



arm

UK Gender  
Pay Gap  
Report 2023



MARCH 2024

## CEO STATEMENT

At Arm, our North Star is focused on building the future of computing, on Arm. Together. For everyone. Our culture guides how we do that - working cross functionally, collaborating internally and externally, and driving the innovation needed to fulfil our North Star. Having a diverse workforce and inclusive culture is key to enabling us to deliver for our employees, customers, ecosystem partners, and external stakeholders.

We remain steadfast in our commitment to Diversity, Equity and Inclusion (DEI) and we continue to work on integrating DEI into everything we do. As a public company, we recognize even more that we must continue to leverage the best of all our people to achieve our objectives.

Regarding our UK Gender Pay Gap score, the work we have done in advancing DEI has helped us show improvement in both the median and mean gender pay gap since our last report.

**+ Our median and mean gender pay gap reduced by 4.05% and 1.84% respectively.**

However, our median and mean bonus gap widened by 2.76% and 2.88% respectively. Our score is directly impacted by the larger proportion of men in higher grades across Arm compared to women and the higher proportion of women who are new starters.

Having a gender gap does not mean men are paid more than women at Arm. In fact, we are committed to men and women being paid fairly for the same work. To ensure there is no bias in pay, each year, we perform a global Fair Pay Analysis with an external consultancy. Moreover, we also complete an internal, enterprise-wide equity review during our Mid-Year and Annual Review processes as an additional mitigation measure.

We're proud of the progress we have made in recent years when it comes to helping more women succeed at Arm. As part of our DEI strategy, we have increased the schools and external partners we leverage to recruit talent, offered inclusive hiring training for hiring managers, and rolled out recruiting best practices across all teams.

Our Early Careers programme is also instrumental in attracting more women to Arm and helping us build our pipeline of technical and engineering talent.

In addition, Women@Arm, Arm's Employee Resources Group (ERG) focused on advancing women, plays a key role in our DEI efforts. Women@Arm's mission is focused on engaging, inspiring, and empowering women across our global offices. The ERG works with allies, other ERGs, and various stakeholders to help make Arm a place where differences are leveraged and seen as a strength.

**Women@Arm's mission is focused on engaging, inspiring, and empowering women across our global offices.**

Externally, we also support numerous organizations and community initiatives aimed at increasing the awareness of and interest in engineering and technical fields with young people, particularly those from underrepresented backgrounds. Building the technology industry's pipeline for the future by getting more people from different backgrounds to explore careers in engineering is a key priority at Arm.

We recognize that improving the Gender Pay Gap within the technology industry will not happen overnight. The work we are doing now will take time to have the full intended impact. But we remain focused on attracting the best talent from the broadest talent pool and building an equitable and inclusive workplace where everyone can contribute and flourish at Arm.



**Rene Haas, CEO**



# What is the UK Gender Pay Gap?

Since 2017, the UK government has required all UK companies with 250 or more employees to report 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, as required by the Equality Act 2010 (Gender Pay Gap) Regulations 2017.

