



## The right direction



**Clare Dyer**

Group chief people officer



**Matt Hotson**

Group chief financial officer and Diversity and Inclusion Sponsor

“We are creating an environment where all colleagues can be themselves and accomplish what is important to them.”

We continue to develop supporting processes to deliver against D&I ambitions from boardroom throughout the firm. Our commitments to creating an environment where all colleagues can be themselves and accomplish what is important to them has been reinforced throughout 2020.

We have identified new roles with accountability for D&I and are engaging specialist organisations to partner with us with D&I audits and monitoring to enable us to be transparent to the business and external stakeholders on progress.

We continue to make positive steps towards gender pay balance, however recognise there is still more to be done and focusing on continuous improvement is important.

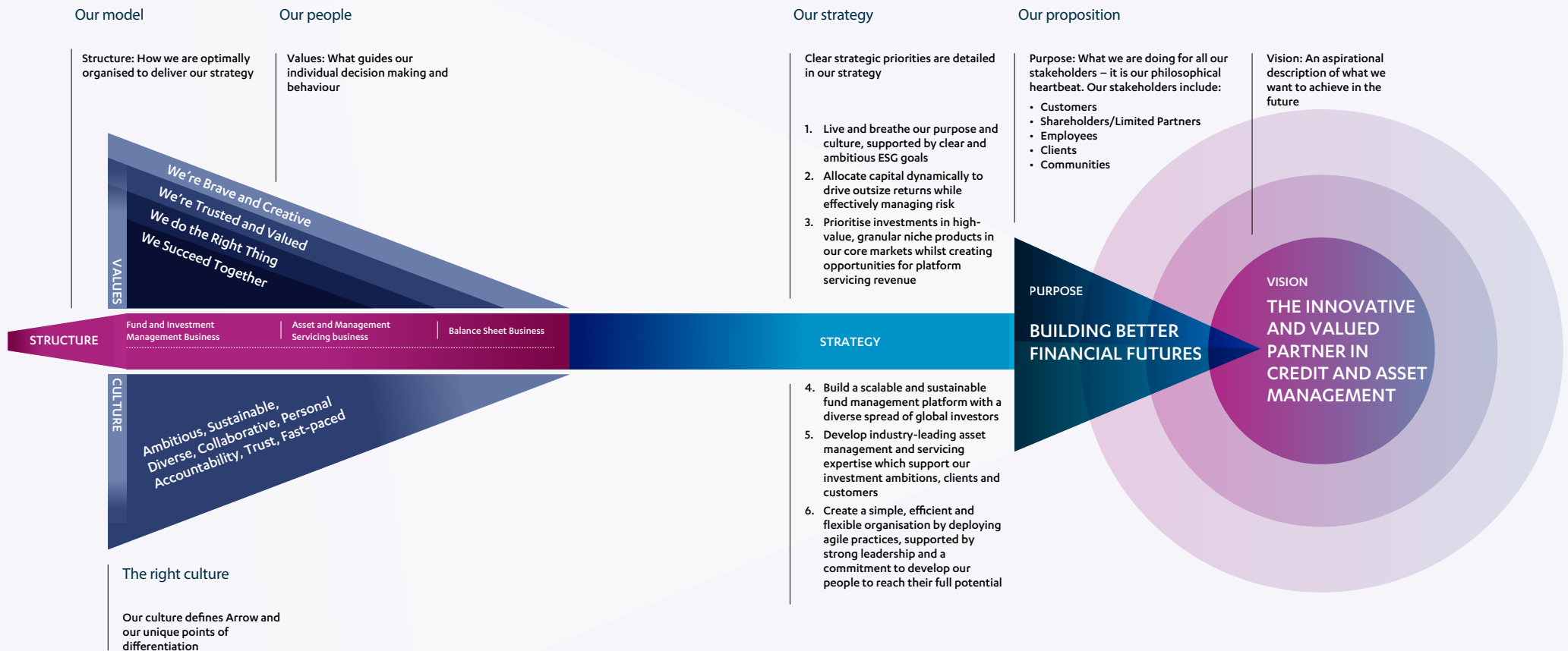
# Guided by our values and culture

Our diversity and inclusion agenda, which is underpinned by our Diversity and Inclusion Policy, continues to progress. An inclusive and diverse culture across the business improves effectiveness, encourages constructive debate and supports good decision making.

Arrow is an ambitious company. Our determination to succeed is matched by our drive to do things the right way – ensuring we create a sustainable business that builds better financial futures for our stakeholders. We are entrepreneurial, fast-paced and decisive.

