

GENDER PAY GAP REPORT 2023



ARVAL
BNP PARIBAS GROUP

For the many journeys in life

“



Our latest Gender Pay Report shows we continue to make progress year on year, with 4 out of 6 indicators showing improvement, and with our biggest improvement being the overall median difference in hourly rate. In addition, our Gender Equity strategy is in place, and we hope to continue to make progress on this key topic, as we strive to grow a supportive and inclusive culture for all.

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

Lakshmi Moorthy Managing Director, Arval UK

”

UNDERSTANDING THE GENDER PAY GAP

The Gender Pay Gap is the difference between the average earnings of men and women in a workplace. All organisation's reports are compiled using employee payroll data to provide a snapshot of the previous year, which is why the report we've published is based on 2023's data.

Is the gender pay gap the same as equal pay?

The Gender Pay Gap is not the same as equal pay – they are two separate matters as explained below.

What is the gender pay gap?

The Gender Pay Gap reports on the hourly pay of all men who work in the company compared to the hourly pay of all women who work in the same company. It does not consider different types of jobs, full or part-time working or different levels of seniority.

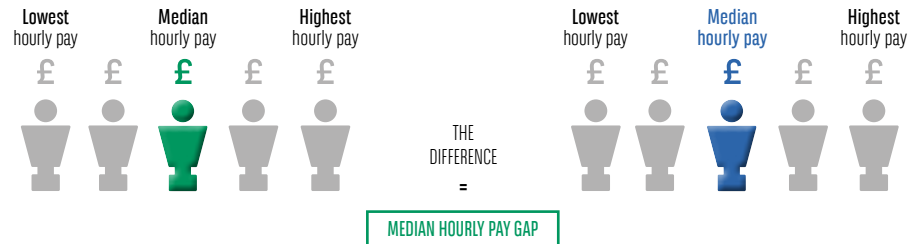
What is equal pay?

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

HOW WE CALCULATE THE MEAN HOURLY PAY GAP



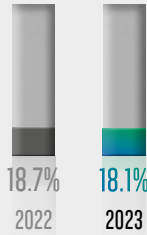
HOW WE CALCULATE THE MEDIAN HOURLY PAY GAP



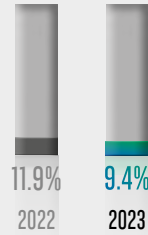
RESULTS

GENDER PAY GAP

Our mean hourly pay gap

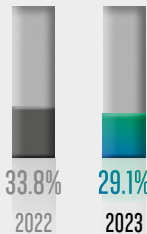


Our median hourly pay gap

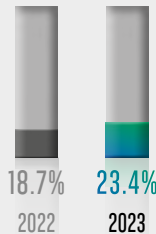


GENDER BONUS GAP

Our mean bonus gap



Our median bonus gap



Our Gender Pay Gap

We are pleased to see an overall improvement across all pay elements. The biggest improvement being the overall median difference in hourly rate (middle number). One of the reasons for this is the ongoing equal pay adjustments that were made last year by the HR Reward Team at Arval UK. A Specialist Gender Pay tool helped us identify where our hot spots were and therefore, we allocated a larger budget during our annual Pay Review to spend on our equal pay cases.

There are three reasons for the Gender Pay Gap, both across the financial services industry and here at Arval UK:

- Whilst our Exec Committee is now gender balanced, we still have more males than females in senior positions such as Heads of Departments and technical/specialists' roles.
- Both Senior and technical specialist roles attract higher rates of pay in comparison to other positions, and more of these tend to be performed by males. This therefore increases the average for male pay both across the financial services industry and at Arval.
- A higher proportion of females compared to males work part-time at Arval UK which also impacts the hourly pay gap.

Our Gender Bonus Gap

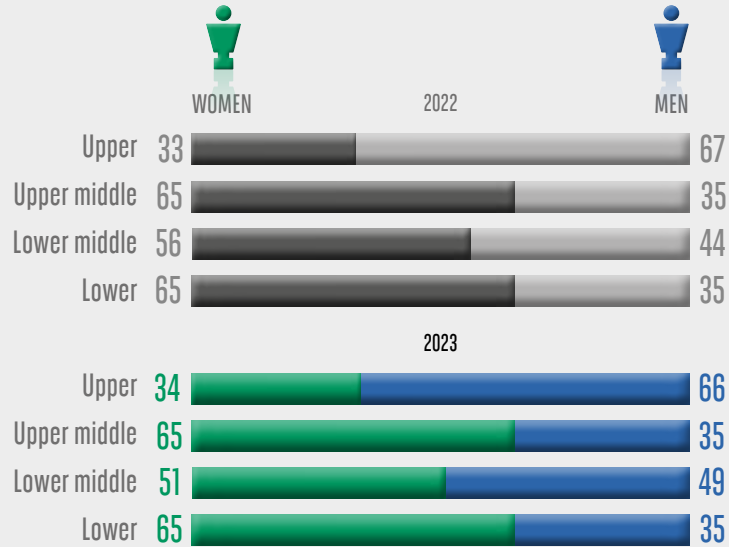
The difference in the gap between women's mean (average) bonus payment vs. men's has decreased, which is also an improvement. The median difference continues to trend upwards; this is due to the inclusion of recognition awards as part of the calculation. These recognition awards are lower in value and as we have more women within the business, their median (middle) number will take this into consideration instead of 'actual' bonus or commission payments.

