

# ENABLING RESPONSIBLE INNOVATION

**ARM**

Supplement to 2013 Annual Corporate Responsibility Report

# SUPPLEMENT TO 2013 ARM CORPORATE RESPONSIBILITY REPORT: ENABLING RESPONSIBLE INNOVATION

This report is a supplement to the *2013 ARM Corporate Responsibility Report: Enabling Responsible Innovation*. This supplement presents additional information and data that meet the requirements of the Global Reporting Initiative (GRI) 3.1. This supplement also includes information relevant to the requirements of the United Nations Global Compact (UNGC) Advanced Communication of Progress (COP) self-assessment.

## Reporting in accordance with the GRI 3.1

The *GRI Sustainability Reporting Guidelines*, first published in 2000 and most recently updated in 2013 (G4), provide a framework for reporting on the economic, social and environmental performance of an organisation. The Guidelines consist of principles for defining report content and ensuring the quality of reported information together with information relating to performance indicators and other disclosure items, in addition to guidance on specific technical topics in reporting.

This supplement shows how our 2013 annual reporting, which comprises our 2013 Corporate Responsibility Report, Strategic Report and Governance and Financial Report, is aligned to the reporting elements and the 84 indicators (of which 55 are core indicators and the remainder additional indicators) of GRI 3.1.

ARM has self-declared their disclosure against the GRI at the B application level.

To be in accordance with GRI, a reporter does not have to report on additional indicators. However, in the interests of transparency and comparability, we have provided a full account of our performance, or non-reporting, against all 84 indicators. Where our reporting is not fully in accordance with certain elements and indicators, an explanation is

provided. The disclosures that we make and the performance data reported meet the requirement of the B application level of the Global Reporting Initiative. To self-declare at the B application level an organisation must report fully against all standard disclosures for profile, management approaches, and a minimum of 20 performance indicators.

Further detail on the GRI and, its aims, objectives and structure, together with the Guidelines are available at [www.globalreporting.org](http://www.globalreporting.org).

## Future reporting – Moving to G4

The Global Reporting Initiative (GRI) launched its fourth generation *Sustainability Reporting Guidelines* (G4) in May 2013. GRI will continue to recognise reports based on G3.1 for up to two full reporting cycles, thereafter any reports published with reference to GRI beyond 31 December 2015, must be prepared 'in accordance' with the G4 Guidelines.

ARM will be undertaking its transition to G4 compliant reporting during 2014, and expect our 2014 sustainability reporting to be 'in accordance' with G4.

## Communication of Progress in implementing the UN Global Compact Principles

ARM is represented on both the global LEAD and UK network advisory boards, keeping us in touch

with our peers and informing how we can contribute to sustainability in our immediate operations, our ecosystem and more broadly.

As a LEAD company we submit an annual Communication on Progress (COP) against the 21 Advanced criteria that support the 10 Global Compact principles. To meet the Advanced criteria we are required to apply at least one of the best practices listed under each of the 21 criteria.

## Requirement of the COP

1. Statement by the CEO expressing continued support for the Global Compact and renewing the ongoing commitment of the organisation to the initiative and principles. This has been prepared and submitted under separate cover and will be posted from March 30 2014, at <http://www.unglobalcompact.org/participant/12151-ARM-Holdings-plc>.
2. A description of practical actions that the company has taken to implement the Global Compact principles. See the Corporate Responsibility Report.
3. A measurement of outcomes. See the Corporate Responsibility Report and the GC Advanced COP Self-Assessment below.

# GC ADVANCED COP SELF-ASSESSMENT

## Key to location references in the tables:

- ▶ SR = 2013 Strategic Report.
- ▶ GFR = 2013 Governance and Financial Report.
- ▶ CR = 2013 Corporate Responsibility Report.
- ▶ CRS = 2013 Corporate Responsibility Report Supplement.
- ▶ Other = As defined.

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory Notes	Location
<b>Strategy, Governance and Engagement</b>	Implementing the Ten Principles into Strategies and Operations.	Criterion 1: The COP describes mainstreaming into corporate functions and business units.	Environment and anti-corruption are embedded into our policies. Human rights and labour are represented by the culture and business ethics of ARM.	CR, page 35
		Criterion 2: The COP describes value chain implementation.	ARM creates value through collaboration and partnership with its ecosystem of over 1,000 companies. ARM designs are used by its Partners in the ecosystem to enable energy-efficient technologies ranging from servers, smartphones and tablets to smart meters and sensors.	CR, pages 2–17
<b>Human Rights</b>	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.  Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.	ARM has worked with Shift, a specialist non-profit organisation working on business and human rights, to understand more about this area and the key guidelines provided by the UN Guiding Principles on Business and Human Rights. We have adopted a general Human Rights Policy. This is in addition to related existing policies including those on conflict minerals, business ethics and discrimination.	CR, pages 24–25
		Criterion 4: The COP describes effective management systems to integrate the human rights principles.	As above. See also the 'ethics and trust' section of the CR Report.	CR, pages 24–25
		Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration.	As above. See also the 'ethics and trust' section of the CR Report.	CR, pages 24–25
<b>Labour</b>	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.  Principle 4: The elimination of all forms of forced and compulsory labour.  Principle 5: The effective abolition of child labour.  Principle 6: The elimination of discrimination in respect of employment and occupation.	Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour.	See the 2013 Corporate Responsibility Report and statements on governance and approaches to managing people included in this supplement on pages 14.	CRS, page 14 CR, pages 19–20, and 24–25
		Criterion 7: The COP describes effective management systems to integrate the labour principles.	See the 2013 Corporate Responsibility Report and statements on governance and approaches to managing people included in this supplement on pages 14.	CRS, page 14 CR, pages 19–20, and 24–25
		Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration.	See the 2013 Corporate Responsibility Report and statements on governance and approaches to managing people included in this supplement on pages 14.  Refer also to our description of employee engagement within the CR Report on page 20.	CRS, page 14 CR, pages 19–20, and 24–25

