

Arval UK Limited

2025 Statement by the Directors in relation to Performance of their Statutory Duties in accordance with Section 172(1) Companies Act 2006 from the Company's Strategic Report

Section 172 statement

1.1 The Obligations of the Directors and their Responsibilities

Section 172 of the Companies Act 2006 ('the Act') sets out the obligations and responsibilities of the directors of a company to promote the best interests of the company. S172 of the Act further provides that "A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the:

- likely consequences of any decision in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and the environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company."

This statement explains how the directors have complied with their obligations under s172 of the Act.

1.2 Shareholders

The Company is a 100% wholly owned, indirect subsidiary of Arval Service Lease SA ('ASL') and ultimately of BNP Paribas SA which is listed on the Paris Stock Exchange. The Company provides regular updates and reports to its ultimate parent company.

1.3 Employees

The Company does not have any employees. All employees are employed by the Company's parent company Arval UK Group Limited. Any decision taken by the Company is done so in consideration of the subsidiary's employees.

1.4 Suppliers and Customers

The Company's customers includes corporate entities, SMEs, partnership and private individuals. The Company provides services to large corporate entities including managing corporate and company vehicle fleets as well as vehicles for SMEs. In addition, the Company also provides vehicles to private individuals under Regulated Consumer Credit Agreements.

The Company sources goods and services from a large number of suppliers. The Company complies with the BNP Paribas group procurement policy and guidelines when engaging with suppliers. The Company continues to benefit from established ongoing supplier networks, including those put in place across the entire BNPP group.

The Company is authorised and regulated by the Financial Conduct Authority ('FCA'). The Company complies with the FCA's rules and guidance in accordance with consumer credit regulations. The Company's policies and procedures reflect the requirements set out by the FCA. The Board is committed to promoting a culture that reflects good customer outcomes in a regulated industry.

The Company is a member of the British Vehicle Rental and Leasing Association (BVRLA). The Company is represented on the Board of the BVRLA and attends various committee meetings as well as providing feedback on matters effecting the industry.

1.5 Community and the Environment

The Company continues to promote sustainability and supports ethical working practices by putting in measures at a local level to support published group KPIs. There is an ongoing focus on supporting activities that contribute towards the reduction in carbon across both the Company's customers' fleet and the Company's own leased fleet and operations. The Company aligns with ASL's policies, ensuring robust policies and processes to mitigate environmental impact.

This year saw the first year where ESG matters were discussed at all of the subsidiaries Board meetings, in addition to the annual report being presented to the Board.

The Company is mindful of its place in the local community and works in partnership with local schools to help build early careers to inspire youth engagements. As well as working on a more direct level by participating in the group social pillar project enabling it to quantify social impacts and in alignment with other UK actions such as "children's meditation". Other areas where the Company has shown its commitment to the local community can be seen in the increase in hours spent volunteering with community projects. This year, over 3,000 volunteering hours were spent with local community projects and there is an ongoing focus on rolling out further engagement across the Company and its subsidiaries.

The Company has achieved its commitment to reduce single use plastics by successfully removing single use cups from all its sites. In addition, there has been an 44.49% reduction in absolute energy consumption achieved largely achieved due to the relocation of its Manchester office and installation of LED lighting in its head office.

Overall, a third of all employees have taken part in climate training initiatives.

Arval UK Limited

2025 Statement by the Directors regarding the Company's Corporate governance arrangement from the Company's Directors' Report

Corporate governance arrangements

For the year ending 31 December 2025 the Company has again chosen to follow the Wates Corporate Government Principles for all Private Companies published in December 2018 and revised in August 2024 by the Financial Reporting Council.

Purpose and Leadership

The Company launched an eighteen-month plan which reiterated the long-term inspiring goals linked to customers and with immediate business priorities to grow the fleet and protect the P&L, while also promoting service culture and meeting regulatory standards. This plan was presented to and approved by the Board and cascaded to all stakeholders. The plan's aim is to clarify key priorities in a unique market context, and the Board is committed to promoting the Company's strategy and values in alignment with the plan.

Values and Culture

The Company encourages increased employee engagement to raise standards in all areas. This is achieved through supporting collaboration through simplicity, clarity and improved ways of working and to ensure that there is a strong training and competency framework in place to help all stakeholders achieve their potential whilst promoting the best interests of the Company.

