments  |
|-----------------|--|--|---|
| 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.             | <p>Anti-corruption policy is included within the Arm Code of Business Conduct and Ethics. In addition, specific anti-bribery policies and anti-competitive behavior policies have been in place since 2014 and are included in mandatory training and sign-off for all employees.</p> <p>The Group's Code of Business Conduct and Ethics, which is available on the Group's website, and the Company Rules incorporate appropriate provisions to meet our obligations under the UK Bribery Act 2010. A training and communication program for all employees is in place to ensure that employees understand the requirements of the Act and the reporting procedures.</p> <p>Arrangements with contractors and suppliers have been and will continue to be reviewed and updated to reflect the requirements of the Bribery Act. The Compliance Committee oversees the reporting procedures and monitors and escalates reports in appropriate circumstances.</p> |
|                 |  | Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.               | <p>As above. Adherence and general oversight on anti-corruption is the responsibility of the Compliance Committee that operates within the overall corporate governance structures at Arm.</p> <p>The Compliance Committee oversees compliance throughout the business with all relevant standards, international regulations and trading requirements, amongst them: direct oversight of internal controls, financial, employment, health and safety, environmental, business continuity, customer satisfaction and security processes and policies. The Compliance Committee reports to the Executive Committee and to the Audit Committee throughout the year and its minutes are reviewed by the Audit Committee and the Board.</p>   |
|                 |  | Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption. | <p>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.</p> <p>The Group operates a whistleblowing policy for employees to confidentially report concerns about any unethical business practices to senior management in strict confidence and without fear of recrimination, via a number of routes. The Audit Committee receives details of any whistleblowing reports from the Compliance Committee.</p>   |

| Scope               | GC Principle   | Criteria for GC Advanced Level  | Comments  |
|---------------------|--|---|---|
| UN Goals and Issues | Taking action in support of broader UN Goals and Issues. | Criterion 15: The COP describes core business contributions to UN goals and issues. | Arm is committed to supporting the ten 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 at <a href="https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/347551">https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/347551</a> .   |
|                     |  | Criterion 16: The COP describes strategic social investments and philanthropy.      | Our corporate responsibility approach covers; <ol style="list-style-type: none"> <li>1. Education. Initiatives which promote science, technology, engineering and mathematics skills.</li> <li>2. Health. Initiatives that explore how technology can contribute to improving global health, especially in international development projects.</li> <li>3. Environment. Initiatives which aim to help protect the environment and natural resources and/or improve people's understanding and appreciation of the environment.</li> <li>4. Local Community. Initiatives which aim to improve any aspect of communities local to Arm offices, this includes national and regional activities.</li> </ol> |
|                     |  | Criterion 17: The COP describes advocacy and public policy engagement.              | We look for opportunities to drive adoption of transformational technologies, including addressing perceived market failures and helping to realize the wider social and environmental benefits of technology. In early 2016, we prepared specific policy guidelines on Public Affairs for all our employees. We also have in place strict policies on bribery and political neutrality. In 2017, we led the formation of <a href="http://www.2030Vision.com">www.2030Vision.com</a> , a partnership to catalyze technology innovation for the United Nations Global Goals for Sustainable Development across the private sector.   |
|                     |  | 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. <a href="https://www.arm.com/company/corporate-responsibility/connecting-collaborating">https://www.arm.com/company/corporate-responsibility/connecting-collaborating</a> .  |

## Global Compact Advanced COP Self-Assessment continued

| Scope      | GC Principle  | Criteria for GC Advanced Level                                 | Comments  |
|------------|---|--|---|
| Governance | Corporate sustainability governance and leadership. | Criterion 19: The COP describes CEO commitment and leadership. | <a href="https://www.arm.com/company/corporate-responsibility/corporate-responsibility-governance">https://www.arm.com/company/corporate-responsibility/corporate-responsibility-governance</a><br>A separate, dedicated declaration of commitment to the UNGC and to implementing the ten principles can be found at <a href="https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/347551">https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/347551</a>   |
|            |   | Criterion 20: The COP describes Board adoption and oversight.  | As a wholly owned subsidiary of SBG, overall governance responsibility exists at Group level. Further information can be found at <a href="https://www.softbank.jp/en/corp/irinfo/governance/">https://www.softbank.jp/en/corp/irinfo/governance/</a> The Arm Board delegate responsibility of the management of the business and delivery of strategic objectives to the Executive Committee. This Committee is supported by a sub-committee structure and delegated responsibility to management within the business to deliver corporate strategic objectives on a day-to-day basis.   |
|            |   | Criterion 21: The COP describes stakeholder engagement.        | As a business, we engage with hundreds of stakeholders around the world on a daily basis. At the heart of our business we have dedicated teams managing relationships with customers, Partners, investors and employees to ensure that their needs are regularly addressed. Other stakeholder groups, such as local community leaders, are engaged on an issue-by-issue basis. Regular engagement between over 1000 of our people and over 350 external stakeholders enables us to understand the needs, concerns and expectations of our stakeholders. This allows us to define our material issues and to develop and deliver strategies that respond to those needs. We provided a summary of stakeholder engagement activity in our 2015 Corporate Responsibility Data Report. We will be updating this record and publishing further details on our website in early 2018. |

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

# Global Reporting Initiative (GRI) G4 content index

## General Standard Disclosures

The General Standard Disclosures are divided into seven parts according to the GRI G4 guidance: Strategy and analysis, Organizational 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.

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.

| <b>Strategy and analysis</b>  |  |  |  |
|-------------------------------|--|--|--|
| G4-1                          | CEO Statement.                         |  | <a href="https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/347551">https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/347551</a>                              |
| G4-2                          | Key impacts and opportunities.         | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a>                   | See Strategic Review 2017.   |
| <b>Organizational profile</b> |  |  |  |
| G4-3                          | Name of the organization.              | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a>                   | Arm Holdings plc is a wholly owned subsidiary of SoftBank Group Corp.  |
| G4-4                          | Primary brands, products and services. | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a>                   | Refer to Strategic Review 2017 pages 6-9.  |
| G4-5                          | Location of headquarters.              | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a>                   | The registered office of the Company is 110 Fulbourn Road, Cambridge, CB1 9NJ, UK.   |
| G4-6                          | Countries of operation.                | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a>                   | Refer to Strategic Review 2017 page 1 and external website <a href="http://www.arm.com/company/contact-us/offices">http://www.arm.com/company/contact-us/offices</a> .   |
| G4-7                          | Nature of ownership and legal form.    | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a>                   | Arm is a wholly owned subsidiary of SoftBank Group Corp.   |
| G4-8                          | Markets served.                        | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a>                   | Refer to Strategic Review 2017 pages 2-5.  |
| G4-9                          | Scale of operation.                    | p.4 of this report   | See reference.   |
| G4-10                         | Number of employees.                   | p.4 of this report   | Further detail on employees by contract type, grade distribution and gender is included in detailed disclosures below.   |
| G4-11                         | Collective bargaining agreements.      |  | We do not limit or restrict the rights of our people to freedom of association. The Group does not presently operate any collective agreements with any trade unions.  |
| G4-12                         | Supply chain description.              | <a href="http://www.arm.com/company/policies/suppliers">www.arm.com/company/policies/suppliers</a> | We reported on our supply and value chain in our 2015 annual Corporate Responsibility Report. We are currently updating this information and it will be available on <a href="http://www.arm.com">www.arm.com</a> in early 2018. |

## Global Reporting Initiative (GRI) G4 content index

### General Standard Disclosures

| GRI G4 Reference and Description                  | Reference                                      | Comment   |
|---|--|---|
| <b>Organizational profile</b> continued           |  |   |
| G4-13   | Significant changes.                           | Arm was acquired by SoftBank Group Corp. (SBG) in September 2016, and is now a fully owned subsidiary of SBG. Arm's operations are independent from the rest of the SBG, although Arm now works closely with other SBG companies, and Arm provides insight into longer term technology trends that may benefit SBG.   |
| G4-14   | Precautionary approach.                        | <a href="http://www.arm.com/company/corporate-responsibility">www.arm.com/company/corporate-responsibility</a><br>Our CR strategy is based on Arm's strategic drivers for long-term growth, it is shaped by the issues that matter most to Arm and our stakeholders.  |
| G4-15   | External charters.                             | We respond to a number of internationally recognized reporting frameworks and initiatives include the Carbon Disclosure Project, UN Global Compact and the London Benchmarking Group. Our annual Corporate Responsibility is completed in accordance with the Global Reporting Initiative G4 guidelines at the Comprehensive level.   |
| G4-16   | Memberships and partnerships.                  | <a href="http://www.arm.com/company/corporate-responsibility/connecting-collaborating">www.arm.com/company/corporate-responsibility/connecting-collaborating</a><br>Arm is a member of many external associations and industry organizations in the countries in which it operates. Examples include the International Telecommunications Union (ITU), United National Global Compact (UNGC), World Economic Forum (WEF), EngineeringUK and Business in the Community (BITC). |
| <b>Identified material aspects and boundaries</b> |  |   |
| G4-17   | List of entities.                              | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a><br>See Strategic Review 2017.  |
| G4-18   | Defining report content.                       | Refer to page 1 of this document.   |
| G4-19   | List of material issues.                       | <a href="http://www.arm.com/company/corporate-responsibility">www.arm.com/company/corporate-responsibility</a><br>See section below, "Material aspects and boundaries".   |
| G4-20   | Define materiality boundaries and limitations. | <a href="http://www.arm.com/company/corporate-responsibility">www.arm.com/company/corporate-responsibility</a><br>We are a global business. We define our material issues based on our global operations and impacts. We consider that our four material sustainability issues, which form our strategic drivers for long-term growth, are equally relevant to all countries in which we operate and to all entities within the Group.  |
| G4-21   | Materiality defined by geography.              | <a href="http://www.arm.com/company/corporate-responsibility">www.arm.com/company/corporate-responsibility</a><br>In cases where there are localized 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.                                  | As a consequence of the acquisition by SBG during 2016 we changed our reporting year. This did not result in any material restatements.   |
| G4-23   | Significant reporting changes.                 | Arm was acquired by SBG in September 2016. As a consequence, we changed our annual reporting periods to align with the changes to our financial year. Our 2016 Corporate Responsibility reporting year runs from January 1, 2016 to March 31, 2017. This includes an additional quarter which was necessary to achieve the alignment.   |

| GRI G4 Reference and Description | Reference                           | Comment   |
|----------------------------------|-------------------------------------|---|
| <b>Stakeholder engagement</b>    |                                     |   |
| G4-24                            | Stakeholder groups.                 | As a business, we engage with hundreds of stakeholders around the world on a daily basis. These can be categorized into seven groups comprising 30 sub-groups.  |
| G4-25                            | Basis for identification.           | Stakeholders are defined as any group, internal or external, that can be expected to be affected by our activities, products and decisions. Stakeholder engagement, as a means of achieving effective collaboration, has been a fundamental part of Arm's business since the Company was formed.  |
| G4-26                            | Approach to stakeholder engagement. | At the heart of our business we have dedicated teams managing relationships with customers, Partners, investors and employees to ensure that their needs are regularly addressed. Other stakeholder groups, such as local community leaders, are engaged on an issue-by-issue basis. Regular engagement between over 1000 of our people and over 350 external stakeholders enables us to understand the needs, concerns and expectations of our stakeholders. This allows us to define our material issues and to develop and deliver strategies that respond to those needs. |
| G4-27                            | Key topics raised.                  | We provided a summary of stakeholder engagement activity in our 2015 Corporate Responsibility Data Report. We will be updating this record and publishing further details on our website in early 2018.   |
| <b>Report profile</b>            |                                     |   |
| G4-28                            | Reporting period.                   | This report covers the periods from January 1, 2016 to March 31, 2017. This extended reporting period included an additional quarter to enable a change of reporting year to align with SBG who acquired Arm in September 2016. Our annual reporting (and financial year) now runs April 1 to March 30.   |
| G4-29                            | Previous report.                    | Our last Corporate Responsibility Report was published in March 2016 representing the 12 months ending December 31, 2015.   |
| G4-30                            | Reporting cycle.                    | As above.   |
| G4-31                            | Contact point.                      | corporateresponsibility@arm.com   |
| G4-32                            | Content index.                      | This supplement represents our GRI content index "in accordance" at the Comprehensive level.  |
| G4-33                            | Assurance.                          | We are in the process of implementing a three-year assurance strategy. This will combine internal and external assurance to help us improve our systems and processes and establish trust in our sustainability reporting.  |