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory Notes	Location
<b>Environment</b>	Principle 7: Businesses should support a precautionary approach to environmental challenges. Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship.	See the 'Our responsible behaviour' section of the 2013 Corporate Responsibility Report and statements on governance and approaches to managing people included in this supplement.	CR, pages 22–23, and 35 CRS, page 11
		Criterion 10: The COP describes effective management systems to integrate the environmental principles.	See the 'Our responsible behaviour' section of the 2013 Corporate Responsibility Report and statements on governance and approaches to managing people included in this supplement.	CR, pages 22–23, and 35 CRS, page 11
		Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	See the 'Our responsible behaviour' section of the 2013 Corporate Responsibility Report and statements on governance and approaches to managing people included in this supplement.	CR, pages 22–23, and 35 CRS, page 11
<b>Anti-Corruption</b>	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption.	Anti-corruption is included within the ARM policy on business conduct and ethics. In addition, in 2014 a specific anti-bribery policy will be implemented and included in mandatory training and sign-off for all employees.	CR, page 24 GFR, pages 20–21
		Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.	Adherence and general oversight on anti-corruption is the responsibility of the Compliance Committee that operates within the overall corporate governance structures at ARM.	GFR, pages 20–21
		Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	As above. In addition, any grievance or concerns can be raised through the confidential whistleblowing mechanisms in place at ARM.	GFR, pages 20–21

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory Notes	Location
<b>UN Goals and Issues</b>	Taking action in support of broader UN Goals and Issues.	Criterion 15: The COP describes core business contributions to UN goals and issues.	ARM is committed to supporting the ten principles of the UN Global Compact and related declarations, policies and standards. See also the CEO Statement and commitment to UNGC, submitted under separate cover and available from 30 March 2014 at <a href="http://www.unglobalcompact.org/participant/12151-ARM-Holdings-plc">http://www.unglobalcompact.org/participant/12151-ARM-Holdings-plc</a>	CR, all pages GFR, pages 20–22
		Criterion 16: The COP describes strategic social investments and philanthropy.	See the 2013 Corporate Responsibility Report, for details of strategic approach to social investment and philanthropy and examples of supported projects in 2013.	CR, page 2–3, 7–9, and 27–34
		Criterion 17: The COP describes advocacy and public policy engagement.	See the 'Our contribution to public policy' section of the 2013 Corporate Responsibility Report.	CR, page 24
		Criterion 18: The COP describes partnerships and collective action.	ARM is represented on both the global LEAD and UK network advisory boards. ARM also collaborates with commercial and non-commercial partners in conducting its business activities and in its charitable and philanthropic work.	CR, pages 14, and 27–33
<b>Governance</b>	Corporate sustainability governance and leadership.	Criterion 19: The COP describes CEO commitment and leadership.	A separate, dedicated declaration of commitment to the UNGC and to implementing the ten principles will be submitted as part of our COP to be available on <a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a> . Refer also to the CEO Statement within the 2013 Corporate Responsibility Report.	CR, page 7 CEO commitment letter submitted under separate cover and available from 30 March 2014 at <a href="http://www.unglobalcompact.org/participant/12151-ARM-Holdings-plc">http://www.unglobalcompact.org/participant/12151-ARM-Holdings-plc</a>
		Criterion 20: The COP describes Board adoption and oversight.	See the 2013 Governance and Financial Report.	GFR, pages 6–13
		Criterion 21: The COP describes stakeholder engagement.	See 'Our stakeholders' section of the 2013 Corporate Responsibility Report.	CR, page 13

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

We reported our 2012 COP publically in March 2013. We will be publishing our 2013 COP through the UNGC protocols in March 2014. The COP will include our statement of continued support for the UNGC. These reports are available on the UNGC website at [www.unglobalcompact.org](http://www.unglobalcompact.org)

# OUR REPORTING AGAINST GRI G3.1: STANDARD DISCLOSURES

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### Standard Disclosures: Profile

GRI Indicator	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
<b>Strategy and Analysis</b>				
<b>1.1</b>	CEO Statement.	Fully	CR, pages 7	Refer to location of disclosure.
<b>1.2</b>	Description of key impacts, risks and opportunities.	Fully	CR, pages 10–12 SR, pages 47–49	Refer to location of disclosure.
<b>Organisational Profile</b>				
<b>2.1</b>	Name of organisation.	Fully	GFR, page 64	Refer to location of disclosure.
<b>2.2</b>	Primary brands, products and/or services.	Fully	SR, pages 14–37	Refer to location of disclosure.
<b>2.3</b>	Operational structure of the organisation.	Fully	SR, page 11	Refer to location of disclosure.
<b>2.4</b>	Location of headquarters.	Fully	GFR, page 64	Refer to location of disclosure.
<b>2.5</b>	Number of countries of operation.	Fully	CR, page 10	Refer to location of disclosure.
<b>2.6</b>	Nature of ownership and legal form.	Fully	GFR, page 64	Refer to location of disclosure.
<b>2.7</b>	Markets served.	Fully	SR, pages 14–37	Refer to location of disclosure.
<b>2.8</b>	Scale of the reporting organisation.	Fully	SR, pages 3, 18–19	Refer to location of disclosure.
<b>2.9</b>	Significant changes during the reporting period regarding size, structure or ownership.	Fully	CRS	There have been no significant changes during the reporting period regarding structure or ownership.
<b>2.10</b>	Awards received in the reporting period.	Fully	CR, page 9	Refer to location of disclosure.

