**Statement on Modern Slavery and Human Trafficking**

**Introduction**

This Statement relates to the steps that Arval UK Limited (Arval UK), as part of the BNP Paribas Group, has taken to ensure that modern slavery[[1]](#footnote-1) and human trafficking[[2]](#footnote-2) are not taking place in its business or in any of its supply chains. It also refers to the risk management that the Group has put in place in the context of its financing and investment activities, which governs the potential cases of human rights violations that may affect the activities of its clients. This Statement is for the financial year ended 31 December 2022.

The Board attest annually that Arval UK Limited complies with this Statement through the information provided by the respective departments of Corporate Social Responsibility (CSR), Procurement & Performance and Legal.

**The BNP Paribas Group**

BNP Paribas is Europe’s leading provider of banking and financial services. It operates in 65 countries and employs 193,122 Full-Time Equivalent workforce.

It holds key positions in its three main areas of activity; Commercial, Personal Banking & Services (network of commercial & personal banks in the Eurozone, Europe-Mediterranean and America), as well as some of the Group’s specialised business lines[[3]](#footnote-3), Investment & Protection Services (expertise in savings, investment and protection solutions) and Corporate and Institutional Banking (personalised solutions for our corporate and institutional customers).

**About Arval**

As at the end of December 2022 Arval UK funded more than 187,000 cars and vans in the UK. Focused on customer experience, Arval UK has specialist teams dedicated to supporting a broad range of customers, from individuals and small businesses with a single vehicle, through to FTSE 100 companies with multiple vehicles. It provides a comprehensive range of sustainable products and services, including vehicle funding, vehicle maintenance, energy management, accident management, breakdown service, short and medium-term rental, insured leased vehicles, full outsourcing salary exchange, and consultancy services. It is committed to increasing the adoption of low and zero emission mobility for all.

For more information, please visit: <https://www.arval.co.uk/about-arval>

**Risks of modern slavery and human trafficking**

Academic studies, field investigations and recent news coverage have all clearly demonstrated that all sectors, industries and areas may be affected, to varying degrees, by these types of serious infringements to human rights. In recent months, the issue of forced labour in globalised value chains has been extensively discussed in the media and tackled by regulators,

In this regard, risk assessment policies devoted to the matter of modern slavery practices need to be multi-factorial (with complementary thematic screenings performed at sector & industry, products & services, geographical and entity level) and regularly updated, in order to tackle this complex issue as fully and efficiently as possible. The risk-assessment process Arval implements to address the risks of modern slavery and human trafficking takes into account the vastly different situations of its stakeholders, and is complemented by the ad hoc monitoring and regular discussions performed by Group teams on this subject.

**Arval UK policy on modern slavery and human trafficking**

Respect for human rights is one of the pillars on which BNP Paribas’ CSR strategy is based and, as part of the Group, Arval UK has committed itself to the promotion of the following principles, texts and declarations, which are the base upon which its CSR strategy is built:

* The United Nations Sustainable Development Goals
* The 10 Principles of the United Nations Global Compact
* The United Nations Guiding Principles on Business and Human Rights
* The internationally-accepted OECD Guidelines for multinational enterprises
* The internationally-accepted standards of human rights, as defined in the International Bill of Human Rights
* The core labor standards set out by the International Labor Organization.

These public commitments are backed by internal policies implemented at Group level, with the goal to handling the many subjects revolving around social, environmental and governance matters, including human rights. These policies include:

* The BNP Paribas Group *Code of Conduct* (updated in 2021)
* The BNP Paribas *Statement on Human Rights*
* The BNP Paribas *Responsible Procurement Charter*
* The BNP Paribas *Responsible Business Principles*.

Early and efficient identification of modern slavery risks is the first step towards its prevention, alleviation and remediation, and this calls for specific policies and practices. In this regard, Arval UK has taken the following steps and actions in order to exert its duty of care with all due seriousness.

**Towards its employees**

Arval UK is committed to providing a working environment in which all employees are treated fairly. In particular, the Group focuses on respect and the need to apply the most stringent norms of professional behaviour, and rejects all forms of discrimination.

