A Connected World for Everyone

Sustainable Business Report
Year ending March 31, 2022
Welcome to Our Annual Sustainable Business Report

This report aims to provide transparent and meaningful information to explain how our business operations create positive impact for our people, the environment, and society.

It collates Arm’s key environmental, social, and governance (ESG) progress for the 2021 Financial Year (FY21). During this time, we conducted a new materiality assessment to update our ESG priorities with the issues that matter most to our stakeholders.

In alignment with best reporting practices, we have gathered content “with reference to” the Global Reporting Initiative (GRI) 2021 Universal Standards. Our FY21 GRI Index is available to view in our Appendix.

Our annual Communication on Progress against the United Nations Global Compact Principles can be found online.

The scope of this report applies to Arm Limited. The reporting period for data shared starts April 1, 2021 and ends March 31, 2022.

Due to an update in our carbon emissions methodology and expansion of measurement to all scopes and all categories, we have restated FY19 and FY20 figures for our Scope 1, 2, and 3 emissions and environment data.
I’ve been working at Arm for nine years now, and it has been an honor to step into the CEO role at such an exciting time for us. Computers can now be found everywhere, from the tiniest sensors that monitor and generate data at the far reaches of the Internet of Things (IoT) to the biggest supercomputers in the world, and every node on a vast network between. Arm’s DNA is all about power efficiency and the demand for highly efficient compute is increasing exponentially, which gives us great opportunity. With 250 billion chips shipped, wherever there is compute, there is Arm; the world’s most popular and pervasive computer architecture.

This brings with it great responsibility. We take seriously our accountabilities as a global company to minimize our climate impact and aspire to help our industry do this as well, and to improve access to technology and address inequalities, so that technology can be a force for good, for everyone.

As a member of the United Nations Global Compact (UNGC), our work is guided by our sustainability strategy: our long-term framework to balance the need for increased global connectivity with the need to decarbonize our economies. In FY21, we engaged an independent advisory firm to update our materiality assessment to ensure we are focusing on the key areas for our business.

We are making good progress toward our net zero carbon by 2030 commitment, aligning with the Paris Agreement’s 1.5°C pathway and committing to reduce absolute emissions by at least 42 percent (from a 2019 baseline). Our net zero progress report details our absolute carbon-reduction targets under this commitment and is something we will continue to publish. In the coming years, we will expand our reporting to include our response to the Task Force on Climate-related Financial Disclosures (TCFD), enabling us to make more informed decisions about any future business transition planning.

We believe in the power of technology to build a better world for everyone and continue to commit to helping deliver inclusive and equitable solutions that serve global communities. Through our social impact work we focus on the areas where we and technology can most effectively play a role to address inequalities. We want to drive positive and sustainable impact through technology that aims to leave no one behind and helps to close the digital divide. We are proud of our social impact ecosystem of dedicated partners who continue to face daunting challenges yet deliver outsized impact for those who need it the most. And through our emerging economies strategy we continue to drive social impact and technological development in our core business.

As part of our emerging economies strategy, in South Africa, we launched the Arm pilot (E3rNGAGE Lab), focused on engaging, educating, and cultivating local technology ecosystems to support digitalization initiatives across Latin America and Africa. This will unlock opportunities to maximize our social impact through new business partnerships while helping us to maintain a sustainable business model by entering new markets.

We continue to focus on our local communities through Team Arm, our employee community engagement program. This supports our people to take action on the causes they care about in our communities, and in FY21, our colleagues recorded 9,400 volunteering hours, as we came out of the pandemic.

The past year has also been a great opportunity to reconnect in person and take positive actions together. Our Core Beliefs—Do great things, We not I, and Be your brilliant self—define our commitment to all those who work for Arm, and are key to our diversity, equity, and inclusion (DEI) efforts. Over the last several years, we have been intentional about elevating our commitment to DEI and have made progress in fostering a more diverse, equitable, and inclusive culture at Arm. In 2023, we will continue embedding DEI into how we operate, work together, and make decisions—both internally and externally—with increased communication and accountability, and specific plans to take action in areas where needed.

I’m really proud of what Arm is achieving, and the potential we have to make a positive difference in the world and the communities that we live and work in. Of course, there is always more for us to do—and I’m excited about what comes next as we work toward building the future of computing on Arm.
FY21 Key Highlights

One of the World’s Most Ethical Companies (Ethisphere Institute) for the third year running

6,329 established employees

90 nationalities across our employee network

2,159 cumulative licenses signed

653 licensees

95% market share for Arm-based application processors in mobile devices

$2.66bn revenue

$915.2m spent on research and development

29.2bn chips shipped
About Arm

Arm is the world’s leading semiconductor intellectual property (IP) supplier. Our technology is at the heart of a computing and data revolution transforming the way people live and businesses operate.

Our Technology
Our energy-efficient processor designs and software platforms have enabled advanced computing in more than 225 billion chips (as of March 31, 2022) and our technologies securely power products, from the sensor to the supercomputer.

Our innovations can create real change for people and planet as part of the solution to critical global challenges.

Together with 1,000+ technology partners, we are at the forefront of designing, securing, and managing all areas of artificial intelligence (AI)-enhanced connected computing.

Partnerships for Positive Impact
To advance a more connected and equitable world, we are partnering within and beyond our industry for positive impact towards the United Nations Global Goals for Sustainable Development. These connections include memberships at several associations and industry organizations in the countries where we operate, such as the International Telecommunication Union, EngineeringUK, techUK, TechWorks, and Business in the Community. We also participate in international coalitions such as the United Nations Global Compact (UNGC).

Recognition, Participation and Awards
Our commitment to partnering for the UN Global Goals for Sustainable Development continues with our support for key external initiatives.

Sustainable Development Goals
Delivering impact against the Global Goals as part of Project Everyone’s Business Avengers.

GRI
We report with reference to the GRI 2021 Universal Standards.

UNGC
Arm is a member of the UNGC.

RE100
We have publicly committed to sourcing 100% renewable electricity by 2023.

CDP Climate
Our CDP 2021 climate change score was B.

CDP Supply Chain
Arm is a member of CDP Supply Chain, and we’re working with our top 500 suppliers by spend.

World’s Most Ethical Companies
For the third year running, Arm is listed in the World’s Most Ethical Companies by Ethisphere.
Our Global Presence

Headquartered in Cambridge, UK, we have a further 27 offices in 17 countries. These include our major research and development (R&D) centers in the UK, US, China, Israel, France, Norway, and Sweden.

As of March 31, 2022, Arm employed 6,329 established people: 4,758 technical employees and 1,571 nontechnical employees, including employees from 90 nationalities.

1 Since September 2021, for all requests relating to a technical or engineering split (including those to SoftBank, the Executive Committee and external sources), we have been using a new methodology based on planning role and group.
2 Employee figures here refer to established employees only (excluding fixed term and external, which include self-employed individuals, contractors, and consultants who are not directly employed by Arm).
3 Source: As reported in SoftBank Q4 Earnings Releases for each respective year.
4 External and fixed-term employees are not included in this figure.

As of March 31, 2022, Arm employed

- 6,329 established employees
- 4,758 technical employees
- 1,571 nontechnical employees
- 1,411 external employees
- 71 fixed-term employees

<table>
<thead>
<tr>
<th>Year ending March 31</th>
<th>Market share for Arm-based application processors in mobile devices</th>
<th>Arm-based chips shipped</th>
<th>Market share of all chips with processors</th>
<th>Revenue</th>
<th>R&amp;D investment</th>
<th>Established employees worldwide</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2020</td>
<td>95%</td>
<td>22.2bn</td>
<td>34%</td>
<td>$1,809m</td>
<td>$714.4m</td>
<td>6,732</td>
</tr>
<tr>
<td>March 31, 2021</td>
<td>95%</td>
<td>25.1bn</td>
<td>35%</td>
<td>$1,980m</td>
<td>$886.7m</td>
<td>6,370</td>
</tr>
<tr>
<td>March 31, 2022</td>
<td>95%</td>
<td>29.2bn</td>
<td>36%</td>
<td>$2,665m</td>
<td>$915.2m</td>
<td>6,329</td>
</tr>
</tbody>
</table>

Nationalities employed by Arm globally
- 99
- 93
- 90
Business Model

Our business model is in itself innovative, placing us at the center of the world’s largest compute ecosystem.

Arm designs and licenses IP design rather than manufacturing and selling chips. Our network of partners, which includes the world’s leading semiconductor and systems companies, utilizes Arm IP designs to create and manufacture energy-efficient system-on-chip designs. We receive a license fee for the original IP and a royalty for every chip or semiconductor wafer produced.
In 2022, we engaged an external consultant to update our 2020 materiality assessment and matrix based on short-, medium-, and long-term ESG strategies and industry insights. The materiality assessment included:

- Industry benchmarking to identify relevant frameworks and standards
- Identifying ESG areas of increasing importance through business unit workshops
- Locating gaps in previous assessments where additional topics have been introduced

### Material Issues

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
<th>Governance</th>
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<tbody>
<tr>
<td>Climate Crisis</td>
<td>Employee Experience</td>
<td>Anti-Corruption and Anti-Competitive Behavior</td>
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<tr>
<td>E-Wastea</td>
<td>Diversity and Equal Opportunity</td>
<td>Public Policy</td>
</tr>
<tr>
<td>Water</td>
<td>Developing a Future Workforce</td>
<td>Ethics and Integrity</td>
</tr>
<tr>
<td>Waste</td>
<td>Human Rights and Forced Labor</td>
<td>Value Chain Sustainability</td>
</tr>
<tr>
<td>Clean Technologya</td>
<td>Future of Work</td>
<td>Economic Performanceb</td>
</tr>
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<td></td>
<td>Privacy and Security</td>
<td>Business Resilienceb, f</td>
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<tr>
<td></td>
<td>Accessible and Inclusive Products</td>
<td>Responsible Procurement Practicesf</td>
</tr>
<tr>
<td></td>
<td>Responsible Technology</td>
<td>Taxf, g</td>
</tr>
<tr>
<td></td>
<td>Indirect Economic Impactsf</td>
<td>Product Design and Lifecycle Managementf</td>
</tr>
<tr>
<td></td>
<td>Employee Health and Safetya</td>
<td>Ownership and Controlf</td>
</tr>
</tbody>
</table>

5 New topic in 2020 materiality assessment
6 New topic identified
7 Previously under economic topics
Sustainability Strategy

The technology industry faces a unique problem: balancing the need for increased global connectivity with the need to decarbonize our economies. Our sustainability framework introduces our long-term strategy to tackle this challenge while supporting our current focus on minimizing our environmental impact and maximizing our social impact.

