

GENDER PAY GAP REPORT 2022



ARVAL
BNP PARIBAS GROUP

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Being an inclusive employer is key to who we are at Arval and within the BNP Paribas Group. We believe that by being truly diverse we can best meet the needs of our employees, our customers and our broader community. The latest Gender Pay Report shows we continue to make solid progress and are moving in the right direction. A variety of actions across our recruitment, reward, talent and wellbeing strategies are making a real difference. Our Gender Equity strategy, along with our broader Diversity, Equality & Inclusion agenda, remains a core focus for us in 2023.

A handwritten signature in black ink that reads "Lakshmi".

Lakshmi Moorthy Managing Director, Arval UK

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UNDERSTANDING THE GENDER PAY GAP

Is the gender pay gap the same as equal pay?

No. They are two separate matters, as explained below.

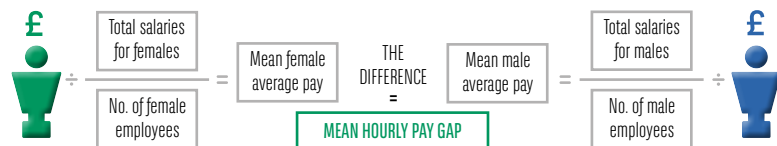
What is the gender pay gap?

The gender pay gap concerns the hourly pay of all men who work in a company compared to the hourly pay of all women who work in the same company. It does not account for different types of jobs, full or part-time working or levels of seniority.

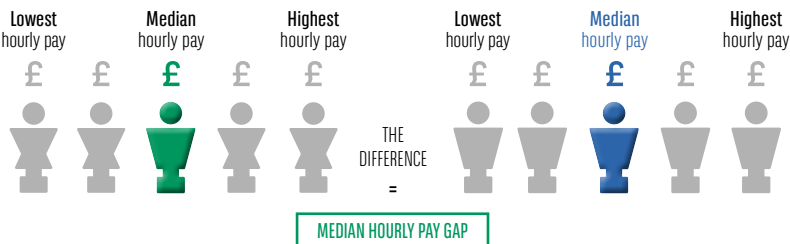
What is equal pay?

Equal pay is when a man and a woman are paid the same for doing the same or similar work. We take our moral and legal responsibilities on equal pay seriously, and conduct reviews regularly to ensure salary and bonus decisions are fair and gender neutral.

HOW WE CALCULATE THE MEAN HOURLY PAY GAP



HOW WE CALCULATE THE MEDIAN HOURLY PAY GAP



RESULTS

GENDER PAY GAP

Our mean
hourly pay gap



18.7%
2022

Our median
hourly pay gap



11.9%
2022

GENDER BONUS GAP

Our mean
bonus gap



33.8%
2022

Our median
bonus gap



18.7%
2022

Gender pay gap

There are three main reasons for the gender pay gap, both across the financial services industry and at Arval:

- While the UK Executive Committee is now gender balanced, there are more males than females in senior positions such as Heads of Department and technically specialist positions.
- Senior and technical specialist roles attract higher rates of pay relative to other positions. This therefore increases average male pay, both in the market and at Arval.
- There is a significantly higher proportion of females than males in less senior roles, which pay lower level salaries whilst a higher proportion of females work part-time.

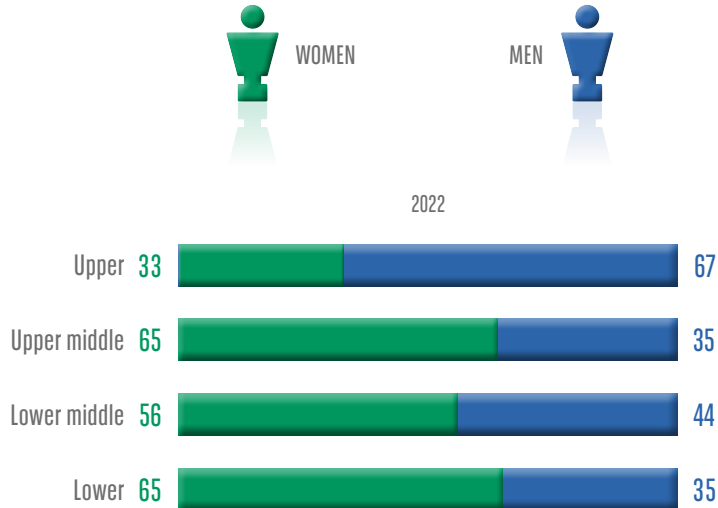
Gender bonus gap

The mean bonus gap has decreased again which is great news. Key to this success has been the new reward framework launched in 2018 and updated again in 2022, which made a key difference as we ensured parity between males and females in similar roles across the business.

