



SUSTAINABILITY REPORT

2023



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Overview

Message from our Board Sponsor

I'm delighted to be writing the introduction to our third annual sustainability report. Over the past few years our understanding of this space has certainly matured, and we've strived to maintain a focus on keeping aligned with best practices and science. While there have been learnings and challenges on the journey so far, I can say with confidence that we've stayed true to the goals of our ESG strategy and continue to make good progress in this space. I'm proud to report that our 2023 emissions were down by 20% against our 2022 numbers and down by over 60% against our baseline year of 2019.

Transparent, accurate data is fundamental to our activities, and I'm very pleased by the progress we have made in understanding our overall environmental footprint, not just our direct emissions but also our indirect emissions. In this report, you will see that we compiled a comprehensive inventory of scope 3 emissions, and while there is still room for improvement, we have put in place a strong foundation and have taken an approach that I believe makes our emissions inventory among the most robust of companies in our peer set. Using this data, we are better able to understand our impact, our current trajectory, and have a clearer view on a pathway to a truly sustainable future.

We continue to have a conviction that the IP business model is an inherently positive one, and that by providing cutting-edge, power-efficient GPU, CPU, and AI IP to a range of customers, we are not only reducing the overall footprint of the semiconductor value chain but also accelerating the advent of greener technologies such as electric vehicles, hyper-efficient data centres, and IoT that drives agriculture, industry, and energy production. Sustainability remains very much on the agenda at Imagination, and I'm excited to see the progress we make over the next reporting cycle.



John Kao,
Board member and board sponsor for ESG



Our 2023 emissions were down by **20%** against our 2022 numbers and down by over **60%** against our baseline year of 2019.



About us

Our Mission and Vision

At Imagination, we strive for it to be a great place to work for our employees and to have a positive impact on the wider world, driving our customers and our end users' satisfaction and creating shareholder value in a meaningful, sustainable manner. Clarity of direction, aligned values, healthy culture and good governance are all fundamental hallmarks of high-performance companies. They are a must when it comes to building a "great place to work". A high-performance company is an impossible dream unless our place of work is indeed truly great.

Vision

Our vision is to be the undisputed leader for semiconductor IP solutions that transform billions of lives.

Mission

We share our partners' challenges, giving them the edge in a global technology market where differentiation, quality and velocity are the keys to success.

Our Values

By keeping to our core values and unleashing the creativity of our people we aim to be the trusted partner for all technology companies who are looking to solve complex challenges and build the world's best products.

Customer First:

We are committed to making our colleagues and customers successful and highly satisfied.

Collaborative:

We are a family. We are respectful to our colleagues and customers. We work with and listen to them to achieve the best outcomes.

Committed:

We deliver what we say, when we say, to the highest standard.

Innovative:

We strive to innovate with new and forward-thinking solutions.

Straightforward:

We are always humble, ethical, open and constructive with colleagues and customers.

Business Practices

We pride ourselves on conducting business in an ethical manner and hold ourselves to the highest standards of conduct and compliance. We expect all our employees, partners, suppliers, and customers to adhere to legislative requirements that apply to companies and individuals.

Code of Conduct

Our code of conduct is central to the way we behave at Imagination and reflects our commitment to act legally and ethically. The code of conduct applies to all staff and partners worldwide.

Governance

Recognising the importance of strong, efficient governance, Imagination has put in place structures above and beyond those required by law.

Board of Directors

Imagination's Board of Directors is composed of leading industry figures who bring a wealth of knowledge and expertise to the company having worked at, or served on boards, of such companies as Cadence, Oracle, Samsung, Nokia, NXP, BT and ST Micro. 50% of the Imagination Technologies Board (excluding the Chair) is comprised of independent Non-Executive Directors whose role is to provide constructive challenge, strategic guidance and hold the executive management to account.

- The Board has appointed a Lead Independent Director (LID), Sir Peter Bonfield.
- The Board has constituted an Audit & Risk Committee, chaired by independent Non-Executive director, Carol Chesney,
- The Board has constituted a Compensation Committee to deal with matters related to the remuneration of Directors and senior management of the Group chaired by independent Non-Executive director, Didier Lamouche.

Compliance

Imagination's compliance team comprised of our General Counsel, Chief HR Officer and Director of Legal collectively oversee compliance-related matters at the company. The Group has regular training via its compliance hub for all staff on matters relating to:

- Anti-Bribery, Corruption and Fraud
- Code of Conduct
- Competition Compliance
- Confidential Information
- Cybersecurity
- Data Protection & Privacy
- Export Control
- Partner Due Diligence
- Modern Slavery
- Whistleblowing

Modern Slavery

The Group is also committed to transparency in its business, in its approach to modern slavery, and to implementing and enforcing systems and controls designed to ensure modern slavery is not taking place in its business or in any of its supply chains. Our Modern Slavery Statement can be found on our website.

Our approach to ESG, CSR and Sustainability

At Imagination, our ESG, CSR and Sustainability activities are related but distinct business areas. Taken together, we aim to meet and exceed our regulatory requirements and become a positive force in our industry and communities.

These three areas can be broken down as:

ESG: This is the umbrella term that covers Imagination's activities in regards to the environment, its social impact and its governance structures. We view ESG as being more focused on our statutory and regulatory requirements in this space.

CSR: Our Corporate Social Responsibility activities are led by our employees looking to do good in local communities and includes charitable giving and fundraising.

Sustainability: Our sustainability efforts are focused around understanding and minimising the impact Imagination has on the environment, and promoting decisions that help us become part of a greener future.

Oversight & governance

ESG Steering Committee

The Board of Directors have installed a formal ESG Steering Committee to guide the company's ESG-related activities. To ensure a suitable level of attention at both Board and EMB levels, the ESG Steering Committee has both Board and Executive representation.

The ESG Steering Committee has the following remit

- Define a company-wide strategy for ESG
- Install a transparent reporting structure that meets external requirements
- Identify and mitigate ESG-related risks
- Hold the company to account and constructively challenge our behaviours to promote greater ESG awareness
- Ensure the commitment to ESG is more than a tick-box exercise and avoid the trap of 'greenwashing'
- Work with stakeholders to define ambitious but achievable ESG goals and support the relevant business areas to deliver on these