Strategy

The Company's uses employee centric language to ensure engagement from all levels and this enables a cohesive and holistic approach from the workforce. By encouraging positive behaviours from employees this is then reflected in how customer relationships are managed and supports care and

consistency against all types of interactions, which builds towards the overarching strategy to nurture profitable business growth, driving accountability and maximising effectiveness.

The Company has committed to a new overall policy for itself and its subsidiaries with a focus around five themes;

- Profitable Growth, leveraging local opportunities
- Leverage Partnerships
- Increase Automation /Digitisation
- Improve Customer Outcomes & Employee Experience
- Leverage Sustainability as commercial differentiator

The aim is to ensure that the Company and its subsidiaries continue to be profitable, whilst providing good customer outcomes with a motivated workforce, and satisfied customers.

Board Composition

The Board currently consists of seven directors with a mix of non-executive and executive directors.

Each year the Board considers the needs and interest of the Company and as a result reviews the skills and experience needed to support the Company. Currently, the directors offer a variety of diverse skills and knowledge gained through their experience in other roles which adequately satisfies the requirements.

This year the Board welcomed a new Chief Financial Officer. Consideration was given to the candidate's skills and experience, and this was discussed by the sitting directors before the post was filled to ensure that the best interests of the Company were represented and that the candidate provide the most suitable combination of skills and experience to further the interests of the Company.

Balance and Diversity

As at the 31 December 2025 the Board was 60% men and 40% women.

Non-Executive Directors

The Board is made up of split of 60% non-executive and 40% executive directors. The non-executive directors are selected from various entities representing different parts of the BNP Paribas group and offer a variety of skills and experience.

Directors Responsibilities

The Board met four times in 2025, including once in the Manchester office of Arval (head office being Swindon) and one meeting was held virtually. The Board has a clear understanding of its purpose, value, accountability and responsibility. The Company maintains various governance policies which clearly sets out the expected obligations of the Board. At every Board meeting, and at relevant times throughout the year, the directors are provided with management information from across the Company which gives them the opportunity to assess, challenge and advise the Company on strategy and proposed plans to ensure that the Company's best interests are represented. Management information provided to the directors includes, but is not limited to, data on HR, employees and facilities, finance, sales, performance, operations, risk and compliance.

Opportunity and Risk

The Board retains a keen interest when considering risk and opportunities and on a day-to-day basis delegates the management of this to the executive committee. However, the Board is furnished with regular MI to allow it to challenge where appropriate, decisions taken and the risk appetite of the Company to ensure compliance with the overall risk framework of the BNPP Group. The Board also discusses key strategic and emerging risks, including in the Managing Director report which calls out key risks and opportunities.

This year the Company crossed the 200,000-vehicle mark despite working in a challenging market and also met its profitability target, albeit the latter is considerably lower than usual due to prevailing

challenges in the used car market for battery electric vehicles. The Board continues to consider the Company's strategy to ensure it is identifying appropriate opportunities, particularly in relation to battery electric vehicles and the second-hand car market. The overall strategy of the Company is to increase automation, which in turn will improve customer and employee experience, while focusing on sustainability and profitable growth.

The Company undertook an in-depth review of some of its product offerings across both its retail and corporate streams and took the decision to amend certain regulated products specifically those that dealt with insurance. This resulted in some products being removed from a selective cohort of customers and supplied only through selective channels. The Board took this decision after extensive research into the market and regulatory requirements, which was carried out including the engagement of external expert advisers. In conclusion, it was decided to amend the product – distribution strategy to continue to promote good customer outcomes, whilst at the same time demonstrating the Company's proactive approach to complying with more stringent regulations.

Remuneration

The Company directors are not remunerated for their position on the board. All employees are employed by the Company's parent, Arval UK Group Limited, and pay and reward is reviewed annual in line with the BNPP policies and reflective of local market conditions.

Stakeholder Relationships and Engagement

As set out in the "Strategic Report" the Company has various stakeholder relationships. The Company also has the benefit of some relationships which have been established elsewhere in the group and is able to leverage on these. However, developing and maintain current and future relationships is key to the ongoing success of the Company and the Board takes a keen interest in all stakeholder relationships as to the benefit of the Company.