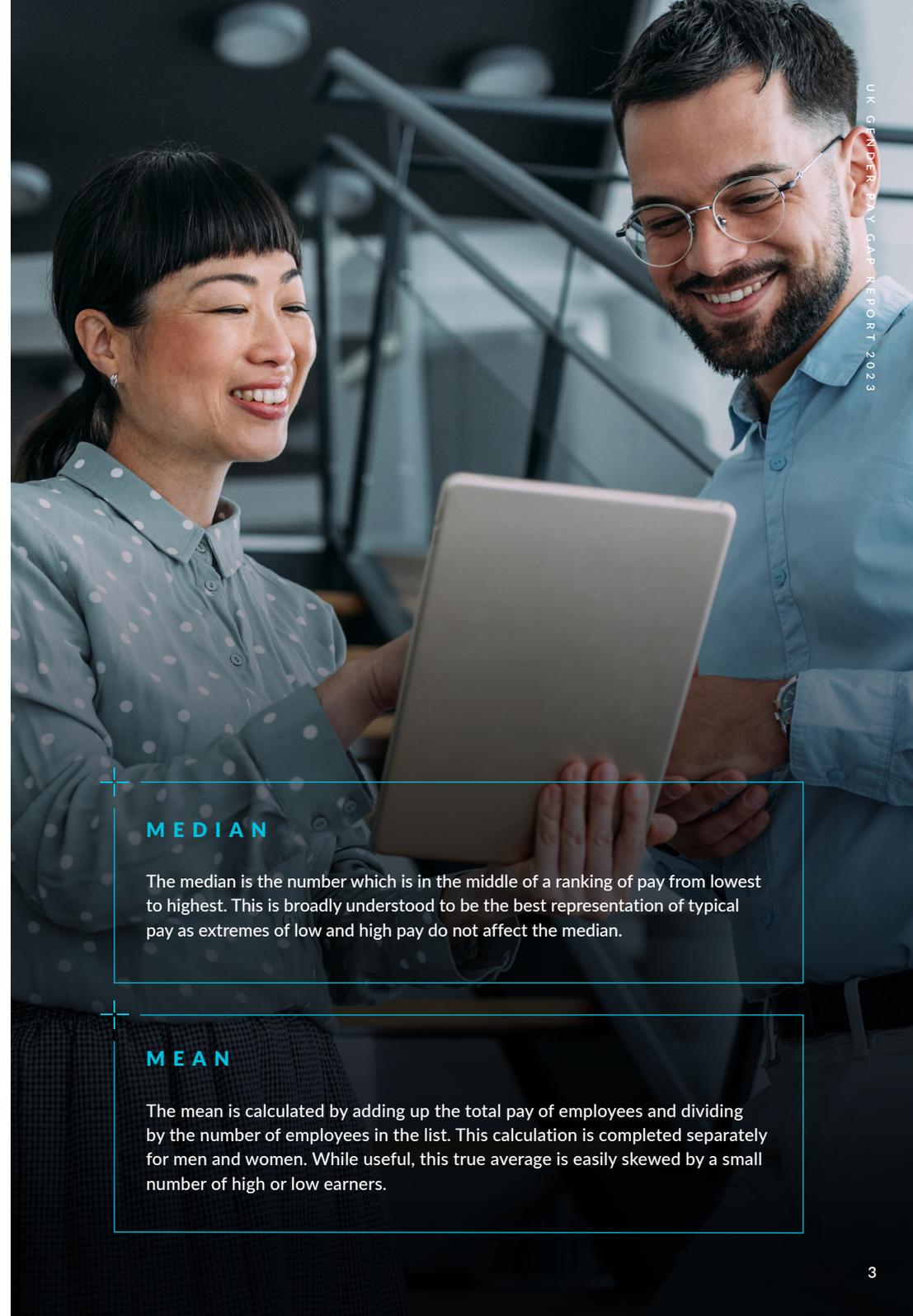
This report sets out the UK gender pay gap and bonus gap at Arm. The pay data of **2,839** UK Arm employees was analysed as of 5 April 2023 (**2,268** males and **571** females), including all UK full and part-time employees and casual workers. This is pay data for **2.41%** less men and **12.56%** less 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 2022 was excluded from the hourly pay calculations.

The bonus data was taken between 6 April 2022 and 5 April 2023.

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 or 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, which differs from equal pay for equal work, which is a broader legal requirement.

Gender has been analysed and reported in a binary manner for the purpose of the UK Gender Pay Gap reporting requirements. However, we understand that gender is more complex than "male" and "female" and some people identify with a non-binary gender. At Arm, we welcome and support all individuals regardless of their gender and remain committed to ensuring that people receive equal pay for equal work.



## M E D I A N

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.

## M E A N

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.

# Our Result

The tables below show our overall median and mean gender pay and bonus gap based on hourly rates of pay as of 5 April 2023, and bonuses paid in the year 6 April 2022 to 5 April 2023.

	Gender Pay Gap	Gender Bonus Gap
Median	17.91%	31.54%
Mean	18.08%	29.00%

For comparison against other companies in April 2023, early submissions for the UK gender pay gap reports are:

### All UK Companies\*

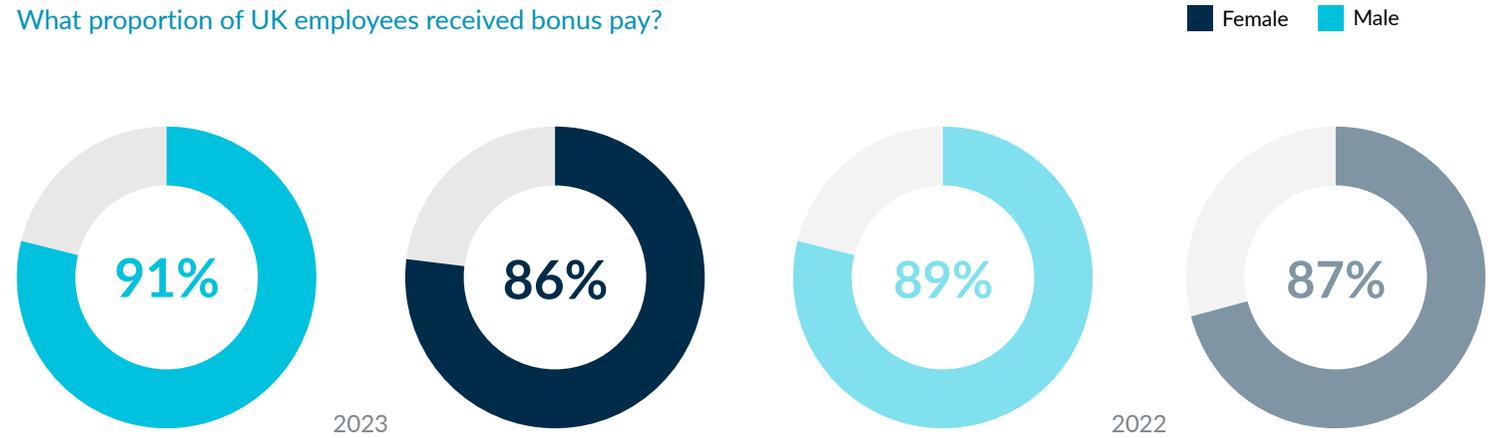
- + ONS Provisional Median: 14.3%
- + ONS Provisional Mean: 13.2%

### Professional, Scientific, and Technical Companies\*

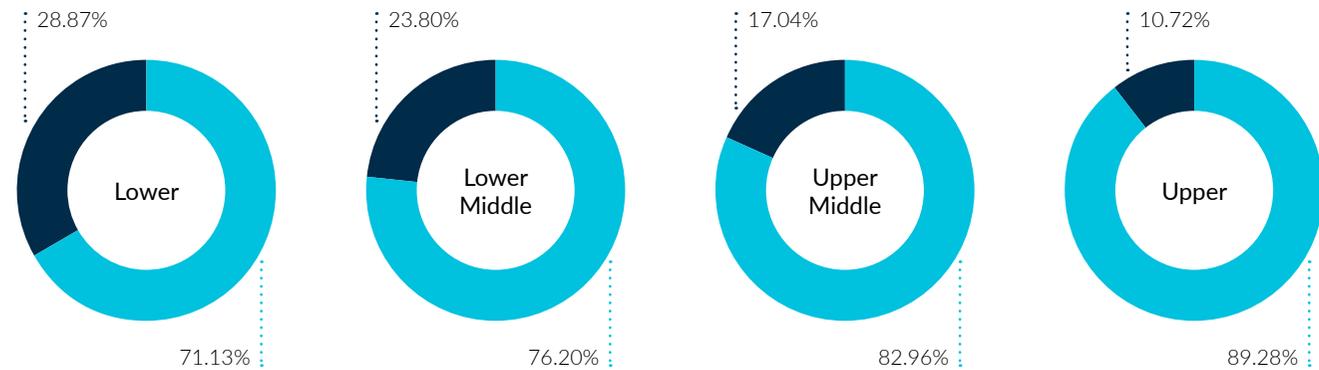
- + ONS Provisional Median: 18.6%
- + ONS Provisional Mean: 16.0%

\*Source:  
[www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsasgenderpaygaptables](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsasgenderpaygaptables)

## What proportion of UK employees received bonus pay?



## Proportion of females and males in each quartile band:



# Understanding the Gap

In April 2023, the mean gender pay gap for Arm was **18.08%**, which was a decrease of **1.84%** and the median gap was **17.91%**, which was a decrease of **4.05%**, which are both year-on-year improvements for our Pay Gap. Our bonus gap mean was **29.00%**, which is an increase of **2.88%** and the median was **31.54%**, which is an increase of **2.76%**, but remains lower than our Bonus Gap from 2021 (**37.3%**) and 2020 (**34.6%**).

There is variance in our pay and bonus gaps due to more men than women working in technical roles, particularly in senior positions where higher levels of compensation are paid, which therefore impacts our pay and bonus gap.

We continue to focus efforts on ensuring Arm is an attractive and supportive employer for women, but it will take time before we see a more equal representation of both male and female in technical roles. Arm is committed to offering fair, equal, and unbiased recruitment, promotion and reward systems and a safe, inclusive, and flexible work environment where all our people can thrive and be their brilliant selves every day.

Our population as of April 2023, was made up of **80%** males and **20%** females.



# Our Diversity, Equity and Inclusion (DEI) Strategy

We are committed to ensuring everyone at Arm has a remarkable experience, by bringing brilliant people together.