CSR Committee

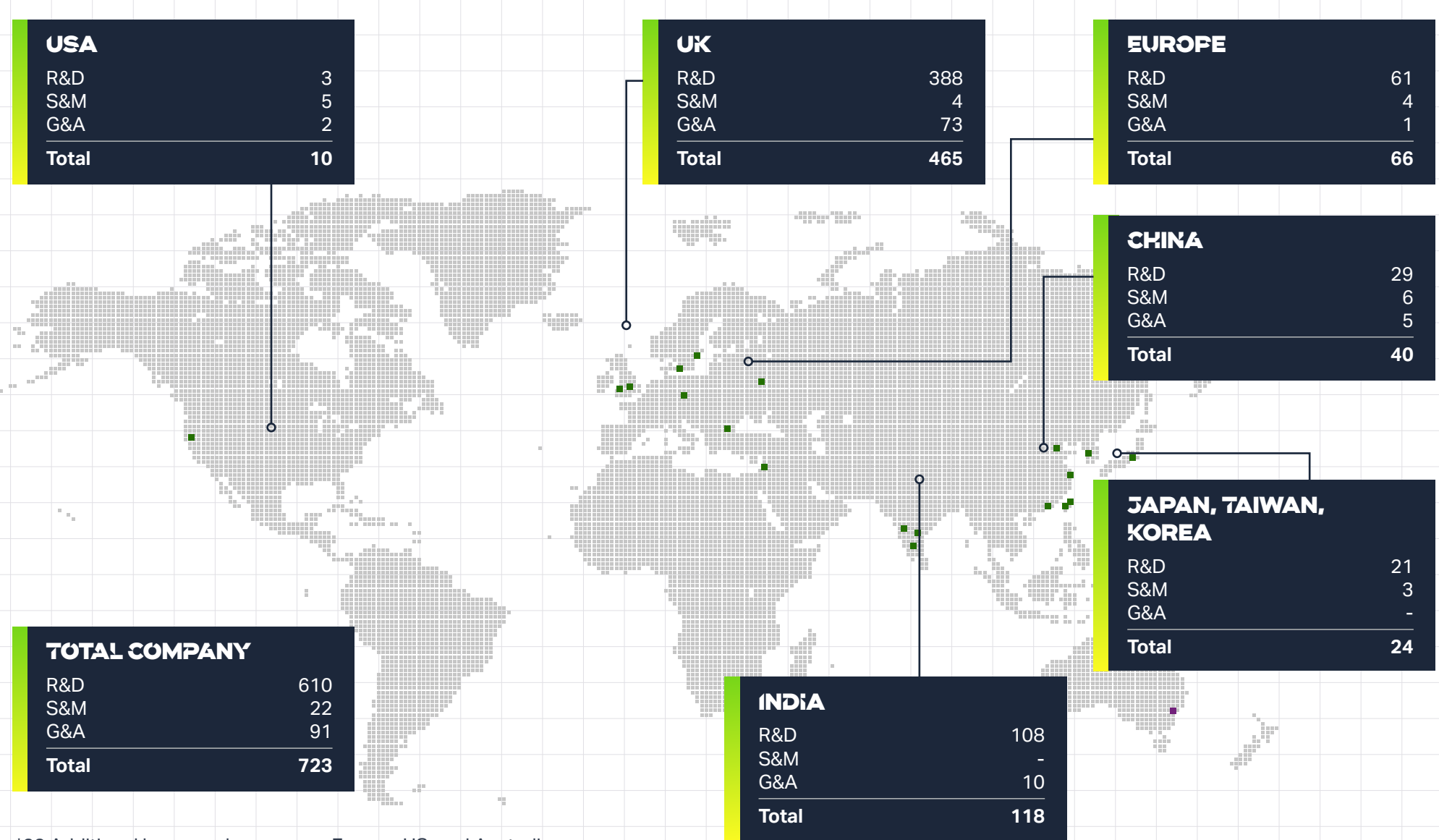
A less formal CSR committee comprised of volunteers from across the organisation meets regularly and guides the company's volunteering and charitable activities. Membership of this group is open to all employees and is overseen by the General Counsel.

Reporting

We publish an annual sustainability report, that covers our wider ESG activities with a focus on the environmental elements of ESG. This report, and the disclosures therewithin are written in alignment with GRI and TCFD reporting requirements.

In addition to the Sustainability report, an annual CSR report is also published on our website. Other relevant reporting includes our annual Gender Pay Gap report also available on the website.

Our global footprint



*23 Additional homeworkers across Europe, US, and Australia

Our Stakeholders

Shareholders

Our shareholders are the custodians of the business, through their careful stewardship and direct support, they look to grow the company profitably and sustainably, providing returns over the medium to long term.

How we engage / What role they play

Through regular updates to the board of directors and shareholder representation on the ESG steering committee, shareholder input is a regular element of our ESG activities.

Customers

Our customers (and their customers) are a significant stakeholder group of Imagination. As they also progress on their ESG journey, collaboration between Imagination and our customers to decarbonise the entire industry will become increasingly prevalent. We aim to exert soft influence and sit at the table with our customers to help accelerate this pathway to a sustainable future.

How we engage / What role they play

We will engage with customers to support their efforts to reduce their emissions. We will do this by continuing to develop efficient IP, supporting more efficient end products. We also plan direct engagement with our customers to discuss a combined approach to reducing overall emissions in the supply chain.

Suppliers

With little inbound material required to carry out our operations, our suppliers represent a relatively small, but important group. As with our customers, we will look to work with our suppliers to encourage and accelerate their pathway to a sustainable future.

How we engage / What role they play

We will work with our suppliers to reduce the emissions associated with our inbound supply chain. We will look to do this by introducing green procurement practices and by direct engagement with our suppliers to discuss a combined approach to reducing overall emissions in the supply chain.

Employees

Our employees are at the heart of Imagination. They set and represent our culture and are key in defining and realising the future vision for the company.

How we engage / What role they play

Employees are core to Imagination's business. We will engage with our employee body through structured consultation, working groups and methods for gathering ad-hoc feedback.

External bodies

External bodies, validation and certification have a key role to play in ensuring companies are taking responsible, legitimate steps to achieve their ESG goals. With adherence to frameworks (GRI, TCFD), participation in wider groups (UN Global Compact) and validation through external bodies (SBTi) companies can legitimise their ESG efforts.

How we engage / What role they play

We will engage with external bodies by making public commitments and aligning with best practices and reporting frameworks.

Government

The government sets the tone for the environment we operate in and through regulation and taxation, has a direct influence on the companies that operate within its jurisdiction. Companies too can play a role in influencing government policy, guiding it towards creating a sustainable and fairer market environment.

How we engage / What role they play

We will ensure we remain aligned with regulatory requirements set out by the government. We will also look to influence the government through lobbying and outreach to encourage attention to ESG issues.

Local community

The local communities that surround us are directly impacted by our operations; be it with stimulation of the local economy, social outreach or preservation of the local area, the views of our local communities should be considered in our ESG activities.