## Global Reporting Initiative (GRI) G4 content index

### General Standard Disclosures

| GRI G4 Reference and Description | Reference                                     | Comment  |  |
|----------------------------------|---|--|--|
| <b>Governance</b>                |   |  |  |
| G4-34                            | Governance structure.                         | As a wholly owned subsidiary of SBG, overall governance responsibility exists at Group level. Further information can be found at <a href="https://www.softbank.jp/en/corp/irinfo/governance/">https://www.softbank.jp/en/corp/irinfo/governance/</a>  |  |
| G4-35                            | Governance process: delegated responsibility. | The Arm Board delegate responsibility of the management of the business and delivery of strategic objectives to the Executive Committee. This Committee is supported by a sub-committee structure and delegated responsibility to management within the business to deliver corporate strategic objectives on a day-to-day basis.  |  |
| G4-36                            | Governance process: Executive responsibility. | <a href="http://www.arm.com/company/leadership">www.arm.com/company/leadership</a>   | The Arm Executive Committee report to the Board who in turn report to SBG. |
| G4-37                            | Governance process: Consultation.             | 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 the Energy Use and Climate Change Committee (EUCCC) process. |  |
| G4-38                            | Highest governance body.                      | Arm Holdings Board with representation from SBG.   |  |
| G4-39                            | Highest governance body (chair).              | Masayoshi Son, Chief Executive SBG and Board Member, Arm Holdings.   |  |
| G4-40                            | Nomination process.                           | A formal nominations committee is in place to make recommendations to the Board for future appointments to ensure that the Board comprises individuals with appropriate skills, knowledge and experience to be effective in discharging its responsibilities and to review succession planning.  |  |
| G4-41                            | Conflicts of interest.                        | Conflict of interest is managed through the Compliance Committee and related Terms of Reference.   |  |
| G4-42                            | Role in values and strategy development.      | The Corporate Responsibility Committee 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.  |  |
| G4-43                            | Competencies and performance evaluation.      | Board members receive guidance on the regulatory regimes and corporate governance framework that the Group operates under.   |  |
| G4-44                            | Board performance.                            | In accordance with Code Principles, the Board undertakes a formal and rigorous annual review of its effectiveness.   |  |
| G4-45                            | Board role in risk management: process.       | The Board holds ultimate responsibility for risk management, but delegate the oversight and day-to-day risk management process to the Executive Committee and the Risk Review Committee. The Risk Review Committee manage the process to identify and evaluate risks which may impact the Group's business strategy and objectives, to oversee risk treatment plans designed to mitigate residual risk, and to review risk appetite statements.                        |  |
| G4-46                            | Board role in risk management: review.        | The Board holds ultimate responsibility for risk management, but delegate the oversight and day-to-day risk management process to the Executive Committee and the Risk Review Committee.   |  |



| GRI G4 Reference and Description |  | Reference  | Comment   |
|----------------------------------|--|--|---|
| G4-47                            | Frequency of ESG review.                           | <a href="http://www.arm.com/company/corporate-responsibility/corporate-responsibility-governance">www.arm.com/company/corporate-responsibility/corporate-responsibility-governance</a> | ESG impacts, risks and opportunities are considered alongside other material issues on an annual basis by the Board.  |
| G4-48                            | Review of CR Reporting.                            | <a href="http://www.arm.com/company/corporate-responsibility/corporate-responsibility-governance">www.arm.com/company/corporate-responsibility/corporate-responsibility-governance</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 Chief Operating Officer and General Counsel before receiving approval by the Group Executive.  |
| G4-49                            | Reporting critical concerns.                       | <a href="http://www.arm.com/company/corporate-responsibility/corporate-responsibility-governance">www.arm.com/company/corporate-responsibility/corporate-responsibility-governance</a> | There are formal and informal channels available for communicating critical concerns to the Board. These include the confidential whistleblowing process, committee-based communication channels (for example, the Corporate Responsibility Committee and EUCCC), informal communication and face-to face contact through line managers, fellows and the executive management. 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.                       |  | We have established processes and reporting channels to raise and record critical concerns.<br><br>There was one whistleblowing report in 2016, which was not found to involve any financial or other loss to the Group. It was thoroughly investigated and it was deemed appropriate that no further action was taken.   |
| G4-51                            | Remuneration disclosures: Executive reward.        |  | Not disclosed for this reporting period.  |
| G4-52                            | Remuneration disclosures: Determination.           |  | 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 and variable pay.   |
| G4-53                            | Remuneration disclosures: Stakeholder involvement. |  | 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.   |
| G4-54                            | Remuneration disclosures: Total reward ratios.     |  | We 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).<br><br>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 organization. This includes offering the same benefits to all our people, wherever they are located.<br><br>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. As a subsidiary company we no longer disclose this information publicly. |
| G4-55                            | Remuneration disclosures: Annual increase ratios.  |  | Refer to the explanations above regarding our approach to remuneration disclosure.  |

## Global Reporting Initiative (GRI) G4 content index

### General Standard Disclosures

| GRI G4 Reference and Description | Reference  | Comment  |
|----------------------------------|--|--|
| <b>Ethics and integrity</b>      |  |  |
| G4-56                            | Codes of conduct.  | <p>The Arm Code of Business Conduct and Ethics is the foundation of how we interact with all of our stakeholders. All directors and employees are required to act fairly, honestly and with integrity and to demonstrate that they have read and understand Arm's Code of Business Conduct and Ethics, a copy of which is published on the corporate website at <a href="http://www.arm.com">www.arm.com</a>.</p> <p>The code 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 aim to prevent sponsorship of illegal activities including those that violate equal opportunity and discrimination laws and best practice. In 2016, there were no incidents of non-compliance with the laws and regulations under which we are governed.</p> |
| G4-57<br>G4-58                   | Internal and external mechanisms (hotlines, whistleblowing). | <p>There are formal and informal channels available for communicating critical concerns to the Board. These include the confidential whistleblowing process, committee-based communication channels (for example, the Corporate Responsibility Committee and EUCCC), and informal communication and face-to face contact through line managers, fellows and the executive management. 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.</p>  |

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

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

Arm has used the GRI guidance as the basis for assessing its material issues and therefore determining report content. We have four material sustainability issues. 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 35 out of the 46 material Aspects have some relevance to Arm and can be mapped to our four material issues. Some of these are of material importance to our stakeholders, some to Arm as an organization, and some of interest to both. 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 summarizing how and why each of these Aspects are considered material. We also explain why 12 of the GRI material Aspects are not considered material to Arm.

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

**Trust:** Trust lies at the heart of our business model. Within our CR program, in education and health, we provide support to young and vulnerable people. It is essential we operate with the highest levels of integrity and ethics and delivers on our promises in everything we do. We must deliver on our promises, and we must operate in a transparent manner. Maintaining a culture of high integrity will help build strong relationships with partners. A reputation for being a 'high trust organization' will also help us to recruit and retain the best people who are proud to be working at Arm.

**Innovation:** Being innovative helps us solve complex problems. We must constantly innovate as part of our core business, help our partners meet their goals and apply creative solutions to innovate our internal processes and systems that support the business.

**People:** We develop IP. Our people are highly skilled and qualified, they are critical to our success. We must create an environment that respects, inspires and rewards our people. Our industry also needs more qualified STEM graduates available for us to employ, particularly women. We need to ensure that we are inclusive as an industry and as a company to support greater diversity and gender balance. Attracting and retaining the right people is our most important sustainability issue.

**Relationships:** We cannot deliver our business strategy or our CR program alone. We rely on our ecosystem of commercial and charity partners to reach our goals. Sustainable relationships are crucial to achieving this.

## Material Aspects and Boundaries

### continued

| Material sustainability issue for Arm | Why this is material to Arm  | Material GRI G4 Aspects   | Material within the organization | Relevant external to the organization | Comment   |
|---------------------------------------|--|---------------------------|----------------------------------|---------------------------------------|---|
| <b>Economic category</b>              |  |                           |                                  |                                       |   |
| Economic performance                  | <p>Strong and sustainable economic performance is critical to our long-term ability to function and exist to meet the needs and expectations of stakeholders.</p> <p>Economic performance is materially important to Arm, but for the purposes of this analysis, we do not consider it to be a material issue as a business driver, but as an outcome.</p> | Economic Performance      | √                                | √                                     | Refer to Strategic Review 2017, page 10 for details of Arm's economic performance.  |
|                                       |  | Market Presence           | √                                | √                                     | This indicator helps demonstrate the contribution to the economic well-being of our employees in significant locations of operation. It is important to Arm that we act as a global business and, at the same time, recognize 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     | √                                | √                                     | During 2016, we introduced a range of improvements to our supplier management processes. These include an updated supplier code of conduct (available at <a href="http://www.arm.com/company/policies/suppliers">www.arm.com/company/policies/suppliers</a> ) and improvements to the information we publish on our website about supplier relationships.   |

| Material sustainability issue for Arm | Why this is material to Arm  | Material GRI G4 Aspects | Material within the organization | Relevant external to the organization | Comment   |
|---------------------------------------|--|-------------------------|----------------------------------|---------------------------------------|---|
| <b>Environmental category</b>         |  |                         |                                  |                                       |   |
| Resource efficiency                   | Resource efficiency had previously been identified as the material issue which best describes our approach to environmental responsibility. Our approach is to minimize our own environmental impacts wherever possible. We also seek to enable resource efficiency through our energy-efficient technology. In our review of material issues in 2016 we concluded that resource efficiency and economic performance remain important as part of conducting responsible business but do not represent material issues relevant to our CR growth drivers. | 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 efficiency is relevant to our business and stakeholders, as our success is founded on energy efficient technology. We use carbon intensity as the most appropriate indicator to measure our carbon performance and the basis on which to set reduction targets. While absolute measures are useful, due to our rapid growth, this is not a practical or realistic means to measure performance. See page at the back of this document for our energy performance during this reporting period.<br><br>In 2017, Arm has committed to adopting Science-Based Targets. Further detail on this approach and the revised targets will be publicly communicated in early 2018. |
|                                       |  | Water                   | -                                | -                                     | Water withdrawal and consumption is limited across our global estate. We use water cooling for our Cambridge Campus data center, 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 recognize 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 recognize 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. An internal Biodiversity report was prepared in 2016 for all offices globally.   |
|                                       |  | Emissions               | √                                | √                                     | Carbon emissions and contribution to climate change is a major global issue. In 2017, Arm committed to adopting Science-Based Targets. Further detail on this approach and the revised targets will be publicly communicated in early 2018. 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.  |

## Material Aspects and Boundaries

### continued

| Material sustainability issue for Arm   | Why this is material to Arm | Material GRI G4 Aspects            | Material within the organization | Relevant external to the organization | Comment  |
|---|-----------------------------|------------------------------------|----------------------------------|---------------------------------------|--|
| <b>Environmental category</b> continued |                             |                                    |                                  |                                       |  |
|   |                             | Products and Services              | √                                | √                                     | This Aspect represents a major opportunity for Arm, and is therefore material to us 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. The potential for technology innovation to assist all sectors of business in their contribution to the UN Global Goals is the focus of the 2030Vision partnership we have established which will be launching in December 2017. |
| Resource efficiency                     |                             | 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 employees 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 analyze 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 organization | Relevant external to the organization | Comment  |
|---------------------------------------|--|---|----------------------------------|---------------------------------------|--|
| <b>Social category</b>                |  |   |                                  |                                       |  |
| People Innovation                     | <p>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.</p> <p>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.</p> | Employment                              | √                                | √                                     | We provide detailed disclosure on our employment performance. This reflects the importance of this aspect to Arm and our stakeholders.   |
|                                       |  | Labor/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 neighbors.  |
|                                       |  | 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 inclusion 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 female employees 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 will be publishing comprehensive gender pay analysis globally no later than April 2018 and annually thereafter.   |
|                                       |  | Supplier Assessment for Labor Practices | √                                | √                                     | <p>We recognize the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organizations and as such, we consider this a materially significant aspect for our business and the interests of our stakeholders.</p> <p>We continued to improve our policies and procedures in respect of supplier performance management and satisfaction during 2016/17. This including publishing our supplier code of conduct and extending our active engagement with suppliers.</p> |
|                                       |  | Labor 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 labor practices, as it is to any grievance related to our operations.   |

