

Gender Pay Gap Report 2023



Introduction

Arrow Global is committed to building a diverse and inclusive workplace. That commitment is core to our purpose - Building Better Financial Futures - and we firmly believe an inclusive environment and diverse team are essential to our future success.

Since the acquisition of Arrow by TDR and over the past 18 months, as our business continues to grow, we've undergone a period of transformation, expanding our local platform capabilities and making considerable progress in developing our fund management and multi-asset strategy. Strategic moves, including the divestment of non-core UK platforms, have materially changed the demographic of our UK team. Therefore, we are presenting two data sets within this report: the key picture represents colleagues employed by Arrow following the divestment process, and naturally, we are also sharing the mandatory reporting of all colleagues employed by Arrow Global in April 2023.

These changes to our business and demographic have established a new baseline for Arrow Global's gender pay gap. They have resulted in us resetting our business culture and simplifying our people policies to offer greater flexibility to colleagues at all stages of their careers. Although our median pay gap has widened, **we are pleased to announce that our mean pay gap has reached its lowest point ever**, aligning with positive trends observed in our bonus distribution.



As a growing business, we remain committed to driving progress within our industry and across our organisation. We are incredibly proud that, ahead of our 2025 targets, we have achieved 40%+ female representation in senior leadership positions, a figure higher than any other time in Arrow's history. Our diverse leadership team showcases industry expertise and our commitment to gender diversity. While we are proud of this milestone and the progress being made across our organisation, it is clear that we have more work to do.

Looking to the future, we remain committed to providing equal opportunities, development support, and fair compensation for everyone. Recognising the need for further progress, we have set new targets of 50% female leadership representation by 2030. This report also details our ongoing preparations and strategic planning in anticipation of the upcoming European Pay Transparency Directive.

We are determined to deliver the sustainable long-term changes that will allow Arrow Global to become an organisation where everyone can thrive.

We're excited to continue this work and will update you on our progress.

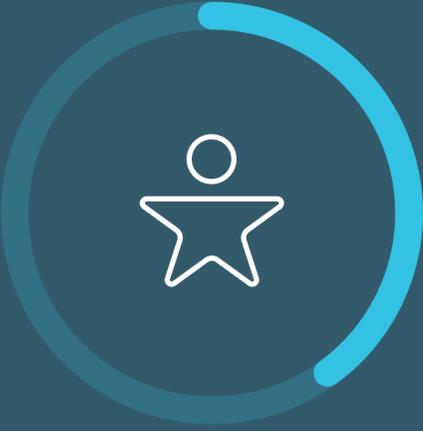


Jan Wade
Chief People Officer



24.26%
Mean gender pay gap in 2023*

*Mean pay gap for Arrow Global following the divestment of non-core UK platforms



40%
Women in senior leadership positions



UK Summary

Since our last gender pay gap report we've divested non-core UK platforms. These changes have fundamentally changed the demographic of our UK team.

The data presented here encompasses the colleagues employed by Arrow following the divestment process and the mandatory reporting of all colleagues employed by Arrow Global in April 2023.

This data reflects the evolution of our UK business and colleague demographics. Despite the changes, we are pleased to observe ongoing progress in narrowing the mean pay and bonus gaps.

We're driving a rise in the representation of women in senior positions, leading to a reduction in the mean pay gap, which calculates the average salary between genders.

Additionally, significant strides have been taken since April 2023, which we anticipate will be reflected in the 2024 data. This progress is attributed to our proactive approach in hiring and promoting individuals within historically male-dominated fields.

Furthermore, the distribution of bonuses among men and women in the UK remains positive. While the median bonus gap may be wider than our ideal, it's worth noting that this data point primarily reflects the first quarter of 2023 rather than our current status.

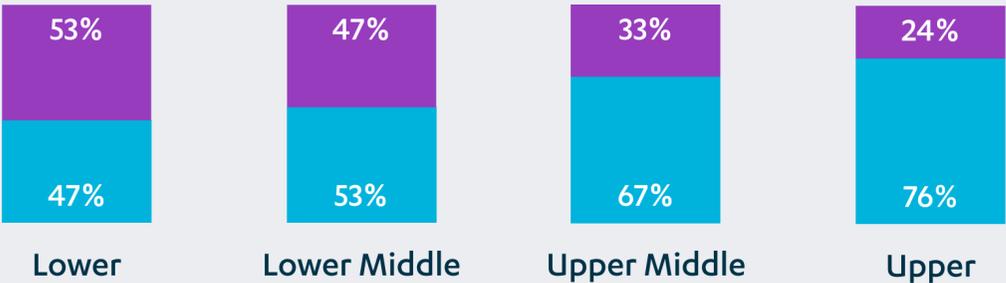
Colleagues employed by Arrow Global following the divestment of non-core UK platforms



All 1,107 colleagues employed by Arrow Global as of April 2023



Gender population by pay quartile (UK 2023)*



*For Arrow Global following the divestment of non-core UK platforms. ■ Female ■ Male

I can confirm that the information contained in this report is accurate.

