



ARROW GLOBAL

Gender Pay Gap Report 2022



Jan Wade
Chief People Officer

“Commitment to fair
and equitable reward.”

Arrow Global remains committed to an inclusive environment and we have continued to progress our overarching ESG strategy which includes our approach to D,E&I. We have a diverse organisation, operating from 5 countries, with 18 platforms and with c2,300 talented professionals. Our colleague profile is c55% female and we have a clear aim to have 40% female leadership representation in our senior executives by 2025 with strong progress being made.

Naturally, we are pleased to see that the Median gender pay and bonus gap is reducing. Recognising and rewarding our people has been a priority through 2022 and in a year with challenging economic pressures we have supported colleagues with a series of cost of living payments and market adjustments. Strong reward for organisational performance in 2021, paid in early 2022, is reflected here with a balanced increase in both male and female colleagues receiving bonus payments.

As an employer that recognises the value of diversity and that is committed to diverse leadership there is naturally more that we are doing to positively impact the mean gender pay and bonus gap.

We are confident that we have the right talent in place across the organisation. However, we also recognise that as new opportunities arise and we grow our business we want to ensure that we have a strong female talent pipeline and that our reward remains fair and equitable. We feel that during 2022 we have made good progress in this. We continue to focus on how we open up development and progression opportunities for female colleagues and within our talent pipeline. This is being achieved through a range of activities including; colleague development initiatives, our partnership with ENEI and employee network groups and through targeting improved gender balance in the shortlist of all leadership roles.

Importantly we will continue to further close pay and bonus gaps.

The Arrow Advantage

Arrow is a leading vertically-integrated asset manager in credit and real estate. We have a compelling vision and purpose that resonates with all our stakeholders. Our local platforms will deliver our strategy and drive long-term sustainable returns. We are guided by our values and culture which help to make Arrow a great place to work.

Our model

The local operator: our vertically integrated asset management platform

Our people

Values: What guides our individual decision making and behaviour

Our strategy

Clear strategic priorities are detailed in our strategy

1. Building the local, local model
Drive platform growth and efficiency with a focus on cash collection and investment growth, focusing on high-value, granular niche product opportunities in our core markets.
2. Growing funds and investments
Growing a scalable and sustainable integrated fund management, developing our real estate offering as well as credit opportunities with a

Our proposition

Purpose: What we are doing for all our stakeholders – it is our philosophical heartbeat. Our stakeholders include:

- Customers
- Bondholders/Limited Partners
- Employees
- Clients
- Communities

Vision: An aspirational description of what we want to achieve in the future

VALUES

We're Brave and Creative
We're Trusted and Valued
We do the Right Thing
We Succeed Together

STRUCTURE

Vertically integrated asset manager: 17 local platforms, c. 2,500 employees and 5 geographies

STRATEGY

diverse spread of global investors and growing our capital-light income from our local platforms to enable the Group to de-lever.

3. Developing talent, capabilities and scalable foundations
Do business the right way, with due consideration for regulation and fair customer outcomes, through developing our people to reach their full potential.

PURPOSE

Building Better Financial Futures

VISION

The innovative and valued partner in credit and asset management

CULTURE

Ambitious, Sustainable, Diverse, Collaborative, Personal Accountability, Trust, Fast-paced

The right culture

Our culture defines Arrow and our unique points of differentiation

Our local platforms

ARROW

capquest

Mars CAPITAL

drydens foxfox SOLICITORS

MASLOW

Bergen Finance

Bergen Capital Management

EUROPA INVESTIMENTI

ZENITH SERVICE

SAGITTA

SANSEDONI REAL ESTATE BUT HOME

VESTING FINANCE

FOCUS

WHITESTAR ASSET SOLUTIONS

NORFIN

HEFESTO STC

RESTART CAPITAL

How we measure our Gender Pay

Under the UK Government's Gender Pay Regulations, employers in the UK with 250 or more employees must report their gender pay data.

What is gender pay?

Gender pay shows the difference in the average pay of men and women across an organisation regardless of their roles or industry sectors. The statistics can be affected by a range of factors, including the different number of men and women across all roles right across the workforce.

Gender pay is different from equal pay. Equal pay legislation is about men and women receiving equal pay for the same jobs, similar jobs or work of equal value.

Median pay gap

The median represents the middle point of a population. If you lined up all of the women at a company and all of the men, the median pay gap is the difference between the hourly rate of pay for the middle woman compared to the hourly rate of pay for the middle man.

Female



Male



Median
pay gap

Mean pay gap

The mean gender pay gap is the difference between the average hourly rate of pay for women, compared to the average hourly rate of pay for men, within a company.



UK Summary

We are pleased that the median pay and bonus gap continued to close during 2022 showing that the distribution of pay and bonus awards between men and women is narrowing.