## Material Aspects and Boundaries

### continued

| Material sustainability issue for Arm | Why this is material to Arm   | Material GRI G4 Aspects                          | Material within the organization | Relevant external to the organization | Comment   |
|---------------------------------------|---|--|----------------------------------|---------------------------------------|---|
| <b>Social category</b> continued      |   |  |                                  |                                       |   |
| Trust                                 | <p>Protecting our reputation is very important to us and critical to securing long-term relationships for long-term growth.</p> <p>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.</p> | Investment                                       | -                                | -                                     | Arm continued to grow rapidly during 2016/17, in operating scale, number of employees and investment. Arm invests in technology businesses all over the world. This included the launch in 2016 of a technology fund with HOPU to encourage more technology start-ups in China. We remain committed to behaving with integrity and the highest levels of ethics in our business conduct wherever we operate and in all our partnerships. We expect to be reviewing our human rights impacts across our global operations within the next 18 months, building on work last carried out in 2013 by Shift, a specialist non-profit organization.                       |
|                                       |   | 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 Labor                                      | -                                | -                                     | 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 labor within its operations or those of its tier-one suppliers.  |
|                                       |   | Forced or Compulsory Labor                       | √                                | √                                     | 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. Arm has signed the Universal Declaration of Human Rights and we have integrated relevant human rights principles into our policies for employees and contractors. Our Human Rights Policy is incorporated in our Code of Business Conduct and Ethics. This is in addition to related existing policies including those on conflict minerals, business ethics and discrimination. These policies remain relevant and are reviewed on an annual basis to ensure they remain appropriate to the organization, its people and Partners. |



| Material sustainability issue for Arm | Why this is material to Arm  | Material GRI G4 Aspects                    | Material within the organization | Relevant external to the organization | Comment  |
|---------------------------------------|--|--|----------------------------------|---------------------------------------|--|
|                                       |  | Supplier Human Rights Assessment           | √                                | √                                     | We recognize the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organizations and as such, we consider this a materially significant Aspect for our business and our stakeholders.                  |
|                                       |  | 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.             |
| Relationships                         | 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.  |
| Relationships Innovation              | As above. It is critical to our ongoing success that we engender trust in all our interactions with our Partners.<br><br>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.<br><br>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 ten 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 behavior 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 recognize the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organizations and as such, we consider this a materially significant aspect for our business and the interests of our stakeholders. |

## Material Aspects and Boundaries

### continued

| Material sustainability issue for Arm | Why this is material to Arm | Material GRI G4 Aspects                     | Material within the organization | Relevant external to the organization | Comment   |
|---------------------------------------|-----------------------------|---|----------------------------------|---------------------------------------|---|
| <b>Social category</b> continued      |                             |   |                                  |                                       |   |
|                                       |                             | 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 Labeling                | –                                | –                                     | 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.<br><br>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 organize Specific Standard Disclosures into three categories: Economic, Environmental and Social. The Social category is further divided into four sub-categories, which are Labor Practices and Decent Work, Human Rights, Society and Product Responsibility.

The 2017 Arm Sustainability Data 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 35 out of the 46 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 or on our Company website. Locations are included in the table below.

| Category: Economic performance |   |  |   |
|--------------------------------|---|--|---|
| Aspect: Economic performance   |   |  |   |
| G4-EC1                         | Direct economic value generated and distributed.  | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a> | See also report on our website <a href="http://www.arm.com/company/investors/financial-results">www.arm.com/company/investors/financial-results</a>   |
| G4-EC2                         | Financial implications and other risks and opportunities for the organizations activities due to climate change.    | <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a> | 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. |
| G4-EC3                         | Coverage of the organizations defined benefit plan obligations.   |  | As a subsidiary company we no longer disclose this information.   |
| G4-EC4                         | Financial assistance received from government.  |  | As a subsidiary company we no longer disclose this information.   |
| Aspect: Market presence        |   |  |   |
| G4-EC5                         | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. |  | We hire people based on their qualifications and experience regardless of race, creed, color, nationality, ethnic origin, age, religion or similar belief, political affiliation, gender, gender reassignment, sexual orientation, marital status and family connections. This policy also applies to employee compensation.  |
| G4-EC6                         | Proportion of senior management hired from the local community at significant locations of operation.               |  | We hire people based on their qualifications and experience regardless of race, creed, color, nationality, ethnic origin, age, religion or similar belief, political affiliation, gender, gender reassignment, sexual orientation, marital status and family connections. This policy also applies to employee compensation.  |

## Specific Standard Disclosures continued

| Standard Disclosure                      | Standard Disclosure Title  | Reference  | Comment   |
|--|--|--|---|
| <b>Aspect: Indirect economic impacts</b> |  |  |   |
| G4-EC7                                   | Development and impact of infrastructure investments and services supported.     | <a href="http://www.arm.com/company/corporate-responsibility/connecting-collaborating">www.arm.com/<br/>company/corporate-<br/>responsibility/<br/>connecting-<br/>collaborating</a> | We support our local communities through our Corporate Responsibility program. On occasions, this will involve infrastructure investment and the support for services where it is appropriate.  |
| G4-EC8                                   | Significant indirect economic impacts, including the extent of impacts.          | Strategic Review 2017  | 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.   |
| <b>Aspect: Procurement practices</b>     |  |  |   |
| G4-EC9                                   | Proportion of spending on local suppliers at significant locations of operation. | <a href="http://www.arm.com/company/policies/suppliers">www.arm.com/<br/>company/policies/<br/>suppliers</a>   | <p>We do not record and report in detail on this indicator. We do operate wherever possible 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.</p> <p>An in-depth analysis of our spending, source of spend (i.e. where the Arm budget holder is location) and supplier locations has been carried out. 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. Our efforts to improve our relationships with suppliers is ongoing.</p> |
| Category: Environmental                  |  |  |   |
| <b>Aspect: Materials</b>                 |  |  |   |
| G4-EN1                                   | Materials used by weight or volume.  |  | Aspect not material to Arm.   |
| G4-EN2                                   | Percentage of materials used that are recycled input materials.                  |  | Aspect not material to Arm.   |

| Standard Disclosure   | Standard Disclosure Title                                    | Reference   | Comment   |
|-----------------------|--|---|---|
| <b>Aspect: Energy</b> |  |   |   |
| G4-EN3                | Energy consumption within the organization.                  |   | See disclosures regarding environmental performance below.  |
| G4-EN4                | Energy consumption outside of the organization.              | <a href="https://www.arm.com/company/corporate-responsibility/read-our-reports">https://www.arm.com/company/corporate-responsibility/read-our-reports</a> | <p>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. An example of this was included in the 2014 CR report showcasing the work of the Carbon Trust and Arm-based energy-efficient servers. This is available at <a href="http://www.arm.com/company/corporate-responsibility/read-our-reports">www.arm.com/company/corporate-responsibility/read-our-reports</a>.</p> <p>Due to the scale and range of devices powered by Arm technology, we are not able to quantify the energy use of our products and related services outside of the organization.</p> |
| G4-EN5                | Energy intensity.  |   | We calculate intensity based on a mid-year total headcount which includes all full-time and fixed term employees and contractors.   |
| G4-EN6                | Reduction of energy consumption.                             |   | <p>See below. We use carbon intensity as the most appropriate indicator to measure our carbon performance and the basis on which to set reduction targets. While absolute measures are useful, due to our rapid growth, this is not a practical or realistic means to measure performance.</p> <p>In 2017, Arm has committed to adopting Science-Based Targets. Further detail on this approach environmental strategy and revised targets will be publicly communicated in early 2018.</p>   |
| G4-EN7                | Reductions in energy requirements of products and services.  |   | As above. 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.   |
| <b>Aspect: Water</b>  |  |   |   |
| G4-EN8                | Total water withdrawal by source.                            |   | <p>Consumption at all our global offices is for personal use, cleaning and sanitation. We also use water for cooling at our Cambridge data center.</p> <p>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 recognize that we have a responsibility to comment upon and disclose our own impacts.</p>  |
| G4-EN9                | Water sources significantly affected by withdrawal of water. |   | As above. Our organizational 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.    |   | <p>As above. Our organizational consumption of water is not considered material. We do not maintain an accurate record of recycled and reused water across our global estate.</p> <p>We record water consumed and re-used for the purposes of cooling at our CEEDA Gold Standard accredited data center located on our Cambridge Campus (UK). This is monitored for operational reasons but data is not available for public reporting.</p>   |

## Specific Standard Disclosures

### continued

| Standard Disclosure         | Standard Disclosure Title   | Reference | Comment  |
|-----------------------------|---|-----------|--|
| <b>Aspect: Biodiversity</b> |   |           |  |
| G4-EN11                     | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.                                |           | <p>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.</p> <p>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 recognize that we have a responsibility to comment upon and disclose our own impacts across all aspects of the environment. An internal Biodiversity report was prepared in 2016 covering our global offices.</p> <p>As of March 31, 2017, Arm has 45 offices in 19 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.</p> |
| 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. |           | 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.  |
| G4-EN13                     | Habitats protected or restored.   |           | 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.  |
| 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.                  |           | As above. Arm is not aware of any impact that its operations has on IUCN Red List species and national conservation list species.  |
| G4-EN16                     | Energy indirect greenhouse gas (GHG) emissions (Scope 2).   |           | 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.  |
| G4-EN17                     | Other indirect greenhouse gas (GHG) emissions (Scope 3).  |           | 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.  |
| G4-EN18                     | Greenhouse gas (GHG) emissions intensity.   |           | We calculate intensity based on total "mid-year" headcount which includes all full-time and fixed term employees and contractors. In 2014, we also began representing our carbon emissions in terms of revenue. This is considered relevant because it represents consumption based on our contribution to economic output. Therefore, it is a measure that is comparable across all industry sectors and in the context of the wider economy and sustainable development.   |

| Standard Disclosure                | Standard Disclosure Title   | Reference    | Comment  |
|------------------------------------|---|--------------|--|
| G4-EN19                            | Reduction of greenhouse gas (GHG) emissions.  | www.cdp.net. | See also our recent Carbon Disclosure Project reporting submissions at www.cdp.net.  |
| G4-EN20                            | Emissions of ozone-depleting substances (ODS).  |              | Arm does not emit any significant ozone-depleting substances through its direct operations.  |
| G4-EN21                            | NOx, SOx, and other significant air emissions.  |              | Arm does not emit any significant NOx and SOx from its operations.   |
| <b>Aspect: Effluents and waste</b> |   |              |  |
| G4-EN22                            | Total water discharge by quality and destination.   |              | <p>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.</p> <p>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 recognize that we have a responsibility to comment upon and disclose our own impacts across all aspects of the environment.</p> <p>Across our global estate, Arm does not have any uncontrolled or unplanned water discharge from its operations. All waste streams relating to employee consumption, catering and cleaning (and other domestic uses) are managed through recognized local or regional agencies.</p> |
| G4-EN23                            | Total weight of waste by type and disposal method.  |              | Across our global estate, Arm does not have any uncontrolled or unplanned water discharge from its operations. All waste streams relating to employee consumption, catering and cleaning (and other domestic uses) are managed through recognized local or regional agencies.  |
| G4-EN24                            | Total number and volume of significant spills.  |              | For the year ending 31 March 2017, 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. |              | 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). However, volumes of e-waste are not considered materially significant for public disclosure.   |
| G4-EN26                            | Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organizations discharges of water and runoff.                                      |              | Across our global estate, Arm does not have any uncontrolled or unplanned water discharge from its operations. All waste streams relating to employee consumption, catering and cleaning (and other domestic uses) are managed through recognized local or regional agencies.  |

