

The activity duty and the duty to issue a statement

arm

Arm Norway AS, Fiscal Year 2021

Background

Job category and grouping evaluation

Arm Norway has taken <u>Bufdir</u> recommendations as basis to evaluate and group all positions in the company to execute salary, part time and fixed time working, and parental leave usage analysis.

We have together with employees` representatives (Arm Norway Consultation Forum) evaluated positions based on competency, responsibility and stretch in executing work. In Arm we already have a solid Grade framework in place that contains those aspects but for DEI reporting purpose we have consolidated Engineering and Enterprise Functions and also added an angle of Line Manager responsibilities and Technical lead responsibilities into the mix.

While evaluating Competency weighs 50%, Responsibility 40% and stretch 10%. Latter has not significant impact as all our work is executed in the office. With stretch we did take into account how much stretch there is to work cross borders where time differences need to be accommodated and the amount of travel required in the position.

Grouping outcome

As an outcome of that evaluation, we have 6 groups in total where Group 1 is the ones that have scored highest on as total of requirements for Competency, responsibility, and stretch and Group 6 is the ones with lowest score.

Gender distribution at different job levels						
Level	Women	Men	% Women	Total		
Total	19.00	182.00	9%	201		
Group 1	-	5.00	0%	5		
Group 2	1.00	15.00	6%	16		
Group 3	3.00	31.00	9%	34		
Group 4	4.00	55.00	7%	59		
Group 5	10.00	75.00	12%	85		
Group 6	1.00	-	100%	1		

Gender distribution at different job levels (groups).

In total Fiscal Year 2021 in Arm Norway, we had 9% women. Majority of them in lowest groups. Group 5 is the only group over 5 females in the group that allow us to reveal salary and other required data.

Our Figures Salary and payments data

We will only publish data for the group that have more than 5 female employees represented. This is Group 5. Group 5 spans over several pay grades and contains employees from both engineering (core business) and enterprise functions.

Pay art	Difference women and men in % in G6	Comment	
Monthly salary paid	103,9% Women's monthly pair average is 3,9% hig		
One-time payments paid	98,2%	Somewhat lower pay-outs of one-time payments made to women	
Total monthly salary + one-time payments	103,2%	In total a slight favourable sum in total of payment made in average to women in this Group	
Bonuses paid	117,1%	Bonuses paid and calculated as monthly average show women in this group have received 17,1% more pay-outs.	
Taxable benefits paid	75,7%	Females in this group have received less taxable benefits in Fiscal Year 2021.	

Context for our payments

Base pay has a framework that is connected to pay grade and reviewed yearly. It is dependent on employees performance, potential and expertise but framed by the brackets dependent on the market analysis. Base pay adjustments go through also several reviews before approved.

One time payments contain different elements that are connected to patents, referrals or are dependent on your start date and pay grade.

100% of all eligible employees received a bonus; there is no management discretion in this. Bonus is fixed % of income dependent on pay grade. 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. As Group 5 spans over several pay grades.

Taxable benefits are the same for all employees it is dependent on the employee to either use or not use them. Timing sending in claims during the year also has an impact on the result.

	Women	Men	
Fixed term contracts	0	1	
Average weeks of parental leave used	8,1 (used by 3)	10 (used by 14)	
Part time working	0	2	
Part time working (forced)	0	0	

Part time working, Parental leave and fixed term contract data

Context for parental leave and part time working in Arm

Generally, in Arm we have several Family friendly frameworks in place and as far it is possible will meet employees needs when it comes to meet their responsibilities as caretakers.

In Arm Norway we do not have any forced part time positions, but we are flexible to allow employees to work part time as needed due to family, health or other reasons (like studies).

In Arm Norway we have a very diverse workforce consisting about 30 different Nationalities. As we are operating in a quite specialized engineering workforce market, we have colleagues joining us from all over the world. In Norway paid parental leave arrangement is not applicable for everyone. To provide support to all employees Arm has a companywide Paid parental leave policy that our new relocated colleagues are offered. This is not as generous as NAV supported paid parental leave and therefore, we also see that our parental leaves weeks taken are not big.

We also have employees on partial parental leave that in presented numbers are reflected through proration.

General Arm approach to Diversity, Equity, and Inclusion

In Arm Diversity lies in the visible and invisible characteristics and experiences that make people different from each other. We are committed to ensure that everyone has suitable opportunities and support to grow and succeed.

Our Objective is to hire, support, and empower diverse talent at all levels across Arm.