Closing the Digital Divide
We are working to maximize our social impact by advancing business opportunities and closing the digital divide between those who have full access to digital technologies and the billions of people who currently do not.

Decarbonize Compute
We are working to minimize our environmental impact, and have a long-term ambition to contribute to decarbonizing compute. Our initial focus is on lowering our own emissions to achieve net zero and minimize our climate impact. We also recognize that Arm’s power efficient and energy efficient technology has a role to play in decarbonizing compute, and we will continue to explore this with our partner ecosystem.

Global Problem Solvers
We nurture brilliant people and their diverse perspectives to empower our wider global ecosystem to tackle the world’s complex problems. Our social impact partnerships are intended to help close education and skills gaps in computer engineering and science, technology, engineering, and mathematics (STEM), accelerating innovation and extending opportunities beyond our typical sphere of influence.

Responsible Technology
Responsible, ethical, and secure technology is critical to our license to operate as we seek to maximize positive impact. We aim to drive industry standards by building fair and inclusive products while tracking our progress on issues such as security and safety.
Environment

We have established an emissions reduction pathway to meet our science-aligned Net Zero commitments by 2030. This work includes expanding our disclosures to enhance future business planning and minimizing our climate impact.

Our omnipresence within data processing provides us with the opportunity to influence and contribute to the wider energy efficiency of the technology sector.

Contents

11 Climate Change and Greenhouse Gas Emissions
12 Net Zero Roadmap
Climate Change and Greenhouse Gas Emissions

Arm is aiming to cut absolute emissions by at least 42 percent (from an FY19 baseline) to achieve net zero carbon across our business by 2030.8 This commitment includes investments in accredited carbon removal projects to offset any remaining emissions at the point of net zero.

Our Net Zero Commitments
By 2030, we will ...

- Source 100% renewable electricity
- Achieve a 20% absolute reduction in energy use
- Achieve a 7% absolute reduction in emissions from travel for work
- Achieve a 42% absolute reduction in our supply chain emissions
- Support and drive innovation in nature and tech-based carbon-removal solutions
- Empower our people to make low-carbon choices

8 Arm set its net zero target a year prior to the Science Based Targets initiative publishing an official definition for this term. We are working to align with the new definition and are committed to being transparent about what we mean by net zero, as an early adopter of the term. We welcome the clarity the new definition provides.
Net Zero Roadmap

Based on our commitments and progress to date, we have set a pathway to help us meet net zero by 2030.

Arm: GHG Emissions and Net Zero Trajectory

We started our emissions measurement in 2009
We started our net zero commitment in 2020 (FY19 baseline)
We will start carbon-removal offsetting from 2023
NET ZERO 2030

Arm was founded in 1990

Based on our commitments and progress to date, we have set a pathway to help us meet net zero by 2030.

Exact figures are in development and will be added to the next update to this graph in future reporting.
**Net Zero Progress**

We expanded our commute survey to include all global employees for the first time and we are continuing to measure emissions of homeworking now that we have moved to a hybrid working model.

**Commuting and Homeworking**

We expanded our commute survey to include all global employees for the first time and we are continuing to measure emissions of homeworking now that we have moved to a hybrid working model.

**Supply Chain**

We published our supply chain carbon emissions for the first time alongside our new supply chain absolute reduction target.

**Technology Development**

We launched an app that helps our people better understand their emissions and make low-carbon choices.

**Renewable Electricity**

As an RE100 company, we’re committed to sourcing 100% renewable electricity by 2023. At the end of FY21, 98 percent of our electricity footprint was covered by renewable sources.

**Business Travel**

We made progress against our goal to reduce absolute emissions from business travel by 7 percent from an FY19 baseline by 2030, achieving a 99 percent decrease in FY21.
TCFD
Arm is planning to make a TCFD disclosure in its FY23 reporting (to be published in FY24). The results of that disclosure, and the work leading to it, will enable us to make more informed decisions about any future business transition planning. We are already publicly committed to net zero carbon by 2030 across all emission scopes, aligned to a 1.5°C world.

Water
Arm’s water consumption is for general office requirements and is sourced through domestic supply systems. Wastewater from Arm offices around the world is passed through domestic wastewater systems and treated according to local laws and regulations.

We collect water consumption data from all sites where data is available and make best estimates based on headcount where it is not.

Waste
The majority of waste at Arm occurs within office spaces, with management approaches varying depending on location and region.

Waste data is not collected consistently across the global estate, and reliable data is only available for some UK sites. The types of waste generated from our estate include general office waste, food waste where recycling facilities are not provided, recyclable waste, and nonrecyclable waste. We recycle our IT equipment, other electrical waste, and furniture as much as possible.

Energy
We use the most recent UK Department for Business, Energy & Industrial Strategy emissions factors to calculate emissions using collated energy data.

Our CDP 2021 climate change score was a B, which puts us in the “Management” bracket.
FY21 Footprint Breakdown

Scope 1 and 2 Emissions
Measuring our carbon footprint is critical to understanding the impact of our operations. Tracking Scope 1 (direct emissions such as running boilers) and Scope 2 (indirect emissions such as purchasing electricity) emissions is vital for us to reduce our impact across our direct operations.

Scope 3 Emissions
The majority of Arm’s carbon footprint comes from Scope 3 emissions (emissions such as those from our value chain) and relates to activities that are not owned or directly controlled by Arm. Our Procurement team has committed to a 42 percent reduction in supply-chain carbon, which is supported by our work with CDP Supply Chain. We have gathered data to measure supply chain emissions and our next step is to work with suppliers to reduce emissions.

Environment Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1 emissions (CO2e)</th>
<th>Scope 2 emissions (market-based) (CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'21</td>
<td>24</td>
<td>276</td>
</tr>
<tr>
<td>'20</td>
<td>14</td>
<td>1,821</td>
</tr>
<tr>
<td>'19</td>
<td>384</td>
<td>13,409</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 2 emissions (location-based) (CO2e)</th>
<th>Scope 3 emissions (CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'21</td>
<td>14,565</td>
<td>44,425</td>
</tr>
<tr>
<td>'20</td>
<td>13,458</td>
<td></td>
</tr>
<tr>
<td>'19</td>
<td>16,153</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Scope 1 and 2 emissions (CO2e)</th>
<th>Total Scope 1, 2, and 3 emissions (CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'21</td>
<td>300</td>
<td>44,425</td>
</tr>
<tr>
<td>'20</td>
<td>1,868</td>
<td>44,425</td>
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<tr>
<td>'19</td>
<td>13,793</td>
<td>44,425</td>
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</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy consumption (electricity only) (MW)</th>
<th>Renewable electricity and % of total energy consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>'21</td>
<td>47,174</td>
<td>46,282 (98%)</td>
</tr>
<tr>
<td>'20</td>
<td>36,208</td>
<td>31,619 (87%)</td>
</tr>
<tr>
<td>'19</td>
<td>40,187</td>
<td>11,269 (28%)</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Water consumption (cubic meters)</th>
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<tbody>
<tr>
<td>'21</td>
<td>40,226</td>
<td></td>
</tr>
<tr>
<td>'20</td>
<td>30,588</td>
<td></td>
</tr>
<tr>
<td>'19</td>
<td>91,297</td>
<td></td>
</tr>
</tbody>
</table>
Social

Arm believes responsible technology has the potential to solve complex global challenges. An enabler of positive change and inclusive innovation, we’re working together with our people and social impact partners to build the connected future of computing for everyone, everywhere.

Nurturing our social impact ecosystem enables a diverse and holistic perspective on technology requirements around the world. This enables expansion into new areas alongside impact at scale to help us maintain a sustainable business model.

Contents
17 Social Impact
18 Industry-Leading Solutions
20 Team Arm
21 Our People
Social Impact

We envision a world where technology enables a more sustainable future. We are maximizing our social impact in the face of increasing challenges—addressing inequalities and social responsibility—through the power of technology.

Our Approach

Our social impact and innovation strategy—part of our sustainable business approach—leads our efforts on reducing inequality and closing the digital divide. This work is guided by our business approach: a long-term view on grants and partnerships and a unique partner ecosystem. In partnerships, we look for opportunities where we can add value and expertise, and have long invested in start-ups to have a multiplier effect.

You can learn more about our social impact strategy, partnerships, and impact measurement methodology in our Social Impact & Innovation report.

Overall Reach of Arm Social Impact and Innovation Partnerships (2015–2022)

- 20.5m people reached indirectly
- 3.9m people reached directly
- 767.3m people reached by innovations catalyzed by social impact and innovation (SII) partnerships
- 70+ SII initiatives catalyzed by Arm
- 75+ SII external partner organizations
- 700 young innovators and entrepreneurs supported by Arm
- 30,000+ interactions enabled with participation of Arm employees
- 70+ SII initiatives catalyzed by Arm
- 75+ SII external partner organizations
- 700 young innovators and entrepreneurs supported by Arm
- 30,000+ interactions enabled with participation of Arm employees

Arm Social Impact and Innovation Strategy

Our social impact and innovation strategy extends the benefits of technology to the 2.5bn people not currently prioritized in tech development by 2030.
Industry-Leading Solutions

At our current rate of acceleration, 100 percent of the world’s shared data will be processed, at some point, by Arm. This omnipresence gives us the opportunity to provide low-power core technology to play a part in reducing global energy consumption and, in turn, emissions, in pursuit of a net zero future for the industry.

Nurturing the Next Generation of Sustainable Innovators

Arm has been part of the UNGC Young SDG Innovators Programme since 2019. The ten-month accelerator is an opportunity for UNGC companies to identify and create a network of high-performing talent dedicated to innovating business solutions toward the Global Goals.

Our 2021/22 cohort consisted of a team of four young professionals, who worked to design more sustainable business models, initiatives, and products for Arm.

(E³)NGAGE Lab Launch

The Arm pilot (E³)NGAGE Lab was launched in early 2022 in South Africa to support digitization initiatives across emerging economies in partnership with Cortex Hub. The lab is focused on engaging, educating, and cultivating local technology ecosystems while introducing Arm as a central pillar of these computing ecosystems.

Digital technologies will have a profound impact on the way we live in the coming decade, with the most pronounced changes occurring in emerging economies within Africa and Latin America. This opportunity to make a positive difference is also one of the largest economic opportunities of our time.