## Specific Standard Disclosures

### continued

| Standard Disclosure                  | Standard Disclosure Title  | Reference | Comment   |
|--------------------------------------|--|-----------|---|
| <b>Aspect: Products and services</b> |  |           |   |
| G4-EN27                              | Extent of impact mitigation of environmental impacts of products and services.   |           | <p>Arm does not manufacture a physical product and therefore the environmental impact of our products and services is minimal.</p> <p>We recognize 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.</p> |
| G4-EN28                              | Percentage of products sold and their packaging materials that are reclaimed by category.  |           | <p>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 for the year ending 31 March 2017.</p> <p>We are corporate members of a UK-based, government approved WEEE scheme that manages the return and disposal of our products once they get to the end of their useful life. We believe that old products will be disposed of by the customer companies using their own internal systems.</p>   |
| <b>Aspect: Compliance</b>            |  |           |   |
| G4-EN29                              | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. |           | No fines or non-monetary sanctions were issued to Arm for non-compliance with environmental laws and regulations in any of its global locations for the year ending 31 March 2017.  |



| Standard Disclosure                               | Standard Disclosure Title  | Reference | Comment   |
|---|--|-----------|---|
| <b>Aspect: Transport</b>                          |  |           |   |
| G4-EN30   | Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce. |           | <p>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 for the year ending 31 March 2017. These activities do not have any significant environmental impact.</p> <p>Transportation of employees 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. See page <a href="#">56</a>.</p>             |
| <b>Aspect: Overall</b>                            |  |           |   |
| G4-EN31   | Total environmental protection expenditures and investments by type.   |           | Aspect not material to Arm.   |
| G4-EN32   | Percentage of new suppliers that were screened using environmental criteria.   |           | <p>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.</p> <p>During 2016, a range of improvements to our supplier management processes were introduced. These included a new supplier code of conduct (available at <a href="http://www.arm.com/company/policies/suppliers">www.arm.com/company/policies/suppliers</a>) and improvements to the information we publish on our website about supplier relationships.</p> |
| <b>Aspect: Supplier environmental assessment</b>  |  |           |   |
| G4-EN33   | Significant actual and potential negative environmental impacts in the supply chain and actions taken.   |           | We have not caused any significant direct actual or potential negative impacts through our supplier chain in recent years.  |
| <b>Aspect: Environmental grievance mechanisms</b> |  |           |   |
| G4-EN34   | Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.  |           | There were no recorded grievances against Arm relating to its environmental impacts during the year ending 31 March 2017.   |

## Specific Standard Disclosures

### continued

| Standard Disclosure       | Standard Disclosure Title  | Reference | Comment                                    |  |                   |           |       |                   |           |       |           |           |       |
|---------------------------|----------------------------|-----------|--|--|-------------------|-----------|-------|-------------------|-----------|-------|-----------|-----------|-------|
| Category: Social          |                            |           |  |  |                   |           |       |                   |           |       |           |           |       |
| <b>Aspect: Employment</b> |                            |           |  |  |                   |           |       |                   |           |       |           |           |       |
| G4-LA1                    | Total number of employees. | CRS       |  |  | 2017 <sup>1</sup> |           |       | 2016 <sup>2</sup> |           |       | 2015      |           |       |
|                           |                            |           | Employee category                          |  | Male              | Female    | Total | Male              | Female    | Total | Male      | Female    | Total |
|                           |                            |           | Total Established, fixed-term and External |  | 4751              | 1010      | 5761  | 4371              | 943       | 5314  | 3755      | 776       | 4531  |
|                           |                            |           | Established Employees                      |  | 4021              | 831       | 4852  | 3793              | 790       | 4583  | 3319      | 656       | 3975  |
|                           |                            |           | Fixed-term Employees                       |  | 96                | 53        | 149   | 67                | 43        | 110   | 74        | 42        | 116   |
|                           |                            |           | External                                   |  | 634               | 126       | 760   | 511               | 110       | 621   | 362       | 78        | 440   |
|                           |                            |           | Employee category                          |  | Full-time         | Part-time | Total | Full-time         | Part-time | Total | Full-time | Part-time | Total |
|                           |                            |           | Total Established, fixed-term and External |  | 5637              | 94        | 5761  | 5201              | 113       | 5314  | 4437      | 94        | 4531  |
|                           |                            |           | Established Employees                      |  | 4747              | 105       | 4852  | 4490              | 93        | 4583  | 3897      | 78        | 3975  |
|                           |                            |           | Fixed-term Employees                       |  | 134               | 15        | 149   | 95                | 15        | 110   | 107       | 9         | 116   |
|                           |                            |           | External                                   |  | 756               | 4         | 760   | 616               | 5         | 621   | 433       | 7         | 440   |
|                           |                            |           | Employee category                          |  | Male              | Female    | Total | Male              | Female    | Total | Male      | Female    | Total |
|                           |                            |           | Asia Pacific                               |  | 345               | 99        | 444   | 327               | 91        | 418   | 279       | 68        | 347   |
|                           |                            |           | EMEA                                       |  | 2830              | 536       | 3366  | 2558              | 488       | 3046  | 2117      | 379       | 2496  |
|                           |                            |           | India                                      |  | 646               | 171       | 817   | 617               | 166       | 783   | 582       | 184       | 727   |
|                           |                            |           | US   |  | 930               | 204       | 1134  | 869               | 198       | 1067  | 777       | 184       | 961   |

<sup>1</sup> Refers to year 01.04.2016–31.03.2017

<sup>2</sup> Refers to year 01.01.2016–31.12.2016

| Standard Disclosure   | Standard Disclosure Title  | Reference   | Comment  |            |            |            |            |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|-----------------------|--|-------------|--|------------|------------|------------|------------|---------|---------|---------|---------|----------|--------|----|---|----|---|----|---|------|-----|----|----|----|----|----|-----------------------|--|------------|-----------|------------|-----------|-----------|-----------|------|--------|-----|----|-----|----|----|----|------|-----|-----|-----|-----|-----|----|-------------------|--|------------|------------|------------|------------|------------|------------|-------|--------|----|----|----|---|----|----|------|-----|----|----|----|----|----|--------------------|--|------------|-----------|------------|-----------|------------|-----------|----|--------|----|----|----|----|----|----|------|-----|----|-----|----|-----|----|-----------------|--|------------|-----------|------------|-----------|------------|-----------|--------------------|--|-------------|------------|------------|------------|------------|------------|
| G4-LA1                | Rates of new employee hires and employee turnover by age group, gender and region. | CRS         | New joiners and leavers by region and gender   |            |            |            |            |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                       |  |             | 2017 <sup>1</sup> 2016 <sup>2</sup> 2015   |            |            |            |            |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                       |  |             | <table border="1"> <thead> <tr> <th>Region</th> <th>Gender</th> <th>Joiners</th> <th>Leavers</th> <th>Joiners</th> <th>Leavers</th> <th>Joiners</th> <th>Leavers</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Asia Pac</td> <td>Female</td> <td>28</td> <td>1</td> <td>22</td> <td>1</td> <td>17</td> <td>3</td> </tr> <tr> <td>Male</td> <td>101</td> <td>31</td> <td>84</td> <td>34</td> <td>71</td> <td>12</td> </tr> <tr> <td colspan="2"><b>Asia Pac total</b></td> <td><b>129</b></td> <td><b>32</b></td> <td><b>106</b></td> <td><b>35</b></td> <td><b>88</b></td> <td><b>15</b></td> </tr> <tr> <td rowspan="2">EMEA</td> <td>Female</td> <td>129</td> <td>30</td> <td>110</td> <td>30</td> <td>95</td> <td>34</td> </tr> <tr> <td>Male</td> <td>551</td> <td>133</td> <td>452</td> <td>136</td> <td>385</td> <td>92</td> </tr> <tr> <td colspan="2"><b>EMEA total</b></td> <td><b>680</b></td> <td><b>163</b></td> <td><b>562</b></td> <td><b>166</b></td> <td><b>480</b></td> <td><b>126</b></td> </tr> <tr> <td rowspan="2">India</td> <td>Female</td> <td>24</td> <td>11</td> <td>18</td> <td>8</td> <td>30</td> <td>12</td> </tr> <tr> <td>Male</td> <td>105</td> <td>76</td> <td>87</td> <td>67</td> <td>97</td> <td>38</td> </tr> <tr> <td colspan="2"><b>India total</b></td> <td><b>129</b></td> <td><b>87</b></td> <td><b>105</b></td> <td><b>75</b></td> <td><b>127</b></td> <td><b>50</b></td> </tr> <tr> <td rowspan="2">US</td> <td>Female</td> <td>39</td> <td>17</td> <td>37</td> <td>18</td> <td>38</td> <td>11</td> </tr> <tr> <td>Male</td> <td>161</td> <td>47</td> <td>140</td> <td>52</td> <td>200</td> <td>48</td> </tr> <tr> <td colspan="2"><b>US total</b></td> <td><b>200</b></td> <td><b>64</b></td> <td><b>177</b></td> <td><b>70</b></td> <td><b>238</b></td> <td><b>59</b></td> </tr> <tr> <td colspan="2"><b>Grand total</b></td> <td><b>1138</b></td> <td><b>346</b></td> <td><b>950</b></td> <td><b>346</b></td> <td><b>933</b></td> <td><b>250</b></td> </tr> </tbody> </table> | Region     | Gender     | Joiners    | Leavers    | Joiners | Leavers | Joiners | Leavers | Asia Pac | Female | 28 | 1 | 22 | 1 | 17 | 3 | Male | 101 | 31 | 84 | 34 | 71 | 12 | <b>Asia Pac total</b> |  | <b>129</b> | <b>32</b> | <b>106</b> | <b>35</b> | <b>88</b> | <b>15</b> | EMEA | Female | 129 | 30 | 110 | 30 | 95 | 34 | Male | 551 | 133 | 452 | 136 | 385 | 92 | <b>EMEA total</b> |  | <b>680</b> | <b>163</b> | <b>562</b> | <b>166</b> | <b>480</b> | <b>126</b> | India | Female | 24 | 11 | 18 | 8 | 30 | 12 | Male | 105 | 76 | 87 | 67 | 97 | 38 | <b>India total</b> |  | <b>129</b> | <b>87</b> | <b>105</b> | <b>75</b> | <b>127</b> | <b>50</b> | US | Female | 39 | 17 | 37 | 18 | 38 | 11 | Male | 161 | 47 | 140 | 52 | 200 | 48 | <b>US total</b> |  | <b>200</b> | <b>64</b> | <b>177</b> | <b>70</b> | <b>238</b> | <b>59</b> | <b>Grand total</b> |  | <b>1138</b> | <b>346</b> | <b>950</b> | <b>346</b> | <b>933</b> | <b>250</b> |
| Region                | Gender   | Joiners     | Leavers  | Joiners    | Leavers    | Joiners    | Leavers    |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| Asia Pac              | Female   | 28          | 1  | 22         | 1          | 17         | 3          |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                       | Male   | 101         | 31   | 84         | 34         | 71         | 12         |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| <b>Asia Pac total</b> |  | <b>129</b>  | <b>32</b>  | <b>106</b> | <b>35</b>  | <b>88</b>  | <b>15</b>  |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| EMEA                  | Female   | 129         | 30   | 110        | 30         | 95         | 34         |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                       | Male   | 551         | 133  | 452        | 136        | 385        | 92         |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| <b>EMEA total</b>     |  | <b>680</b>  | <b>163</b>   | <b>562</b> | <b>166</b> | <b>480</b> | <b>126</b> |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| India                 | Female   | 24          | 11   | 18         | 8          | 30         | 12         |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                       | Male   | 105         | 76   | 87         | 67         | 97         | 38         |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| <b>India total</b>    |  | <b>129</b>  | <b>87</b>  | <b>105</b> | <b>75</b>  | <b>127</b> | <b>50</b>  |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| US                    | Female   | 39          | 17   | 37         | 18         | 38         | 11         |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                       | Male   | 161         | 47   | 140        | 52         | 200        | 48         |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| <b>US total</b>       |  | <b>200</b>  | <b>64</b>  | <b>177</b> | <b>70</b>  | <b>238</b> | <b>59</b>  |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| <b>Grand total</b>    |  | <b>1138</b> | <b>346</b>   | <b>950</b> | <b>346</b> | <b>933</b> | <b>250</b> |         |         |         |         |          |        |    |   |    |   |    |   |      |     |    |    |    |    |    |                       |  |            |           |            |           |           |           |      |        |     |    |     |    |    |    |      |     |     |     |     |     |    |                   |  |            |            |            |            |            |            |       |        |    |    |    |   |    |    |      |     |    |    |    |    |    |                    |  |            |           |            |           |            |           |    |        |    |    |    |    |    |    |      |     |    |     |    |     |    |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |

<sup>1</sup> Refers to year 01.04.2016–31.03.2017

<sup>2</sup> Refers to year 01.01.2016–31.12.2016

## Specific Standard Disclosures

### continued

#### Aspect: Employment continued

| G4-LA1 | Rates of new employee hires and employee turnover by age group, gender and region (continued). | Note that new starter data represents new established employees only. | Region                | 2017 <sup>1</sup> |            | 2016 <sup>2</sup> |            | 2015       |            |            |
|--------|--|---|-----------------------|-------------------|------------|-------------------|------------|------------|------------|------------|
|        |  |   |                       | Age group         | Joiners    | Leavers           | Joiners    | Leavers    | Joiners    | Leavers    |
|        |  |   | <b>Asia Pac</b>       | 21-30             | 33         | 7                 | 27         | 6          | 0          | 4          |
|        |  |   |                       | 31-40             | 74         | 16                | 62         | 20         | 23         | 7          |
|        |  |   |                       | 41-50             | 21         | 6                 | 16         | 6          | 47         | 3          |
|        |  |   |                       | 51-60             | 1          | 3                 | 1          | 3          | 16         | 1          |
|        |  |   |                       | 61-70             |            |                   |            |            | 2          | 0          |
|        |  |   | <b>Asia Pac total</b> |                   | <b>129</b> | <b>32</b>         | <b>106</b> | <b>35</b>  | <b>88</b>  | <b>15</b>  |
|        |  |   | EMEA                  | <21               | 4          |                   | 2          |            | 0          | 0          |
|        |  |   |                       | 21-30             | 215        | 43                | 188        | 44         | 169        | 28         |
|        |  |   |                       | 31-40             | 275        | 60                | 234        | 55         | 183        | 55         |
|        |  |   |                       | 41-50             | 138        | 38                | 97         | 38         | 103        | 25         |
|        |  |   |                       | 51-60             | 42         | 16                | 35         | 22         | 23         | 16         |
|        |  |   |                       | 61-70             | 6          | 6                 | 6          | 7          | 2          | 2          |
|        |  |   | <b>EMEA total</b>     |                   | <b>680</b> | <b>163</b>        | <b>562</b> | <b>166</b> | <b>480</b> | <b>126</b> |
|        |  |   | India                 | <21               |            |                   |            |            | 0          | 0          |
|        |  |   |                       | 21-30             | 96         | 38                | 80         | 32         | 85         | 29         |
|        |  |   |                       | 31-40             | 30         | 41                | 21         | 33         | 40         | 18         |
|        |  |   |                       | 41-50             | 3          | 7                 | 4          | 9          | 2          | 3          |
|        |  |   |                       | 51-60             |            | 1                 |            | 1          | 0          | 0          |
|        |  |   | <b>India total</b>    |                   | <b>129</b> | <b>87</b>         | <b>105</b> | <b>75</b>  | <b>127</b> | <b>50</b>  |

<sup>1</sup> Refers to year 01.04.2016-31.03.2017

<sup>2</sup> Refers to year 01.01.2016-31.12.2016

| Standard Disclosure | Standard Disclosure Title  | Reference   | Comment   |            |                   |            |                   |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|---------------------|--|-------------|---|------------|-------------------|------------|-------------------|--|------|--|-----------|---------|---------|---------|---------|---------|---------|----|-------|----|---|----|---|----|---|-------|----|----|----|----|----|----|-------|----|----|----|----|----|----|-------|----|---|----|---|----|----|-------|---|---|---|----|---|---|-----------------|--|------------|-----------|------------|-----------|------------|-----------|--------------------|--|-------------|------------|------------|------------|------------|------------|
|                     |  |             | <table border="1"> <thead> <tr> <th rowspan="2">Region</th> <th colspan="2">2017<sup>1</sup></th> <th colspan="2">2016<sup>2</sup></th> <th colspan="2">2015</th> </tr> <tr> <th>Age group</th> <th>Joiners</th> <th>Leavers</th> <th>Joiners</th> <th>Leavers</th> <th>Joiners</th> <th>Leavers</th> </tr> </thead> <tbody> <tr> <td rowspan="5">US</td> <td>21-30</td> <td>60</td> <td>9</td> <td>51</td> <td>7</td> <td>65</td> <td>8</td> </tr> <tr> <td>31-40</td> <td>58</td> <td>21</td> <td>48</td> <td>23</td> <td>61</td> <td>21</td> </tr> <tr> <td>41-50</td> <td>55</td> <td>17</td> <td>49</td> <td>22</td> <td>67</td> <td>14</td> </tr> <tr> <td>51-60</td> <td>24</td> <td>9</td> <td>25</td> <td>8</td> <td>39</td> <td>13</td> </tr> <tr> <td>61-70</td> <td>2</td> <td>8</td> <td>4</td> <td>10</td> <td>6</td> <td>3</td> </tr> <tr> <td><b>US total</b></td> <td></td> <td><b>200</b></td> <td><b>64</b></td> <td><b>177</b></td> <td><b>70</b></td> <td><b>238</b></td> <td><b>59</b></td> </tr> <tr> <td><b>Grand total</b></td> <td></td> <td><b>1138</b></td> <td><b>346</b></td> <td><b>950</b></td> <td><b>346</b></td> <td><b>933</b></td> <td><b>250</b></td> </tr> </tbody> </table> <p>22 new starters left within the year ending 31.03.2017 (1.9%) and 19 within the year ending 31.12.2016: 2% (26 in 2015: 2.8%).<br/>Rate of Global Average Turnover for year ending 31.03.2017 was 7.6% and for year ending 31.12.2016 was 7.9% (2015: 6.9%).</p> | Region     | 2017 <sup>1</sup> |            | 2016 <sup>2</sup> |  | 2015 |  | Age group | Joiners | Leavers | Joiners | Leavers | Joiners | Leavers | US | 21-30 | 60 | 9 | 51 | 7 | 65 | 8 | 31-40 | 58 | 21 | 48 | 23 | 61 | 21 | 41-50 | 55 | 17 | 49 | 22 | 67 | 14 | 51-60 | 24 | 9 | 25 | 8 | 39 | 13 | 61-70 | 2 | 8 | 4 | 10 | 6 | 3 | <b>US total</b> |  | <b>200</b> | <b>64</b> | <b>177</b> | <b>70</b> | <b>238</b> | <b>59</b> | <b>Grand total</b> |  | <b>1138</b> | <b>346</b> | <b>950</b> | <b>346</b> | <b>933</b> | <b>250</b> |
| Region              | 2017 <sup>1</sup>  |             | 2016 <sup>2</sup>   |            | 2015              |            |                   |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                     | Age group  | Joiners     | Leavers   | Joiners    | Leavers           | Joiners    | Leavers           |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| US                  | 21-30  | 60          | 9   | 51         | 7                 | 65         | 8                 |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                     | 31-40  | 58          | 21  | 48         | 23                | 61         | 21                |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                     | 41-50  | 55          | 17  | 49         | 22                | 67         | 14                |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                     | 51-60  | 24          | 9   | 25         | 8                 | 39         | 13                |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
|                     | 61-70  | 2           | 8   | 4          | 10                | 6          | 3                 |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| <b>US total</b>     |  | <b>200</b>  | <b>64</b>   | <b>177</b> | <b>70</b>         | <b>238</b> | <b>59</b>         |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| <b>Grand total</b>  |  | <b>1138</b> | <b>346</b>  | <b>950</b> | <b>346</b>        | <b>933</b> | <b>250</b>        |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| G4-LA2              | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation. | CRS         | <p>We offer benefits packages across all of our global offices; including;</p> <ul style="list-style-type: none"> <li>› Pension/401k schemes.</li> <li>› Insurances, such as medical, travel, life and permanent health insurances.</li> <li>› Bonus.</li> </ul> <p>In some locations temporary employees such as contractors, do not receive benefits such as pensions.<br/>Temporary employees are compensated for exclusion from these benefit schemes by receiving increased levels of basic pay.</p>   |            |                   |            |                   |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |
| G4-LA3              | Return to work and retention rates after parental leave, by gender.  | CRS         | <p>Retention rates after parental leave:</p> <p>Male: 2017: 98% , 2016: 95% (2015: 100%).<br/>Female: 2017: 97%, 2016: 95% (2015: 95%).</p>   |            |                   |            |                   |  |      |  |           |         |         |         |         |         |         |    |       |    |   |    |   |    |   |       |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |   |    |   |    |    |       |   |   |   |    |   |   |                 |  |            |           |            |           |            |           |                    |  |             |            |            |            |            |            |

<sup>1</sup> Refers to year 01.04.2016-31.03.2017

<sup>2</sup> Refers to year 01.01.2016-31.12.2016

## Specific Standard Disclosures

### continued

| Standard Disclosure                           | Standard Disclosure Title  | Reference | Comment   |
|---|--|-----------|---|
| <b>Aspect: Labor/management relations</b>     |  |           |   |
| G4-LA4  | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.  |           | Employee participation in collective bargaining agreements is country specific, and subject to country specific regulation. There is no detailed information available for reporting in relation to this indicator.   |
| <b>Aspect: Occupational health and safety</b> |  |           |   |
| 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 program. |           | 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.                     |           | 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.  |           | 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.   |           | 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. |

**Aspect: Training and education**

|         |   |   |
|---------|---|---|
| G4-LA9  | Average hours of training per year per employee by gender, and by employee category.  | <p>Arm's strategy for developing its people does not place the focus on quantity of training hours but on providing quality and relevant training to ensure all our employees are provided with the development they need both short and long term.</p> <p>During 2016 (to 31 March 2017):</p> <ul style="list-style-type: none"> <li>› Around 800 recent starters attended a Big Picture induction event</li> <li>› 185 colleagues participated in the Global Graduate Conference</li> <li>› Our annual Global Engineering Conference brought together approximately 6% of our engineers to discuss important development issues that affect our business, especially those that cross the organizational boundaries of function, location, and department</li> </ul> <p>Our Flagship induction program is designed to foster community in Arm for our new starters. It gives them the opportunity to:</p> <ul style="list-style-type: none"> <li>› Build internal network with those from other sites and product groups</li> <li>› Meet with company executives to understand their view of life at Arm.</li> <li>› Gain commercial awareness by participating in a simulated year of licensing deals in our Business Simulation.</li> <li>› Explore how our people live by the Arm Core Beliefs and how they influence everything from the licensing deals to the vision mission and strategy of the Company.</li> <li>› The session on How Arm works covers the secrets to Arm's success including Trust Governance and Oneness.</li> </ul> <p>Further information on training data will be available by 31.12.2017.</p> |
| G4-LA10 | Program for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Refer to location of disclosure.  |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.                             | <p>In 2015 we changed the way we measure Arm Feedback and Development System (AFDS) activity. Some people are exempt from completing an appraisal, eg those on maternity leave, long-term sick, very recent starters. We also exempted a number of new employees from recent acquisitions. We collate the figures for AFDS logbook activity and confirm that 82% of eligible employees had activity over 2016/17.</p> <p>For 2017/18, we have a target of 95% of employees completing their accountabilities, objectives and development objectives in their AFDS activity.</p>   |