At Arm globally, more men work in the technical sector than women across all grades, especially within our engineering functions.

We continue to focus efforts on ensuring Arm is an attractive employer for women, but it will take some time before we see a more equal representation of both genders in the engineering function and at higher levels.

Until then, we remain committed to equal treatment and representation of genders within the company and supporting outreach programmes and local schools as they teach STEM to children, hopefully building their passion for a career in the sector.

Compensation

We ensure that all salaries are justifiable and take a zero-tolerance approach to any differences in pay for both gender and race / ethnicity. We are committed to men and women being paid fairly for the same work and having the same career progression opportunities. To that end, we operate an annual, global Fair Pay analysis with an external consultancy which assesses comparable roles by gender, age and ethnicity (where possible) to ensure that there is no bias in pay and that every salary is justifiable. It is important that we continue to assess how we operate internally to ensure that women thrive at Arm.

Recruitment

Our aim is to make Arm an attractive employer for everyone, and we continue to look for a diverse set of candidates. This includes using leading edge technology to help us to eliminate any potential gender bias in our recruitment process and working with partner organisations and take part in diversity recruitment and community events to highlight Arm as an employer of choice for both early career level and experienced hiring level candidates. Globally, we have been working with a broader set of universities to attract more diverse candidates and have also developed our apprenticeship programme to attract more talented people from different educational backgrounds.

In Arm Norway we are a long-time partner for ADA Network and do take actively part in their arrangements to support female STEM students at NTNU.

We always strive after that there are representation on our employer branding events also from female engineers as well as try to engage female employees to interviewing panels when hiring.

In our hiring activity we also use a tool Textio, the augmented writing platform to help us with writing that is inclusive and appealing as for female candidates.

DEI (Diversity, Equity, Inclusion)

This year, we expanded our DEI team, bringing in experienced subject matter experts to lead this work at Arm, in addition to adding employees to the team with internal knowledge and expertise. We also made significant investments in partnering with external DEI consultants who delivered a range of learning and development sessions to build the capability and confidence of our people. Our employees learnt how to foster inclusion in their day-to-day work activities and interactions, managers were trained on how to have more effective conversations about difference with their teams, and thorough assessments of current working practices enabled us to further inform our DEI strategy.

We began working with the IVY Planning Group, a DEI consultancy, at the end of 2020. In 2021, they delivered a series of DEI initiatives, including educative training for employees and managers to help drive a shift in behaviours to make Arm even more inclusive, collaborative and innovative. They also conducted an independent assessment that looked at all aspects of DEI across Arm globally and provided recommendations to inform our DEI strategy.

We are dedicated to creating an inclusive environment where each and every voice is heard and welcomed, and where innovation can flourish. The DEI team has been focusing on ways to drive inclusion for all, bringing in experts to help everyone understand the neuroscience of inclusion and how to be more consciously inclusive, providing DEI resources internally to encourage self-paced learning pathways to drive inclusion, and building a network of DEI Champions and working groups to bring the DEI strategy to life and make it relevant within their teams and functional areas.

We have implemented assessment of DEI behaviours also as part of yearly appraisal practices.

As many of us are neurodivergent at Arm - have one or more of conditions like Autism, ADHD, Dyslexia or Dyspraxia we have established a network with Employee Recourses Groups. The aim with those groups is to enable Neurodivergent colleagues to reach their full potential and advance in Arm in being an employer of choice for the ND Community, through advocacy and building a safe community. Focus in this work is to raise awareness, educate, look over all our critical processes through the lens of ND. Throughout the year we mark the Neurodiversity week, Autism Awareness Months, Dyslexia Week, ADHD awareness week.

Flexible working and family 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.

Attracting talent outside of Arm

Externally, we support local communities with projects to excite and spark the potential of young, aspiring individuals keen to explore the engineering world. Our goal is to help build the pipeline for the future within this sector and encourage more people from different backgrounds to have careers within the engineering industry.

Focus for Arm Norway in FY 2022

Both our global and Country analysis shows that men and women are paid equally for the same work. However, the total number of female employees is low and we see that number of females declines in the Groups of higher scores.

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For 2022 the focus will be:

- 01 Hiring and sharpening the talent acquisition localised focus on attracting qualified female candidates to improve the ratio between men and women and getting data published on next year's report.
- 02 Talent management focused on female employees to be able to take on roles above Group 5. We will be intentional in our work being more focused on this area and will publish more around talent management area on next year's report.