GRI Indicator	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
<b>Report Parameters</b>				
<b>3.1</b>	Reporting period.	Fully	CRS	1 January 2013–31 December 2013.
<b>3.2</b>	Date of most recent previous report.	Fully	CRS	Our previous Corporate Responsibility report was published in March 2013.
<b>3.3</b>	Reporting cycle.	Fully	CRS	Annual.
<b>3.4</b>	Contact point for questions regarding the report or its contents.	Fully	CR, back cover SR, page 61	Refer to location of disclosure.
<b>3.5</b>	Process for defining report content.	Fully	CR, inside front cover	Refer to location of disclosure.
<b>3.6</b>	Boundary of the report.	Fully	CR, inside front cover	Refer to location of disclosure.
<b>3.7</b>	State any specific limitations on the scope or the boundary of the report.	Fully	CR, inside front cover	Refer to location of disclosure.
<b>3.8</b>	Basis on reporting on joint ventures.	Fully	CRS	There have been no significant changes in the group structure, subsidiaries, leases, outsourcing or other entities that would affect comparability with previous periods. Further detail on joint venture activity and reporting can be found in the Governance and Financial Report, page 108.
<b>3.9</b>	Data measurement techniques and the basis of calculations including assumptions and techniques underlying estimations.	Fully	SR, GFR, CR	Measurement techniques and basis of calculation including the methodologies and standards used are described in relation to specific data contained in the 2013 Strategic Report, Governance and Financial Report and the Corporate Responsibility Report.
<b>3.10</b>	Explanation of the effect of any restatements of information provided in earlier reports.	Fully	CR, page 22	The only restatement relevant to information provided in earlier reports relates to carbon emissions data for direct and indirect emissions. This is explained within the Corporate Responsibility Report and relates to a change in emission factors provided by the Department of Environment, Food and Rural Affairs (DEFRA).
<b>3.11</b>	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	CRS	There have been no significant changes during the reporting period in the scope, boundary or measurement methods applied in the report.
<b>3.12</b>	Table identifying the location of Standard Disclosures in the report.	Fully	CRS	Refer to location of disclosure.
<b>3.13</b>	Policy and current practice with regard to seeking external assurance.	Fully	GFR, pages 115–116	All data contained within the 2013 Strategic Report and Governance and Financial Report has been externally assured. Where this data is duplicated in the CR or CRS the same assurance approach and statement applies.

GRI Indicator	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
<b>Governance, Commitments and Engagement</b>				
<b>4.1, 4.2</b>	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks. Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	CRS	<p>The Board has oversight of our sustainability and corporate responsibility strategies. Our local offices develop their own priorities within the framework established for the whole company. The associated committees such as the Corporate Responsibility Committee (CRC) and the Energy Use and Climate Change Committee (EUCCC) ensure a good flow of information and ideas around the business.</p> <p>The CRC is responsible for monitoring ARM's corporate responsibility, sustainability and charitable activities within the overall strategy and annual budgets approved by the Executive Committee (EC) and the Holdings Board (HB). In particular, reviewing progress on the targets set for the year in the annual Corporate Responsibility Report, managing the charitable donations budget and reviewing ARM's performance on indices such as the Dow Jones Sustainability Index and Carbon Disclosure Project. The committee evaluates participation in sustainability projects and requests for charitable support against ARM's Charitable Donations Guidelines. It also actively promotes projects in collaboration with ARM's Partner ecosystem.</p> <p>The CRC meets quarterly and reports to the EC and HB twice a year. It is chaired by the Head of Sustainability and CR its members are the Chief Operating Officer, the EVP Human Resources, the Company Secretary, the VP Finance, the VP Public Policy and the Property Director.</p> <p>The EUCCC includes key decision makers from relevant divisions, as reducing our carbon emissions requires input from across the business.</p>
<b>4.3</b>	State the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	GFR, pages 4-10	Refer to location of disclosure.
<b>4.4</b>	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	GFR, page 11	Refer to location of disclosure.
<b>4.5</b>	Linkage between compensation for members of the highest governance body, senior management and executives.	Fully	SR, pages 40-41 GFR, 29-54	Refer to location of disclosure.
<b>4.6</b>	Process in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	GFR, page 8	Refer to location of disclosure.
<b>4.7</b>	Process for determining Board composition, qualifications and expertise.	Fully	GFR, pages 6-12	Refer to location of disclosure.
<b>4.8</b>	Internally developed statements of mission, values, codes of conduct and principles.	Fully	CR, page 2	Refer to location of disclosure.
<b>4.9</b>	Procedures for Board oversight of sustainability performance.	Fully	CR, page 35	Refer to location of disclosure.
<b>4.10</b>	Process for evaluating board performance.	Fully	GFR, page 11	Refer to location of disclosure.

<b>GRI Indicator</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of Disclosure</b>	<b>Explanatory Notes</b>
<b>4.11</b>	Explanation of whether and how the precautionary approach or principle is addressed.	Fully	CR, pages 10–13, 24 and 25	Refer to location of disclosure.
<b>4.12</b>	Externally developed sustainability charters, principles or other initiatives to which the organisation subscribes or endorses.	Fully	CR, page 26	Refer to location of disclosure.
<b>4.13</b>	Membership in associations and/or national advocacy organisations.	Partially	CRS	ARM is a member of many external associations and industry organisations. However, a full listing is not maintained centrally, and is therefore not available for external reporting.
<b>4.14</b>	List of stakeholder groups engaged by the organisation.	Fully	CR, page 13	Refer to location of disclosure.
<b>4.15</b>	Basis for identification and selection of stakeholders with whom to engage.	Partially	CR, page 13	The current process for stakeholder identification and engagement will be reviewed and updated during 2014. Further information is contained in the Corporate Responsibility Report.
<b>4.16</b>	Approach to stakeholder engagement.	Partially	CR, page 13	The current process for stakeholder identification and engagement will be reviewed and updated during 2014. Further information is contained in the Corporate Responsibility Report.
<b>4.17</b>	Key topics and concerns raised through stakeholder engagement.	Partially	CR, page 10–12	Refer to location of disclosure.