Proud of our family values, we cherish working together in a safe, supportive community. We trust our people to make the right decisions – and we back them all the way. We’re also brave enough to acknowledge mistakes – and to learn from them. We celebrate success and reward those who take personal accountability to help us achieve exceptional long-term results. We’re open and eager to embrace new ways of working. Ours is a diverse community, enriched by our local identities, working collaboratively to build a powerful, unified and dynamic organisation.

This collective identity is One Arrow.



## 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



Median  
pay gap

#### Male



### 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.





# Results across our Group

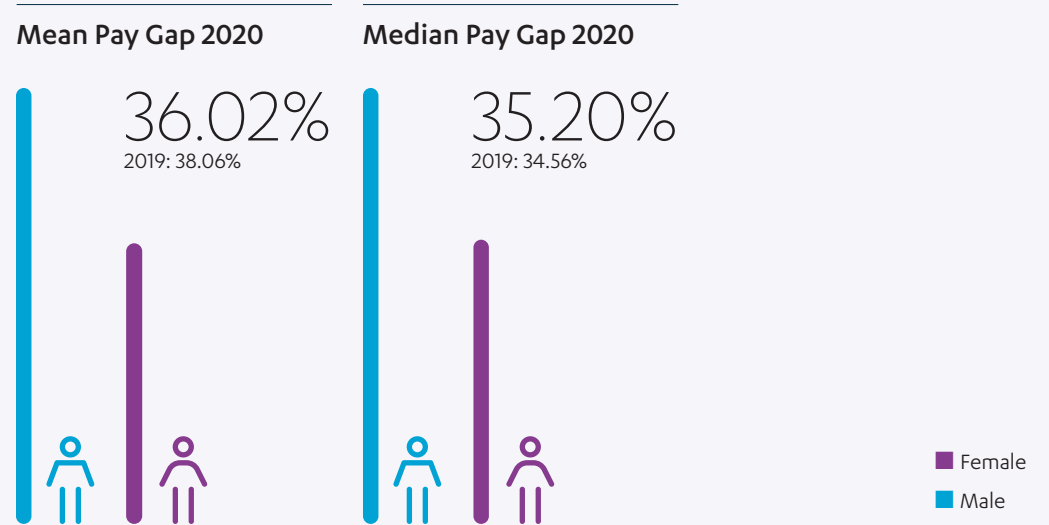
In line with One Arrow, an inclusive, decisive and collaborative business, we have provided the results across our Group. This is made up of the following business entities; UK, Ireland, Portugal, Netherlands, Italy and Albania.

The charts reflect the gender profile of our workforce in all of our countries. One year on from our last report, our gender pay gap has made a small number of positive movements.

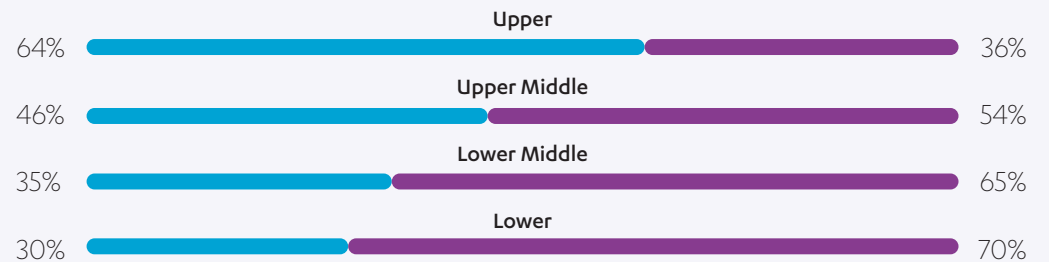
Fundamentally, the drivers of our gender pay gap are our representation of females in senior leadership roles and differences in gender representation in different job functions.

The female representation theme is consistent with the wider Financial Services sector.

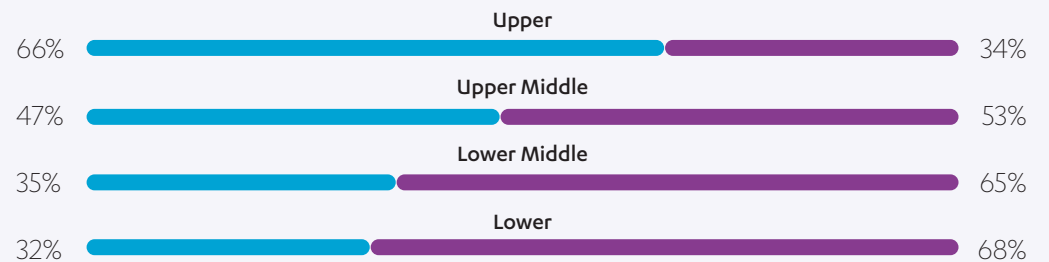
We do recognise that we have a long way to go to achieve a better balance and although there are no quick fixes, we will continue to work hard towards a true balance for our future Arrow colleagues.