## ATTRACTION

Our aim is to make Arm an attractive employer for everyone, and we continue to look for diverse candidates. To eliminate any potential gender bias in our recruitment process, we continue to use an embedded tool to support the development of more inclusive and gender balanced language user in our job advertisements. Throughout the year, we participate in diversity recruitment and community events to highlight Arm as an employer of choice. Our Talent Acquisition Team attends on-going training with organizations such as Neuroleadership Institute. Arm has a partnership with Black Young Professionals Network (BYP), an AI powered platform, connecting Black professionals to personalised career opportunities such as jobs, mentorships and events, based on their career goals. We continue to offer UKESF and IET Electrical Engineering Scholarship schemes and Internships for students. Through our partnership with Uptree, Arm participated in their Future Networking event engaging with students to discuss the opportunities available through our Arm apprenticeship programme.

## EMBEDDING DEI

At Arm, our Diversity, Inclusion and Equity strategy is imperative and embedded into everything we do, enabling everyone to effectively collaborate across teams, and regions, innovate with our partners to ensure we provide an inclusive environment for all. We attract and retain diverse teams to create unique ideas, drive creativity and innovation. Arm believes it is critical to integrate DEI into our talent management and learning to deliver intentional and consistently inclusive content that makes Arm and our communities stronger in understanding their individual impact on DEI.

## EMPLOYEE RESOURCE GROUPS

Employee Resources Groups (ERGs) are groups of underrepresented and marginalized employees who come together based on primary dimensions of diversity and shared experiences. Our ERGs bring to life DEI themes and topics through events and initiatives throughout the year. Arm has a variety of networks in place to inspire, engage and connect everyone together to ensure an inclusive environment.



## WOMEN@ARM

Arm's ERG Women@Arm has continued to support women through panel events and external speakers, networking opportunities, celebrating the achievements of women at Arm and many other activities. We are committed to ensuring everyone has an equal opportunity to thrive and to progress at Arm. We will continue to listen to feedback, evolve our DEI strategy and improve gender equity throughout the organization.



# Our Community Engagement

Our Employee Community engagement program gives our people the opportunity to take action on the Global Goals for Sustainable Development through volunteering, campaigning and fundraising.



## Arms Primary School Outreach Programme

Arm runs an employee-led primary school outreach programme, which exists to expose children under the age of 11 to the impact that technology has to the lives of everyone, everywhere, and excite them about their potential through STEM. Key Stages 1 and 2 are critical periods for sustaining an interest in STEM for all genders, and the programme is focused on reaching schools with an above-average proportion of students from disadvantaged backgrounds. In FY22, Arm's Primary Outreach Programme continued to grow, expanding to include our Manchester office. Across Cambridge and Manchester, 43 colleagues gave 138 hours to delivering outreach sessions to 12 schools, reaching approximately 580 students.



## Uptree

Uptree connects employers and young people from a diverse audience of over 289,000 UK students, of which 52.9% are female. Uptree provides a careers network for sixth-form students from state school backgrounds. The Arm partnership involves hosting work experience events at our UK offices, with specific focus on increasing uptake from female students from underserved and underrepresented backgrounds. In FY22, we hosted 300 students, 35% of whom were female, through 11 events.



## FIRST

FIRST Tech Challenge is an education charity inspiring young people (aged 12 – 18) to explore their potential in science, technology, engineering, and maths (STEM) through robotics competitions. In the UK, Arm is FIRST's Inclusion Partner, providing funding to remove barriers to participation in the programme for young people. In 2022-23, Arm funding directly supported 40 schools across the UK to participate in the FIRST Tech Challenge improving access to STEM amongst less represented young people. 41% of participants impacted identified as girls or non-binary, whilst 37% were from ethnically diverse backgrounds.

RESULTS DISPLAYED AS A TABLE

Metric	2023	2022	23-22 Difference
Median Pay Gap	17.91%	21.97%	-4.05%
Mean Pay Gap	18.08%	19.92%	-1.84%
Median Bonus Gap	31.54%	28.78%	2.76%
Mean Bonus Gap	29.00%	26.12%	2.88%
% Males receiving bonus	91.41%	89.04%	2.37%
% Females receiving bonus	86.16%	87.19%	-1.03%
Male Lower Quartile	71.13%	66.58%	4.55%
Male Lower Middle	76.20%	75.40%	0.79%
Male Upper Middle	82.96%	80.78%	2.18%
Male Top Quartile	89.28%	89.52%	-6.56%
Female Lower Quartile	28.87%	33.42%	-4.55%
Female Lower Middle	23.80%	24.60%	-0.79%
Female Upper Middle	17.04%	19.22%	-2.18%
Female Top Quartile	10.72%	10.48%	0.24%
Arm Limited Headcount	2839	2977	4.86%
Arm Limited Males	2268	2324	-2.41%
Arm Limited Females	571	653	-12.56%

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