## GRI Standard Disclosures: Performance Indicators

### Economic

#### Description of management approach

Economic performance, market presence, indirect economic impacts

See the Governance and Financial Report

#### Goals, performance and contextual information

See the Governance and Financial Report.

#### Policies and links

[www.arm.com/reporting2013](http://www.arm.com/reporting2013)

### Performance Indicators

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
<b>EC1</b>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	SR, pages 52–59	Refer to location of disclosure.
<b>EC2</b>	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Partially	CR, page 10–12, 17 and 22–23	A comprehensive risk review was undertaken by the business during 2013. No material risks or opportunities were identified that specifically relate to climate change. However, the cornerstone of the business of ARM is the design of energy efficient technology. ARM technology makes a significant contribution to global reductions in carbon emissions for the ICT sector due to the low power consumption of its semiconductor designs. An analysis of this is included in the 2013 Corporate Responsibility Report.
<b>EC3</b>	Coverage of the organisation's defined benefit plan obligations.	Fully	GFR, page 43	Refer to location of disclosure.
<b>EC4</b>	Significant financial assistance received from government.	Fully	GFR, page 86	ARM Holdings is headquartered in the UK where it benefits from the UK patent box regime that promotes innovation through tax relief.
<b>EC5</b>	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Partially	CRS	We hire people based on their qualifications and experience regardless of gender, religion, race, nationality or political affiliation. This policy also applies to employee compensation.
<b>EC6</b>	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	CRS	We do not have in place any specific policies or measurement approaches for spending on locally-based suppliers. However, in certain aspects of our operations, such as catering, we do have a policy for sourcing from local suppliers wherever possible.
<b>EC7</b>	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Partially	CRS	We hire people based on their qualifications and experience regardless of gender, religion, race, nationality or political affiliation. This policy applies also to employee compensation.
<b>EC8</b>	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement.	Partially	CRS	We support our local communities through our Corporate Responsibility programme. On occasion this will involve infrastructure investment and services where it is appropriate. For example, during 2013 our Austin office supported the City of Austin in securing grant funding for the Mopac Bicycle Bridge.
<b>EC9</b>	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	CR	This is an integral part of our CR programme strategy, governance and performance review approach.

## Standard Disclosures: Performance Indicators

### Environmental

#### Description of management approach

Materials, water, biodiversity, products and services, compliance, transport

ARM has a Global Environmental Policy that addresses the impact of the company on the environment including offices and operations of ARM. ARM recognises that all human activities interact with the environment and considers environmental management to be an integral part of good business practice. The policy includes a commitment to review the actual and potential environmental interactions of our activities regularly and to strive for continual improvement in our environmental performance and the prevention of pollution, including the appropriate use of objectives and targets. ARM does not currently have any material impacts or risks relating to materials, water, biodiversity, products and services, compliance, or transport.

Emissions, effluents and waste

The ARM Global Environmental Policy includes emissions, effluents and waste. ARM reviews environmental data that is captured by individual operations on a monthly, quarterly, and yearly basis. Individual operations ensure data is accurate and is kept up-to-date in the centralised system. Reports are generated and reviewed at a corporate (senior management) level at the EUCCC meetings that take place twice a year. Regular updates to the Executive Committee are also made. ARM operates within its ISO 9001 accredited ARM Management System AMS. Processes lie within the AMS to cover all aspects of business risk and ensure they are mitigated as far as reasonably practicable.

ARM integrates climate change into its business strategy both operationally and in the development of future products and services. Operationally, the EUCCC manage the strategy. The EUCCC includes key decision makers from all the principal divisions of the business. This ensures that those expected to execute the decisions around carbon reduction are also involved in making them. Our Global Property Director chairs the Committee which also includes our Chief Operating Officer.

#### Goals, performance and contextual information

A 30% reduction in tonnes of CO<sub>2</sub> emission per employee by 2020 from a 2009 baseline.

A 15% reduction in energy used per person by 2020 measured in kW hours from a 2009 baseline.

#### Policies and links

<https://www.cdp.net/sites/2013/50/950/Investor%20CDP%202013/Pages/DisclosureView.aspx>

### Performance Indicators

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
EN1	Materials used by weight or volume.	Partially	CRS	ARM outsources the manufacturing process and sells a small number of physical products including development boards and debuggers. The volumes of these items are not material to the business. No detailed data related to this indicator is available for reporting for 2013.
EN2	Percentage of materials used that are recycled input materials.	Partially	CRS	ARM outsources the manufacturing process and sells a small number of physical products including development boards and debuggers. The volumes of these items are not material to the business. No detailed data related to this indicator is available for reporting for 2013.
EN3	Direct energy consumption by primary energy source.	Fully	CR, page 22	Refer to location of disclosure.
EN4	Indirect energy consumption by primary source.	Fully	CR, page 22	Refer to location of disclosure.
EN5	Energy saved due to conservation and efficiency improvements.	Partially	Other	See the Carbon Disclosure Project reporting submission at <a href="http://www.cdp.net">http://www.cdp.net</a> .