## Gender population by pay quartile: Group 2020



## Gender population by pay quartile: Group 2019



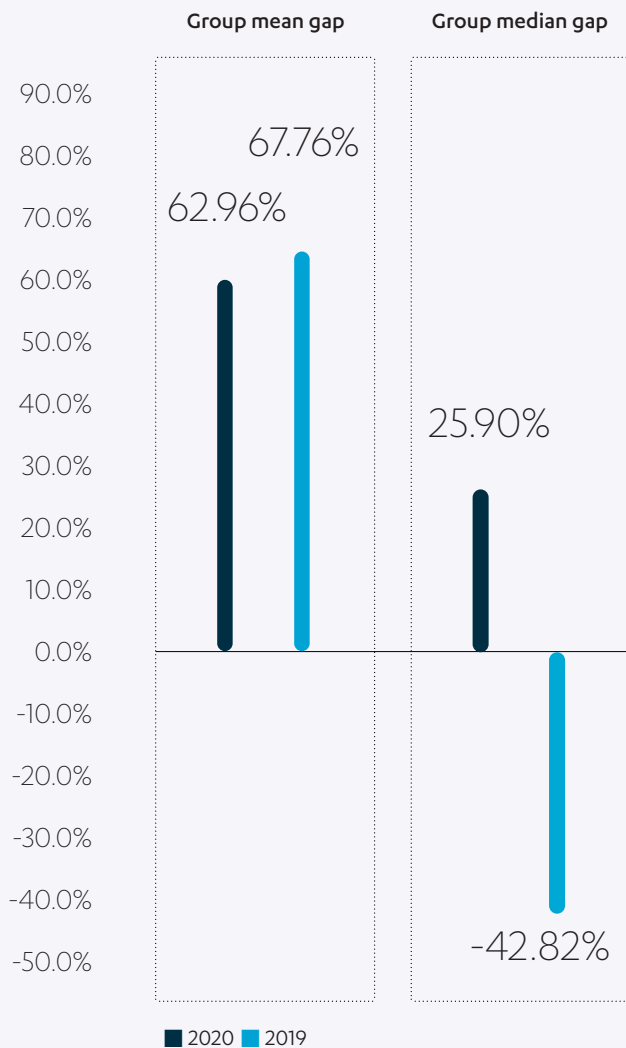
# Our Group bonus

In 2019 Arrow Global's median bonus gap was -42.82%\*. Our mean bonus gap was 67.76%.

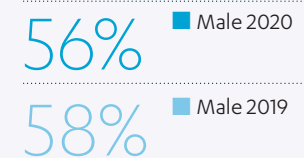
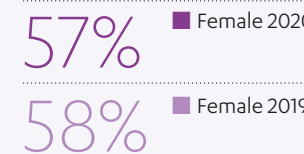
In 2020 Arrow Global's median bonus gap was 25.90%. Our mean bonus gap was 62.96%

\*In 2017 the bonus median gap was 41.5% and we have seen the trend decrease in 2018 to 30.7% and 2020 at 25.9%. This shows good improvement however we recognise the outlier of -42.8% in 2019.

## Our bonus gap



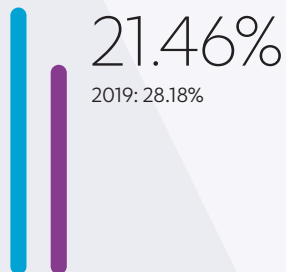
## Proportion of our men and women paid a bonus



