

# UK Gender Pay Gap Report 2019



arm

# Introduction

This report sets out the UK gender pay gap and gender bonus gap at Arm Limited including additional data as required by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The pay data of 2,451 UK Arm employees was analysed as of 5 April 2019 (1,947 men and 504 women), including all UK full and part-time employees and casual workers. This is pay data for 6% more men and 12% more women than was analysed last year. The data does not include freelancers or other staff not on the Arm UK payroll. Anyone not receiving full pay on 5 April 2019 was excluded from the hourly pay calculations.

The bonus data was taken between 6 April 2018 and 5 April 2019.



# CEO statement



Arm technology is being used in more ways than ever before. To date, Arm partners have shipped more than 160 billion Arm-based chips.

The demand for computing is accelerating, with the rise of the Internet of Things, 5G and Artificial Intelligence, coupled with the exponential growth of data.

Arm has a key role to play in this technological explosion, and a huge opportunity to help solve some of the world's most complex challenges. Think of how we are all staying virtually connected during the COVID-19 pandemic - Arm technology is helping to make that happen.

But we can't solve these complex challenges without brilliant and diverse minds. We know that building a diverse and inclusive place for our people to work is crucial for driving innovation. It also helps to make Arm a place where people love to work, where they can be themselves, and where everyone is valued for their contribution.

Over the past few years we have made great strides with Diversity and Inclusion (D&I) at Arm. From providing the tools and resources to increase our people's awareness of their unconscious biases, through to developing our affinity networks, building new partnerships and creating awareness campaigns. But we know there is much more to do.

**This is our third year of UK gender pay gap reporting. Our gender pay gap has reduced slightly since the last time we reported. It is also below the national average and significantly below the average for our sector.**

As I've said before, our pay and bonus gaps are a result of having more men than women working for Arm at every grade, not because men and women are paid unequally for the same work. We are continuing to increase the number of women we are recruiting and retaining at Arm with a focus on women in technical roles. Comparing our figures for 31 December 2019 to 2018, Arm has increased the proportion of female employees by 1.51% and increased the proportion of female graduates by 1.40%.

But we can't and don't accept this as the status quo. Our people carry out a huge amount of valuable work in our UK communities to encourage more girls and women to choose a career in STEM – you can read more about this on page 6. We also continue to focus on ensuring that once women join the Arm community, they want to stay and progress their careers.

There is always more for us and our industry peers to do – and we are working on it. We will continue our drive towards gender equality, while ensuring Arm is a place where everyone feels included and a sense of belonging, across all areas of their working life.

**Simon Segars, CEO**

# What is the UK gender pay gap?

The UK gender pay gap is the difference between the hourly earnings of men and women in the company. This includes base pay, allowances and any bonus / other incentive pay. The gender bonus gap is the difference in the bonus pay received by men and women. UK gender pay gap reporting looks at total earnings by gender, this differs from equal pay for equal work, which is a legal requirement.

From April 2017, the UK Government required all UK companies to annually publish figures on mean and median UK gender pay gap, mean and median gender bonus gap, the proportion of men and women receiving bonuses and the proportion of men and women in each quartile of the organisation's pay structure.

In the UK 10,559 employers reported gender pay gap data for 2018/19; 79% of employers stated that median hourly pay was higher for men than for women in their organisation, 14% stated that the median hourly pay was higher for women and 8% stated that median hourly pay was the same for women as for men.\*

## MEAN:

The mean is calculated by adding up the total pay of employees and dividing by the number of employees in the list. This calculation is completed separately for men and women. While useful, this true average is easily skewed by a small number of high or low earners.

## MEDIAN:

The median is the number which is in the middle of a ranking of pay from lowest to highest. This is broadly understood to be the best representation of typical pay as extremes of low and high pay do not affect the median.