The next stage of our pilot lab will be to apply learnings gained there as a blueprint for opening additional (E³)NGAGE centers elsewhere in Africa and in Latin America. The long-term impact of this lab model across targeted ecosystems includes increased awareness and prominence of Arm’s technologies, capacity, and ecosystem capabilities.

Bridging the Digital Divide

Worldwide, 2.3 billion people in emerging economies now have access to mobile broadband coverage, but many still cannot afford the typical smartphone (Alliance for Affordable Internet). Low-tier smartphones built on Arm technology can bridge this digital divide, creating a path to improved accessibility in emerging economies.

Based on the current landscape, a combination of advanced capabilities and experiences on low-tier smartphones and new financing models is required to connect this growing audience, requiring our collaboration with the wider industry.
Partnering for Inclusive Innovation

Arm has been working with UNICEF and its Office of Innovation since 2015 to identify the best ways to harness the power of technology and transform children’s lives across the world. You can learn more about our partnership and impact measurement methodology in our Arm + UNICEF: Seven Years of Partnering for Inclusive Innovation report. Together we have reached:

- **596,000 people** through deep engagement with partnerships
- **11 million people** through broader engagement initiatives
- **17 million people** through tech innovations enabled by this partnership
- **180 million people** through advocacy and sector initiatives

**Arm and UNICEF Tackle COVID-19 With Connectivity**

In the new reality of lockdowns, closures, and disconnectedness, we deployed tailored COVID-19 response and action programs to support children through digital cooperation.

U-Report is a messaging tool that empowers young people across 68 countries (and counting) to engage with and speak out on issues that matter to them. The tool was integrated across platforms such as Facebook Messenger, WhatsApp, and Viber to allow UNICEF to share lifesaving information with young people such as how to stay safe during a storm.

With Arm’s cooperation and funding, UNICEF launched the Fintech for Impact program with ING. The pilot aims to invest in and develop financial technology solutions toward the creation of better opportunities to positively impact the sector and help people facing financial difficulties.

As COVID-19 has shown, challenges and crises cross borders, as do innovation and ingenuity. Arm and UNICEF joined forces to support the UN Development Programme and Hackster.io’s COVID-19 Detect & Protect Challenge. Arm promoted the challenge and supported the winning idea’s journey to global Digital Public Goods distribution and to deliver social value.


- $2.8 million in funding provided by Arm in response to the COVID-19 pandemic and a further $550,000 donated by colleagues
- Over 25,000 vaccines funded for low- and middle-income countries (LMICs) through Arm’s participation in the Go Give One campaign thanks to the generosity of 575 colleagues
- Reallocated partnership funding resulted in over 40,000 doses of COVID-19 vaccines being delivered to LMICs in 2021
- Strategic global partnership donations made to 11 organizations
- Over 15,000 hours of company time given through employee volunteering
- 125 charities and nonprofit organizations supported through our COVID-19 Community Fund, totaling $670,000 and averaging $5,400 each

In December 2021, Arm relaunched the COVID-19 Community Fund to provide deeper and more long-term support to our communities. A further $200,000 of grants was made available to previous recipients and new candidates in the previously underrepresented Asia Pacific (APAC) area.

**The Vaccine Alliance**

Gavi, the Vaccine Alliance is a public-private partnership that helps vaccinate almost half the world’s children against deadly and debilitating infectious diseases. As a partner, we aim to enable stronger interoperability of technologies, modularity of tools, and visibility across the vaccine delivery chain to protect every child against vaccine-preventable deadly diseases. In 2022, our partnership continued to focus on the accessibility of COVID-19 vaccines.
Supporting Communities

Girls Leadership Academy Meetup
The Girls Leadership Academy Meetup (GLAM) project equips girls aged 8–12 from around the world with the skills and confidence to seek leadership roles and create positive change in the world. A proud sponsor of GLAM, Arm continued to support the GLAM Virtual leadership program in FY21:

- 210 girls from nine countries heard from inspirational female speakers from the world of technology, coded with women from Arm, and learned how to deliver business pitches
- 64 Arm colleagues volunteered to help deliver the program
- 86 percent of girls said they wanted to continue coding

For Inspiration and Recognition of Science and Technology (FIRST)
FIRST is a global education non-profit, exciting young people about STEM through robotics programs. Arm is the global sponsor of the FIRST Tech Challenge Control Award, providing student teams with recognition for innovative use of sensors and programming on their robots. During the 2021/22 season, almost 70,000 students participated in the FIRST Tech Challenge globally. In addition to Arm’s investment in the Control Award, in FY21 we continued to award grants to FIRST teams with a connection to Arm employees, favoring women-led teams. In the UK, Arm is FIRST’s Inclusion Partner, providing funding to remove barriers to participation for underserved and underrepresented groups of young people.

Uptree
Since 2018, Arm has partnered with Uptree in the UK, a professional network connecting young people and employers.

In FY21, Arm employees met 859 students through events and work experiences hosted by our Cambridge, Sheffield, Manchester, and Warwick offices. 85 percent of participants said events like these helped them understand careers in STEM. 91 percent also said that they considered Arm to be an attractive employer. In 2022, we hired three apprentices as part of our expanded partnership.

Second Harvest Silicon Valley
Second Harvest Silicon Valley (SHSV) distributes nutritious food through a network of nearly 400 partners across 900+ sites across San Jose and neighboring communities. They leverage every available food resource and collaborate with organizations and people that share their belief that hunger is unacceptable.

As a community partner, Arm is proud to support SHSV financially and through volunteerism to combat food insecurity in our community. Over the past year, over 100 volunteers have contributed more than 500 hours in support of Second Harvest through internal fundraisers, food drives, and monthly on-site food packing (equating to over 60,000 meals per year).
Our People

Arm relies on our strong workforce of passionate employees and encourages everyone to bring their best selves and their best ideas to work—building a culture focused on empowering our people.

Arm’s Culture and Core Beliefs
Our Core Beliefs are simple, memorable, and rich in meaning. Together, they articulate the uniqueness of Arm’s culture. By embracing the Core Beliefs, we aim to create a workplace that people love, where each of us adds more value and, ultimately, increases our competitive advantage.

Do great things
Working at pace, embracing challenges, finding a way

We, not I
Win together, not alone

Be your brilliant self
Skillful individuality, performance, and inclusion

Wellbeing
Arm is continually looking to improve wellbeing offerings. For example, sit-stand desks are now offered in many offices as standard. Our dedicated Wellbeing team performs display screen equipment assessments and provides physiotherapy and physical wellbeing sessions, such as HIIT training, yoga, and Pilates. Additional initiatives to promote worker wellbeing and mental health include:

- Days of Care: designed to put the whole company in quiet mode, “Days of Care” are additional days off work offered to all employees quarterly to allow time to recharge
- A centralized global Wellbeing Hub and blog providing information and resources to support emotional, mental, social, and financial wellbeing
- Specialist training such as managing mental health at work courses and sessions on managing stress
- Access to applications such as Unmind and specialist counseling to support mental health and other concerns

Learning and Development
Arm’s approach to learning and development is led by our Global Learning and Development team and centers around individual ownership. This model places emphasis on providing the tools and resources to ensure employees are learning in the flow of their work. Colleagues have access to a collection of digital content around key topics (for example, early career support, team effectiveness, and getAbstract).

Training and Development initiatives include:
- A robust technical development offering to enhance the capability of our engineers as they progress in their careers
- Essentials, designed to empower and upskill people managers at Arm. The modular program covers critical skills such as communication, delegation, and change
- Outplacement and career transition support for employees who leave the organization through redundancy or restructuring, involving one-to-one career coaching sessions and access to an online e-career skills program

Employee Performance and Career Development
Arm’s performance development process, myDevelopment, provides a framework for individuals to have regular conversations with their managers to discuss performance, review colleague feedback, and identify opportunities for skills development. Employees also complete annual reviews with their managers.

In FY21, 86 percent of employees received a myDevelopment Progress Insight check-in, intended to be an informal performance/career review at a time most meaningful to the employee.

Worker Health and Safety
We operate in an industry and in environments that are considered low risk from a health and safety perspective. However, the safety and welfare of employees, contractors, and visitors remain priorities and shared responsibilities across our global workspaces.

The Arm Health and Safety Management System manages health and safety for all employees globally. The system is audited through the Arm-wide Enterprise Assurance ISO 9001 audit as well as regular internal audits.

13 Including full-time established employees, fixed-term employees, and contractors.
SOCIAL

Employee Engagement Survey
We run a full employee engagement survey and pulse survey annually. They allow us to measure sustainable engagement across Arm, showing whether our people are engaged and energized to do their best work, and identify areas to further improve employee experience.

Gender Pay and Parity
Addressing the gender pay gap remains an area of active focus for Arm. We complete an annual fair pay analysis during the annual review period with a view to ensuring there is no gender or ethnicity bias in salary and performance rating recommendations. In FY21, results from our 2020 global pay equity analysis were reviewed by the Executive Committee (EC), with support from external consultants engaged to advise on our DEI approach. Our mean pay gap for 2022 was 20% with a mean bonus gap of 26%. More information on our gender pay and parity is available in our 2022 UK Gender Pay Gap Report.

Community and Inclusion
To support a more diverse technology industry, we are investing—through both financial contributions and company-sponsored employee volunteering time—in organizations that encourage underserved and underrepresented people to pursue careers in STEM.

Gender diversity is a particular industry-wide challenge. Women represent 20 percent of Arm. We are taking action to reduce this disparity by engaging girls in STEM as a long-term solution.

We have a strategic partnership with INROADS, a non-profit organization that creates pathways to careers for ethnically diverse high school and college students in the US. Through this partnership we recruit interns and graduates to join our teams and help to build a more diverse and inclusive workplace.

Arm’s DEI commitment: Each day, we will enable every voice to be heard, create equitable opportunities and experiences for all, and bring the best people into Arm from the broadest talent pool.
### People Data

#### Established Employees

<table>
<thead>
<tr>
<th>Region</th>
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#### New starters breakdown by gender

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#### New starters breakdown by age group

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<th>41–50</th>
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#### New starters who left within period by age group

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### Notes
- All new starters and leavers data is for established employees only.
## Employees

### Employees by employment contract

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<thead>
<tr>
<th>Region</th>
<th>Established employees</th>
<th>Fixed-term employees</th>
<th>External</th>
<th>Total established, fixed term and external</th>
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### Employees—part time

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<td>US and Canada</td>
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<td>9</td>
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<tr>
<td>Total</td>
<td>320</td>
<td>6</td>
<td>9</td>
<td>335</td>
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</table>
Governance

Innovative, trusted, and able to respond rapidly to change, we are guided by a defined governance framework with a core moral stance on issues such as AI ethics, security, and safety.