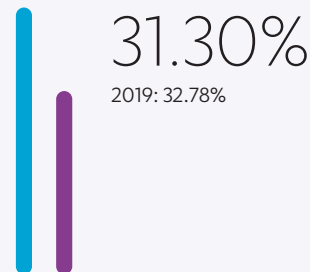
## UK summary

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

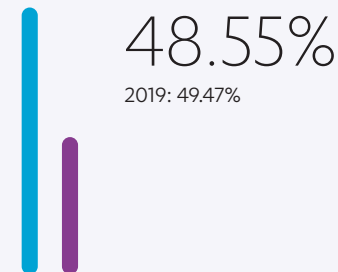
2020 Median pay gap



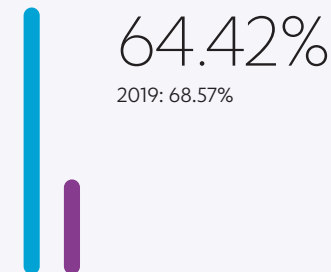
2020 Mean pay gap



2020 Median bonus gap



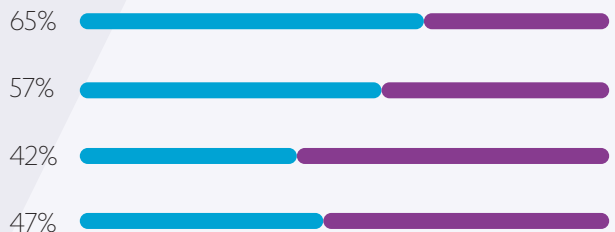
2020 Mean bonus gap



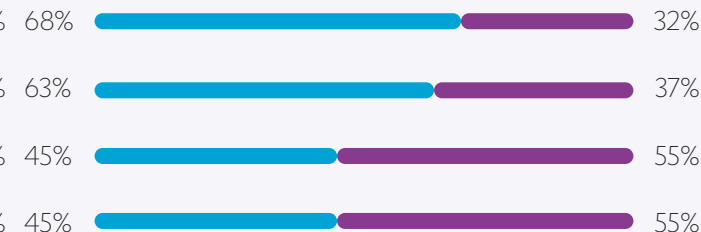
Proportion of our men and women paid a bonus across the UK:



Gender population by pay quartile: UK 2020



Gender population by pay quartile: UK 2019



Female  
Male

# Our Initiatives and Progress

## Senior Leadership Development

We continue to promote inclusive leadership practice across our leadership community. LinkedIn Learning launch has enabled learning pathways dedicated to the areas of diversity and inclusion to be established and promoted. During our latest senior leadership conference we launched a video produced by our colleagues sharing what inclusion means to them. The impact was powerful and helped refocus our leadership community on the value of creating an inclusive environment for colleagues to thrive in. It has since been used extensively with our wider colleagues.

## Management Development

Our UK levy supported management development programme continues to have a strong representation of women participating. Currently onto our 5th intake we maintained a 100% 'distinction' pass rate on completions during 2020 and we remain focused on ensuring this development opportunity continues to be offered equally to all colleagues.







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

### Enhancing flexible working arrangements

2020 and the Covid crisis has challenged many organisations to think differently about how they approach working environments. At Arrow we are proud of the adaptability and swift move to remote working. A focus on employee wellbeing and providing support for colleagues working from home has been our priority and as a result we were able to move seamlessly to a new remote way of working. There were times when colleagues were unable to perform duties due to covid and we made a conscious decision to sustain full pay for the duration of the time their roles were stood down, together with providing a wide range of support to help them through that time.

We are currently reviewing working arrangements, have identified work activity persona's and plan to continue with a hybrid way of working between home and office giving sustained flexibility in working for the future. Our programme is called 'Arrow Everywhere'. We have embraced technology faster and we trust our teams to build a workday that suits the team and individual needs. These changes, together with promotion of our Employee Assistance Programme that was available to all colleagues across the group during 2020, have provided opportunities for greater work life balance that we intend to sustain in the future and enable colleagues to build in time for their development and consider career progression opportunities further.



## International Women's Day

We are committed to celebrating national and international diversity events to raise awareness and celebrate our differences. One of these being International Women's Day. This year's theme was #choosetochallenge that recognises that through challenge comes change. We can all choose to challenge and call out gender bias and inequality. We can all choose to seek out and celebrate women's achievements. Collectively, we can all help create an inclusive world.

We celebrated with a variety of events across the group including celebrating our female colleagues, a webinar with Olympic sports personality Shona McCallin on resilience building during times of change. Colleagues participated in the #choosetochallenge selfie commitments. We also held conversations and recorded a podcast bringing together some of our female colleagues at different stages of their career development to discuss the challenges faced and share tips and advice on progressing careers at Arrow Global. These conversations form the foundation of further strategies to improve the experience our female colleagues have with the company.



## Our targets

We recognise the importance of diversity and the purpose of the Group's diversity and inclusion strategy, as reflected in the Group's culture statement, is to ensure the Group is a diverse community, enriched by our local identities, working collaboratively to build a powerful, unified and dynamic organisation.

**Our new gender diversity targets for 2023 for the senior leadership team**

**50%**  
female  
representation  
being the  
aspirational goal.

**40%**  
being the  
minimum  
threshold.

In addition for 2021, Group Arrow Group Executive Committee all have a gender diversity goal for their business areas.



‘I am currently working in cross-functional projects and strategy execution and this gives me the opportunity to help shape the decisions that will take Arrow forward.’