The term bonus includes bonus payments, commission payments and recognition awards. However, we have a higher mean bonus gap than hourly pay gap. This is because:

- Bonus amounts tend to increase with seniority and we currently have more men than women in senior roles and Heads of Department roles. This impacts in particular the median bonus gap metric as more males are earning in excess of 5k bonus versus females.
- More of our technical specialist roles are performed by males and these tend to attract larger bonus opportunities. There are a higher proportion of females in part-time roles which means lower bonus/commission payments than their male counterparts.

RESULTS



PROPORTION OF EACH GENDER RECEIVING A BONUS



Population by quartile

Pay quartiles are calculated by ranking the hourly pay of all employees, then splitting the range into four equal quartiles and calculating the proportion of men and women in each quartile.

The higher proportion of men in the upper quartiles reflects the fact that there are more men than women in senior Heads of department positions, front-office and technical/specialist roles, which attract higher rates of pay.

What are Arval UK's 2022 Gender Gap trends?

Key indicators in our Gender Pay Gap results continue to show an improvement, with five of the six indicators having positive improvements.

DECLARATION

I confirm the information and data reported is accurate as of the snapshot date 4 April 2022.

Lakshmi Moorthy Managing Director, Arval UK

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It's really positive to see an ongoing overall trend of improvement since we started reporting in 2017 within our Gender Pay Gap Report. That said we continue to strive for further progress. Our Gender Equity Strategy is one of the key topics behind our focus to be truly inclusive as an employer. We believe by having diversity of thought, we are a far stronger organisation. A particular thank you to our Journey Maker (our employee) networks who help support our actions and give us valuable insight and ideas to ensure we keep improving in this space.

A handwritten signature in black ink, appearing to read 'A. Firth'.

Ailsa Firth HR Director - Arval UK, BNP Paribas Group

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WHAT WE ARE DOING TO ADDRESS THE GENDER PAY GAP

Recruitment



- Actively progressing balanced shortlists for senior roles whilst ensuring we carry out a **fair process and hire the best candidate for the job.**
- Ensuring recruitment adverts are worded generically and use unbiased language to attract a **more diverse range of candidates.**
- Review and strive to introduce more flexible role requirements to enable Arval to attract a **more diverse workforce.**
- Promoting our focus on Diversity, Equality and Inclusion internally and externally. Introduction of ILO Diversity Charter and Group Diversity policy. Our campaign involves really **listening to our employee and candidate's voices** to better understand how we can be more accessible and inclusive.
- Training **hiring managers in interview skills** with our new Recruitment & Skills Training programme to **reduce unconscious bias in recruitment.** Encouraging our hiring managers to think more flexibly when making hiring decisions.

Career



- Making sure there's a **greater awareness of Gender Pay**, and the responsibility of our Senior Leadership Team to be career advocates for all our top talent.
- Continuing to **raise awareness and better understanding of unconscious bias.**
- Our **Mentoring programme** is now in place across different levels and employee groups across Arval.
- We **monitor our gender balance** in succession plans, our talent programmes and recognition schemes.

Culture



- Creating a **supportive culture for colleagues with family commitments**, through our Flexible Working and Shared Parental Leave Policies as well as enhanced maternity and paternity benefits.
- Our **Parent and Carer Network** launched in 2020 and is making a real impact by sharing advice and support that comes directly from our employees.
- Embedding **training for managers to manage diverse teams** and lead inclusively. Introduction of Menopause and Mental Health training for all people managers.
- Our new Pay Zones reward framework is focused on transparency and equity and was a major milestone in our **gender pay strategy.**
- Variable bonuses have moved from % of Fixed Pay to flat £ amounts - **meaning everyone is treated in the same way** at each career level within Arval.
- We create **opportunities for women to network** and attend events such as International Women's Day.
- Undergoing a review of our Maternity leave and shared parental leave policy as well as reviewing the end-to-end return to work process to identify opportunities for change.
- Providing opportunities for Manager Training and development through our "You Drive" leadership programme.
- Working to improve all communications and PR activities to be more gender-neutral and to avoid stereo types .



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