Jan Wade, Chief People Officer

Progress

Attracting and developing diverse talent

Over the past 18 months, our journey as a fund and asset manager has seen significant evolution marked by strategic appointments that enhance our capabilities. We've strategically bolstered our teams with key hires, prioritising diversity in our candidate pool for each role. It's been inspiring to witness the abundance of talent within our sector, and we're thrilled to note that a substantial number of our recent senior appointments have been women.

One area we're particularly proud of is the increasingly diverse makeup of our investment teams. We champion and support female investment professionals, fostering networking and mentorship opportunities throughout our organisation.

That's why we invest in building a strong team culture that fosters professional growth.

In 2023, we partnered with LinkedIn Learning, providing access to leadership training and self-development courses that cater to a wide range of career aspirations.



We're committed to building an inclusive environment where colleagues, however they identify and whatever their background, can thrive. That commitment is backed up by the target to reach 50% female leader representation across our organisation by the end of 2030. Doing so will unleash the full potential of a diverse, innovative, and more successful team.



Zach Lewy

Founder, CEO and Chief Investment Officer

Inclusive policies that support colleagues

We're actively shaping our workplace culture and the support we're able to offer colleagues. The changes to our business have allowed us to announce significant improvements to our UK people policies that offer greater flexibility to colleagues at all stages of their career.

With enhancements to maternity, paternity, adoption, surrogacy, shared parental leave, sick leave, and bereavement leave, we're demonstrating our commitment to diversity and the well-being and support available to our colleagues.

Supporting early careers

We are dedicated to further broadening the diversity of our workforce at Arrow Global, extending from entry-level positions onwards.

We proudly participate in the 10,000 Interns Foundation initiative. This scheme provides opportunities for young black people in England and Wales through paid internships with Arrow and others across many different sectors. We also collaborate with Fitch Learning on our apprenticeship programs, offering internships to A-level students and school leavers from diverse socio-economic backgrounds. In 2023, we offered four internship placements and one apprenticeship, 60% of these positions were filled by female candidates.

Through our partnership with Junior Achievement Europe, we're empowering the next generation of young talent. We work together to equip all young minds, regardless of background or gender, with the skills and confidence to succeed in the workforce.



As a young woman navigating the corporate world, I'm grateful for the presence of female leaders who are paving the way in our industry, inspiring me, and showcasing the possibilities ahead.



Rhema Babalola

Apprentice Commercial Loan Executive



Giving our colleagues a voice

In the past twelve months, we revitalised our global colleague networking groups to enhance our workplace culture and foster an environment that celebrates diversity, equity, and inclusion. These groups create a sense of belonging for everyone and empower individuals to reach their full potential through dedicated support and networking opportunities. The new groups cover our five workstreams:

- ▶ Culture and ethnicity
- ▶ Disability and neurodiversity
- ▶ Gender
- ▶ LGBTQ+
- ▶ Life stages (e.g. mental health and wellbeing, financial wellbeing, colleagues with caring responsibilities)



The significance of our colleague networks in fostering a culture of diversity, equity, and inclusion cannot be overstated. As we continue to evolve on our journey as a vertically integrated alternative asset manager the role that our colleagues play is key.