### Sources:

\*House of Commons Library - Gender Pay Gap Briefing Paper 2019 – 2 January 2020

# Our figures

The table below shows Arm's UK gender pay and bonus gap data for 2019

	Gender pay gap	Gender bonus gap
Median	15.72%	29.02%
Difference to 2018 median +/-	-1.21%	+1.55%
Mean	15.02%	26.78%
Difference to 2018 mean +/-	-1.81%	-4.39%

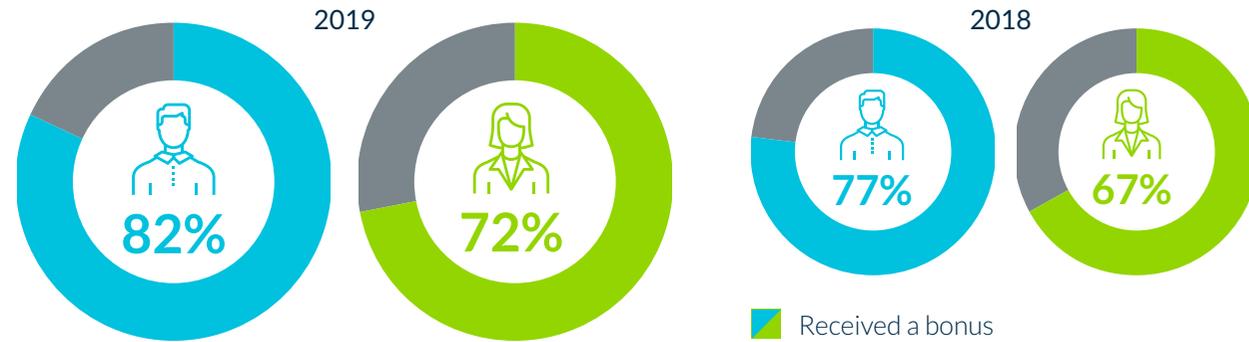
For wider comparison against other companies in the UK in April 2019, the median UK gender pay gaps were;

- All UK employees: 17.3%\*
- Professional, Scientific and Technical Companies 24%\*\*

Sources:  
 \*House of Commons Library - Gender Pay Gap Briefing Paper 2019  
 \*\*<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsasgenderpaygaptables>

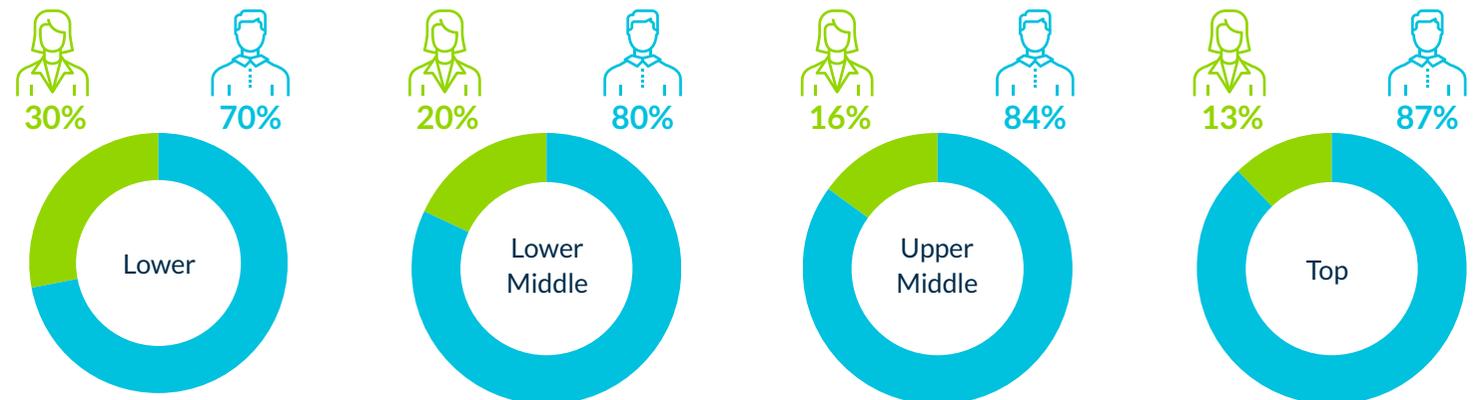
The figures below provide the further UK pay gap metrics required, including the percentage of each gender receiving bonuses and the percentage of men and women in each quartile of our pay structure.

## What proportion of UK employees received bonus pay?



100% of all eligible employees received a bonus; there is no management discretion in this. The statistics above are not showing 100%, as some people are ineligible for bonus due to being on a fixed term contract or having joined the company after the eligibility date during the bonus year.

## What proportion of UK employees do we have in each of our pay quartiles?



## Understanding Arm's UK gender pay and bonus gap

Our pay and bonus gaps are a result of there being more men than women working for Arm at every grade, with the gender split increasing at higher pay grades, which is a complex and important issue that we are taking steps to address, not because men and women are paid unequally for the same work.