This framework evolves in line with our business needs as well as legislation, regional regulations, and industry best practice guidelines. It begins with our Board of Directors and informs our Code of Conduct and subsequent compliance programs.

Contents

26 Ethics, Privacy, and Security
28 Governance Structure
29 Public Policy Engagement
30 Tax
30 Supply Chain
Ethics, Privacy, and Security

Trust, security, and privacy are essential to deliver on the promise of technology to change lives and tackle global challenges. As an advocate for ethical AI and security, we pride ourselves on being a responsible business.

Arm Security Manifesto
Our methods combine the hardware, software, tools, and strategic partners needed for technological development in a secure and ethical way. Our Security Manifesto details the threat landscape for data as a call to action for multidisciplinary cooperation. Through it, we also share industry progress made in the four years since the previous manifesto version.

Ethical by Design
Our approach to ethical AI is detailed in our AI Trust Manifesto and Whitepaper on Trustworthy AI. In FY21, Arm was again selected by the Ethisphere® Institute as one of the World’s Most Ethical Companies—one of just 135 companies globally to receive this recognition.

Addressing Misinformation
Arm believes technology must work to minimize the harmful effects of increasing misinformation across the web. To address this belief, Arm is part of the Coalition for Content Provenance and Authenticity (C2PA). Co-founded with Adobe, Intel, the BBC, Microsoft, and Truepic, C2PA was created to help tackle misinformation and disinformation.

The coalition has developed technical standards for certifying the source, contents, and history of digital media, through the supply chain from point of capture or creation to viewing. It offers anyone publishing or accessing content online the opportunity to demonstrate and verify that:

a) It comes from where it claims to
b) It is in the state the publisher intended (free from tampering)

We are working with our ecosystem to ensure these standards work optimally on Arm hardware and benefit from Arm’s silicon-level security technologies.

Privacy and Legal Cases
In FY21, there were no substantiated complaints issued to Arm concerning breaches of customer privacy. During this time, Arm also received no fines or nonmonetary sanctions for non-compliance relating to laws and regulations across all our locations.

Discrimination
Our Code of Conduct (CoC), which includes our human rights policy, details our approach to operating as a responsible business. All employees are required to sign the CoC annually as part of mandatory training on areas including data privacy, anti-bribery, and corruption.

We review our business ethics and discrimination policies annually to ensure they remain relevant to the organization, our people, our partners, and legislation such as the UK Modern Slavery Act. Further supporting our commitment to nondiscrimination, Arm is a signatory of the Universal Declaration of Human Rights.

Should an ethics-related concern arise, an anonymous Arm Integrity Helpline is available for all employees. During FY21, one incident of discrimination was alleged. This incident was investigated by an external investigator and the allegation was not upheld. In response to the investigation, we undertook remedial actions, as recommended by the investigator, to reduce the risk of future claims being made. There are no further actions to be taken with respect to this allegation.
GOVERNANCE

Anti-Bribery and Corruption
Our Anti-Bribery and Corruption (ABC) policies, guidelines, and procedures are based on internationally accepted standards of best practice. All our employees, including the Arm EC, receive ABC training.

All suppliers are required to comply with our Supplier Code of Conduct as a condition of working with Arm. To further support this code, our contractual terms of business set out specific obligations relating to responsible business practices, including anti-bribery.

Compliance With Laws and Regulations
During the reporting period, we have not had any significant instances of, nor paid any fines for, non-compliance with laws and regulations.

Mechanisms for Seeking Advice and Raising Concerns
Arm encourages an open, supportive environment for raising concerns without fear of retaliation. If an employee witnesses or hears of behavior that conflicts in any way with Arm’s CoC, it is their responsibility to raise a concern and prompt the necessary action.

There are many contacts that Arm employees can seek advice from and raise concerns with, including:

- Their manager
- The People team
- The Office of Ethics and Compliance

The Arm Integrity Helpline also has two secure and trusted options to report concerns confidentially and anonymously, where allowed by local law:

- Make a report online
- Make a report verbally

Processes to RemEDIATE NegATIVE ImpACTS
If our global community is going to thrive, each of us must always act with integrity and speak up when we have questions or need to report concerns. Employees may speak with their managers, the People team, or the Office of Ethics and Compliance, or raise a concern using our whistleblowing process. They may also use two secure and trusted options via the Arm Integrity Helpline to report concerns confidentially and anonymously where allowed by local law.

We involve the intended users of the grievance mechanisms in their operation and improvement through employee surveys and providing opportunities to learn more.

We monitor the effectiveness of our grievance mechanisms and other remediation processes by providing metrics, industry benchmarking, and auditing.

To examine our role in the remediation of identified negative impacts that we have caused or contributed to, Arm participates in forums and has an active corporate responsibility and sustainability team alongside our ongoing initiatives.

Approach to Stakeholder Engagement
We have dedicated teams managing relationships with customers, partners, investors, governments, and employees to ensure that their needs are regularly addressed. Other stakeholder groups, such as local community leaders, are engaged on an issue-by-issue basis.

Regular engagement between Arm employees and our stakeholders enables us to understand the needs, concerns, and expectations of our stakeholders. This allows us to develop and deliver strategies that respond to those needs.
Governance

Structure

As Arm is a privately owned subsidiary of SoftBank Group Corp. (SBG) overall governance responsibility exists at Group level.

SBG’s governance structure and composition are available to view in its 2022 Annual Report (pages 48–53).

While the Arm Board of Directors represents various global regions, there remains a lack of gender diversity that Arm is seeking to address.

The Arm Board is responsible for overall business conduct, with two key committees. The Audit Committee, supported by Internal Audit, provides independent oversight of our business activities, while the Remuneration Committee has overall responsibility for the Company’s reward and bonus structure.

The Arm Board delegates authority for the ongoing operation and improvement of the effectiveness of the Company to the Arm Chief Executive Officer (CEO), who discharges this responsibility via the EC. The EC is responsible for the Company’s day-to-day functioning. This includes delivering the business strategy, embedding corporate culture, and allocating capital.

The Compliance Committee ensures all necessary compliance issues, such as trading requirements, security policies, and environmental processes, are resolved appropriately according to the needs of the business.

Sustainability Management

The CEO drives company-wide support for implementing the sustainability strategy. The CEO has delegated authority to the Sustainability Committee for sustainability-related issues. The Sustainability Committee, a subset of the Arm EC, is responsible for decision-making on environmental and social topics. Composed of senior executives and other senior individuals representing sustainability, legal, strategy, technology, and people (HR), it meets to review our approach and drive engagement with our sustainability framework.

Risk Management

Our robust risk management processes are overseen by the Risk Review Committee, which identifies, assesses, and manages key operational risks of the business. This includes analyzing emerging risks and identifying plans to mitigate potential impacts.
Public Policy Engagement

We engage with public policy issues where relevant to our business to provide expertise, advice, and insight to policy-makers. We always conduct our business with integrity, remaining accountable for our actions.

Arm Management System
The Arm Management System (AMS) seeks to align the Company with our key long-term initiatives through the creation of a framework for everything we do for our customers, our people, and our stakeholders. Working together using these alignment principles is the key to our success.

The Arm risk management framework provides robust guidance on our processes, including those within legal, regulatory, and commercial areas such as tax compliance and public policy engagement, to manage both long-term risk and short-term business success. Internal Audit is responsible for regularly monitoring our tax control framework.

Stakeholder Engagement
Political Contributions
Arm engages with governments and other institutions around the world to provide technical expertise and public policy positions related to our business interests. However, it is politically neutral and does not support particular political parties. In accordance with our CoC, Arm does not make any political donations.

Wates Corporate Governance Principles Compliance
Since FY19, the Board has been reporting against the Wates Corporate Governance Principles for Large Private Companies. In FY21, the Board oversaw the start of a steps plan implementation to deliver more effective corporate governance. This included creation of a board induction pack and the review of Arm’s Board Sub-committee, Audit Committee and Remuneration Committee’s terms of reference.
Tax

Arm strives to comply with relevant laws and seeks to pay the right amount of tax, at the right time, and in the right place.

Tax Strategy
Arm pays taxes it owes in countries as required. In addition to paying corporate income tax on profits, Arm pays various taxes incurred in business operations as well as taxes associated with employees.

Arm’s tax strategy is to enhance shareholder value by managing tax liabilities through legitimate tax exemptions and reliefs as appropriate within the countries where we have a presence.

Approach to Tax Planning
Arm does not engage in aggressive or artificial tax planning schemes or arrangements that serve no commercial purpose, and does not tolerate any activities or behaviors that encourage tax evasion, nor withholding of revenues from government and regulatory authorities.

To the extent that Arm may undertake tax planning, it would be with the purpose to support our commercial needs and with a clear understanding of the tax consequences of any decisions made.

Tax Risk Management and Governance
Arm’s robust risk management process, the AMS, is in place to identify key risks, assign ownership for each risk at a senior management level, identify existing and planned management activities against each risk, assess the residual likelihood and impact of each risk, and ensure ongoing monitoring and reporting of each key risk. Arm has a low-risk tax appetite.

The AMS captures the policies, procedures, and controls embedded in our risk management approach, including tax risk. Internal Audit is responsible for regularly monitoring and testing the effectiveness of Arm’s tax control framework.

Executive Committee
Overall accountability for risk management resides with the EC, which has oversight of Arm’s tax strategy and regularly reviews key developments that may influence Arm’s global tax position. The Risk Review Committee and Compliance Committee are subsets of the EC. These two groups oversee the Corporate Risk Register, which includes tax risk, and business-wide policy compliance.

Stakeholder Tax Engagement
Arm seeks to engage proactively with tax authorities to resolve any uncertainty over the treatment or administration of its tax affairs. The complexity of tax laws and regulations that relate to Arm’s businesses means that occasionally Arm may disagree with authorities on the technical interpretation of a particular area of tax law. Historically, such occasions have been resolved through discussion with the respective tax authority.

Supply Chain

As a responsible business, we can use our influence to drive integrity across our supply chain and associated supply base. Arm’s Procurement team supports our wider strategic efforts to implement best practice across all Arm business units through projects and solutions.

Our Supply Chain Spend
In FY21, the Arm Group spent $545.8 million across 1,831 suppliers (excluding utilities, property, charities, and Arm entities).

Supplier Code of Conduct
The Supplier Code of Conduct (Supplier CoC) describes our corporate responsibility requirements from our suppliers, including social and environmental criteria. All new suppliers are sent the Supplier CoC and this must be accepted in writing, thereby self-screening against this criteria.