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	CR, page 17	The design of energy efficient technology is the cornerstone underpinning the ARM business model. ARM technology makes a significant contribution to global reductions in carbon emissions for the ICT sector due to the low power consumption of its semiconductor designs. An analysis of this is included in the 2013 Corporate Responsibility Report.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Other	See the Carbon Disclosure Project reporting submission at <a href="http://www.cdp.net">http://www.cdp.net</a> .
EN8	Total water withdrawal by source.	Partially	CRS	Water consumption is only measured for the ARM headquarters in Cambridge. This office is the largest site by headcount, representing approximately 32% of employees in 2013. ARM does not currently consider water to be a material issue due to low consumption and demand across the estate. However this will be assessed during 2014 as part of an annual review of materiality.
EN9	Water sources significantly affected by withdrawal of water.	None	N/A	ARM does not currently consider water to be a material issue due to low consumption and demand across the estate. However this will be assessed during 2014 as part of an annual review of materiality.
EN10	Percentage and total volume of water recycled and reused.	Partially	CRS	Water consumption is only measured for the ARM headquarters in Cambridge. This office is the largest site by headcount, representing approximately 32% of employees in 2013. ARM recycles grey water at its site in Austin, Texas.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	None	N/A	As of 31 December 2013, ARM has 31 offices across 15 countries. This is considered low risk due to the nature of the business operations of ARM. No detailed work has been carried out to provide data to report against this indicator.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	None	N/A	As above.
EN13	Habitats protected or restored.	None	N/A	As of 31 December 2013, ARM has 31 offices across 15 countries. No detailed work has been carried out to gather data to report against this indicator.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	CRS	ARM has no strategy or policy in place to manage its impacts on biodiversity. Biodiversity is not currently considered to be a material issue for ARM because ARM does not manufacture or sell a physical product, and therefore has very limited physical impacts on the natural environment.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	CRS	As of 31 December 2013, ARM has 31 offices across 15 countries. There have been no recorded impacts on endangered or threatened species by the direct operations of ARM.
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	CR, page 22	Refer to location of disclosure.
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	CR, page 22	Refer to location of disclosure.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Other	See the Carbon Disclosure Project reporting submission at <a href="http://www.cdp.net">http://www.cdp.net</a> .
EN19	Emissions of ozone-depleting substances by weight.	Fully	CRS	ARM does not emit any significant ozone-depleting substances through its direct operations.

<b>GRI Reference</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of Disclosure</b>	<b>Explanatory Notes</b>
<b>EN20</b>	NOx, SOx, and other significant air emissions by type and weight.	Fully	CRS	ARM does not emit any significant NOx and SOx through its operations.
<b>EN21</b>	Total water discharge by quality and destination.	None	N/A	ARM does not measure, record or report on water discharge. ARM's only water use is for individuals consumption and hygiene. Therefore ARM does not consider water discharge to be a material issue for the business.
<b>EN22</b>	Total weight of waste by type and disposal method.	Partially	CRS	General office waste is only measured for the ARM headquarters in Cambridge. This office is the largest office by headcount, representing approximately 32% of ARM employees. Due to the nature of the business operations and activity of ARM waste is not currently considered as a material issue.
<b>EN23</b>	Total number and volume of significant spills.	Fully	CRS	There were no significant spills during 2013.
<b>EN24</b>	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	None	N/A	The only hazardous waste relevant to the business operations and activity of ARM is e-waste (for example, old computers, and computer paraphernalia). An audit is planned to measure and manage this type of waste, but no detailed information is available to report on this indicator for 2013.
<b>EN25</b>	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	None	N/A	This indicator is not relevant to the business operations and activity of ARM.
<b>EN26</b>	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	CR, page 17	The design of energy efficient technology is the cornerstone underpinning the ARM business model. ARM technology makes a significant contribution to global reductions in carbon emissions for the ICT sector due to the low power consumption of its semiconductor designs. An analysis of this is included in the 2013 CR Report.
<b>EN27</b>	Percentage of products sold and their packaging materials that are reclaimed by category.	None	N/A	ARM outsources the manufacturing process and sells a small number of physical products including development boards and debuggers. The volumes of these items are not material to the business. No detailed data related to this indicator is available for reporting for 2013.
<b>EN28</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	CRS	No fines or non-monetary sanctions were issued to ARM for non-compliance with environmental laws and regulations in any of its global locations during 2013.
<b>EN29</b>	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Partially	CR, page 23	ARM outsources the manufacturing process and sells a small number of physical products including development boards and debuggers. The volumes of these items are not material to the business and there are no significant impacts of transporting these products or other materials. However, flight miles are an issue for us. Our approach to managing international employee business travel is described in the Corporate Responsibility Report.
<b>EN30</b>	Total environmental protection expenditures and investments by type.	None	N/A	This indicator is not relevant to the business operations and activity of ARM.

## Standard Disclosures and Performance Indicators

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### Labour practices and Decent Work

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#### Description of management approach

Employment, labour/management relations, occupational health and safety, training and education, diversity and equal opportunity, equal remuneration for women and men

Our business strategy and performance is a strong platform for positive growth for our people, who are outstanding in our industry. We aim to be the best company to work for in our sector, with a culture rich in innovation and collaboration. The HR function at ARM enables the delivery of a high performance, high engagement organisation by ensuring that our people policies, systems and processes are efficient, impactful and meritocratic across ARM. The structure of the HR team, its defined roles and responsibility and management oversight is designed to support the corporate strategic objectives of the business.

The HR function at ARM is responsible for managing recruitment in collaboration with managers across the business who define their needs and then work with HR to select new employees. HR also has responsibility for training and education, employee engagement, employee reward and benefits, and internal communications. Policies for equal opportunities and related legal obligations are monitored and managed by HR. HR is represented on the ARM Executive Committee by the EVP of People.

The Group operates in an industry and in environments which are considered low risk from a health and safety perspective. However, the safety and welfare of employees, contractors and visitors is a priority in all Group workplaces worldwide.

The ARM Facilities Management team are responsible for occupational health and safety. The Group continues to improve its management systems in this area with an audit programme that includes external auditing of processes and offices. The ultimate responsibility for health and safety sits with the Board and the CEO.

The Compliance Committee oversees compliance throughout the business with all relevant international regulations, including direct oversight of employment, health and safety, environmental, business continuity and security processes and policies. The Committee consists of the General Counsel, the Chief Operating Officer, the Chief Financial Officer, the EVP People, the VP Business Assurance/Head of Internal Audit, the Chief Information Officer, the VP Operations and the Company Secretary.