How we engage / What role they play

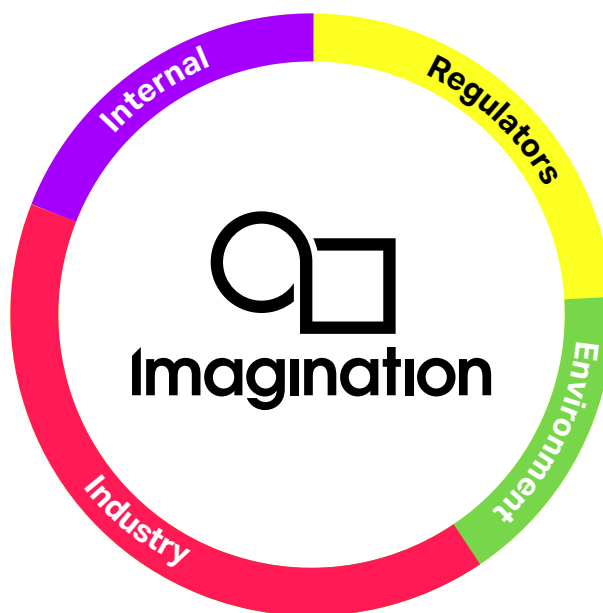
We will engage with the local community both through our charitable activities, and also through consultation, to identify the key, material issues in the communities we exist within.

Industry participants

Through collaboration with other participants in the semiconductor supply chain, we can exert a stronger influence on the wider supply chain and encourage a unified front on the journey to decarbonise the semiconductor IP industry.

How we engage / What role they play

We aim to work along with other participants to align on methods to reduce the carbon footprint of our industry.



End users

The end users of our products drive the behaviours of our customers, and therefore indirectly influence us. With greater consumer demand for socially and environmentally conscious companies, this has a knock-on effect on the entire supply chain.

How we engage / What role they play

While we have little direct engagement with our end users, their input is reflected through our customers and wider market trends.

Material Topics

#	Topic	Description	Explanation of inclusion	GRI Disclosures
Environmental topics				
1	Greenhouse gas emissions	The direct emissions from Imagination's activities that contribute to climate change.	Climate change is a major concern for many of our stakeholders. Directly generated greenhouse gas emissions and those generated through purchased electricity make up the largest proportion of Imagination's overall environmental impact.	GRI-305
2	Energy sources	The source of purchased energy used at Imagination sites and related emissions that contribute to the climate crisis.		GRI-302
4	Waste management	The disposal or recycling of waste products from Imagination sites, including general waste, recycling and WEEE waste.	The handling and disposal of waste generated by Imagination is an issue frequently raised by staff. While the absolute volume of waste generated is not as significant as companies with direct manufacturing, the environmentally-safe disposal of electronic equipment at the end of its useful life can have a meaningful impact.	GRI-306
Social topics				
16	Human rights	Supporting basic rights and freedoms for people within Imagination's value chain globally.	Supporting internationally recognised human rights is vitally important to Imagination's stakeholders.	GRI-412
13 / 14	Diversity and equal opportunity (including Gender pay gap)	Diversity within Imagination's workforce across and treatment of different demographics.	Creating an environment where individuals of all genders, races, sexualities and backgrounds have equal opportunities and treatment is important to Imagination's stakeholders.	GRI-405
12	Employee experience	The experience our employees have working at Imagination.	The experience our people have working at Imagination is of key importance to our internal stakeholders.	GRI-401
Governance topics				
20	Anti-corruption	Imagination's activities that oppose or inhibit corruption.	Conducting business ethically, behaving with integrity and working against all forms of corruption and anti-competitive behaviour are of high importance to Imagination's stakeholders.	GRI-205
21	Competitive behaviour	Conducting business in an ethical manner compliant with international and local laws and the avoidance of anti-competitive practices and behaviour.		GRI-206
22	Ethics and integrity	The code of ethics and behaviours to which Imagination holds itself.		GRI-102

Climate-related risk management and strategy

We employ a climate-related risk management and strategy framework to ensure Imagination is well placed to adapt to a rapidly evolving climate and regulatory landscape. We have defined several climate-related scenarios that support our planning. These scenarios are based largely on the work of Network for Greening the Financial System (NGFS) and Climate Action Tracker (CAT) abstracted to a level that is appropriate and relevant for Imagination’s environmental strategy. The scenarios we are tracking are.

Description:	Included NGFS Scenarios:	Temperature Range:	Rationale for inclusion:
Efficient transition			
Quick and coherent introduction of effective climate policies resulting in a controlled transition to a low-carbon economy. Characterised by speedy technology change and high adoption of carbon capture technology. All potential impacts are minimised and the most damaging consequences of climate change are avoided.	Net zero 2050 Below 2°C	1.4°C - 1.6°C	This scenario gives a foundation for planning around the most optimistic climate outcomes.
Inefficient transition			
While overall net-zero goals are met, and the most significant direct impacts of climate change are averted, there is little cohesion and significant variation in regional policies and measures taken. This scenario places a higher burden on companies and consumers and increased friction costs for doing business internationally.	Divergent net zero. Delayed transition.	1.4°C - 1.6°C	A more realistic best-case scenario than the efficient transition, where the worst impacts of climate change are averted, but at a far higher cost.
No transition			
Only current policies and all currently pledged policies are implemented. Emission decline may occur, but a high likelihood of climate breakdown remains. While there is a minimal transitional cost of this approach, climate-related risks are likely to be extreme.	Nationally determined contributions Current policy	1.6°C - 3°C +	A realistic worst-case scenario where the impacts of climate change are significant, but economies and societies continue to function.