We have seen changes in the mean pay gap and bonus pay gap. This is largely resulting from the organisational changes in 2021 and subsequent gender mix in senior leadership.

2022 bonus payments reflect company performance for 2021. With strong business performance throughout the year and change in ownership from public to private, we recognised colleagues by making bonus awards. This is reflected in the increase in the proportion of men and women receiving bonus versus our results for 2021. The number of men and women receiving bonus is comparable.

It's important to note that our bonus numbers exclude exceptional payments made to senior colleagues in respect of their LTIP awarded whilst a PLC. The de-listing of the company in connections with the acquisition triggered closure of those plans. If we include these exceptional one-off payments, our median bonus gap would be 16.4% and mean 62.3%.

2022 Median pay gap

12.5%

2021: 21.00%
2020: 21.46%

2022 Mean pay gap

48.5%

2021: 29.30%
2020: 31.30%

2022 Median bonus gap

13.8%

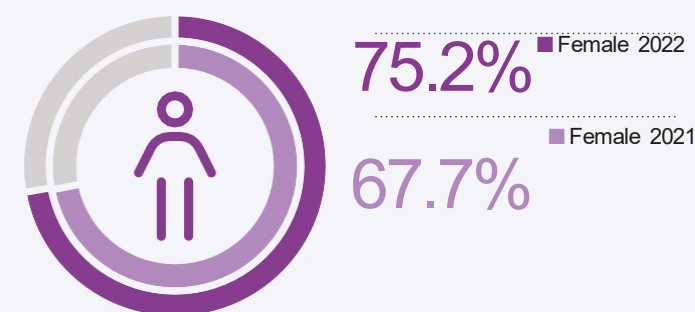
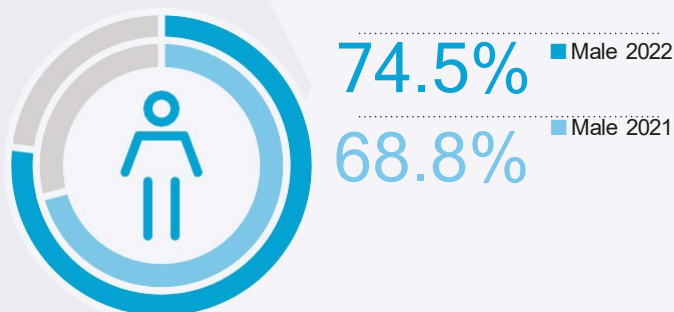
2021: 15.00%
2020: 48.55%

2022 Mean bonus gap

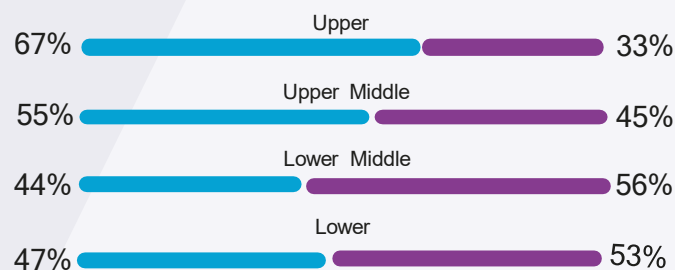
64.9%

2021: 50.00%
2020: 64.42%

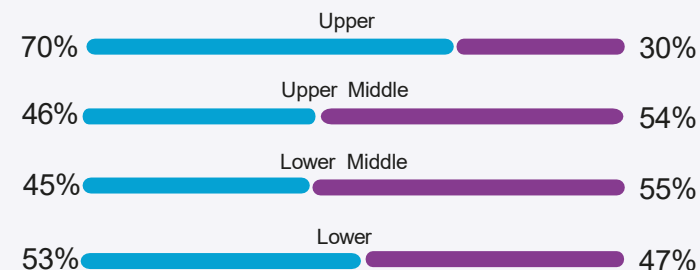
Proportion of our men and women paid a bonus across the UK:



Gender population by pay quartile: UK 2021



Gender population by pay quartile: UK 2022



Results across our Group on Pay

As a leading vertically integrated asset manager in credit and real estate, operating across the UK, Ireland, Portugal, the Netherlands and Italy, we have provided our gender pay gap results across the group.

The charts reflect the gender profile of our workforce across all of our countries. One year on from our last report, our median genderpay gap has shown incremental movement in a positive direction.

Fundamentally, the drivers of our gender pay gap are our representation of females in senior leadership roles and differences in gender representation across different job functions.

The profile of female representation is consistent across the wider Financial Services sector and within Asset Management, in particular.

We recognise equality in gender pay is a work in progress and are taking steps to improve although this will take time to achieve. We will continue to work hard towards a true balance for our future Arrow Global Group colleagues.