In addition, any new contracts require reconfirmation of compliance with the Supplier CoC.

Managing Risk in the Supply Chain
Arm has not identified any material negative environmental impacts in our supply chain that exist as a direct consequence of our operations. We continue to work with CDP Supply Chain to gather carbon emissions data from our top suppliers by spend, which allows us to identify areas of opportunity to collaborate with our supply chain on ways to reduce those emissions. We have also included environmental impact and supplier diversity considerations in our Request for Proposal process, which includes a requirement that a minimum weighting is applied to these elements when making the final purchasing decision.
Global Reporting Initiative (GRI) Index

The GRI is an independent, international organization that helps businesses and other organizations take responsibility for their impacts, providing them with the global common language to communicate those impacts. The GRI provides the world’s most widely used standards for sustainability reporting: the GRI Standards. These standards enable reporting that allows comparison to different organizations and analyses, presenting concise but detailed information on issues material to Arm and its stakeholders. Arm has been reporting against the GRI framework since 2010.

Contents
32 GRI Index
<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Location/Response</th>
</tr>
</thead>
</table>
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Arm Limited  
About Arm, p.05  
Our Global Presence, p.06  
www.arm.com/company  
www.arm.com/company/offices |
| | 2-2 Entities included in the organization’s sustainability reporting | Welcome to Our Annual Sustainable Business Report, p.02  
www.arm.com/products |
| | 2-3 Reporting period, frequency and contact point | Welcome to Our Annual Sustainable Business Report, p.02  
Back Cover, p.49 |
| | 2-4 Restatements of information | Welcome to Our Annual Sustainable Business Report, p.02 |
| | 2-5 External assurance | Welcome to Our Annual Sustainable Business Report, p.02 |
| | 2-6 Activities, value chain and other business relationships | About Arm, p.05  
About Arm; Partnerships for Positive Impact, p.05  
Business Model, p.07  
Governance; Supply Chain, p.30  
www.arm.com/products |
| | 2-7 Employees | Social; Our People; People Data, p.23  
Data is gathered in our Human Capital Management system as part of our ordinary processes. This is reported from a headcount at a point in time, at the end of the reporting period. |
| | 2-8 Workers who are not employees | Our Global Presence, p.06  
Social; Our People; People Data, p.23 |
| | 2-9 Governance structure and composition | Governance; Governance Structure, p.28  
www.arm.com/company/leadership |
<p>| | 2-10 Nomination and selection of the highest governance body | group.softbank/en/about/corporate_governance/structure |
| | 2-11 Chair of the highest governance body | <a href="http://www.arm.com/company/board">www.arm.com/company/board</a> |</p>
<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Location/Response</th>
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</table>
| GRI 2: General Disclosures 2021 (continued) | 2-12 Role of the highest governance body in overseeing the management of impacts | Governance, Governance Structure, p.28
Arm Ltd is a privately owned subsidiary of SoftBank Group Corp. Its Chief Executive Officer (CEO) sits on the Arm Board and has delegated authority to the Sustainability Committee, a subset of the Executive Committee, for sustainability-related issues. The CEO provides leadership and drives company-wide support for implementing the sustainability strategy.
The Chief People Officer (CPO) and Chief Technology Officer (CTO) sit on the Sustainability Committee, which is scheduled to meet quarterly and reports to the Executive Committee, which meets monthly. The Sustainability Committee comprises several executive members and other senior individuals representing sustainability, legal, strategy, technology, and people (HR).
Further responsibility for sustainability is held by the CTO, to whom the Sustainability team reports (to end FY21). Following restructure, the Sustainability team will report to the CPO. The CPO represents the People and Workplace teams, which are responsible for specific carbon-related areas (travel, energy, commute) within the sustainability strategy. |
| | 2-13 Delegation of responsibility for managing impacts | Governance, Governance Structure, p.28
The CPO and CTO sit on the Sustainability Committee, which is scheduled to meet quarterly and reports to the Executive Committee, which meets monthly. The other committees contribute to our overall governance are the Remuneration Committee, Audit Committee, Compliance Committee and Risk Review Committee.
Further responsibility for sustainability is held by the CTO, to whom the Sustainability team reports (to end FY21). Following restructure, the Sustainability team will report to the CPO. The CPO represents the People and Workplace teams, which are responsible for specific carbon-related areas (travel, energy, commute) within the sustainability strategy. |
| | 2-14 Role of the highest governance body in sustainability reporting | Governance, Governance Structure, p.28
Arm has a conflict of interest (COI) process managed by the Legal team. The Office of Ethics and Compliance receives and manages COI requests. These requests are investigated and approved if there are no conflicts. Most of the COI requests are made through the submission of an Outside Business Interest form. We report on the COI stats quarterly to the Audit and Compliance Committees. |
| | 2-15 Conflicts of interest | Governance; Ethics, Privacy, and Security; Mechanisms for Seeking Advice and Raising Concerns, p.27
| | 2-16 Communication of critical concerns | Governance; Ethics, Privacy, and Security; Mechanisms for Seeking Advice and Raising Concerns, p.27
| | 2-17 Collective knowledge of the highest governance body | SoftBank Group Report 2022, pp.42–51
<p>| | 2-18 Evaluation of the performance of the highest governance body | An independent organization was employed to conduct questionnaires and interviews with subjects including the composition and operation of the Board and its support systems. |
| | 2-19 Remuneration policies | The remuneration policies for the Executive Directors and the Senior Executives are all the responsibility of the Arm Remuneration Committee. The pay policies focus on upper quartile overall: total compensation, with base salary and short-term incentives being at the higher end of the upper quartile and long-term incentives starting to move from cash-based vesting over time to equity vesting in the future. Each individual has a requirement to perform based on the Core Beliefs of the organization and to have an &quot;active&quot; rating in contribution to the Company's DEI programs. It is not permissible for any employee, including senior management, to gain an uplift in their bonus if they are not &quot;active&quot; against the DEI rating. |</p>
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<th>GRI Standard</th>
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<tr>
<td>GRI 2: General Disclosures 2021 (continued)</td>
<td>2-20 Process to determine remuneration</td>
<td>The remuneration policies for the Executive Directors and the Senior Executives are all the responsibility of the Arm Remuneration Committee. The Arm Remuneration Committee is governed by the agreed terms of reference and reports decisions made to the Arm Board. The policies are designed with our stakeholders in mind, looking to: (1) Attract, engage, and retain the senior talent required to deliver the ambitions of Arm’s strategy (2) Deliver long-term, sustainable outcomes for shareholders as well as ensuring Arm has the human capital required to build the future of computing on Arm for our partners and their customers (3) Reflect the culture of the organization and value of everyone’s contribution (4) Follow the principles of all employee policies and plans (senior remuneration policies) The remuneration policies for the CEO and Executive Committee follow the design adopted across the whole organization, which is called “Reward at Arm: Everyone contributes differently and every contribution counts.”</td>
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<td>2-21 Annual total compensation ratio</td>
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<td>2-22 Statement on sustainable development strategy</td>
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<td>2-23 Policy commitments</td>
<td>Governance; Ethics, Privacy, and Security; Discrimination, p.26</td>
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<td>Governance; Governance Structure, p.28</td>
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<td>Governance; Ethics, Privacy, and Security; Anti-Bribery and Corruption, p.27</td>
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<td>Arm’s Terms and Policies; Accessibility Policy</td>
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<td>Code of Conduct</td>
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<td>Supplier Code of Conduct</td>
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<td>Environmental Policy Statement</td>
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<td>Open-Source Contributing</td>
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<td>Modern Slavery Statement</td>
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<td>Arm Privacy Policy</td>
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<td>Quality Policy</td>
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<td>2-24 Embedding policy commitments</td>
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<td>Supplier Code of Conduct</td>
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<td>2-25 Processes to remediate negative impacts</td>
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<td>Governance; Ethics, Privacy, and Security; Mechanisms for Seeking Advice and Raising Concerns, p.27</td>
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<td>Governance; Ethics, Privacy, and Security; Approach to Stakeholder Engagement, p.27</td>
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<td>GRI Standard</td>
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<td>GRI 2: General Disclosures 2021 (continued)</td>
<td>2-26 Mechanisms for seeking advice and raising concerns</td>
<td>Governance; Ethics, Privacy, and Security; Mechanisms for Seeking Advice and Raising Concerns, p.27</td>
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<td>2-27 Compliance with laws and regulations</td>
<td>Governance; Ethics, Privacy, and Security; Compliance with Laws and Regulations, p.27</td>
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<td>2-28 Membership associations</td>
<td>About Arm; Partnerships for Positive Impact, p.05</td>
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<tr>
<td></td>
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<td>Trade and business associations include:</td>
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<td></td>
<td>1. Semiconductor Industry Association (SIA), SEMI Americas</td>
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<td>2. Open RAN Policy Coalition</td>
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<td>3. Coalition for Content Provenance and Authenticity (C2PA)</td>
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<td>4. China SIA, Shanghai SIA</td>
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<td>5. AI Industry Alliance, Open Data Center Committee (China)</td>
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<td>2-29 Approach to stakeholder engagement</td>
<td>Governance; Ethics, Privacy, and Security; Approach to Stakeholder Engagement, p.27</td>
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<td>2-30 Collective bargaining agreements</td>
<td>We do not restrict the rights of our people to freedom of association. The Group does not presently operate collective agreements with any trade unions. We do have unions in several countries (for example France and Norway) and works councils in some locations (for example France and Hungary), but do not operate collective bargaining agreements, except in France. Freedom of association and collective bargaining is not explicitly covered in our Code of Conduct. Our policies do not explicitly address union membership but some of our knowledge articles refer to cooperative relationships with unions. The UK policies all reference the right to be accompanied by a union member in formal meetings. 6.3 percent of our global established workforce is directly covered by collective bargaining agreements (which only apply in France). Working conditions and policies are determined in accordance with our Core Beliefs, Code of Conduct, and market practice, and in many cases are more generous than would be typically provided for under collective bargaining agreements.</td>
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Arm conducted an initial materiality assessment in 2019, with an additional materiality exercise conducted by an external consultant for the year of 2020. The 2020 assessment aimed to provide a general update to address any changes in materiality that may have arisen due to cultural shifts, like the impacts of COVID-19. The result of this assessment was a materiality matrix.