#### Goals, performance and contextual information

One of the corporate key performance indicators of ARM is to ensure performance appraisals are completed by all staff. Senior level staff in divisions at ARM are incentivised to obtain 100% completion. If they fail to achieve this, there is a ceiling on the individual performance level related pay these senior staff can obtain.

#### Policies and links

<http://www.arm.com/careers/index.php>

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**Performance Indicators**

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
LAI	Total workforce by employment type, employment contract and region, broken down by gender.	Fully	CRS	<p>Note 2012 figures in brackets.</p> <ul style="list-style-type: none"> <li>▶ Total Established, Fixed-term and External: <b>3284 (2752)</b>  Female: <b>579 (484)</b>  Male: <b>2705 (2268)</b></li> <li>▶ Established Employees, which includes permanent or indefinite employees: <b>2833 (2392)</b>  Female: <b>487 (414)</b>  Male: <b>2346 (1978)</b></li> <li>▶ Fixed-term Employees: <b>99 (84)</b>  Female: <b>36 (22)</b>  Male: <b>63 (62)</b></li> <li>▶ External: <b>352 (276)</b>  Female: <b>56 (48)</b>  Male: <b>296 (228)</b></li> <li>▶ Total Established, Fixed-term and External, which includes temporary contracted workers: <b>3284 (2752)</b>  Full-time: <b>3182 (2700)</b>  Part-time: <b>102 (52)</b></li> <li>▶ Established Employees: <b>2833 (2392)</b>  Full-time: <b>2766 (2338)</b>  Part-time: <b>67 (54)</b></li> <li>▶ Fixed-term Employees: <b>99 (84)</b>  Full-time: <b>88 (77)</b>  Part-time: <b>11 (7)</b></li> <li>▶ External: <b>352 (276)</b>  Full-time: <b>329 (265)</b>  Part-time: <b>23 (11)</b></li> </ul> <p>By region</p> <ul style="list-style-type: none"> <li>▶ Asia Pacific: <b>247 (182)</b>  Female: <b>48 (36)</b>  Male: <b>199 (146)</b></li> <li>▶ EMEA: <b>1765 (1484)</b>  Female: <b>265 (217)</b>  Male: <b>1500 (1267)</b></li> <li>▶ India: <b>557 (453)</b>  Female: <b>105 (85)</b>  Male: <b>452 (368)</b></li> <li>▶ US: <b>715 (633)</b>  Female: <b>161 (146)</b>  Male: <b>554 (487)</b></li> </ul>

**Performance Indicators**

<b>GRI Reference</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of Disclosure</b>	<b>Explanatory Notes</b>																																																																																						
<b>LA2</b>	Total number and rate of employee turnover by age group, gender and region.	Fully	CRS	New joiners and leavers by region and gender																																																																																						
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				51–60 9 7 11 6
				Unknown 0 1 1
				<b>EMEA Total 327 73 277 98</b>
			India	<20 2 1 0 0
				21–30 62 18 58 14
				31–40 33 23 15 11
				41–50 4 2 2 2
				51–60 0 0 1 0
				Unknown 0 1 1 2
				<b>India Total 101 45 77 29</b>
			US	21–30 34 6 26 6
				31–40 36 19 12 23
				41–50 33 10 19 14
				51–60 19 9 9 5
				61+ 1 4 3 3
				<b>US Total 123 48 69 51</b>
				<b>Grand Total 619 178 465 187</b>
				Nine new starters left within the year 2012: 1.5% of starters (14 in 2012: 3% of new starters). Total turnover: 6.8% (2012: 8%) based on average headcount of established employees.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	CR, page 19 CRS	All employees receive the same level of benefits across all offices around the world. Temporary employees are excluded from benefits where the benefit is not practical or where administration costs are prohibitively expensive when considering the benefit to the employee for the time of employment, for example: <ul style="list-style-type: none"> <li>▶ Pension/401k schemes</li> <li>▶ Insurances – medical, travel, life, permanent health insurances</li> <li>▶ Bonus.</li> </ul> Temporary employees are compensated for exclusion from these benefit schemes by receiving increased levels of basic pay.
LA4	Percentage of employees covered by collective bargaining agreements.	None	CRS	Employee participation in collective bargaining agreements is country specific, and subject to country specific regulation. ARM do not place any restriction on collective bargaining agreements. There is no detailed information available for reporting in relation to this indicator.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	None	CRS	Employee participation in collective bargaining agreements is country specific, and subject to country specific regulation. ARM do not place any restriction on collective bargaining agreements. There is no detailed information available for reporting in relation to this indicator.

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Fully	CRS	ARM does not differentiate between workers and management in terms of its committee membership, monitoring or advisory processes. Therefore the percentage of total workforce represented health and safety committees can be considered as 100%.
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender.	None	N/A	This information is maintained locally by Human Resources. Incidences are rare, but no detailed information is available for external reporting.
LA8	Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases.	Fully	CRS	ARM offers an employee assistance programme for its employees in many regions to use on a fully confidential basis. This programme supports a wide range of employee concerns or issues including health and disease. In some regions we offer confidential employee medicals as an employee benefit. These result in early identification of potential medical issues.
LA9	Health and safety topics covered in formal agreements with trade unions.	None	N/A	Trade Union membership is not restricted by ARM but is considered as sensitive personal data under UK law and subject to different country specific disclosure requirements. Therefore no detailed information is available for reporting against this indicator.
LA10	Average hours of training per year per employee by gender and by employee category.	Fully	CRS	The following data relates to established employees only. Average hours of training per employee by gender and employee category:
				<b>2013</b>
				<b>2012</b>
				<b>Female</b>
				<b>Male</b>
				<b>Female</b>
				<b>Male</b>
				<b>EMEA</b>
				Executive Committee
				Individual Contributor
				Manager
				Senior Management
				<b>EMEA Average</b>
				<b>ASIA</b>
				Executive Committee
				Individual Contributor
				Manager
				Senior Management
				<b>Asia Average</b>