Climate-related risk management and strategy

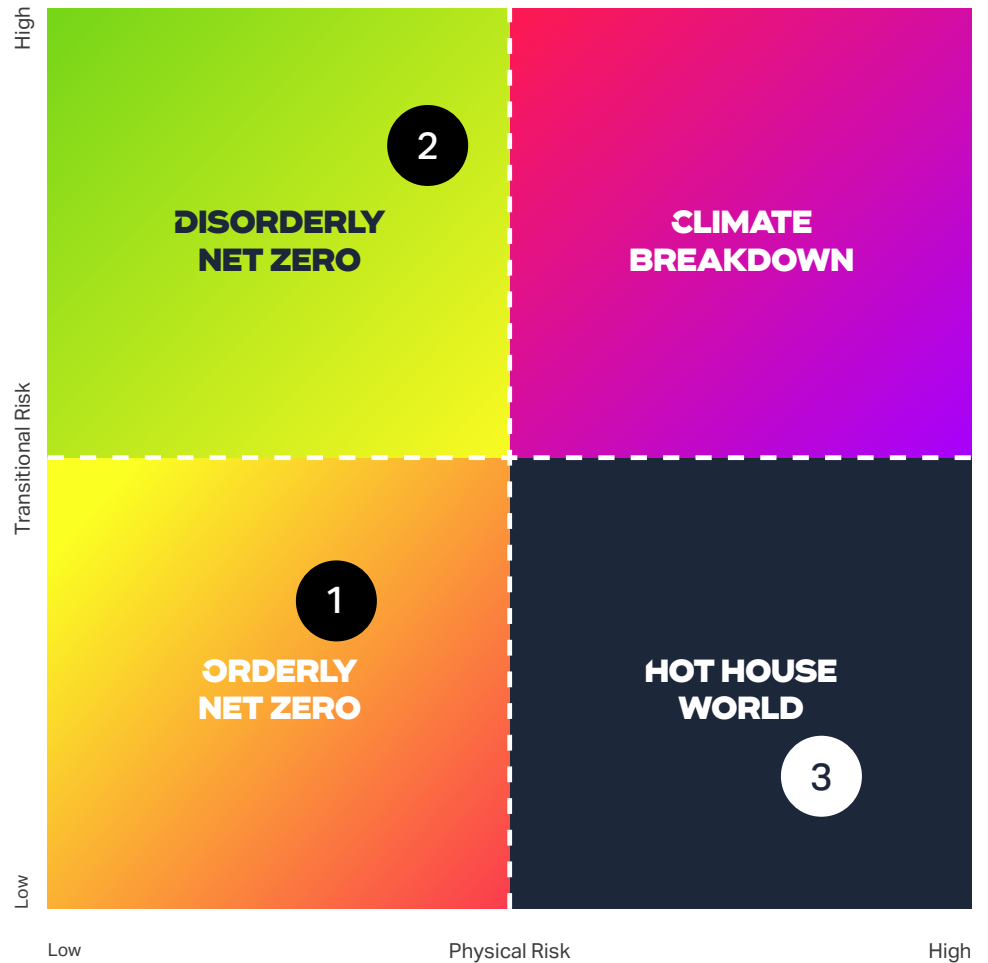
Risk framework

We look at climate-based risks in two broad categories, transitional risks and physical risks.

Transitional risks are the risks created by the act of moving to a low-carbon economy (e.g the phasing out of diesel vehicles), where the physical risks are the direct impact of climate change.

Physical risks are further broken down into chronic physical risks that take a long time to materialise (e.g sea level increase) and acute physical risks that are the immediate consequence of climate change (e.g natural disasters).

The transitional and physical risks associated with our risk scenarios



1 – Efficient Transition; 2 – Inefficient Transition; 3 – No Transition

Imagination’s risk exposure and strategy implications

		Scenario 1: Efficient Transition	Scenario 2: Inefficient Transition	Scenario 3: No Transition
Transitional Risks		<p>Moderate: Potential for increased regulation of the semiconductor industry and a move away from “disposable” technology that drives the consumer market. Significant opportunity in being a ‘solution’ that provides highly-efficient IP.</p>	<p>High: Similar risk profile as for Scenario 1. Lack of coordination among governments exposes us to different restrictions in different regions and potential export control restrictions.</p>	<p>Low: Low transitional risk, largely due to little change in the regulatory environment</p>
Physical Risk	Chronic	<p>Low: Long-term impact of climate change is minimised under this scenario, resulting in low chronic risk.</p>	<p>Moderate: Delay and lack of coordination in action increase the likelihood of certain regions having food shortages or wider disruption, reducing the demand for products using Imagination’s IP.</p>	<p>High: Shortages of food and other basic necessities, mass migration and global disruption, risks decimation of consumer goods industries, reducing the number of end customers using our products.</p>
	Acute	<p>Moderate: Disruption from fire, flooding and storms has already been seen in areas we have customers or customers with manufacturing. Risk of further disruption until countries fully adapt.</p>	<p>Moderate: Disruption from fire, flooding and storms has already been seen in areas we have customers or customers with manufacturing. Risk of further disruption until countries fully adapt.</p>	<p>High: While Imagination has limited direct exposure, key customer sites are at risk of severe disruption resulting in the reduction of manufacturing capability.</p>

Environmental Impact

The role of Semiconductors in a green future

The semiconductor industry is a double-edged sword when it comes to sustainability. With semiconductors driving the electrification of vehicles, improving power consumption in datacentres, underpinning IoT technology that makes agriculture and electricity grids more efficient and providing the platforms for AI solutions that could be part of the new wave of sustainable solutions, we remain convinced that semiconductors and specifically the semiconductor IP model have a pivotal role to play in a low carbon future.

That being said, the semiconductor industry is faced with some significant challenges in making a green transition and striking a balance between the benefits of technological progress and managing the vast amount of resources required to develop new technologies is a key challenge to companies and nations in achieving their net-zero goals. Some of the most pressing sustainability issues facing the semiconductor industry include:

Electricity

It's estimated that around 80% of the emissions associated with the semiconductor sector are created through the generation and consumption of electricity. According to the International Energy Agency, the semiconductor industry consumed 2.5% of the world's total electricity in 2020 and will need almost 3.5x this number to meet its energy needs in 2030. With this in mind, we place a great importance on ensuring that our electricity requirements are met by renewables wherever possible. In 2023, 87% of our electricity was sourced from renewables.

Water & other resources

Fabricating semiconductors is hugely resource intensive, with a single 2g chip requiring 32kg of water, 1.6kg of petroleum and 72g of chemicals in its production. With water and resource scarcity being a real concern for the future, reducing the amount of resources required in the fabrication of chips is vitally important.

Bifurcation of supply chains

With geopolitical tensions high, regions are increasingly looking to develop sovereign semiconductor supply chains. Most notably this is presenting in the growing divide between the US and China, with the US introducing the CHIPS Act in 2022, pledging \$53 billion to support domestic chip manufacturing and China looking to create its own self-sufficient, domestic semiconductor market. With distinct, competing supply chains, there is a risk that sustainable, green practices are overlooked as economic competitiveness is prioritised. With Imagination's position as a UK based semiconductor IP company, we're well placed to serve all of the major semiconductor regions with energy efficient IP.