As in 2022, more women received bonus payments than men. Please note that any bonus pension waivers are not included in the Gender Pay Gap report, so if more men sacrificed bonus into pensions, then this does not reflect on our numbers.

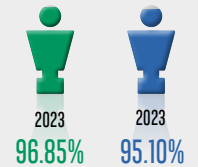
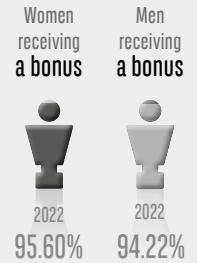
The term bonus includes bonus payments, commission payments and recognition awards, however we have a higher mean bonus gap than hourly pay gap, this is because:

- Bonus amounts tend to be higher for those in more senior positions and we currently have more men than women in senior roles and Head of Department roles.
- Likewise, more of our technical specialist roles are performed by males and these tend to attract higher bonus amounts.
- There are a higher proportion of females in part-time roles which causes lower bonus/commission payments compared to their male counterparts.
- Recognition awards impact the 'median' of our Gender Bonus Gap as overall, we have more females compared to males working in our business.

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 2023 Gender Gap trends?

Key indicators in our Gender Pay Gap results continue to show an improvement, with four of the six indicators having positive Improvements and the other two remaining the same.

DECLARATION

I confirm the information and data reported is accurate as of the snapshot date 4 April 2023.

Lakshmi Moorthy Managing Director, Arval UK

“



It's really positive to see Arval UK continuing to achieve an overall trend of improvement since we started reporting in 2017 within our Gender Pay Gap Report.

Our Gender Equity Strategy is a core focus for us as we strive to be truly inclusive as an employer. We continue to fully believe by having diversity of thought, we are a far stronger organisation.

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

Ailsa Firth HR Director - Arval UK, BNP Paribas Group

”

WHAT WE ARE DOING TO ADDRESS THE GENDER PAY GAP

It's really important that we continue to make steady improvements when it comes to reporting on our Gender Pay Gap. Our Gender Equity strategy focuses on removing barriers to ensure a greater, fairer gender balance, and promotes a culture that's not only fully inclusive but truly embraces diversity. It involves engaging Journey Makers at all levels of seniority and also holding our Exec team and senior leaders accountable for putting in place robust plans to improve our overall gender balance.

Our Gender Equity strategy focuses on

Recruitment



- Promoting **gender-balanced shortlists** and interview panels for senior level hires.
- **Gender-inclusive job advert** templates, language guidelines, and quality control measures (including regular audits and advert review process prior to publishing).
- **Removal of non-essential criteria** from person specifications, screening criteria, and job advertisements.
- Interview training for managers, including **learning on bias**, and **conscious inclusion**.
- **Coaching for hiring managers** during the hiring process.
- We review and strive to introduce **more flexible role** requirements.

Culture



- With regards to our Hybrid Working, in 2023 we formally introduced a **more flexible approach** to our need to be in the office, with employees only required to be **in the office 50% of the time**, allowing for more flexible working solutions.
- We reviewed our **Maternity Leave Policy** and overall package and as a result have **increased our offering of 6 weeks full pay to 6 months full pay** and have also **increased Paternity Pay** from 2 weeks full pay to 4 weeks full pay to be taken in the first 12 months. Looking forward we will review our shared parental leave offering to ensure it is comparable to the market.
- As a result of employee and Manager feedback, we revised our guidance on Maternity leave from both an employee and people Manager perspective to ensure we have an **informed and robust process in place to fully support our employees**. As part of this we engaged with a Maternity returner coach who specialises in supporting our females on a 121 basis, confidentially to support a smooth return and answer and provide guidance on any questions around returning and support their career aspirations.
- This resulted in the creation of **new Maternity Leaver packs**, detailing the process before going on Maternity leave as an employee as well as best practice guidance for People Managers pack to ensure a supported smooth exit to Maternity leave and a successful, confident return.

Career



- Review of our current Talent Programmes to ensure that its **inclusive** and has a **balance of male and female employees**. Two programmes are specifically focused on female leadership.
- Beginning to **formalise Mentoring programmes** within the **Talent programme** with the aim to roll this out more widely in the future.
- **Maternity Returner coach available** to females returning to the workplace after maternity leave.

Overall, key indicators in our Gender Pay Gap results continue to show an improvement, the biggest improvement being the overall ongoing equal pay adjustments that were made by using a specialist Gender Pay tool that enabled us to identify our hot spots. Also, the formalisation of hybrid working has enabled a more flexible working culture.



ARVAL
BNP PARIBAS GROUP

For the many journeys in life