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
				<b>INDIA</b>
				Executive Committee n/a n/a n/a n/a
				Individual Contributor 45.84 42.85 49.15 46.45
				Manager 50 41.23 33.32 30.02
				Senior Management n/a 40.5 n/a 15.25
				<b>India Average 46.65 42.42 46.13 41.53</b>
				<b>US</b>
				Executive Committee n/a 50.67 n/a 5.5
				Individual Contributor 26.46 25.38 12.89 17.15
				Manager 40.44 30.2 16.05 15.33
				Senior Management 46.8 47.17 31 23.67
				<b>US Average 29.9 28.26 14.29 16.96</b>
				<b>GRAND TOTAL 32.43 32.23 26.84 29.67</b>
				In total 400 female staff (2012: 324) and 1933 male staff (2012: 1617) attended training during 2013. This represents 82% of female (2012: 78%) and 82% (2012: 82%) of male staff.
<b>LA11</b>	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	CR, page 20	See the information specifically related to the ARM Leadership Programme.
<b>LA12</b>	Percentage of employees receiving regular performance and career development reviews by gender.	Fully	CRS	<b>99.9%</b> of ARM Feedback and Development System (AFDS) forms from eligible established employees were submitted in 2013 with only one exception noted. This includes individuals who are exempt from the process, for example, those on maternity leave, long-term sickness or very recent starters. Based on completed performance reviews for non-exempted established employees, those submitting AFDS forms in 2013 were: ▶ 94% of female employees ▶ 98% of male employees.
<b>LA13</b>	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Fully	CRS	Ethnic origin is defined differently by location and therefore available data is not directly comparable. Reporting is only possible as follows: Gender Split – Total Established: <b>2833 (2012: 2392)</b> Female: <b>487 (17%) (2012: 414 (17%))</b> Male: <b>2346 (83%) (2012: 1978 (83%))</b>

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes																																																																												
				Global employee age distribution																																																																												
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GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	CRS	The following data is maintained for the significant locations of operation: EMEA, UK and India. In total these locations represent > 90% of employees.
				<b>EMEA:</b>
				<b>Ratio of Female to Male Salary</b>
				<b>Management Level</b>
				<b>2013</b>
				<b>2012</b>
				Executive Committee 116% 97%
				Senior Management 95% 99%
				Management 92% 95%
				Individual Contributor 94% 87%
				<b>Overall Average 99% 95%</b>
				<b>US:</b>
				Executive Committee n/a n/a
				Senior Management 92% 78%
				Management 112% 93%
				Individual Contributor 98% 94%
				<b>Overall Average 101% 88%</b>
				<b>India:</b>
				Executive Committee n/a n/a
				Senior Management n/a n/a
				Management 89% 84%
				Individual Contributor 94% 91%
				<b>Overall Average 92% 88%</b>
				<b>Overall Average of UK, US and India: 90%</b>
LA15	Return to work and retention rates after parental leave.	Fully	CRS	Retention rates after parental leave: Male: 100% (2012: 100%). Female: 91% (2012: 86%).

## Standard Disclosures: Performance Indicators

### Human Rights

#### Description of management approach

Investment and procurement practices, non-discrimination, freedom of association and collective bargaining, child labour, forced and compulsory labour, security practices, assessment, remediation.

ARM has signed the Universal Declaration of Human Rights and has integrated relevant human rights principles into its policies for employees and contractors. ARM issued a policy on Human Rights during 2013. This policy complements existing policies, which include Global Equal Employment Opportunities, the Company Health and Safety Policy, grievance policy and procedure, the Company Whistleblowing Policy and the Company Code of Business Conduct and Ethics. All policies are endorsed by the Board and Executive Management.

Further detail on these programmes can be found within the 2013 Corporate Responsibility Report.

#### Goals, performance and contextual information

ARM strives for equal opportunities for all its employees and does not tolerate any harassment of, or discrimination against, its staff.

#### Policies and links

<http://www.arm.com/careers/index.php>

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Partially	CR, page 25	Detailed information relating to this indicator is not recorded or reported. See the 'Respecting human rights' section of the Corporate Responsibility Report for our policy approach related to this indicator.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	CR, page 25	Detailed information relating to this indicator is not recorded or reported. Refer also to the 'Respecting human rights' section.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	CRS	Total training hours across employees by gender, location, age and grade are recorded and reported. Mandatory training requirements for all new starters include aspects of human rights through the employee handbook, ethics and code of conduct. All employees are also required to annually sign off their understanding and agreement to abide by the ARM code of business conduct and ethics, and other core company policies. There is no general human rights training as it is not considered a material issue or risk for the business. However, where relevant, individuals affected will be trained accordingly.
HR4	Total number of incidents of discrimination and actions taken.	None	N/A	This information is not available for external reporting.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Partially	CRS	ARM do not act or restrict or violate freedoms of association or collective bargaining in respect of any of its suppliers.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	Partially	CRS	As a participant within the e-technology supply chain, ARM takes the issue of child labour seriously. However ARM does not manufacture or sell a physical product, and therefore has a limited supply chain. Child labour is not considered a material issue or risk for ARM.

<b>GRI Reference</b>	<b>Disclosure</b>	<b>Level of Reporting</b>	<b>Location of Disclosure</b>	<b>Explanatory Notes</b>
<b>HR7</b>	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	Partially	CRS	As a participant within the e-technology supply chain, ARM takes the issue of forced and compulsory labour seriously. However ARM does not manufacture or sell a physical product, and therefore has a limited supply chain. Forced and compulsory labour is not considered a material issue or risk for ARM.
<b>HR8</b>	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	CRS	ARM does not employ security personnel with the exception of contracting office security services. ARM ensures through its procurement and contract management processes that the security services it contracts are compliant with any country specific requirements relating to human rights. This issue is not considered a material issue or risk for ARM.
<b>HR9</b>	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	CRS	There were no incidents of violations involving rights of indigenous people during 2013.
<b>HR10</b>	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	CR, page 25	Refer to location of disclosure.
<b>HR11</b>	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	CRS	There were no grievances raised through the ARM Whistleblowing process during 2013. The ARM grievance policy and procedure including the whistleblowing process exists to manage grievances.