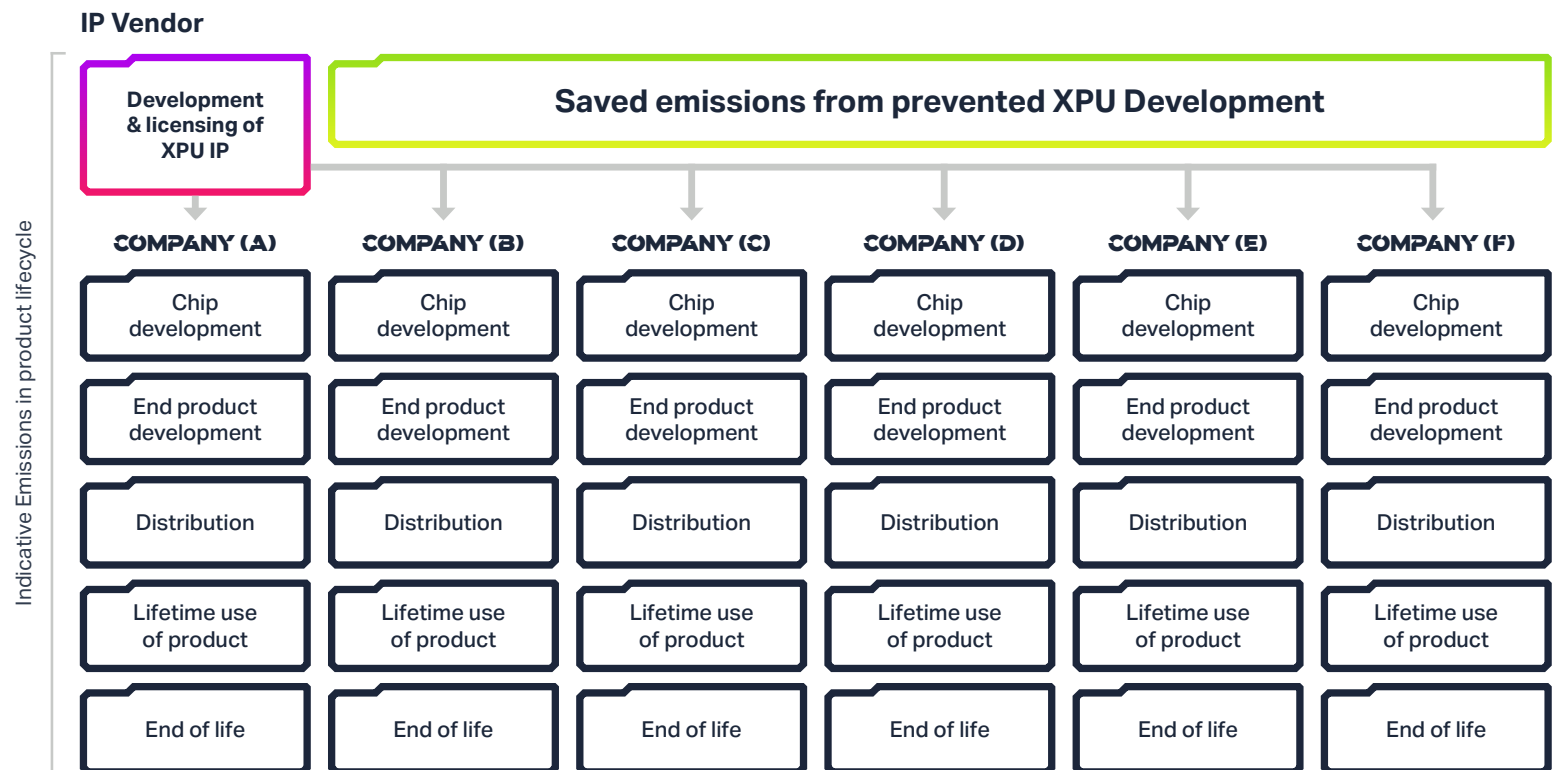
Environmental Impact

IP as an enabler for sustainable semiconductors

With semiconductors having such a pivotal, yet energy and resource intensive role in the global supply chain, semiconductor IP vendors like Imagination have a vital part to play in reducing the negative impacts of technological innovation while allowing wider access to cutting edge technologies for companies around the world.

With our IP giving companies access to leading, power efficient GPU, AI and CPU IP we remove the need for companies to spend significant resources on developing their own individual processor solutions, lowering the emissions required for our customers to bring products to market. Additionally, with the IP model we're able to create one family of IP and license it to multiple different customers further amortising the emissions footprint for the development of a single technology.

The benefits of Semiconductor IP



Imagination's environmental impact

Since we began calculating our footprint in 2021, we've maintained that having a reliable, clear carbon inventory is the cornerstone of developing and executing a credible plan towards a lower carbon future. Supporting this, we have partnered with Normative, a leading carbon accounting firm, to help us compile a comprehensive, in-depth inventory of all of our emissions across scopes 1, 2 and 3 using a hybrid transaction and activity analysis aligned with the GHG protocol.

Our overall footprint dropped from 6,809 tCO₂e in 2022 to 5,426 tCO₂e in 2023, a reduction of 20% from the previous reporting period and a reduction of over 62% against our baseline inventory. The reduction between 2022 and 2023 was largely driven by a reduction in our scope 3 inventory, but also a more modest reduction in our scope 2 emissions.

Scope 1

Our scope 1 is largely focused on our use of natural gas in the UK, which accounts for 90% of our total scope 1 emissions. The remainder being relatively small consumption in India and Romania. While our scope 1 emissions are relatively small today, we will endeavour to reduce these even further.

Scope 2

Most of our energy consumption comes from the use of purchased electricity, however, with 87% of our energy consumed being sourced from fully renewable sources, we have been able to keep our scope 2 emissions relatively modest. Accounting for almost 50% of our total energy use, our data centre remains our single biggest point of energy consumption and identifying methods for optimising its use is key to our sustainability goals.

While we utilise fully renewable energy in all our sites where we have control over the choice of energy provider, we operate a number of other sites across the globe where our landlord chooses the energy supplier. In these locations, we, where possible, elect to take on leases in more environmentally conscious buildings, such as moving our Wroclaw office to a BREAAAM Excellent-rated office during 2023.

At our Kings Langley office, we have been using our renewable energy to offer free, EV charging ports to all employees, along with subsidising an EV leasing scheme to allow our employees to access greener modes of transport, both while commuting to the office, and outside of work.

Scope 3

Scope 3 continues to be the most challenging area for companies to assess and reduce, and the same is true for Imagination. Working with Normative we have managed to compile an inventory that covers a significant majority of our relevant scope 3 categories using a hybrid spend-activity approach. Moving into 2024, we will look to transition as much of our spend data as possible to more precise activity based data with priority given to those areas with the greatest footprint.

Our plan for reducing our scope 3 emissions aligns with the IEMA GHG hierarchy and we prioritise elimination, reduction and substitution where possible. For areas where we have less direct influence we will look to our suppliers and customers to help promote a reduction in emissions across the entire supply chain.



Imagination's environmental impact

Upstream scope 3

To date, we are accounting for categories 1-6 and 8 of the scope 3 standard, these being purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated within operations, business travel and upstream leased assets. We have yet to account for category 7 (employee commuting), but will look to bring this into our inventory in 2024.

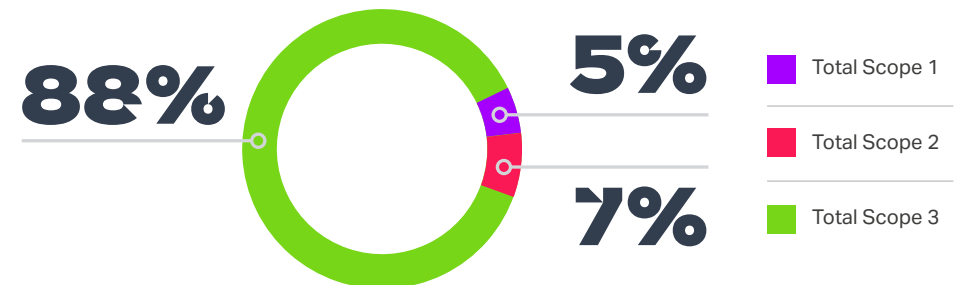
Downstream scope 3

Due to the IP model's unique characteristics, we have excluded emissions relating to downstream use of our products (categories 9, 10, 11 and 12) from our scope 3 inventory. We believe this is both a pragmatic and justifiable approach in alignment with GHG standard for the following reasons:

1. Attributing a fair and reasonable share of emissions to licensed IP used within the creation of a chip is prohibitively challenging to do with any level of accuracy.
2. While our IP is still in its digital form, the distribution, transportation and end-of-life treatment of our IP is negligible and included within other scopes.
3. Once our IP has been designed into a physical product, allocating any amount of emissions relating to the distribution, transportation, use or end-of-life treatment to our IP would be challenging, and likely to be negligible in comparison to the overall product.
4. We maintain that the IP model is an inherently positive one and the availability of IP reduces the overall emissions required to produce an end product.