In 2022, we worked with an external consultant to update this materiality assessment based on current and emerging trends and standards. The steps were as follows:

1. Identified relevant frameworks and standards that Arm should consider aligning to in its next report. Some were used for Arm’s previous report, and some were being used by many peers and comparators.
2. Conducted workshops with seven business units at Arm. Through these, we heard certain ESG topics repeated, indicating that they were increasing in importance at Arm.
3. In identifying the relevant frameworks, we determined how Arm should look to align to each one. This research included specific regulations or emerging considerations surrounding framework alignment, as well as the requirements for each identified standard so Arm can determine which will be necessary or beneficial to align to.
4. Identified gaps in Arm’s previous materiality assessments where new regulations or trends have introduced additional topics that should be considered for materiality. These new topics are displayed in the response to Disclosure 3-3 on the following page, alongside the topics Arm had already identified in initial assessments.
<table>
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<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Location/Response</th>
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</table>
| GRI 3: Material Topics 2021 (continued) | 3.3 Management of material topics | Economic performance:  
The Finance function reports to the Executive Committee, which reports to the Board and to SoftBank Group. Arm’s results are consolidated into SoftBank Group’s quarterly filings and annual reports.  
Procurement practices:  
The Procurement team reports to the Chief Financial Officer (CFO), who heads the Finance Leadership team. Procurement engages with client groups on procurement via the Procurement team category managers.  
Emissions:  
The Arm Risk Review Committee prioritizes risks, including climate-related risks, and escalate to the Executive Committee if deemed necessary. Risks are scored using a matrix based on likelihood and impact. Risks of the highest status become corporate-level risks and are reviewed by the Board of our parent company. Asset-level risks follow the same applied process for review, escalation, and mitigation within the Arm Management System (AMS) as company-level risks. Outputs of the AMS are reviewed by the Executive Committee.  
Energy:  
The governance structures we have in place at Arm ensure that our direct and indirect activities influencing policy are consistent with our overall climate change strategy. The tone is set from the top, with the CEO providing leadership and driving company-wide support in implementing our climate change strategy. The Arm Sustainability Committee plays a significant role in ensuring consistency across our activities with the principles of the climate change strategy. The Sustainability Committee meets quarterly and reports to the Executive Committee. The Sustainability Committee comprises a number of executive members and other senior individuals representing sustainability, legal, strategy, finance, and people (HR). The Arm Risk Review Committee prioritizes risks, including climate-related risks, and escalate to the Executive Committee if deemed necessary.  
Water:  
The current management approach to water consumption is based on water not being a significant risk or a limiting factor to the business.  
Employment:  
The information for this key disclosure is not currently available.  
Diversity, equity, and inclusion:  
Our DEI strategy has four pillars: people, culture, leadership, and partnerships. Each pillar includes focus areas and key performance indicators to ensure we take an active approach where everyone makes a purposeful shift toward driving DEI across Arm. Arm’s commitment to DEI: Each day, we will enable every voice to be heard, create equitable opportunities and experiences for all, and bring the best people into Arm from the broadest talent pool.  
Labor relations:  
The information for this key disclosure is not currently available.  
Occupational health and safety:  
Data is collected for accidents and near misses across all Arm sites globally. All reported incidents are investigated. |
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<th>GRI Standard</th>
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<th>Location/Response</th>
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</table>
| GRI 3: Material Topics 2021 (continued) | 3.3 Management of material topics (continued) | Customer privacy and security:  
We always conduct our business with integrity, remaining accountable for our actions. To ensure our approach to compliance is as relevant as possible, Arm considers the most recent legislation, regional regulations, and industry best practice guidelines.  
Arm recognizes that its strength lies in the high caliber of its people and how we conduct business fairly, openly, and with integrity. The foundation of this approach lies in our Code of Conduct (CoC), which includes our human rights policy. All employees are required to sign the CoC every year as part of mandatory training on specific areas, including data privacy, anti-bribery, and corruption.  
Our business ethics and discrimination policies are reviewed annually to ensure they remain relevant to the organization, our people and partners, and legislation such as the UK Modern Slavery Act. We have also signed the Universal Declaration of Human Rights.  
In circumstances where ethics-related concerns arise, an anonymous, global whistleblowing hotline is available for all employees. We are proud to report that there were no substantiated incidents of discrimination raised or recorded by Arm during FY21.  
The AMS sets out roles and responsibilities to guide our risk management culture. It details the internal controls that Arm needs to manage both long-term risk and short-term success.  
The Arm risk management framework provides robust guidance on our processes, including legal, regulatory, and commercial areas such as tax compliance. Internal Audit is responsible for regularly monitoring our tax control framework.  
Freedom of association and collective bargaining:  
We do not restrict the rights of our people to freedom of association. The Group does not presently operate any collective agreements with any trade unions.  
We do have unions in several countries (for example France and Norway) and works councils in some locations (for example France and Hungary), but do not operate collective bargaining agreements, except in France.  
Freedom of association and collective bargaining is not explicitly covered in our CoC. Our policies do not explicitly address union membership but some of our knowledge articles refer to cooperative relationships with unions. The UK policies all reference the right to be accompanied by a union member in formal meetings.  
6.3 percent of our global established workforce is directly covered by collective bargaining agreements (which only apply in France). Working conditions and policies are determined in accordance with our Core Beliefs, CoC, and market practice, and in many cases are more generous than would be typically provided for under collective bargaining agreements.  
Forced or compulsory labor:  
As an intellectual property (IP) company, our supply chain of raw materials is negligible. As a result, our associated risks are low. We do, however, purchase a wide range of goods and services from a large number of globally distributed suppliers.  
We require all our suppliers and their employees to commit to Arm’s Supplier Code of Conduct (Supplier CoC) as a condition of doing business with us. Our Supplier CoC covers labor and human rights and sets out Arm’s expectations of suppliers in relation to child labor, forced or involuntary labor, compensation and working hours, and diversity and equality.  
Public policy:  
We always conduct our business with integrity, remaining accountable for our actions. We engage with public policy issues where relevant to our business to provide expertise, advice, and insight to policy-makers. |
GRI Standard | Disclosure | Location/Response
---|---|---
**GRI 201: Economic Performance 2016**

3-3 Management of material topics | The Finance function reports to the Executive Committee, which reports to the Board and to SoftBank Group. Arm’s results are consolidated into SoftBank Group’s quarterly filings and annual reports.

201-1 Direct economic value generated and distributed | Our latest financial results are available at SoftBank Group Investor Relations: [softbank/en/ir](http://softbank/en/ir)

201-2 Financial implications and other risks and opportunities due to climate change
- Climate-related risks:
  - Emerging regulation from enhanced emissions-reporting obligations
  - Emerging regulation from carbon-pricing mechanisms
  - Acute physical risk from flooding (coastal, fluvial, pluvial, groundwater)
  - Physical risks from fire
- Climate-related opportunities:
  - Increased revenues through access to new and emerging markets through the development and/or expansion of low-emission goods and services
  - Increased revenues resulting from increased demand for products and services from a shift in consumer preferences
  - Reduced indirect (operating) costs from a move to more efficient buildings

201-3 Defined benefit plan obligations and other retirement plans | Arm has a defined benefit plan in Korea only.

201-4 Financial assistance received from government | The information for this disclosure is not currently available.

**GRI 202: Market Presence 2016**

3-3 Management of material topic | The information for this disclosure is not currently available.

202-1 Ratios of standard entry level wage by gender compared to local minimum wage | We do not collect entry-level wage by gender information as it is deemed non-applicable to our company. We hire and reward our people based on merit, qualifications, and experience. In the UK, Arm is a Living Wage Employer.

202-2 Proportion of senior management hired from the local community | The information for this disclosure is not currently available.

**GRI 203: Indirect Economic Impacts 2016**

3-3 Management of material topic | The information for this disclosure is not currently available.

203-1 Infrastructure investments and services supported | The information for this disclosure is not currently available.

203-2 Significant indirect economic impacts | The design of a processor or a library of physical IP requires a large amount of research and development (R&D) investment and expertise. Arm carries out this function for a large proportion of the technology sector, licensing our technology to partners.

We are unable to estimate our indirect economic impacts due to the scale, complexity, and diversity of our value chain. Our technology reaches around 70 percent of the world’s population, and through a multitude of different end uses, the billions of chips we ship annually improve lives and have a proven impact in healthcare, education, and poverty alleviation.

**GRI 204: Procurement Practices 2016**

3-3 Management of material topic | The procurement team reports to the Chief Financial Officer (CFO), who heads the Finance Leadership team. Procurement engages with client groups on procurement via the Procurement team category managers.