Charlotte Gilbert

Managing Director, Client and Product Solutions



Defining the gender pay gap

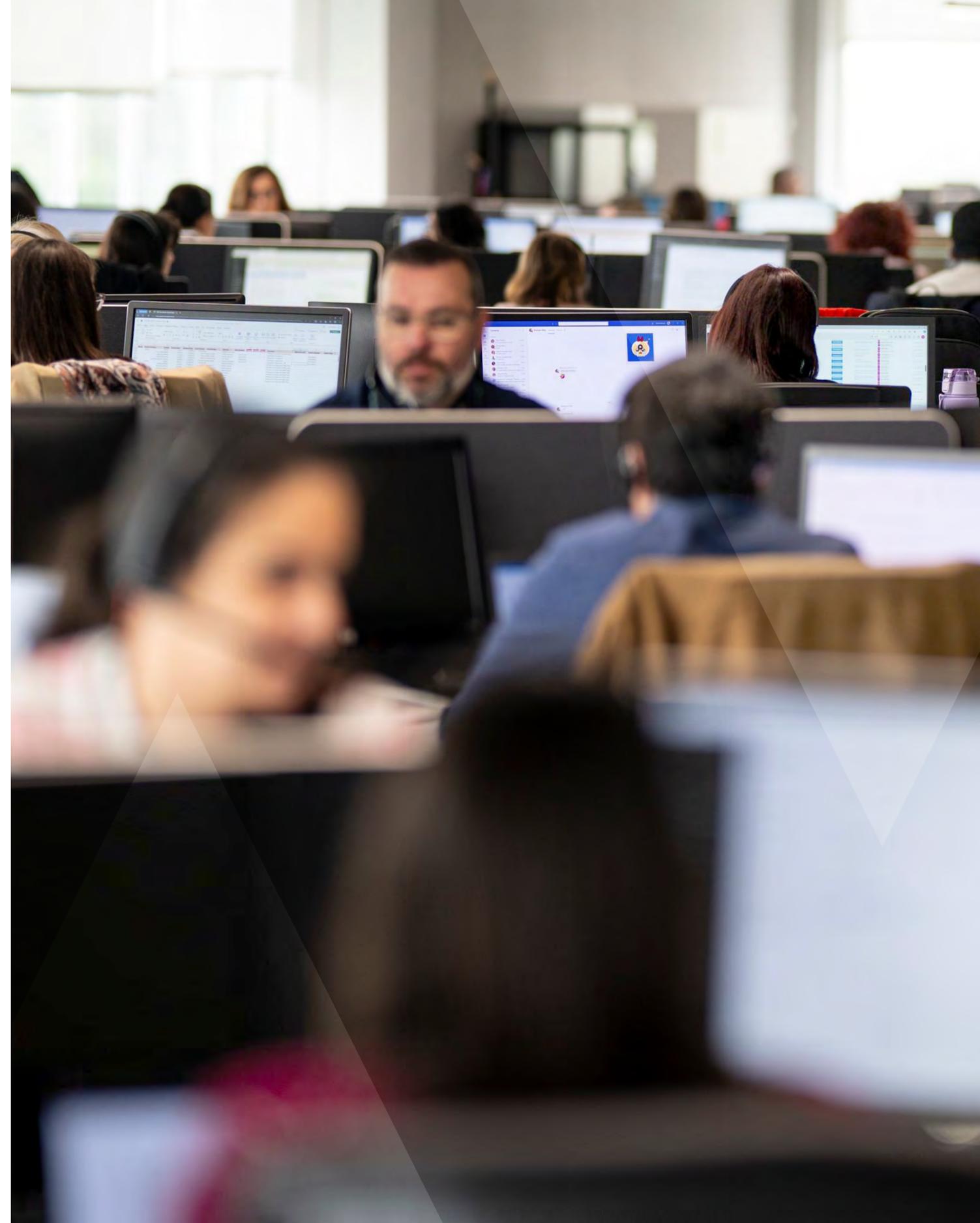
What is the gender pay gap?

The Gender pay gap 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.

How we measure our gender pay gap

Under the UK Government's Gender Pay Regulations, employers in the UK with 250 or more employees must report their gender pay data. Arrow has taken the decision to voluntarily report all its UK employees, including those in entities below 250 in size.



Navigating the EU Directive on Pay Transparency

The European Pay Transparency Directive aims to address the ongoing gender pay gap in the European Union by improving the transparency with which employers publish reward data.

This directive aims to enhance transparency throughout employment by imposing several key obligations on employers.

Key aspects of the directive:

- ▶ Pre-employment pay transparency based on role
- ▶ Transparency of pay setting and pay progression policy
- ▶ Right to information, for example, on individual and average pay levels, which are broken down by gender for categories of employees performing the same (or equivalent valued) work
- ▶ Reporting obligations on the (median) gender pay gap
- ▶ A shift in the burden of proof and an obligation on the employer to disclose evidence

Arrows Approach

The Directive means there is a greater need to compare the pay and reward levels of individuals performing comparable roles – at a more granular level. We welcome this move. Arrow Global has a diverse team across seven European countries, each with unique pay ranges and market conditions. The Directive will result in pay reporting that better identifies comparable levels or areas to address.

Our approach to rewards ensures that our team members are fairly compensated based on the market rate for their roles. We also prioritise recognising and rewarding high performance through variable rewards, including bonuses.

It's important to note that the market value for a role in one country may differ from that in another. For example, a role in Country A may have a different market value compared to the same role in Country B. Our reward practices align with this principle, and the implementation of the European Pay Transparency Directive signifies a shift towards local reporting of rewards.

As we navigate through the transition period associated with this new legislation, which may involve variations across member states, reporting full group results, regardless of local market levels and legislative differences, may not be informative. Our primary focus remains on evaluating our team members' roles relative to local market conditions and internal comparators within each country.

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