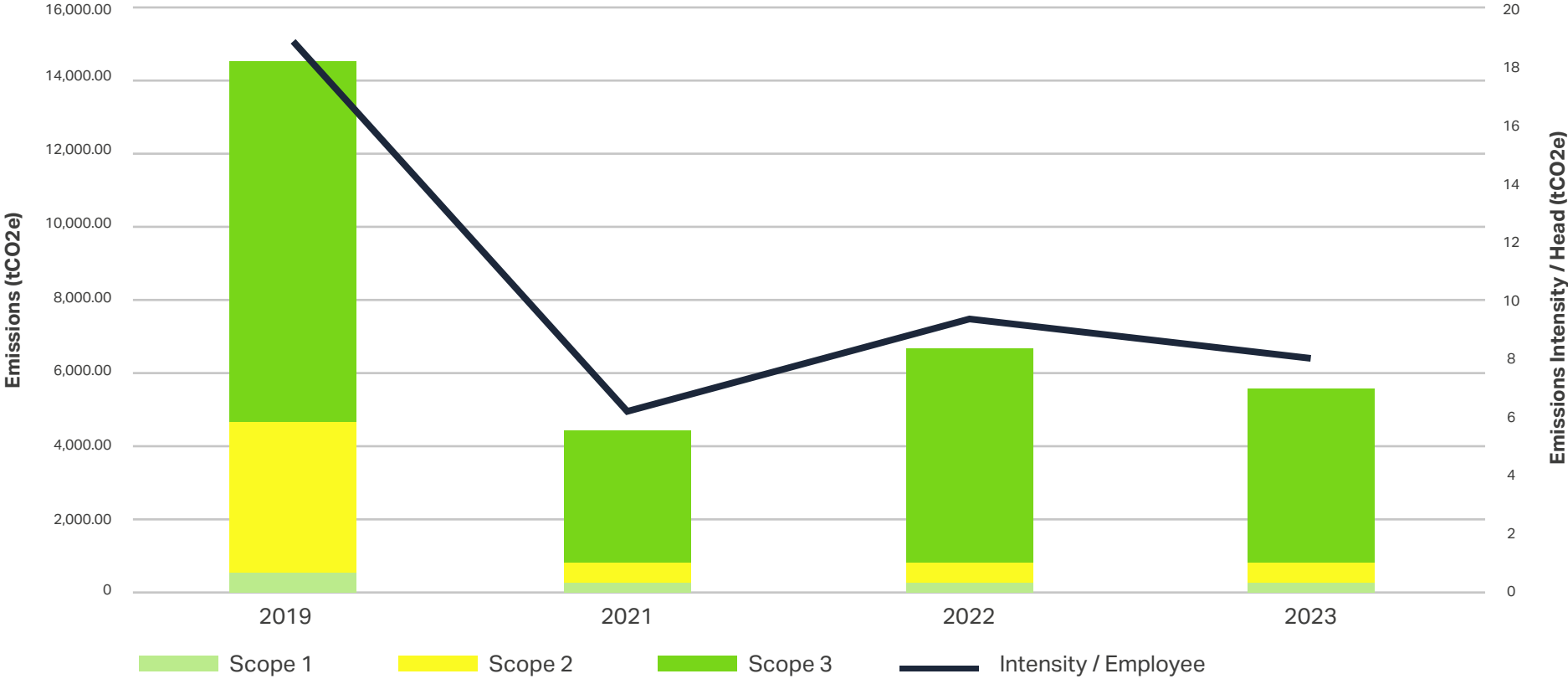
Categories 13, 14 and 15, relating to downstream leased assets, franchises and investments are all non-applicable for Imagination's business model.

Scope	GHGP Category	Consumption (mWh)	Emissions (tCO2e)
Scope 1	Stationary combustion (Diesel)	4.80	1.22
	Stationary combustion (Gas)	1,384.93	280.69
	Fugitive emissions	-	0.24
Scope 2	Electricity	4,539	401.10
Scope 3	Purchased goods and services	-	3,284.05
	Business travel	-	1,065.11
	Other	-	393.88
Total Scope 1		1,389.73	282.15
Total Scope 2		4,593.90	401.10
Total Scope 1+2		5,983.62	683.25
Total Scope 3			4,743.04
Total (all scopes)		5,983.62	5,426.28
Headcount Intensity		8.1	7.34



Change in emissions over time

Scope 1 & 2 Emission Intensity*



* 2020 excluded from inventory as Imagination had widespread disruption and office shutdowns due to the COVID-19 Pandemic

GOING INTO 2024...

We have identified these following priority areas for our sustainability efforts:

1. Enhancing data quality

We have made strong progress on understanding our full environmental impact by including estimates for the majority of our scope 3 emissions in our inventory. As a next step, we will look to move from cost-based calculations to more accurate activity-based calculations for our biggest sources of emissions. This will improve the quality of our reporting and also more accurately inform areas of potential reductions in our scope 3 inventory.

2. Engaging suppliers

A vast majority of our upstream scope 3 emissions come from relatively few suppliers. If we can work with those suppliers to achieve a reduction in their scope 1 and 2 emissions it will have a sizable impact on our scope 3 inventory and the overall emissions of the semiconductor value chain. Where these suppliers are not aligned with our environmental goals, we will consider moving to more environmentally friendly suppliers where possible.

3. Defining and approving reduction pathway

Now that we understand our emissions footprint, we are able to more accurately plot out our pathways to achieving short-term and long-term net-zero targets. Once our pathway has been fully defined and approved at board level, we will look to use this to guide our emissions reductions activities and to frame our progress against this in future reports.



Key Definitions

General

- **ESG:** Environmental, Social and Governance, set of standards used to measure an organisation's societal and environmental impact.
- **CSR:** Corporate Social Responsibility, a self-regulating model to encourage organisations to have a positive societal impact.
- **GRI:** Global Reporting Initiative, an international standards organisation that helps organisations understand and communicate their impacts on issues such as climate change, human rights and corruption.
- **TCFD:** Task Force on Climate-related Financial Disclosures, a global organisation formed to develop a set of recommended climate-related disclosures.