Our median gender pay gap has reduced by 1.21% (it is now 1.58% lower than the UK national average and 8.28% lower than other peers in the Professional, Scientific and Technical sector). We understand however that there is still a lot of work to be done in closing this gap and that this will take time.

The median bonus pay gap also reflects the fact that we have more men in senior roles where receiving higher variable pay is in line with market expectations.

# Building the female talent pipeline within Arm

We know that it will take time to truly address our UK gender pay gap, but at Arm we strive to build an inclusive culture that encourages, supports and celebrates the diversity of our community.

We commit to offering fair, equal and unbiased recruitment, promotion and reward systems and a safe, inclusive and agile work environment where all our people can thrive and be their brilliant self every day.

From attracting female talent to Arm, through to growing, developing and retaining them once they have joined us, we are focused on building programmes that ensure that everyone has an equal opportunity to progress. These include:

## Attraction:

Our aim is to make Arm an attractive employer for everyone, and we continue to look for a diverse set of candidates. To eliminate any potential gender bias in our recruitment process, we use a tool to support the development of gender-balanced job advertisements. The use of this tool has also helped to educate our hiring managers on considering diversity during the recruitment process. We have also implemented an objective online assessment of a candidate's values and motivations to help predict their potential to reach and sustain high performance within Arm. These tools support diversity initiatives by removing and challenging potential biases from our attraction and decision-making. We also participate in diversity recruitment and community events to highlight Arm as an employer of choice for both early career level and established hiring level. Over the last year we have hired more women, but we still have higher female representation at lower grades.

## Inclusion Matters:

We are dedicated to creating an inclusive environment where each and every voice is heard and welcomed, and where innovation can flourish. We're pleased to share that Simon Segars (CEO), has joined a group of more than 800 peers from a range of companies, to make a united commitment to advance diversity and inclusion in the workplace through the CEO Action for Diversity & Inclusion™. This pledge and commitment complements our approach to diversity and inclusion, globally, at Arm. The pledge is as follows:

1. We will continue to make our workplace a trusting place, to have complex, and sometimes difficult, conversations about diversity and inclusion.
2. We will implement and expand unconscious bias education.
3. We will share best – and unsuccessful – diversity and inclusion practices, programmes and initiatives.
4. We will create and share strategic inclusion and diversity plans with our board of directors.

We have a network of Champions who deliver interactive unconscious bias workshops through Project EveryOne, our tailored training programme for reducing bias in the workplace. Project EveryOne aims to create greater awareness of unconscious bias and provides tools to help reduce biases whilst enabling colleagues to come together and share insights.

## Progression/Promotion:

As of the April 2019 Annual Review, a greater percentage of women were promoted globally. We have also consistently seen higher percentage pay increases for women over the past four years. Incremental increases will not however be enough to fix the broader structural issues affecting our gender pay gap, and Annual Review is just one part of Arm's longer-term strategy to ensure we have more female representation at senior levels.

## Flexibility of working practices/ Global policy for Childbirth Leave and Parental Bonding Leave:

We demonstrate a progressive approach to flexible working, through a high-trust approach to time off including flexible working practices for employees to balance work and family commitments. In March 2018 we also launched a formal policy to allow people who are welcoming a child into their home an extended amount of time on full pay to celebrate and adjust to this significant life event.

## Professional and Personal Development:

We are committed to ensuring that all employees are offered learning, development and progression opportunities, to help them thrive and get them ready for their next step in their career at Arm. All our employees have access to Everywoman Network personal and professional development resources. Arm is a proud supporter of Catalyst, providing our employees with insights, inspiration, and solutions on accelerating progress for women.

# Building the female talent pipeline in our community: a long-term strategic initiative

## The bigger picture – women in STEM today

In 2019, the World Economic Forum (WEF) confirmed some of the reasons why women and girls don't choose STEM careers: "... lack of encouragement, active discouragement, lack of role models, negative peer pressure and harassment. Studies show that it is not an ability issue. Women from under-represented groups face prejudice twice over, both against their gender and their race. In some countries in the developing world, girls still struggle for basic access to education and then for acceptance into the workplace." The Arm School Program is working with its partners to help enable equitable access to quality STEM and Computing education through its growing Content and Training initiatives. But Arm also has a vital role to play in reaching out to girls and young women at school with role models who can help them identify themselves with a career in the tech sector.