2022 Mean Pay Gap

47.7%

2021: 33.50%

2020: 36.02%

2022 Median Pay Gap

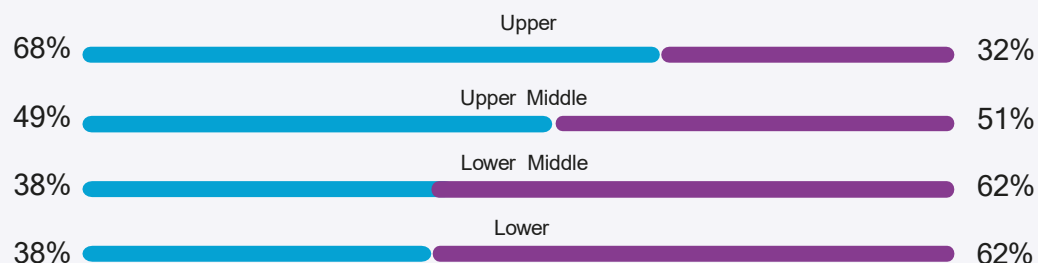
30.7%

2021: 31.90%

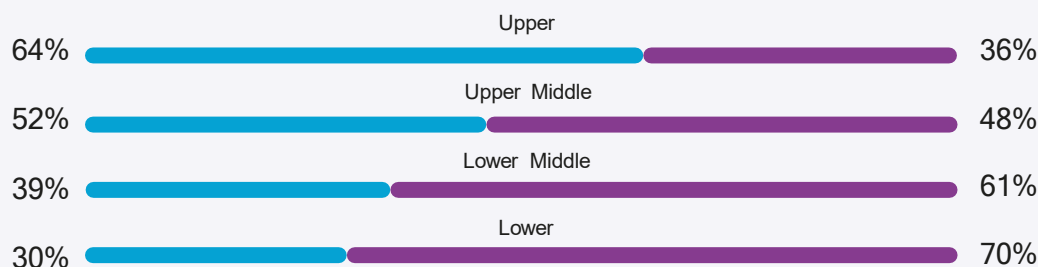
2020: 35.20%



Gender population by pay quartile: Group 2022



Gender population by pay quartile: Group 2021



Our Group bonus

In 2022, we have seen movement in Arrow Global's median and mean bonus gap versus 2021.

It is important to note the context and that the figures for 2021 considered recognition payments made for the 2021 performance year, where performance targets were not at target which naturally impacted senior leadership variable reward.

In contrast the figures for 2022 reflect bonus awards made for strong business performance in 2021 in an exceptional year where we changed ownership from public to private. Whilst our figures report a gap in mean and median bonus, we are pleased to see an increase in the numbers of men and women receiving bonus overall and the proportion of women is greater than for men.

We acknowledge there is work we need to do to improve our representation of men and women across all levels of the organisation. Some of the initiatives and steps we are already taking are featured in the following pages.

2022 Mean Bonus Gap

70.5%

2021: 49.30%

2020: 63.00%

2022 Median Bonus Gap

40.7%

2021: -6.80%

2020: 25.90%

Proportion of our men and women paid a bonus



74%

Female 2022

66%

Female 2021



70%

Male 2022

59%

Male 2021

Continued Progress

Management Development

The business continued to invest in developing our managers and leaders through 2022. We launched structured Personal Development planning giving targeted development to our leaders and managers as well as psychometric testing to ensure we are creating insightful and individually tailored development plans for our key talent. The aim is to ensure that all our management and leadership team reach their full potential, irrespective of gender.

Of the individuals who have obtained 1:1 coaching through Personal Development plans; 100% of them were for our female talent. As we expand the proposition and those with PDP's, our coaching will reach a much broader population during 2023. Our aim is to continue providing targeted support to our female talent to ensure they are fully supported in reaching their potential and to continue supporting them in their current career choices as well as preparing them to fulfill their future aspirations.

As part of this, our succession planning has identified a significant number of women coming through the organisational whose development will be supported to ensure that, when the time is right, they are able to take on more senior roles all the way up to our Group Executive Committees.



Networking Groups

To contribute towards the creation of a culture and environment that treats our colleagues and everyone connected to our business fairly and with dignity and respect, we have four Diversity and Inclusion focused network groups. All colleagues actively participate and lead these. Breaking the Bias Age & Gender, launched in 2022, providing a forum for members to network with colleagues from across the business to discuss a variety of topics relevant to gender and age and help in creating a supportive community. The group helps to identify support requirements for different groups, for example colleagues early in their careers, maternity returners, parents, carers or colleagues experiencing menopausal issues. The aim is to support an inclusive culture.