Technical

- **GPU:** Graphics Processing Unit, a type of electronic circuit initially designed to accelerate computer graphics but now also used to accelerate compute.
- **CPU:** Central Processing Unit, a type of electronic circuit that forms the main processor in most semiconductor designs.
- **EPP:** Ethernet Packet Processor, a type of electronic circuit designed to accelerate the transmission of packets of data within a system.
- **NNA:** Neural Network Accelerator, a type of electronic circuit designed to accelerate certain types of AI network.
- **IP:** Intellectual Property, the non-physical designs, patents and know-how that Imagination licenses to its customers.
- **AI:** Artificial Intelligence, technology that allows computer systems to perform tasks that normally require human intelligence.
- **IoT:** Internet of Things, the interconnection via the internet of computing devices embedded in everyday objects.

Environmental

- **GHG:** Greenhouse Gas, gasses that when found in the atmosphere raise the surface temperature of the earth.
- **KwH:** Kilowatt hour, a measure of power consumption.
- **tCO2e:** Tonnes of carbon dioxide equivalent, a measure of greenhouse gas emissions.
- **IEMA:** Institute of Environmental Management and Assessment, a professional body for environmental practitioners in the UK and worldwide.
- **NGFS:** Network for Greening the Financial System, a network of banks and financial institutions aiming to accelerate the scaling up of green finance.
- **CAT:** Climate Action Tracker, an independent scientific project with the aim of monitoring government action on the reduction of greenhouse gas emissions.
- **EV:** Electric vehicles, vehicles that do not use combustion engines.
- **BREAAM:** Building Research Establishment Environmental Assessment Method, a method for assessing the sustainability of buildings.



Key Definitions

GHGP: Greenhouse Gas Protocol, comprehensive, global standardised frameworks for measurement of Greenhouse Gas emissions.

- **Scope 1:** Emissions generated by a company directly, including on site combustion or emissions from vehicle fleets.
- **Scope 2:** Emissions from the generation of electricity or heating purchased by a company.
- **Scope 3:** All emissions not covered in scope 1 or 2 and created by a company's upstream or downstream value chain . ▼

Upstream

- **Category 1:** Emissions from purchased goods and services.
- **Category 2:** Emissions from capital goods.
- **Category 3:** Emissions from fuel and energy related activities not included within scopes 1 and 2.
- **Category 4:** Emissions from the upstream transportation and distribution of goods.
- **Category 5:** Emissions from the handling and disposal of waste generated in operations.
- **Category 6:** Emissions from business travel.
- **Category 7:** Emissions from employee commuting and home working.
- **Category 8:** Emissions from upstream leased assets.

Downstream

- **Category 9:** Emissions from the downstream transportation and distribution of goods.
- **Category 10:** Emissions from the downstream processing of sold products.
- **Category 11:** Emissions from the downstream use of sold products.
- **Category 12:** Emissions from the eventual end of life processing of sold products.
- **Category 13:** Emissions from downstream leased assets.
- **Category 14:** Emissions from franchises.
- **Category 15:** Emissions from investments.



GRI Disclosure tables

GRI Standard	Disclosure	Cross-reference/Direct answer	
Organisation Profile	102-1	Name of the organisation	Imagination Technologies Limited
	102-2	Activities, brands, products and services	<u>The design, development and licensing of GPU, CPU and AI IP for the Semiconductor market.</u> Our business p.4 Global Footprint p.7
	102-3	Location of headquarters	Our HQ is located in Kings Langley, Hertfordshire, UK
	102-4	Location of operations	Global footprint - p.7
	102-5	Ownership and legal form	Imagination Technologies is wholly owned by Canyon Bridge
	102-6	Markets served	Semiconductor industry, focusing on the automotive, mobile and DCD markets.
	102-7	Scale of the organisation	Global footprint - p.7
	102-8	Information on employees and other workers	<u>Gender Pay-Gap Report</u>
	102-9	Supply chain	Imagination is an office-based company, digital IP using a compute network. The inbound supply chain is mainly comprised of IT equipment, EDA tools, FPGA racks and emulators.
	102-10	Significant changes to the organisation and its supply chain	Discontinuation of the EPP product line during 2023. Reduction in force took place in 2023.
	102-11	Precautionary principle or approach	Imagination takes environmental matters seriously and has committed to aggressively reduce its environmental impact in alignment with SBTi Net-Zero Standard and at a rate aligned with 1.5°C
	102-12	External initiatives	UN Global Compact
	102-13	Membership of associations	UN Global Compact

Strategy	102-14	Statement from senior decision-maker	Board Sponsor Introduction - p.3
Ethics & Integrity	102-16	Values, principles, standards and norms of behaviour	Values - p.4
Governance	102-18	Governance structure	Governance - p.5
Stakeholder Engagement	102-40	List of stakeholder groups	Stakeholders - p.8
	102-41	Collective bargaining agreements	Imagination does not restrict the rights of our people to freedom of association. There are currently no collective bargaining agreements in place.
	102-42	Identifying and selecting stakeholders	Stakeholders are defined as any internal or external group that is either impacted by, or influence our activities. Stakeholder engagement is a core part of Imagination's ESG activities. Stakeholders - p.8 Material topics - p.9
	102-43	Approach to stakeholder engagement	Stakeholders - p.8 Material topics - p.8
	102-44	Key topics and concerns raised	Material topics - p.9
Reporting Practice	102-45	Entities included in the consolidated financial statements	Accounts filed at UK Companies House
	102-46	Defining report content and topic Boundaries	Material topics - p.9
	102-47	List of material topics	Material topics - p.9
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	January 1, 2023 - December 21, 2023
	102-51	Date of most recent report	N/A
	102-52	Reporting cycle	Sustainability report to be published on an annual basis
	102-53	Contact point for questions regarding the report	sustainability@imgtec.com
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	GRI Content Index is in our 2023 Sustainability Report	
102-56	External assurance	This report has not been externally assured	

Anti-Corruption

GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	In line with the UK Bribery Act 2010 and Imagination's own Code of Ethics, Imagination is committed to operating in an ethical way in respect of our conduct, both at home and abroad, upholding all relevant anti-bribery and corruption laws wherever we operate. Boundaries: All staff
	103-2	The management approach and its components	Imagination has a zero-tolerance policy towards bribery and corruption and is committed to acting fairly and with integrity in all of its business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption. Imagination also expects our business partners to take a similar zero-tolerance approach to bribery and corruption.
	103-3	Evaluation of the management approach	Adequacy of the management approach is reviewed by the Board of Directors
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Given the low-risk nature of our business, no operations have been assessed for risks related to corruption
	205-2	Communication and training about anti-corruption policies and procedures	All our employees, including those on the Executive Management Board receive annual training on Anti Bribery, Corruption and Fraud delivered through the compliance hub.
	205-3	Confirmed incidents of corruption and actions taken	None