## Specific Standard Disclosures

### continued

| Standard Disclosure                            | Standard Disclosure Title   | Reference         | Comment  |                  |            |                   |            |             |                   |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
|--|---|-------------------|--|------------------|------------|-------------------|------------|-------------|-------------------|------|------|--|------|--|-------|---|-------|---|-------|---|-------|---|---------------------|--------|---|----|---|---|---|---|---|----|------|---|----|----|----|----|----|----|----|--------------|--|-----------|------------|-----------|------------|-----------|------------|-----------|------------|------------------------|--------|-----|----|-----|----|-----|----|-----|----|------|------|----|------|----|------|----|------|----|--------------|--|-------------|------------|-------------|------------|-------------|------------|-------------|------------|------------|--------|-----|----|-----|----|-----|----|----|----|------|------|----|-----|----|-----|----|-----|----|--------------|--|-------------|------------|-------------|------------|------------|------------|------------|------------|-------------------|--------|----|----|----|----|----|----|----|----|------|-----|----|-----|----|-----|----|-----|----|--------------|--|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Aspect: Diversity and equal opportunity</b> |   |                   |  |                  |            |                   |            |             |                   |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| 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. | CRS               | <p>Ethnic origin is defined differently by location and therefore available data is not directly comparable. Reporting is only possible based on established employees as follows:</p> <p>Gender split: Total Established employees: As of 31.03.2017: 4852 (31 December 2016: 4583)</p> <p>Female: As of 31.03.2017: 831 (17%); (2016: 790 (17%))</p> <p>Male: As of 31.03.2017: 4021 (83%); (2016: 3793 (83%))</p> <table border="1"> <thead> <tr> <th rowspan="2">Management Level</th> <th rowspan="2">Gender</th> <th colspan="3">2017<sup>1</sup></th> <th colspan="2">2016<sup>2</sup></th> <th colspan="2">2015</th> <th colspan="2">2014</th> </tr> <tr> <th>Total</th> <th>%</th> <th>Total</th> <th>%</th> <th>Total</th> <th>%</th> <th>Total</th> <th>%</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Executive Committee</td> <td>Female</td> <td>2</td> <td>20</td> <td>1</td> <td>9</td> <td>1</td> <td>8</td> <td>2</td> <td>14</td> </tr> <tr> <td>Male</td> <td>8</td> <td>80</td> <td>10</td> <td>91</td> <td>12</td> <td>92</td> <td>12</td> <td>86</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>10</b></td> <td><b>100</b></td> <td><b>11</b></td> <td><b>100</b></td> <td><b>13</b></td> <td><b>100</b></td> <td><b>14</b></td> <td><b>100</b></td> </tr> <tr> <td rowspan="2">Individual Contributor</td> <td>Female</td> <td>639</td> <td>18</td> <td>613</td> <td>19</td> <td>527</td> <td>18</td> <td>428</td> <td>18</td> </tr> <tr> <td>Male</td> <td>2846</td> <td>82</td> <td>2697</td> <td>81</td> <td>2363</td> <td>82</td> <td>1954</td> <td>82</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>3485</b></td> <td><b>100</b></td> <td><b>3310</b></td> <td><b>100</b></td> <td><b>2890</b></td> <td><b>100</b></td> <td><b>2382</b></td> <td><b>100</b></td> </tr> <tr> <td rowspan="2">Management</td> <td>Female</td> <td>173</td> <td>15</td> <td>158</td> <td>14</td> <td>109</td> <td>12</td> <td>92</td> <td>12</td> </tr> <tr> <td>Male</td> <td>1016</td> <td>85</td> <td>939</td> <td>86</td> <td>813</td> <td>88</td> <td>681</td> <td>88</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>1189</b></td> <td><b>100</b></td> <td><b>1097</b></td> <td><b>100</b></td> <td><b>922</b></td> <td><b>100</b></td> <td><b>773</b></td> <td><b>100</b></td> </tr> <tr> <td rowspan="2">Senior Management</td> <td>Female</td> <td>17</td> <td>10</td> <td>18</td> <td>11</td> <td>19</td> <td>13</td> <td>14</td> <td>11</td> </tr> <tr> <td>Male</td> <td>151</td> <td>90</td> <td>147</td> <td>89</td> <td>131</td> <td>87</td> <td>110</td> <td>89</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>168</b></td> <td><b>100</b></td> <td><b>165</b></td> <td><b>100</b></td> <td><b>150</b></td> <td><b>100</b></td> <td><b>108</b></td> <td><b>100</b></td> </tr> </tbody> </table> <p>Age and employee category split: Total Established employees for year ending 31.03.2017: 4852 and year ending 31.12.2016: 4583 (2015: 3975)</p> | Management Level | Gender     | 2017 <sup>1</sup> |            |             | 2016 <sup>2</sup> |      | 2015 |  | 2014 |  | Total | % | Total | % | Total | % | Total | % | Executive Committee | Female | 2 | 20 | 1 | 9 | 1 | 8 | 2 | 14 | Male | 8 | 80 | 10 | 91 | 12 | 92 | 12 | 86 | <b>Total</b> |  | <b>10</b> | <b>100</b> | <b>11</b> | <b>100</b> | <b>13</b> | <b>100</b> | <b>14</b> | <b>100</b> | Individual Contributor | Female | 639 | 18 | 613 | 19 | 527 | 18 | 428 | 18 | Male | 2846 | 82 | 2697 | 81 | 2363 | 82 | 1954 | 82 | <b>Total</b> |  | <b>3485</b> | <b>100</b> | <b>3310</b> | <b>100</b> | <b>2890</b> | <b>100</b> | <b>2382</b> | <b>100</b> | Management | Female | 173 | 15 | 158 | 14 | 109 | 12 | 92 | 12 | Male | 1016 | 85 | 939 | 86 | 813 | 88 | 681 | 88 | <b>Total</b> |  | <b>1189</b> | <b>100</b> | <b>1097</b> | <b>100</b> | <b>922</b> | <b>100</b> | <b>773</b> | <b>100</b> | Senior Management | Female | 17 | 10 | 18 | 11 | 19 | 13 | 14 | 11 | Male | 151 | 90 | 147 | 89 | 131 | 87 | 110 | 89 | <b>Total</b> |  | <b>168</b> | <b>100</b> | <b>165</b> | <b>100</b> | <b>150</b> | <b>100</b> | <b>108</b> | <b>100</b> |
| Management Level                               | Gender  | 2017 <sup>1</sup> |  |                  |            | 2016 <sup>2</sup> |            | 2015        |                   | 2014 |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
|  |   | Total             | %  | Total            | %          | Total             | %          | Total       | %                 |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| Executive Committee                            | Female  | 2                 | 20   | 1                | 9          | 1                 | 8          | 2           | 14                |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
|  | Male  | 8                 | 80   | 10               | 91         | 12                | 92         | 12          | 86                |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| <b>Total</b>                                   |   | <b>10</b>         | <b>100</b>   | <b>11</b>        | <b>100</b> | <b>13</b>         | <b>100</b> | <b>14</b>   | <b>100</b>        |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| Individual Contributor                         | Female  | 639               | 18   | 613              | 19         | 527               | 18         | 428         | 18                |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
|  | Male  | 2846              | 82   | 2697             | 81         | 2363              | 82         | 1954        | 82                |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| <b>Total</b>                                   |   | <b>3485</b>       | <b>100</b>   | <b>3310</b>      | <b>100</b> | <b>2890</b>       | <b>100</b> | <b>2382</b> | <b>100</b>        |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| Management                                     | Female  | 173               | 15   | 158              | 14         | 109               | 12         | 92          | 12                |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
|  | Male  | 1016              | 85   | 939              | 86         | 813               | 88         | 681         | 88                |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| <b>Total</b>                                   |   | <b>1189</b>       | <b>100</b>   | <b>1097</b>      | <b>100</b> | <b>922</b>        | <b>100</b> | <b>773</b>  | <b>100</b>        |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| Senior Management                              | Female  | 17                | 10   | 18               | 11         | 19                | 13         | 14          | 11                |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
|  | Male  | 151               | 90   | 147              | 89         | 131               | 87         | 110         | 89                |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |
| <b>Total</b>                                   |   | <b>168</b>        | <b>100</b>   | <b>165</b>       | <b>100</b> | <b>150</b>        | <b>100</b> | <b>108</b>  | <b>100</b>        |      |      |  |      |  |       |   |       |   |       |   |       |   |                     |        |   |    |   |   |   |   |   |    |      |   |    |    |    |    |    |    |    |              |  |           |            |           |            |           |            |           |            |                        |        |     |    |     |    |     |    |     |    |      |      |    |      |    |      |    |      |    |              |  |             |            |             |            |             |            |             |            |            |        |     |    |     |    |     |    |    |    |      |      |    |     |    |     |    |     |    |              |  |             |            |             |            |            |            |            |            |                   |        |    |    |    |    |    |    |    |    |      |     |    |     |    |     |    |     |    |              |  |            |            |            |            |            |            |            |            |

<sup>1</sup> Refers to year 01.04.2016–31.03.2017

<sup>2</sup> Refers to year 01.01.2016–31.12.2016



| 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 | Management Level       | 2017 <sup>1</sup> |             |            | 2016 <sup>2</sup> |            | 2015        |            | 2014        |            |
|---------|---|-----|------------------------|-------------------|-------------|------------|-------------------|------------|-------------|------------|-------------|------------|
|         |   |     |                        | Age Group         | Total       | %          | Total             | %          | Total       | %          | Total       | %          |
|         |   |     | Executive Committee    |                   |             |            |                   |            |             |            |             |            |
|         |   |     |                        | 41-50             | 7           | 70         | 6                 | 55         | 8           | 62         | 9           | 64         |
|         |   |     |                        | 51-60             | 3           | 30         | 5                 | 45         | 5           | 38         | 5           | 36         |
|         |   |     | <b>Total</b>           |                   | <b>10</b>   | <b>100</b> | <b>11</b>         | <b>100</b> | <b>13</b>   | <b>100</b> | <b>14</b>   | <b>100</b> |
|         |   |     | Individual Contributor |                   |             |            |                   |            |             |            |             |            |
|         |   |     |                        | <21               | 5           | <1         | 2                 | <1         | 1           | <1         | 2           | <1         |
|         |   |     |                        | 21-30             | 1106        | 32         | 1026              | 31         | 964         | 33         | 826         | 35         |
|         |   |     |                        | 31-40             | 1371        | 39         | 1324              | 40         | 1127        | 39         | 925         | 39         |
|         |   |     |                        | 41-50             | 663         | 19         | 627               | 19         | 545         | 19         | 433         | 18         |
|         |   |     |                        | 51-60             | 285         | 8          | 274               | 8          | 215         | 7          | 168         | 7          |
|         |   |     |                        | 61-70             | 55          | 2          | 57                | 2          | 38          | 1          | 28          | 1          |
|         |   |     | <b>Total</b>           |                   | <b>3485</b> | <b>100</b> | <b>3310</b>       | <b>100</b> | <b>2890</b> | <b>100</b> | <b>2382</b> | <b>100</b> |
|         |   |     | Management             |                   |             |            |                   |            |             |            |             |            |
|         |   |     |                        | 21-30             | 56          | 5          | 46                | 4          | 42          | 5          | 41          | 5          |
|         |   |     |                        | 31-40             | 576         | 48         | 536               | 49         | 464         | 50         | 409         | 53         |
|         |   |     |                        | 41-50             | 417         | 35         | 386               | 35         | 316         | 34         | 242         | 31         |
|         |   |     |                        | 51-60             | 132         | 11         | 121               | 11         | 90          | 10         | 74          | 10         |
|         |   |     |                        | 61-70             | 8           | <1         | 8                 | <1         | 10          | 1          | 7           | 1          |
|         |   |     | <b>Total</b>           |                   | <b>1189</b> | <b>100</b> | <b>1097</b>       | <b>100</b> | <b>922</b>  | <b>100</b> | <b>773</b>  | <b>100</b> |
|         |   |     | Senior Management      |                   |             |            |                   |            |             |            |             |            |
|         |   |     |                        | 31-40             | 20          | 12         | 19                | 12         | 21          | 14         | 16          | 13         |
|         |   |     |                        | 41-50             | 97          | 58         | 94                | 57         | 91          | 61         | 80          | 64         |
|         |   |     |                        | 51-60             | 48          | 29         | 49                | 30         | 33          | 22         | 25          | 20         |
|         |   |     |                        | 61-70             | 3           | 2          | 3                 | 2          | 5           | 3          | 4           | 3          |
|         |   |     | <b>Total</b>           |                   | <b>168</b>  | <b>100</b> | <b>165</b>        | <b>100</b> | <b>150</b>  | <b>100</b> | <b>125</b>  | <b>100</b> |