204-1 Proportion of spending on local suppliers | While we encourage spending with local suppliers in our global offices, our localized self-serve procurement model means that we do not have the centralized systems in place to report on the proportion of spending on local suppliers.
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<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Location/Response</th>
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<tbody>
<tr>
<td>GRI 205: Anti-corruption 2016</td>
<td>3-3 Management of material topic</td>
<td>The information for this disclosure is not currently available.</td>
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<tr>
<td></td>
<td>205-1 Operations assessed for risks related to corruption</td>
<td>While anti-bribery and corruption (ABC) is referenced in the CoC, it also exists as one of three separate policies requiring sign-off by all employees every year (in addition to the CoC). We assess risks related to corruption across all Arm locations. This is mainly done through policy sign-off. We assess risks in gifts and hospitality, conflicts of interests, and outside business interests.</td>
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<td>205-2 Communication and training about anti-corruption policies and procedures</td>
<td>The requirement to sign off on the CoC and complete CoC training applies to employees of the whole group (Arm Group, which includes all subsidiaries). One hundred percent of employees are expected to abide by the CoC; all employees have access to training. 1. Governance body members that the organization’s anti-corruption policies and procedures have been communicated to: 100% 2. Employees that the organization’s anti-corruption policies and procedures have been communicated to: 100% 3. Business partners that the organization’s anti-corruption policies and procedures have been communicated to: 100% 4. Governance body members that have received training on anti-corruption: 99% 5. Employees that have received training on anti-corruption: 99%</td>
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<td></td>
<td>205-3 Confirmed incidents of corruption and actions taken</td>
<td>There were no confirmed incidents of corruption involving Arm or its employees during the year ending March 31, 2022. Additionally, there were no public legal cases regarding corruption brought against the organization or its employees during the reporting period.</td>
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<tr>
<td>GRI 206: Anti-competitive Behavior 2016</td>
<td>3-3 Management of material topic</td>
<td>Arm Group has a presence in many countries around the world and pays the taxes that it owes in those countries. In addition to paying corporate income tax on its profits, Arm pays various taxes that are incurred in its business operations as well as taxes associated with its employees. This tax strategy applies to all Arm Group entities (Arm). Arm regards the publication of this tax strategy as complying with our obligation under paragraph 16(2) of Schedule 19 of the Finance Act 2016, in respect of the financial year ended March 31, 2022.</td>
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<td>206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
<td>While antitrust is referred to in the CoC, there is also a corporate policy on antitrust. Antitrust training is provided to all employees, with customized content based on employee risk profiles. Arm was not directly named in any legal actions relating to anti-competitive behavior, antitrust, or monopoly practices during the year ending March 31, 2021.</td>
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<td>GRI Standard</td>
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<td>GRI 207: Tax 2019</td>
<td>207-1 Approach to tax</td>
<td>Governance: Tax; Tax Strategy, p.30</td>
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<td>Many governments encourage innovation by offering tax incentives to companies that develop new technologies. A large proportion of Arm’s products are developed in the UK, where the UK Government offers credits to companies with R&amp;D commitments. More information can be found in our Tax Strategy (March 2022): <a href="http://www.arm.com/-/media/Files/pdf/policies/arm-tax-strategy-2022">www.arm.com/-/media/Files/pdf/policies/arm-tax-strategy-2022</a>.</td>
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<td>207-2 Tax governance, control, and risk management</td>
<td>Governance: Tax; Approach to Tax Planning, p.30</td>
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<td>Governance: Tax; Tax Risk Management and Governance, p.30</td>
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<td>207-3 Stakeholder engagement and management of concerns related to tax</td>
<td>Governance: Tax; Stakeholder Tax Engagement, p.30</td>
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<tr>
<td></td>
<td>207-4 Country-by-country reporting</td>
<td>Arm Group has a presence in many countries around the world and pays the taxes that it owes in those countries. In addition to paying corporate income tax on its profits, Arm pays various taxes that are incurred in its business operations as well as taxes associated with its employees.</td>
</tr>
<tr>
<td>GRI 302: Energy 2016</td>
<td>3-3 Management of material topic</td>
<td>The governance structures we have in place at Arm ensure that our direct and indirect activities influencing policy are consistent with our overall climate change strategy. The tone is set from the top, with the CEO providing leadership and driving company-wide support in implementing our climate change strategy. The Arm Sustainability Committee plays a significant role in ensuring consistency across our activities with the principles of the climate change strategy. The Sustainability Committee meets quarterly and reports to the Executive Committee. The Sustainability Committee comprises a number of executive members and other senior individuals representing sustainability, legal, strategy, finance, and people (HR). The Arm Risk Review Committee prioritizes risks, including climate-related risks, and escalate to the Executive Committee if deemed necessary.</td>
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<td>302-1 Energy consumption within the organization</td>
<td>Arm does not collect separate data on energy consumption for heating and cooling; this is included in overall electricity and gas consumption. To collate energy data and calculate emissions, we use an online portal from Ecometrica. We use the most recent UK Department for Business, Energy &amp; Industrial Strategy (BEIS) emissions factors to calculate emissions: Scope 1 (market-based): Natural gas (47 tCO$_2$e) Scope 2 (market-based): Electricity (1,821 tCO$_2$e)</td>
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<td>302-2 Energy consumption outside of the organization</td>
<td>Total energy consumption MWh from renewable sources: 46,282 MWh from non-renewable sources: 6,844 Total (renewable and non-renewable) MWh: 53,126 Arm does not collect separate data on energy consumption for heating and cooling; this is included in overall electricity and gas consumption. To collate energy data and calculate emissions, we use an online portal from Ecometrica. We use the most recent BEIS emissions factors to calculate emissions.</td>
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<td>302-3 Energy intensity</td>
<td>The information for this disclosure is not currently available.</td>
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302-4 Reduction of energy consumption

Energy usage

Metric value (MWh): 53,126
Metric numerator: 43,126 MWh (gas + electricity)
Metric denominator (intensity metric only): 6.90 MWh/FTE (7,703 FTE)

This a 38 percent increase from the previous year. The figure for FY20 was 5MWh/FTE (41,690 MWh and 8,330 FTE). Staff numbers in FY21 have decreased and at the same time energy use has increased from FY20 to FY21, as FY20 office use was significantly reduced due to our COVID-19 work from home policy.

302-5 Reductions in energy requirements of products and services

The information for this disclosure is not currently available.

GRI 303: Water and Effluents 2018

3-3 Management of material topic

The current management approach to water consumption is based on water not being a significant risk or a limiting factor to the business.

303-1 Interactions with water as a shared resource

Our latest water risk assessment was conducted in 2018 using 2017 data and the World Resources Institute (WRI) standards. The results showed low risk across all our offices. As water is not material to our business and we have seen no significant changes in office locations since this exercise, we have chosen not to rerun the assessment since.

303-2 Management of water discharge-related impacts

Environment: Water, p.14

303-3 Water withdrawal

Arm’s water consumption is for general office requirements (personal sanitation, catering requirements, and human consumption) and is sourced through domestic water supply systems. Arm does not withdraw water from wetlands, rivers, lakes, or oceans.

303-4 Water discharge

Environment: Water, p.14

303-5 Water consumption

Environment: Environment Data, p.15

GRI 305: Emissions 2016

3-3 Management of material topic

The Arm Risk Review Committee prioritizes risks, including climate-related risks, and escalate to the Executive Committee if deemed necessary. Risks are scored using a matrix based on likelihood and impact. Risks of the highest status become corporate-level risks and are reviewed by the Board of our parent company.

Asset-level risks follow the same applied process for review, escalation, and mitigation within the AMS as company-level risks. Outputs of the AMS are reviewed by the Executive Committee.

305-1 Direct (Scope 1) GHG emissions

Environment: Environment Data, p.15

305-2 Energy indirect (Scope 2) GHG emissions

Environment: Environment Data, p.15

305-3 Other indirect (Scope 3) GHG emissions

Environment: Environment Data, p.15

305-4 GHG emissions intensity

We are no longer reporting on our emissions intensity by headcount as we focus on achieving absolute reductions. Intensity was previously used as a metric for our 2010–2020 emissions and energy-consumption targets. It is no longer relevant to our new net zero targets for 2030 and our commitments to RE100 for 100 percent renewable-sourced electrical energy by 2023. We do still report on emissions intensity per million dollars of revenue, which provides a comparable reflection of our environmental footprint by economic output.
<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Location/Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 305: Emissions 2016 (continued)</td>
<td>305-5 Reduction of GHG emissions</td>
<td>Environment; Energy, p.14</td>
</tr>
<tr>
<td></td>
<td>305-6 Emissions of ozone-depleting substances (ODS)</td>
<td>The information for this disclosure is not currently available.</td>
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<tr>
<td></td>
<td>305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</td>
<td>The information for this disclosure is not currently available.</td>
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<tr>
<td>GRI 306: Waste 2020</td>
<td>3-3 Management of material topic</td>
<td>The information for this disclosure is not currently available.</td>
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<tr>
<td></td>
<td>306-1 Waste generation and significant waste-related impacts</td>
<td>Environment; Waste, p.14</td>
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<tr>
<td></td>
<td>306-2 Management of significant waste-related impacts</td>
<td>The management approach to waste management varies depending on location and region. Our global estate is either rented, leased, or serviced office space, and in many locations, our landlords manage the waste removal as well as the effluents. In other locations, waste is managed under contracts for cleaning.</td>
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<tr>
<td></td>
<td>306-3 Waste generated</td>
<td>Environment; Waste, p.14</td>
</tr>
<tr>
<td></td>
<td>306-4 Waste diverted from disposal</td>
<td>Waste data is not collected consistently across the global estate, and reliable data is only available for some UK sites.</td>
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<tr>
<td></td>
<td>306-5 Waste directed to disposal</td>
<td>Waste data is not collected consistently across the global estate, and reliable data is only available for some UK sites.</td>
</tr>
<tr>
<td>GRI 308: Supplier Environmental Assessment 2016</td>
<td>3-3 Management of material topic</td>
<td>The information for this disclosure is not currently available.</td>
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<tr>
<td></td>
<td>308-1 New suppliers that were screened using environmental criteria</td>
<td>Governance; Supply Chain; Supplier Code of Conduct, p.30</td>
</tr>
<tr>
<td></td>
<td>308-2 Negative environmental impacts in the supply chain and actions taken</td>
<td>Governance; Supply Chain; Managing Risk in the Supply Chain, p.30</td>
</tr>
<tr>
<td>GRI 401: Employment 2016</td>
<td>3-3 Management of material topic</td>
<td>The information for this disclosure is not currently available.</td>
</tr>
<tr>
<td></td>
<td>401-1 New employee hires and employee turnover</td>
<td>Social; Our People; People Data, p.23</td>
</tr>
<tr>
<td></td>
<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>The only benefits which are not available to temporary employees are life insurance, group income protection, stock ownership, and bonus payments. Temporary employees are compensated through increased salaries. Part-time employees in the US must work more than 30 hours per week to be eligible for participation in the benefits.</td>
</tr>
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<td>401-3 Parental leave</td>
<td>All employees, regardless of gender, are entitled to parental leave. We cannot provide data on retention rates as we do not capture this data.</td>
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<tr>
<td>GRI Standard</td>
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<td>Location/Response</td>
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<tr>
<td>GRI 402: Labor/Management Relations 2016</td>
<td>3-3 Management of material topic</td>
<td>The information for this disclosure is not currently available.</td>
</tr>
<tr>
<td>402-1 Minimum notice periods regarding operational changes</td>
<td>Arm is a global company and, therefore, would provide notice of significant operational changes in line with or greater than the minimum notice required for the location affected. Employee participation in collective bargaining agreements is country-specific and subject to country-specific regulation. There is no detailed information available for reporting in relation to this indicator.</td>
<td></td>
</tr>
<tr>
<td>GRI 403: Occupational Health and Safety 2018</td>
<td>3-3 Management of material topic</td>
<td>Data is collected for accidents and near misses across all Arm sites globally. All reported incidents are investigated.</td>
</tr>
<tr>
<td>403-1 Occupational health and safety management system</td>
<td>Social; Our People; Worker Health and Safety, p.21</td>
<td>Arm’s Global Health and Safety team sits within the Workplace Enabling team, working closely with the local Workplace Experience teams, who implement operational aspects of occupational health and safety across the Company. Arm complies with all current regulations and is prepared to adapt to comply with future regulations as they are published. The Global Safety, Security, and Continuity team meets with local Workplace Experience teams on a monthly basis and discusses current health and safety standards, legislative reviews, audits, and assessments as ongoing agenda items.</td>
</tr>
<tr>
<td>403-2 Hazard identification, risk assessment, and incident investigation</td>
<td>Both internal and external risk assessments are carried out regularly, and any actions arising are tracked and reviewed on an ongoing basis. All regions have a dedicated Workplace Experience team, which is responsible for ensuring corrective actions are carried out and that control measures are in place. All accidents, incidents, and near misses are logged centrally, investigated, and reviewed regularly. The Arm Workplace team is responsible for ensuring that the Arm offices are safe and secure places of work. Risk assessments are carried out when large events are taking place within the offices, including when large numbers of external visitors (more than ten people) are expected to attend an event within an Arm office building. Site-specific risk assessments are carried out regularly and any higher-risk areas have restricted access.</td>
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<tr>
<td>403-3 Occupational health services</td>
<td>The Company is continually looking at improving the workplace and wellbeing offerings across all offices. For example, sit-stand desks are now offered in many offices as standard. There is a dedicated Wellbeing team, which carries out display screen equipment (DSE) assessments, and provides physiotherapy and physical wellbeing sessions, such as HIT training, yoga, and Pilates. All employees can access online DSE information on how they can make improvements to their desk setup. Online health and safety courses are available for people who carry out manual handling, work at height, or have other higher-risk tasks as part of their jobs. An online course is available for people who carry out manual handling as part of their jobs.</td>
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<tr>
<td>403-4 Worker participation, consultation, and communication on occupational health and safety</td>
<td>Some Arm locations have formal health and safety committees managed locally, but there is no formal process for employee consultation on global health and safety. It is the responsibility of all employees to report any concerns or maintenance requirements relating to safe and secure operating environments within or in close proximity to any Arm office.</td>
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<tr>
<td>403-5 Worker training on occupational health and safety</td>
<td>Health and safety standards, expectations, and responsibilities are included within the induction process for all new employees.</td>
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<tr>
<td>403-6 Promotion of worker health</td>
<td>Social; Our People; Worker Health and Safety, p.21</td>
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<tr>
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<td>Disclosure</td>
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<tr>
<td>GRI 403: Occupational Health and Safety 2018 (continued)</td>
<td>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>The Arm Workplace team is responsible for ensuring that the Arm offices are safe and secure places of work. Risk assessments are carried out when large events are taking place within Arm offices.</td>
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<td></td>
<td>403-8 Workers covered by an occupational health and safety management system</td>
<td>The Arm Health and Safety Management System is used to manage health and safety for all employees globally, which includes full-time established employees, fixed-term employees, and contractors. The management system is audited through the Arm-wide Enterprise Assurance ISO 9001 audit as well as regular internal audits.</td>
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<tr>
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<td>403-9 Work-related injuries</td>
<td>We do not publicly disclose data on incidences.</td>
</tr>
<tr>
<td></td>
<td>403-10 Work-related ill health</td>
<td>We do not publicly disclose data on incidences.</td>
</tr>
<tr>
<td>GRI 404: Training and Education 2016</td>
<td>3-3 Management of material topic</td>
<td>The information for this disclosure is not currently available.</td>
</tr>
<tr>
<td></td>
<td>404-1 Average hours of training per year per employee</td>
<td>As part of Arm’s restructuring, support for our Learning Management System has ended. We are therefore unable to provide data around training hours per employee. As such, Arm’s new learning and development strategy will not place emphasis on “hours per employee” but rather provide tools and resources to ensure employees are learning in the flow of their work, supplemented by digital content including learning and development pillars, LinkedIn Learning, getAbstract, and others.</td>
</tr>
</tbody>
</table>
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Social; Our People; Learning and Development. p.21