Anti-Competitive Behaviour

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Imagination is committed to complying with competition law. We conduct our business to the highest legal and ethical standards and will not tolerate any infringement of competition law. Boundaries: All Staff
	103-2	The management approach and its components	At present, we do not occupy a dominant position in any market and therefore our primary focus is on our dealings with third parties and the potential competition law impact that they may have. Typically, this means that we must be mindful how we deal with our competitors, but also what information we learn about our competitors. All staff receive annual competition compliance training delivered through the Compliance hub.
	103-3	Evaluation of the management approach	Adequacy of the management approach is reviewed by the Board of Directors
GRI 206: Anti-Competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None

Energy

GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	Emissions Impact p.13
	103-2	The management approach and its components	Emissions Impact p.13
	103-3	Evaluation of the management approach	Emissions Impact p.13
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Total energy consumption within the organisation in 2023 was 5,984 mWh
	301-1	Energy consumption outside of the organisation	None
	302-3	Energy intensity	8.1 mWh/head
	302-4	Reduction of energy consumption	61% reduction from 2019 base
	302-5	Reductions in energy requirements of products and services	Not available

Emissions

GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	Emissions Impact p.13
	103-2	The management approach and its components	Emissions Impact p.13
	103-3	Evaluation of the management approach	Emissions Impact p.13
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Emissions Impact p.13
	305-2	Energy indirect (Scope 2) GHG emissions	Emissions Impact p.13
	305-3	Other indirect (Scope 3) GHG emissions	Emissions Impact p.13
	305-4	GHG emissions intensity	Emissions Impact p.13
	305-5	Reduction of GHG emissions	Emissions Impact p.13
	305-6	Emissions of ozone-depleting substances (ODS)	Not available
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Not available

Waste

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	<p>The handling and disposal of waste generated by Imagination is an issue frequently raised by staff. While the absolute volume of waste generated is not as significant as companies with direct manufacturing, the environmentally safe disposal of electronic equipment at the end of its useful life has a high impact. .</p> <p>Boundaries Sites where Imagination maintains operational control over waste management.</p>
	103-2	The management approach and its components	Our waste management approach varies by location. Our global offices are rented, leased or serviced offices and in most locations, our landlords manage waste removal directly. At our UK sites it is outsourced to third parties.
	103-3	Evaluation of the management approach	Waste management is overseen and reviewed by the Global Head of Facilities.
GRI 306: Waste 2016	306-1	Waste generation and significant waste-related impacts	As our operations involve no direct manufacturing, our waste generated in operations is minimal.
	306-2	Management of significant waste-related impacts	None
	306-3	Waste generated	26,764.00 KG
	306-4	Waste diverted from disposal	100% diverted from landfill, 40% recycled.
	306-5	Waste directed to disposal	Not available

Employment

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	<p>As a human capital-intensive business, creating a fair, welcoming working environment is a key priority for Imagination's management both as a tool to attract and retain talent and also as a reflection of our company values.</p> <p>Boundaries: All employees.</p>
	103-2	The management approach and its components	Employment matters are predominantly directed by the HR department under the Chief HR Officer this comprises area-specific HR business partners, learning and development and a specialised talent acquisition function. Employment matters are routinely presented to the Executive Management Board and Board of Directors, with a Compensation Committee tasked with developing and making recommendations on the Company's remuneration structure and policies.
	103-3	Evaluation of the management approach	Employee engagement index is assessed annually and other employee-related metrics are reported in monthly board packs. The CEO, EMB and all people managers have employee engagement elements within their bonus schemes.

GRI 401: Employment 2016	401-1	New employee hires and employment numbers	We do not publish attrition data externally. We do not publish attrition data externally.
	401-2	Benefits provided to full-time employees that are not provided to temporary employees or part-time employees	All benefits provided to full-time employees are also provided to temporary and part-time employees, excluding contractors and summer placements.
	401-3	Parental leave	All employees, excluding contractors and summer placements, are entitled to parental leave.

Diversity and Equal Opportunity

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Diversity, Equity, and inclusion (DE&I) is crucial to a successful company. By being an open, diverse, and inclusive organisation, we can compete on a global-scale, delivering the industry-leading technology that our customers demand, but also, and just as importantly, create a company that we are all proud to be part of Boundaries: All staff
	103-2	The management approach and its components	Diversity, equity and inclusion
	103-3	Evaluation of the management approach	DE&I committee, supported by the executive DE&I sponsor track and regularly report on DE&I matters.

GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	The table below shows a breakdown of governance bodies and employees by gender and age. Other measures of diversity are not tracked. Data in table below does not include contractors.
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	Board of Directors	EMB	Director level and above	Other employees
Male	6	8	85	464
Female	1	0	5	113
<30	0	0	1	155
30-50	0	2	69	365
>50	7	6	20	57

	405-2	Ratio of basic salary and remuneration of women to men	Gender Pay-Gap Report
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Non-discrimination

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	<p>We recognise all humans as being equal and having individual rights and freedoms and hold the view that discrimination on any grounds is contrary to these beliefs. We believe that people are entitled to work in an environment free from any form of discrimination, and we expect that all parties associated with Imagination to act fairly and reasonably towards others.</p> <p>Boundaries: All staff</p>
	103-2	The management approach and its components	<p>We adhere to, and surpass all employment legislation that protects and safeguards our people.</p> <p><u>Diversity, equity and inclusion</u></p> <p>Whistleblowing policy</p> <p>Code of Conduct</p>
	103-3	Evaluation of the management approach	<p>Any incidents of discrimination would be taken very seriously, with mechanisms in place such as the whistleblowing policy to ensure any such incident is managed appropriately.</p>
GRI 416: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	<p>No incidents of discrimination were reported.</p>

Human Rights

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	<p>We recognise all humans as being equal and having individual rights and freedoms. Conduct that conflicts with these principles, including modern slavery, child labour, forced labour or other liberty-constrained employment, is neither acceptable nor tolerated. We also believe that the technology and services we develop and provide must not be used or deployed for any purpose that impinges on the freedoms of others. Imagination will not supply technology or services to third parties who intend to use (or intend to supply to others to use) it for unethical or undemocratic purposes. This includes but isn't limited to use for the commission of crime, terrorism (including cyber-terrorism), civil surveillance of minority groups, suppression of citizens or citizens' rights or for military purposes.</p> <p>Boundaries: All staff</p>
	103-2	The management approach and its components	The approach to Human Rights is outlined in the Code of Conduct all staff are obliged to adhere to. This is communicated via annual training through the Compliance Hub.
	103-3	Evaluation of the management approach	The Code of Conduct is subject to review by the Board of Directors.
GRI 412: Human Rights 2016	412-1	Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	Given our low risk, none of Imagination's operations have been subject to human rights review.
	412-2	Employee training on human rights policies or procedures	Training on the code of conduct is delivered annually.
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All customer contracts include clauses around use of our IP designed to ensure they are not used in products that compromise human rights.



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