## Maria Pace

### Chief of Staff

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I joined Arrow in January 2019 as Corporate Controller and Finance transformation based in Milan.

My first assignment in the new role in Arrow Global Italy, was to build up a monthly reporting process across the 3 business lines present in Italy in respect of Group requirements.

Right after that, I was involved in the international project named Smart Finance whose main goal was to create one single ERP system for the various businesses in all the countries where Arrow Global is present. The project scoping was really challenging, and even now it remains complex as Arrow manages a number of investment and servicing businesses across 5 European countries and Smart Finance is helping the Finance departments to have a consistent financial reporting across the Group. Smart Finance has been for me also the chance to work on processes transformation and change management since we focused also on improving timelines, insight including budget and forward look; facilitating

centralisation and centres of excellence; supporting the decision-making process and enhancing the portfolio management and performance optimization.

At the end of Oct 2020, I was appointed as the new Chief of Staff, reporting into Lee Rochford and being part of the Management Committee. This is a great opportunity for my professional growth since it represents the chance to look outside the finance processes; I am invited to think broader to the Governance and the Strategy, learning from the Management Committee members and from our leaders. I am currently working in cross-functional projects and strategy execution and this gives me the opportunity to help shape the decisions that will take Arrow forward. This prodigious learning path and the related personal development is only possible because the company was willing to take a chance on me, to push me out of my comfort zone. I am honoured and will put my every effort to prove Arrow was right, and that betting on people always pays off.



‘A chance to work with and learn from Arrow leaders across our international matrix.’

## Jostal Schalkwijk

Managing Director Vesting Finance

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In 2018 I joined Vesting Finance as Secured Servicing Director in The Netherlands. A great opportunity to build new secured servicing capabilities in the area of buy-to-let loans and CRE. Two intensive years working with one large client, transforming the team and moving from our Utrecht building to the Amersfoort office resulting in a growing secured book of 2 billion, a new contract and an improved Fitch servicing rating to a 2, which reflects our continuing strong servicing.

In 2020 I assumed responsibility for the overall NL Operations. Just before the Covid19 pandemic started. A turbulent year started in which we moved within a few days from working at the office to a 100% homeworking organization. Looking back it has been amazing and excellent teamwork: we implemented a new forbearance framework, ‘Treat Customer Fairly’ policies, ‘Debt Free Future’ framework, Covid19 measures and more. Our Operations team handled thousands of emotional calls with customers and still performed strongly on collections and customer satisfaction.

Recently I was appointed as Statutory Director and Managing Director of the Vesting Finance Board. A great opportunity to learn more about strategy and all aspects of our Focum, Collections and Servicing business. A chance to work with and learn from Arrow leaders across our international matrix. I am really thankful with the trust of the Arrow organization and all the opportunities I have had over the last few years. An invitation to continue my personal and professional development as a female leader, and as role model contributing my bit to gender diversity at Arrow and Vesting Finance.





‘ I am honoured to work for Arrow & believe we have a fantastic future ahead of us’

## Sian Howitt

Group Procurement Director

I joined Arrow in Jan 2019 as Group Head of Procurement, with a wide remit and initially no formal team. The brief was clear to start to deliver value with immediate effect, whilst also putting in place the appropriate foundation to build from in the medium term.

We now have Category Managers in the UK, Holland, & Portugal and are working towards filling a vacancy in Italy. These experts work closely with our functional departments to deliver value throughout all areas of the business & over the last two years in conjunctions with our functional leaders have delivered cost savings in excess of £6 million

My role has expanded significantly through this time, Dave Sutherland and all my peers across our geographies has been enormously supportive of myself, and my ideas as we get things nearer to where we need to be. We are definitely on a journey, and moving forward continuously! To quote Henry Ford – we are in a race with no finishing line and if we stop we die

In March 2020 I was promoted to Group Procurement Director, and my responsibilities continue to expand, I support our ESG team pushing environmental improvements through our supplier chain & our own facilities in the UK & Europe, whilst championing our facilities opportunities now & in the future for Arrow.

I have incredibly high standards personally & professionally, and as basic as it might sound am a great believer in hard work, and commitment to deliver for yourself & the teams you represent. I am honoured to work for Arrow & believe we have a fantastic future ahead of us, I have been supported & continue to be supported by a wide variety of people from different countries & cultures, and that’s what makes Arrow such a great place to work. We want to embrace and move towards ‘One Arrow’, as we all get better at working together, but also embrace our differences so everyone can operate in an environment to thrive.



‘I confirm that the information reported is accurate.’

**Clare Dyer**

Group chief people officer

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