The BNP Paribas Code of Conduct, which applies to all employees, reaffirms the Group’s commitment to changing behaviour and combating disrespectful behaviour towards people, including harassment and discrimination.

In line with these policies and principles, all employees of the Group are required to treat their colleagues with respect, make sure their interactions are professional and efficient, and be receptive of their contributions, even if they express different views from their own.

The Global agreement, signed with UNI Global Union on September 2018, set up an ambitious plan to contribute to improving quality of live and working conditions of employees, and thus achieve more equality and inclusive growth.

**Raising concerns**

BNP Paribas Group pays particular attention to the concerns of customers, employees, shareholders, suppliers and society as a whole. The Group is committed to listening, understanding and seeking to respond to the concerns raised by its stakeholders in a fair and effective manner.

Arval UK employees are required to report any effective or suspected breach of the Code of Conduct, Group policies and procedures, or regulations.

Employees can report issues to their line manager or another manager, or to Human Resources for issues relating to respect for people, or to a Compliance alert channel.

Any violation or suspected violation of human rights in the context of the Group’s activities or its suppliers may be reported in the Group’s whistleblowing system, except if local regulations or procedures prevent this.

The whistleblowing policy guarantees employees exercising their right to raise an alert, protection against reprisal for having raised an internal alert in accordance with the terms of the policy.

**Workforce’s inherent risks**

Risks of modern slavery and human trafficking have been deemed low in business operations, as, to the best of our knowledge, no publicly available study categorised the banking and/or vehicle leasing sector and its employees, most of them being highly skilled professionals, as especially exposed to these kind of practices.

**Towards its suppliers**

Within the Procurement & Performance Function, the dedicated team addresses CSR risks linked to suppliers and subcontractors. Arval UK’s CSR risk management related to its suppliers and subcontractors hinges around the following elements:

* A responsible purchasing policy that aligns Procurement's objectives with the Group's CSR objectives, as expressed in the Group purpose;
* The definition by Procurement of a normative reference framework, which includes;
	+ a “Sustainable Sourcing Charter”, setting out the reciprocal commitments of the Group, its suppliers and its subcontractors from an environmental and social standpoint
	+ contractual clauses requiring compliance with the template International Labour Organization’s conventions in all countries where suppliers are located, allowing contract termination in case of non-compliance by the suppliers of the Group ESG requirements
	+ CSR questionnaire models, used during calls for tenders and including environment, ethics and human rights targeted questions
	+ supplier monitoring rules, targeting CSR criteria used during the selection process and completed by the thematic regulatory watches
	+ training for employees of Procurement & Performance.

**Suppliers’ inherent risks**

Arval UK’s supply chain includes vehicle manufacturers, dealers, vehicle logistics companies, service, maintenance and repair suppliers, vehicle rental and tyre suppliers, as well as general supporting suppliers across functions such as IT, professional services and marketing.

**Assessing effectiveness**

Acknowledging the challenges of assessing and addressing modern slavery and human trafficking issues, Arval UK remains committed to the review and enhancement of its own processes and policies in order to continually improve their range and effectiveness.

**Conclusion**

This statement is made pursuant to the Modern Slavery Act 2015 and constitutes Arval UK’s slavery and human trafficking statement for the financial year ending 31 December 20221 and is owned and approved by the Board of Directors of Arval UK Limited.

Lakshmi Moorthy – Managing Director

May 2023

1 Arval UK also publishes its statement on modern slavery and human trafficking on the Modern slavery statement registry, a platform launched by the British government in March 2021.

1. “Slavery is the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised” United Nations Convention on Slavery. [↑](#footnote-ref-1)
2. The expression “human trafficking” means: “the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, if the abuse of power or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person for the purpose of exploitation” United Nations Convention against Transnational Organised Crime and Protocols thereto. [↑](#footnote-ref-2)
3. Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Finance, BNP Paribas Investors, new digital business lines (Nickel, Floa, Lyf). [↑](#footnote-ref-3)