<sup>1</sup> Refers to year 01.04.2016–31.03.2017

<sup>2</sup> Refers to year 01.01.2016–31.12.2016

## Specific Standard Disclosures

### continued

| <b>Aspect: Equal remuneration for women and men</b>    |   |   |   |
|--|---|---|---|
| G4-LA13  | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation. | CRS   | Arm will be publishing comprehensive gender pay analysis globally no later than April 2018 and annually thereafter.   |
| <b>Aspect: Supplier assessment for labor practices</b> |   |   |   |
| G4-LA14  | Percentage of new suppliers that were screened using labor practices criteria.                                      | CRS<br><a href="http://www.arm.com/company/policies/suppliers">www.arm.com/<br/>company/policies/<br/>suppliers</a> | <p>In 2014 we added requirements relating to responsible labor 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 Organization's (ILO) International Labour Standards and the provisions of the United Nations' Universal Declaration of Human Rights in respect of both its personnel and its suppliers.</p> <p>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 labor practices requirement within the Responsible Business section of the standard Arm Terms of Business.</p> <p>Since 2015 , we have been operating against our our suppliers code of conduct (which is available at <a href="http://www.arm.com/company/policies/suppliers">www.arm.com/company/policies/suppliers</a>) or an acceptable equivalent and suppliers are selected against this.</p> |
| G4-LA15  | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.        | CRS   | Arm does not have any significant (negative) actual or potential impacts on labor practice occurring within its supply chain.   |
| <b>Aspect: Labor practice grievance mechanisms</b>     |   |   |   |
| G4-LA16  | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.      | CRS   | There were no recorded grievances against Arm relating to its labor practices during the year ending 31 March 2017.   |

| Standard Disclosure   | Standard Disclosure Title   | Reference | Comment   |
|---|---|-----------|---|
| Sub-category: Human rights                                      |   |           |   |
| <b>Aspect: Investment</b>                                       |   |           |   |
| G4-HR1  | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.  | CRS       | All employees, across our global operations are required to read and acknowledge their understanding of our Code of Business Conduct and Ethics. This includes elements relating to human rights and fair labour practices. We have not undertaken any detailed, specific screening of our human rights exposure in relation to investments, contracts or operations since 2013. We are not aware of any current risks or exposure, however we expect to be reviewing our humans rights impacts across our global operations within the next 18 months , building on work last carried out in 2013 by Shift, a specialist non-profit organization.              |
| <b>Aspect: Non-discrimination</b>                               |   |           |   |
| 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 read and answer questions on the Code of Business Conduct and Ethics. This is conducted through online 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: <ul style="list-style-type: none"> <li>› 100% of employees receive human rights online training as part of their induction on Arm's business conduct policies.</li> </ul> |
| <b>Aspect: Freedom of association and collective bargaining</b> |   |           |   |
| 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 the year ending 31 March 2017.  |
| 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 the year ending 31 March 2017.  |

## Specific Standard Disclosures

### continued

| Standard Disclosure                       | Standard Disclosure Title   | Reference | Comment  |
|---|---|-----------|--|
| <b>Aspect: Child labor</b>                |   |           |  |
| G4-HR5                                    | Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.                              | CRS       | Aspect not material to Arm. See comment in section above.  |
| <b>Aspect: Forced or compulsory labor</b> |   |           |  |
| G4-HR6                                    | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor. | CRS       | None of our operations are considered at specific risk for forced or compulsory labor. We manage this risk by only dealing with reputable suppliers and ensuring all suppliers agree to follow the Arm Terms of Business and supplier code of conduct 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 Labor Organization's (ILO) International Labour Standards and provision of the United Nations Universal Declaration of Human Rights.  |
| <b>Aspect: Security practices</b>         |   |           |  |
| G4-HR7                                    | Percentage of security personnel trained in the organizations human rights policies or procedures that are relevant to operations.  | CRS       | Aspect not material to Arm.  |
| <b>Aspect: Indigenous rights</b>          |   |           |  |
| G4-HR8                                    | Total number of incidents of violations involving rights of indigenous peoples and actions taken.   | CRS       | Aspect not material to Arm.  |
| <b>Aspect: Assessment</b>                 |   |           |  |
| 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 organization to understand more about this area and the key guidelines provided by the UN Guiding Principles on Business and Human Rights. Arm has signed the Universal Declaration of Human Rights and we have integrated relevant human rights principles into our policies for employees and contractors. Our Human Rights Policy is incorporated in our Code of Business Conduct and Ethics. This is in addition to related existing policies including those on conflict minerals, business ethics and discrimination. These policies remain relevant and are reviewed on an annual basis to ensure they remain appropriate to the organization, its people and Partners. |

| Standard Disclosure                              | Standard Disclosure Title   | Reference   | Comment   |
|--|---|---|---|
| G4-HR10  | Percentage of new suppliers that were screened using human rights criteria.   | CRS<br><a href="http://www.arm.com/company/policies/suppliers">www.arm.com/<br/>company/policies/<br/>suppliers</a> | Our requirements from suppliers in respect of human rights is included within our standard supplier Terms of Business and supplier code of conduct. These referred to the suppliers' requirement to respect and promote the rights set out in the International Labour Organizations (ILO) International Labour Standards and provision of the UN's Universal Declaration of Human Rights.<br><br>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 and supplier code of conduct.                                      |
| G4-HR11  | Significant actual and potential negative human rights impacts in the supply chain and actions taken.               | CRS   | None identified.  |
| <b>Aspect: Human rights grievance mechanisms</b> |   |   |   |
| 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 the year ending 31 March 2017.  |
| Sub-category: Society                            |   |   |   |
| <b>Aspect: Local communities</b>                 |   |   |   |
| G4-SO1   | Percentage of operations with implemented local community engagement, impact assessments, and development programs. | CRS   | Arm's Corporate Responsibility program 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.<br><br>All Arm people can spend at least one day paid time each year on volunteer work through our Team Arm program. In 2016, 25% of our workforce took this opportunity, devoting 10,397 hours to skills-based volunteering, with more than 90% of our offices actively engaged in Team Arm activities around the world.                                       |
| 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.<br><br>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. |

## Specific Standard Disclosures

### continued

| Standard Disclosure                      | Standard Disclosure Title  | Reference | Comment  |
|--|--|-----------|--|
| <b>Aspect: Anti-corruption</b>           |  |           |  |
| G4-SO3                                   | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified. | CRS       | <p>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.</p> <p>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 upon joining the Company.</p> |
| 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 upon joining the Company. This requires online 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 the year ending 31 March 2017.  |
| <b>Aspect: Public policy</b>             |  |           |  |
| G4-SO6                                   | Total value of political contributions by country and recipient/beneficiary.   | CRS       | The Group does not make any political donations.   |
| <b>Aspect: Anti-competitive behavior</b> |  |           |  |
| G4-SO7                                   | Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.       | CRS       | Arm was not directly named in any legal actions relating to anti-competitive behavior, anti-trust and monopoly practices during the year ending 31 March 2017.   |

| Standard Disclosure  | Standard Disclosure Title  | Reference | Comment  |
|--|--|-----------|--|
| <b>Aspect: Compliance</b>                                  |  |           |  |
| 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 the year ending 31 March 2017.  |
| G4-SO9   | Percentage of new suppliers that were screened using criteria for impacts on society.  | CRS       | <p>Our requirements from suppliers in respect of their impacts on society is included within our standard supplier Terms of Business and supplier code of conduct. All new suppliers being created as repeat vendors in our financial systems (that is excluding one-off payments) are required to agree the standard Arm Terms of Business and supplier code of conduct.</p> <p>During 2015, we introduced a range of improvements to our supplier management processes. These included a new supplier code of conduct (available at <a href="http://www.arm.com/company/policies/suppliers">www.arm.com/company/policies/suppliers</a>) and improvements to the information we publish on our website about supplier relationships. The Code of Conduct explains our expectation on suppliers' approaches to ethical and responsible business and avoidance of negative impacts on society. Since 2015, we have been operating against this.</p> |
| G4-SO10  | Significant actual and potential negative impacts on society in the supply chain and actions taken.                          | CRS       | None identified.   |
| <b>Aspect: Grievance mechanisms for impacts on society</b> |  |           |  |
| 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 the year ending 31 March 2017.   |

## Specific Standard Disclosures

### continued

| Standard Disclosure                         | Standard Disclosure Title   | Reference | Comment                     |
|---|---|-----------|-----------------------------|
| Category: Product responsibility            |   |           |                             |
| <b>Aspect: Customer health and safety</b>   |   |           |                             |
| 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. |
| 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. |
| <b>Aspect: Product and service labeling</b> |   |           |                             |
| G4-PR3                                      | Type of product and service information required by the organizations procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements. | CRS       | Aspect not material to Arm. |
| G4-PR4                                      | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.  | CRS       | Aspect not material to Arm. |



| Standard Disclosure                                   | Standard Disclosure Title   | Reference | Comment  |
|---|---|-----------|--|
| <b>Aspect: Product and service labeling</b> continued |   |           |  |
| G4-PR5  | Results of surveys measuring customer satisfaction.   | CRS       | <p>This Aspect, as defined by GRI G4, under the heading Product and Service Labeling, is not considered material to Arm. This is based on the GRI narrative and description of its Aspects.</p> <p>We measure satisfaction across the following areas.</p> <ul style="list-style-type: none"> <li>› Technical Communications Survey (customer experience of Arm product documentation).</li> <li>› Connect Surveys (customer experience of Arm online service portal for secure collection and download of Arm products).</li> <li>› Remote Training Survey (customer experience of receiving remote/online Arm training).</li> <li>› Sales &amp; Legal Survey (customer experience of the under-pinning commercial process with Arm).</li> </ul> <p>The results are not available for public disclosure but are used internally for operational purposes.</p> |
| <b>Aspect: Marketing and communications</b>           |   |           |  |
| 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 the year ending 31 March 2017.   |
| 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 the year ending 31 March 2017.  |

## Specific Standard Disclosures continued

| Standard Disclosure             | Standard Disclosure Title   | Reference | Comment   |
|---------------------------------|---|-----------|---|
| <b>Aspect: Customer privacy</b> |   |           |   |
| 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 the year ending 31 March 2017.   |
| <b>Aspect: Compliance</b>       |   |           |   |
| 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 the year ending 31 March 2017. |

# GRI G4 Disclosures of Management Approach

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

This 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 35 out of the 46 material Aspects presented by the GRI G4 guidance are relevant to Arm and its stakeholders.

|  |   |
|--|---|
| Economic Performance; market presence. | See policies and links.   |
| Indirect economic impacts.             | See policies and links.   |
| 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 Strategic Review 2017 and on our website, see policies and link.   |
| Policies and links.                    | Strategic Review 2017 – found at <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a><br><a href="http://www.arm.com/company/policies/suppliers">www.arm.com/company/policies/suppliers</a><br><a href="http://www.arm.com/company/investors/financial-results">www.arm.com/company/investors/financial-results</a> |