## Standard Disclosures: Performance Indicators

### Society

#### Description of management approach

Local community, corruption, public policy, anti-competitive behaviour, compliance.

Internal policies are in place to address issues of material risk. These policies include Conflict Minerals, Global Equal Employment Opportunities, the Company Health and Safety Policy, grievance policy and procedures, the Company Whistleblowing Policy and the Company Code of Business Conduct and Ethics.

See the Governance and Financial Report, pages 20–21.

#### Goals, performance and contextual information

ARM endeavours to be honest and fair in its relationships with its customers and suppliers and to be a good corporate citizen respecting the laws of the countries in which it operates.

Further detail can be found within the Performance Indicators sections of this report.

#### Policies and links

Global Code of Business Conduct and Ethics Policy is at <http://ir.arm.com/phoenix.zhtml?c=197211&p=irol-govconduct>

### Performance Indicators

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes.	Partially	CR, page 34	Over 50% of employees were engaged in charitable fundraising for local and international communities during 2013.
SO2	Percentage and total number of business units analysed for risks related to corruption.	Fully	GFR, page 21	100% coverage in risk assessment and mitigation of risks associated with corruption. See also responses to anti-corruption and anti-corruption policy.
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Fully	CRS	Anti-corruption is included with the ARM policies for business conduct and ethics. 100% of eligible established employees had signed off acknowledgement and adherence to this policy in 2013. An anti-bribery policy will be introduced in 2014 and all employees will undergo training and have to acknowledge their understanding and adherence to it.
SO4	Actions taken in response to incidents of corruption.	Partially	CRS	A grievance policy and procedures exist to manage employee concerns or issues. A whistleblowing policy and mechanism is also in place. In addition, the Compliance Committee monitor and manage compliance against all company policies and standards and legal requirements. There were no grievances raised through the ARM Whistleblowing process during 2013.
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	CR, page 24	Refer to location of disclosure.
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Fully	GFR, page 24	ARM does not make financial or in-kind contributions to political parties' politicians or related institutions.
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Fully	CRS	No legal actions relating to anti-competitive behaviour, anti-trust, monopoly practices or related practices were taken against ARM during 2013.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	CRS	No fines or sanctions were imposed on ARM during 2013.

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
<b>SO9</b>	Operations with significant potential or actual negative impacts on local communities.	Fully	CRS	None of ARM's operations have a significant potential or actual negative impact on local communities.
<b>SO10</b>	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	CR, pages 27–34	ARM does not consider that any of its operations have a significant potential or actual negative impact on local communities. We seek to work with and support our local communities. Our approach to this is fundamental to our CR strategy and approach.

## Standard Disclosures: Performance Indicators

### Product Responsibility

#### Description of management approach

Customer health and safety, product and service labelling, marketing communications, customer privacy, compliance.

ARM has an internal system for reviewing the life cycle impact of intellectual property designs and an external process to ensure that plans and new products are effective and there will be no unnecessary changes once the final product is available to customers. The research and development functions at ARM anticipate what products ARM customers will need and find solutions that ARM is capable of providing at present and in the future. This enables ARM to ensure it will meet the needs of ARM customers in the future.

#### Goals, performance and contextual information

Customer surveys are undertaken to include questions on product and product delivery. The target for customer satisfaction in 2013 is 90% of returned surveys marked Very Satisfied or Satisfied. Data is regularly reported to the Management and Executive Board of ARM and any issues are regularly reviewed and followed up with suitable action plans until issues are resolved.

The Customer Relationship Management online system (CRM) used by the ARM Sales team includes a customer feedback section to facilitate instant feedback that is logged and progressed through a case management system to address any customer-related problems.

#### Policies and links

Various internal policies, procedures and the ARM 9001 accredited management system exist to ensure product quality and customer satisfaction. ARM's quality policy is available at <http://www.arm.com/about/company-profile/quality-policy.php>.

### Performance Indicators

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
<b>PR1</b>	Life cycle stages in which the health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Partially	CRS	Health and safety aspects of products are considered during the development of concept, R&D, and certification (where appropriate) stages of product life cycle. The extent of assessment depends on the nature of the product and intended end-use.
<b>PR2</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	CRS	ARM had no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of its products and services in 2013.
<b>PR3</b>	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Partially	CRS	Supporting documentation and instructions are provided to customers with ARM's products and services as required and appropriate to the individual product and service. This documentation will be provided in 100% instances where required.
<b>PR4</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Fully	CRS	ARM had no incidents of non-compliance with regulations and/or voluntary codes concerning the service information and labelling of its products and services in 2013.
<b>PR5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	CR, page 24	Refer to location of disclosure.
<b>PR6</b>	Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	Partially	CR, page 24	Refer to location of disclosure.
<b>PR7</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	Fully	CRS	There were no incidents of non-compliance with regulations or voluntary codes concerning marketing communications and promotion in 2013.

GRI Reference	Disclosure	Level of Reporting	Location of Disclosure	Explanatory Notes
<b>PR8</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	CRS	One minor incident was recorded in 2013 which did not result in any significant breach of privacy or any data loss. The issue was resolved to the satisfaction of all parties.
<b>PR9</b>	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	CRS	No fines were imposed on ARM during 2013 relating to non-compliance with laws and regulations concerning the provision and use of products and services.

**ARM**

Supplement to 2013 Annual Corporate Responsibility Report