With more girls attending school than ever before, there are grounds for hope. However, girls are still significantly under-represented in the STEM subjects and if we do not see rapid change, we will continue to have gender inequality within the workplace.

## How Arm is helping to close the gender gap in STEM

At Arm we are focused on helping to change this narrative. We recognize that a solid foundation in STEM is a proven path to upward mobility; yet it's a path many young people, especially girls, don't take. We have a role to play in breaking down barriers, providing inspirational resources and connecting underserved and underrepresented young people to our employees as role models.

### We are committed to addressing the imbalance by:

- 1. Strengthening the pipeline** – There are still not enough girls are choosing to continue to study STEM subjects and, if they do, the majority are not choosing engineering as a career option. We must inspire more girls that studying STEM can lead to a meaningful and enjoyable career within our industry.
- 2. Increasing the visibility of women** working within Arm both internally and externally – role models play a vital and powerful role. By supporting programmes such as the WISE campaign's 'My Skills My Life', we can inspire girls through role profiling our women in technical roles at Arm. Internally we utilise campaigns such as Women in Engineering to highlight our achievements.
- 3. Helping young and experienced women** to know that they have a career with us, ensuring that we're attracting, recruiting and retaining women at Arm.

Annually, Arm joins many organisations, educational institutions and people around the world in events to mark Ada Lovelace Day. We have been supporting Ada Lovelace Day (ALD) since 2015, celebrating women's contributions to science, engineering, technology and maths (STEM). We host internal events and also use ALD to create a platform to inspire younger generations through educational outreach activities.

## Arm's outreach activities to address the gender imbalance in STEM

Our network of Team Arm Champions (employees who in addition to their day role lead our employee community engagement programme within their offices), Education Ambassadors and members of our Women's Network, supported by colleagues, came together to deliver events for ALD19 throughout Arm. Here's just a snapshot of some of the activities that took place across the UK and Ireland with local schools:

- In Galway, our Team Arm Champion, Saoirse Stewart, organised with colleagues to host an all-girls workshop in partnership with Ireland's leading youth organisation, *Forogie*.
- In Sheffield, colleagues held an educational outreach day for 60+ year eight girls from five schools. They hosted a day of micro:bit sessions, promoting Do Your:Bit and self-awareness workshops for attendees.
- In Manchester, through our partnership with Uptree, the team hosted an insight day for students aged 16-19. Attendees gained insights into the technology industry, career paths and were able to spend time with colleagues from Arm. We've also co-hosted insight days with Uptree at our offices in Glasgow, Warwick and Loughborough.
- In London, we supported 50 girls aged between 7 and 11 at the Girls Leadership Academy Meet-up (GLAM), focused on soft skills development and encouraging them to be empowered to be trailblazers of the future.

## Looking to the Future?

Together, our work is helping to grow the talent pipeline and share insights and inspiration both internally and externally. But we have more work to do to strengthen the talent pipeline, encouraging more girls to study STEM subjects and increasing the number of women choosing careers in STEM – we know that we can do this, but we have to work together and not in isolation.

# Appendix

Metric	2019	2018	Difference
Median Pay Gap	15.72%	16.93%	-1.21%
Mean Pay Gap	15.02%	16.83%	-1.81%
Median Bonus Gap	29.02%	27.46%	+1.55%
Mean Bonus Gap	26.78%	31.17%	-4.39%
% Males receiving bonus	82%	77%	+5%
% Females receiving bonus	72%	67%	+5%
Male Lower Quartile	70%	70%	0%
Male Lower Middle	80%	81%	-1%
Male Upper Middle	84%	85%	-1%
Male Top Quartile	87%	88%	-1%
Female Lower Quartile	30%	30%	0%
Female Lower Middle	20%	19%	+1%
Female Upper Middle	16%	15%	+1%
Female Top Quartile	13%	12%	+1%
Arm UK Headcount	2,451	2,293	+7%
Arm UK Males	1,947	1,841	+6%
Arm UK Female	504	452	+12%

**Contributors:**

Diversity – Adele McIntosh; Ali Stripling

Team Arm – Anna Malan

Arm School Project – Nicholas Sample

Global Pay Equity Project - Reward



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## Declaration

I confirm that our data is accurate and has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Simon Segars, CEO**