## GRI G4 Disclosures of Management Approach continued

| Environment category   |   |
|--|---|
| Energy   | <p>The Arm estate generally consumes purchased electricity sourced from a regulated grid on commercial terms and we are now procuring “green” energy at some sites. 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.</p> <p>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 45 offices in 19 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 office moves in 2015 in India, China and Austin, all of which are accredited for energy efficiency.</p> <p>Our report covers emissions within operations that fall under Arm’s financial control. Therefore the data used accurately represents our global operations with regional conversion factors applied as required. We apply Defra/DECC GHG Conversion Factors for company reporting. Our reporting year has changed from 01.01.2016 – 31.12.2016 to 01.04.2016 to 31.03.2017. This report has taken into consideration figures from both reporting periods.</p> <p>Our environmental impact assessment includes energy use and air travel as our material CO<sub>2</sub>e contributors. We have excluded non-material emissions related to refrigerant losses in air conditioning systems, emissions related to motor vehicle use and emissions relating to waste streams.</p> <p>We calculate intensity based on a mid-year total headcount which includes all full time and fixed-term employees and contractors. We report our emissions and energy consumption on an absolute basis and also on an intensity basis, with our targets intensity based. Given our continuous, year-on-year growth, it is not practical for us to achieve an absolute reduction in either energy or emissions. But we can do more to reduce our intensity rates and are establishing a comprehensive climate change mitigation strategy. The strategy is being introduced following establishment of our measurement principles and will first identify potential energy and emission reductions in all our locations. Alongside the identification of efficiency reductions, we will explore the potential for increasing renewable energy use across our global estate.</p> <p>In 2017, Arm has committed to adopting Science-Based Targets. Further detail on this approach and the revised targets will be publicly communicated in early 2018.</p> |
| Water, biodiversity, emissions, effluents and waste, products and services, compliance | <p>Arm has a Global Environmental Policy that addresses the impact of the Company on the environment including offices and operations of Arm. Arm recognizes 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.</p> <p>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 centralized system. Reports are generated and reviewed at a corporate (senior management) level at the half yearly 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.</p> <p>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.</p>  |

| Environment category               |  |
|------------------------------------|--|
| Transport                          | <p>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 Management on a monthly basis. Carbon emission data is reported twice a year through the EUCCC.</p>  |
| Supplier environmental assessment  | <p>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.</p>   |
| Environmental grievance mechanisms | <p>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.</p>   |
| Monitoring and evaluation          | <p>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 analyzed 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.</p> <p>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.</p> <p>In 2017, Arm has committed to adopting Science Based Targets. Further detail on this approach and the revised targets will be publicly communicated in early 2018.</p> |
| Policies and links                 | <p><a href="http://www.arm.com/company/policies">www.arm.com/company/policies</a><br/> <a href="http://www.arm.com/company/corporate-responsibility">www.arm.com/company/corporate-responsibility</a><br/> <a href="https://www.arm.com/company/investors">https://www.arm.com/company/investors</a><br/> <a href="http://www.cdp.net">www.cdp.net</a></p>   |

## GRI G4 Disclosures of Management Approach continued

| Social category  |   |
|--|---|
| <b>Sub-category: Labor practices and decent work</b>   |   |
| Employment, labour management relations, training and education, diversity and equal opportunity and equal remuneration for women and men. | <p>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. People team at Arm enables the delivery of a high performance, high engagement organization by ensuring that our people policies, systems and processes are efficient, impactful and meritocratic across Arm. The structure of the People team, its defined roles and responsibility and management oversight is designed to support the corporate strategic objectives of the business.</p> <p>The People team 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 the People team.</p> <p>Arm strives for equal opportunities for all its employees and does not tolerate any harassment of, or discrimination against, its staff. The People team is represented on the Arm Executive Committee by the Executive VP of People.</p>   |
| Occupational health and safety.  | <p>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.</p> <p>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 program that includes external auditing of processes and offices. The ultimate responsibility for health and safety sits with the Board and the CEO.</p>   |
| Supplier assessment for labor 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 labor practices and human rights.   |
| Labor practices grievance mechanisms.  | <p>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 Information Officer, the VP Business Assurance, the Head of Internal Audit, the VP Operations, the Senior Director, M&amp;A, OE and Systems, the VP Management System Development, the Director of Legal and the Company Secretary.</p> <p>Arm operates a whistleblowing policy for employees to report unethical business practices to senior management in the strictest confidence. This includes a 24 hour dedicated anonymous helpline. This may be used to report concerns over labor practices. Management structures and the fellowship may be used internally to raise issues and concerns. All employees have a dedicated HR Business Partner who then can then discuss any matters of concern in the strictest confidence.</p> <p>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.</p> |
| Monitoring and evaluation.   | The Arm people engagement survey is used to measure whether employees are engaged, enabled and energized and can be used to raise suggestions for improvement. Selected survey results are also used as KPIs for the business.  |
| Policies and links.  | <p>Strategic report 2017: found at <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a></p> <p><a href="https://www.arm.com/company/investors">https://www.arm.com/company/investors</a></p> <p><a href="http://www.arm.com/careers">www.arm.com/careers</a></p>  |

| Social category   |  |
|---|--|
| <b>Sub-category: Human rights</b>   |  |
| Non-discrimination, freedom of association and collective bargaining, forced or compulsory labor. | Arm has signed the Universal Declaration of Human Rights and has integrated relevant human rights principles into its policies for employees and contractors. Our Human Rights Policy is incorporated in our Code of Business Conduct and Ethics. This policy complements existing policies, which include the Global Equal Employment Opportunities, the Company Health and Safety Policy, Grievance policy and procedure and the Company Whistleblowing Policy. All policies are endorsed by Executive management and the Board.   |
| Supplier human rights assessment.   | This Aspect is managed through the procurement function and the use of the standard Arm Terms of Business and supplier code of conduct 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 Information Officer, the VP Business Assurance, the Head of Internal Audit, the VP Operations, the Senior Director, M&A, OE and Systems, the VP Management System Development, the Director of Legal and the Company Secretary. |
| Monitoring and evaluation.  | Refer to the role of the Compliance Committee described above.   |
| Policies and links.   | <a href="http://www.arm.com/company/corporate-responsibility">www.arm.com/company/corporate-responsibility</a><br>Strategic Review 2017 – found at <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a><br><a href="https://www.arm.com/company/investors">https://www.arm.com/company/investors</a><br><a href="http://www.arm.com/company/policies/suppliers">www.arm.com/company/policies/suppliers</a>   |
| <b>Sub-category: Society</b>  |  |
| Local communities.  | Engagement with the local community is managed through the Corporate Responsibility function. Refer to <a href="http://www.arm.com/company/corporate-responsibility">www.arm.com/company/corporate-responsibility</a> for detail on the strategy and approach for delivering outreach and engagement with the community.   |
| Public policy.  | Public policy engagement operates within the Corporate Responsibility function.  |
| Anti-competitive behavior, compliance.  | <p>Arm endeavors 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.</p> <p>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.</p>  |
| Supplier assessment for impact on society.  | This Aspect is managed through the procurement function and the use of the standard Arm Terms of Business and supplier code of conduct as a reference point for suppliers' consideration of their impact on society and corporate social responsibility approaches.  |

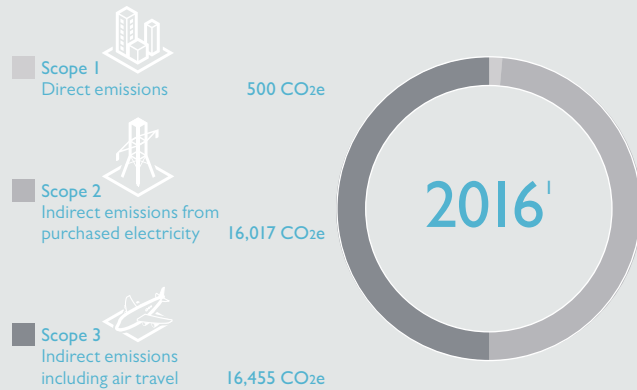
## GRI G4 Disclosures of Management Approach continued

| Social category continued                                  |   |
|--|---|
| <b>Sub-category: Society</b> continued                     |   |
| Grievance mechanisms for impacts on society.               | <p>Arm operates a whistleblowing policy for employees to report unethical business practices to senior management in the strictest confidence. This includes a 24 hour dedicated anonymous helpline. This may be used to report concerns over labor practices. Management structures and the fellowship may be used internally to raise issues and concerns. All employees have a dedicated HR Business Partner who then can then discuss any matters of concern in the strictest confidence.</p> <p>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.</p> |
| Monitoring and evaluation.                                 | See policies and links  |
| Policies and links.  | <p><a href="http://www.arm.com/company/corporate-responsibility">www.arm.com/company/corporate-responsibility</a></p> <p>Strategic Review 2017 – found at <a href="http://www.arm.com/company/investors">www.arm.com/company/investors</a></p> <p><a href="https://www.arm.com/company/investors">https://www.arm.com/company/investors</a></p> <p><a href="http://www.arm.com/company/policies">www.arm.com/company/policies</a></p>   |
| <b>Sub-category: Product responsibility</b>                |   |
| Marketing communications, customer privacy and compliance. | <p>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 Program 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 organization to the initiative and principles. See also policies and links.</p>   |
| 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.  | <p><a href="https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/347551">https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/347551</a></p> <p><a href="https://www.arm.com/company/investors">https://www.arm.com/company/investors</a></p>   |

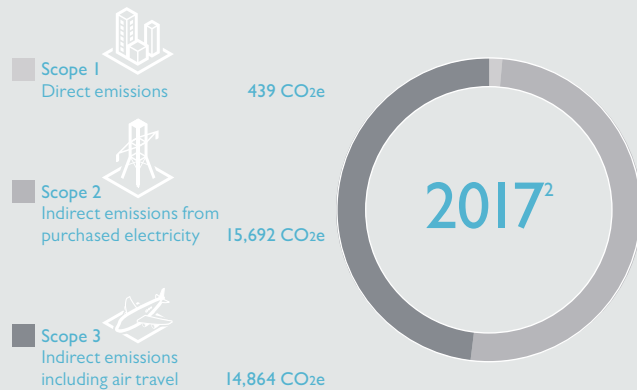


# Carbon emissions by scope and intensity

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



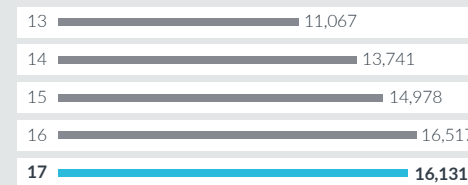
## Emissions by scope (tCO<sub>2</sub>e)



<sup>1</sup> Refers to year 01.01.2016–31.12.2016

<sup>2</sup> Refers to year 01.04.2016–31.03.2017

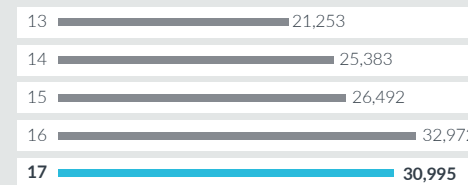
## Total scope 1 and 2 emissions (tCO<sub>2</sub>e)



## Scope 1 and 2 intensity by headcount\* (CO<sub>2</sub>e)



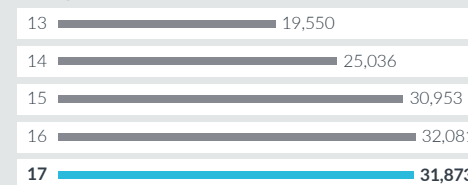
## Total scope 1, 2 and 3 emissions (tCO<sub>2</sub>e)



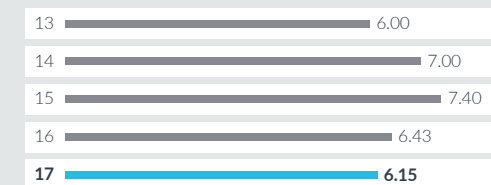
## Scope 1, 2 and 3 intensity by headcount\* (CO<sub>2</sub>e)



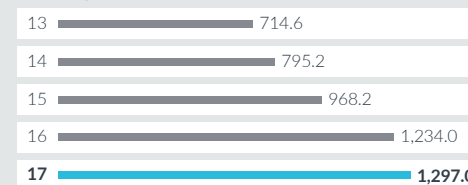
## Energy consumption - electricity only (Mwh)



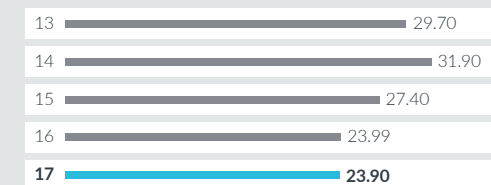
## Headcount - electricity only\* (Mwh)



## Sterling revenues normalised (£m)



## Carbon by economic output (tCO<sub>2</sub>e/£m)



\* The headcount is calculated at mid-year and includes all employees including contractors.



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[linkedin.com/company/arm](https://linkedin.com/company/arm)