Arm’s approach to learning and development is centered around individual development ownership with support from colleagues and Arm. Arm’s performance development process, “myDevelopment,” provides the framework for individuals to have regular conversations with their manager to talk about how they’re doing, review feedback from colleagues, and identify targeted opportunities to develop their skills.

Colleagues have access to a collection of digital content around key topics (for example, people manager transition, early career support, and team effectiveness). Additionally, Arm has a robust technical development offering that provides opportunity for engineers to enhance technical capability as they grow in their career.

Outplacement and career transition support is provided to employees who leave the organization through a redundancy or restructuring. This involves tailored careers support involving one-to-one career coaching sessions and access to an online e-career skills program to support the transition to future employment. |
GRI 405: Diversity and Equal Opportunity 2016

3-3 Management of material topic

Location/Response: Social; Our People; Diversity, Equity, and Inclusion Strategy, p. 22

405-1 Diversity of governance bodies and employees

Executive Committee
- 86% Male
- 14% Female

Individual Contributors
- 78% Male
- 22% Female

Management
- 83% Male
- 17% Female

Senior Management
- 85% Male
- 15% Female

We plan to report racial and ethnic data in FY22.

405-2 Ratio of basic salary and remuneration of women to men

As shown in our UK Gender Pay Gap Report, our pay structures don’t systematically discriminate based on gender. We have completed a comprehensive analysis globally; however, we are unable to share this publicly due to confidentiality constraints.

In addition to gender, which we track globally, we collect data on underrepresented racial and ethnic groups in the US and the UK. This data is voluntarily submitted.

GRI 406: Non-discrimination 2016

3-3 Management of material topic

Location/Response: Governance; Ethics, Privacy, and Security; Discrimination, p. 24

406-1 Incidents of discrimination and corrective actions taken

The information for this disclosure is not currently available.
<table>
<thead>
<tr>
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<th>Location/Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 407: Freedom of Association and Collective Bargaining 2016</td>
<td>3-3 Management of material topic</td>
<td>We do not restrict the rights of our people to freedom of association. The Group does not presently operate collective agreements with any trade unions. We do have unions in several countries (for example France and Norway) and works councils in some locations (for example France and Hungary), but do not operate collective bargaining agreements, except in France. Freedom of association and collective bargaining is not explicitly covered in our Code of Conduct. Our policies do not explicitly address union membership but some of our knowledge articles refer to cooperative relationships with unions. The UK policies all reference the right to be accompanied by a union member in formal meetings. 6.3 percent of our global established workforce is directly covered by collective bargaining agreements (which only apply in France). Working conditions and policies are determined in accordance with our Core Beliefs, Code of Conduct, and market practice, and in many cases are more generous than would be typically provided for under collective bargaining agreements.</td>
</tr>
<tr>
<td>GRI 407: Freedom of Association and Collective Bargaining 2016</td>
<td>407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
<td>Freedom of association and collective bargaining is not explicitly covered in our Code of Conduct. Our policies do not explicitly address union membership but some of our knowledge articles refer to cooperative relationships with unions. The UK policies all reference the right to be accompanied by a union member in formal meetings. 6.3 percent of our global established workforce is directly covered by collective bargaining agreements (which only apply in France). Working conditions and policies are determined in accordance with our Core Beliefs, Code of Conduct, and market practice, and in many cases are more generous than would be typically provided for under collective bargaining agreements.</td>
</tr>
<tr>
<td>GRI 409: Forced or Compulsory Labor 2016</td>
<td>3-3 Management of material topic</td>
<td>As an IP company, our supply chain of raw materials is negligible. As a result, our associated risks are low. We do, however, purchase a wide range of goods and services from a large number of globally distributed suppliers. We require all our suppliers and their employees to commit to Arm’s Supplier CoC as a condition of doing business with us. Our Supplier CoC covers labor and human rights and sets out Arm’s expectations of suppliers in relation to child labor, forced or involuntary labor, compensation and working hours, and diversity and equality.</td>
</tr>
<tr>
<td>GRI 409: Forced or Compulsory Labor 2016</td>
<td>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
<td>As an IP company, our supply chain of raw materials is negligible. As a result, our associated risks are low. We do, however, purchase a wide range of goods and services from a large number of globally distributed suppliers.</td>
</tr>
<tr>
<td>GRI 414: Supplier Social Assessment 2016</td>
<td>3-3 Management of material topic</td>
<td>The information for this disclosure is not currently available.</td>
</tr>
<tr>
<td>GRI 414: Supplier Social Assessment 2016</td>
<td>414-1 New suppliers that were screened using social criteria</td>
<td>Governance; Supply Chain; Supplier Code of Conduct, p.30 Supplier Code of Conduct</td>
</tr>
<tr>
<td>GRI 414: Supplier Social Assessment 2016</td>
<td>414-2 Negative social impacts in the supply chain and actions taken</td>
<td>We do not report on this information. Supplier Code of Conduct</td>
</tr>
<tr>
<td>GRI 415: Public Policy 2016</td>
<td>3-3 Management of material topic</td>
<td>We always conduct our business with integrity, remaining accountable for our actions. We engage with public policy issues where relevant to our business to provide expertise, advice, and insight to policy-makers.</td>
</tr>
<tr>
<td>GRI 415: Public Policy 2016</td>
<td>415-1 Political contributions</td>
<td>Governance; Public Policy Engagement; Stakeholder Engagement; Political Contributions, p.29</td>
</tr>
<tr>
<td>GRI Standard</td>
<td>Disclosure</td>
<td>Location/Response</td>
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<tr>
<td>GRI 418: Customer Privacy 2016</td>
<td>3-3 Management of material topic</td>
<td>We always conduct our business with integrity, remaining accountable for our actions. To ensure our approach to compliance is as relevant as possible, Arm considers the most recent legislation, regional regulations, and industry best practice guidelines. Arm recognizes that its strength lies in the high caliber of its people and how we conduct business fairly, openly, and with integrity. The foundation of this approach lies in our CoC, which includes our human rights policy. All employees are required to sign the CoC every year as part of mandatory training on specific areas, including data privacy, anti-bribery, and corruption. Our business ethics and discrimination policies are reviewed annually to ensure they remain relevant to the organization, our people and partners, and legislation such as the UK Modern Slavery Act. We have also signed the Universal Declaration of Human Rights. In circumstances where ethics-related concerns arise, an anonymous, global Integrity Helpline is available for all employees. We are proud to report that there were no substantiated incidents of discrimination raised or recorded by Arm during FY21. The AMS sets out roles and responsibilities to guide our risk management culture. It details the internal controls that Arm needs to manage both long-term risk and short-term success. The Arm risk management framework provides robust guidance on our processes, including legal, regulatory, and commercial areas such as tax compliance. Internal Audit is responsible for regularly monitoring our tax control framework.</td>
</tr>
<tr>
<td>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>No substantiated complaints concerning breaches of customer privacy were issued to Arm for non-compliance with laws and regulations in any of its global locations during the year ending March 31, 2021.</td>
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