Charlotte Gilbert, Group MD Client & Capital Formation
Monique O'Keefe, Chief Risk & Governance Officer and Chair of the Fund Manager,

We are aiming for 40% female representation across our Senior Leadership Team population.

Developing Female Leaders

To ensure that our female leaders are supported, we have provided returner coaching to female leaders, ensuring when returning from a career break feel fully supported in their transition back to working life. We are also supporting women on an 'as needed' basis within our leadership population to have a period of 1:1 onboarding coaching to ensure that female leaders are able to onboard and navigate the organisation successfully; providing them with strong foundations in the first three months of their working life at Arrow.

Recruitment

We strive to ensure that we hire the best talent in the market throughout our recruitment activity and our goal is to ensure that we have balanced shortlists on our key hiring within the investment groups; thereby driving greater diversity in our talent pools. This has been particularly successful over 2022 and into 2023 with two senior MD hires being female and of all the Director and of all the Director and Managing Director hires we have made through 2022 and early into 2023, c.45% have been female talent. Through 2022, we have begun utilising psychometric and behavioural assessments to ensure that we are hiring the best talent with the absence of bias in our process.

In terms of junior hires, we are working closely with external sources to market and expand the talent pool, particularly within entry level positions (such as GAIN and 10000 Black interns). We continue to strive to bring young talent into the market working with Junior Achievement Europe supporting the brightest and most entrepreneurial young minds to be the best they can be, irrespective of background, gender or any other characteristic.

Flexible Working

We have fully embraced the flexible working philosophy, modelling from the top of our organisation that location of work is not a hindrance to success and progression. Our IT systems and organisational culture of remote and agile working, support this flexible working philosophy; enabling our teams to balance work and life commitments without any negative implications or undercurrents.

We have a multitude of alternative working patterns across our UK teams ensuring to find a healthy balance of meeting both their work and home commitments. Often a lack of flexibility in working practices disproportionately affects young women preventing them from obtaining or remaining in employment (The young womens trust) and therefore our approach allows greater access to roles in financial services across our organisation at all levels.

Our overall engagement measured through our engagement survey (and declared as an Nps score), is marginally higher for our female population within Arrow than the average population.



ARROW *EVERYWHERE*
GLOBAL



“We have embraced technology faster and we trust our teams to build a workday that suits the team and individual needs.”



"I am grateful that Arrow has allowed me to grow and develop my career within the company. My motto is; 'if you insist and resist, you reach and conquer!' "

Marcella Valente

Chief Operating Officer, Italy

I joined Zenith Service (Italy) in September 2001. My first role was quite junior, supporting the company in the Finance Department working on Securitized transactions.

In 2014, I was appointed into the role of IT Manager, Head of Regulatory Activities and became a member of the Board of Directors. My key focus was to improve new technologies and processes to support the growth of the business.

In 2018, I achieved the position of Director of the Organisation and finally through learning by doing; in June 2022 was promoted to Chief Operating Officer and Head of IT & Change for our other Italian entities (Europa Investimenti and Sansedoni).

I'm delighted to contribute to Arrow's success through the promotion of female talent in senior management positions. I am truly grateful for the opportunity to be part of a group of so highly-qualified women.



"My role has evolved and broadened in a manner that enables me to work on interesting, complex and challenging legal issues..."

Samyuktha Rajagopal

General Counsel

I have been at Arrow since 2019. I was initially part of the team setting up the first ACO (Arrow Credit Opportunities) fund. In my role as General Counsel, I have the privilege of collaborating with the business across our geographies on a range of matters including fundraising, transactions, governance and managing our investments.

Over the last couple of years, as the business has transformed into a vertically integrated fund manager, my role has evolved and broadened in a manner that enables me to work on interesting, complex and challenging legal issues to facilitate the achievement of our strategic objectives.

There are many interesting parts to my role, but my favourite part is getting deals done!

In January this year I was given another opportunity to broaden my experience set as General Counsel of the firm. I am excited by the challenge of getting my arms around parts of the business I am less familiar with and helping drive our objectives through a commercial, balanced and strategic legal function. In that endeavour, I am lucky to be working closely with a talented team of lawyers and paralegals both centrally and in-country.

My role at Arrow has been varied, fun and challenging in the last couple of years. However, my biggest learning experience has been becoming a first time mother! I've been learning to juggle a demanding job with an even more demanding one as a mother. I'm grateful to be supported formally and informally by Arrow colleagues in that journey.



“I confirm that the information reported is accurate.”

Jan Wade

Chief People Officer

Arrow Global Group Belvedere
12 Booth Street
Manchester M2 4AW

www.arrowglobal.net

www.arrowglobal.net/WeOurOneArrow-Our Diversity and Inclusion Journey

Company No. 08649661