Streamlined Energy and Carbon Reporting (SECR) disclosure

The company consumed 40,000 kWh of energy or less in the United Kingdom during the period in respect of which the directors' report is prepared, and the information is not disclosed for this reason.

Post Balance Sheet Events

On 28 February 2026, hostilities commenced between the United States and Iran in the Middle East. The ongoing conflict has introduced heightened uncertainty in global financial markets and supply chains. While the company has no direct exposure to the region, Management is closely monitoring the indirect exposure and at this time considers there to be no material impact on the financial statements.

ARVAL UK GROUP LIMITED

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1. Section 172 statement

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1.2 Shareholders

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1.3 Employees

The Company has 735 Full Time Employees ('FTE') as at December 2025 across three sites. The Company regularly communicates via Company-wide Townhall sessions twice a year as well as individual 1-2-1s between managers and team members. In addition, the Company sends out regular updates to ensure staff are kept up to date with all Company matters.

1.4 Suppliers and Customers

The Company does not have any customers. All customers contract with its subsidiary company Arval UK Limited. Any decision taken by the Company is done so in consideration of the subsidiary's customers and in compliance with BNP Paribas group Know Your Customer ('KYC') policy and guidelines.

The Company sources goods and services from a large number of suppliers. The Company complies with the BNP Paribas group procurement policy and guidelines when engaging with suppliers. The Company continues to benefit from established ongoing supplier networks, including those put in place across the entire BNPP group.

2. Non-Financial and Sustainability Information Statement

The Company is in scope for additional Non-Financial Disclosures. This is as a result of the changes made to the Companies Act 2006 by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulation 2021.

The Company has adopted the guidance provided by the UK Department for Business, Energy and Strategy on how to meet its reporting obligations to demonstrate the principal climate-related risks and opportunities arising in connection with the Company's operations, and to comply with the Company's obligation to provide mandatory climate-related financial disclosures required by

large private companies. The directors do not believe that the risks facing the Company are materially different to those facing the industry generally.

In relation to the following disclosures the Company has adopted the established risk management framework of its ultimate parent company. This can be seen in the ASL Sustainability Statements 31st March 2025 (Corporate Sustainability Reporting Directive (CSRD) Report which is available on their website, namely:

The impact of climate-related risks and opportunities on the Company's business, strategy and financial planning.

The Company aligns with ASL's double materiality assessment to identify, assess and manage climate related risks and opportunities. This methodology analyses the value chain and stakeholder input to assess ESG impacts, distinguishing between own operations and commercial activities.

Climate-related risks undergo an annual risk assessment, which anticipates severe but plausible ESG-related risk events, including extreme weather events and all mobility solutions provided by the Company. These risks are assessed for likelihood and severity. Opportunities stem from strategy and Arval Beyond objectives, supporting planning and risk management.

The Company follows ASL's governance for climate risks, led by the Board and executive committee. ASL Committees oversee sustainability, internal control and risk management. The Company follows this structure through function specific overviews and involvement with ASL Committees.

Climate risks are reviewed over short, medium and long term periods. The Company uses the Group three line internal control system. This system covers all risk types, with environmental and social factors progressively embedded into standard reporting processes in line with internal analyses and regulatory developments.

The Company is committed to completeness and integrity of data, with the aim to strengthen its ability to collect granular information across its value chain. Main risks include extreme weather, supply disruptions and reduced vehicle resale values due to changes to regulatory, technology or consumer preferences.

Opportunities include reducing greenhouse gas emissions, electric mobility growth and attracting customers through sustainable practices such as car-sharing.

This year saw the first year where ESG matters were discussed at all of the subsidiaries Board meetings, in addition to the annual report being presented to the Board.

2.1 **Governance**

The Board adopts and promotes the overall governance structure adhered to by all BNP Paribas entities. This enables the Board to have clear oversight of the Company's obligations.

2.2 **Strategy**

The Company has committed to a new overall policy for itself and its subsidiaries with a focus around five themes;

1. Profitable Growth, leveraging local opportunities
2. Leverage Partnerships
3. Increase Automation /Digitisation
4. Improve Customer Outcomes & Employee Experience
5. Leverage Sustainability as commercial differentiator

The aim is to ensure that the Company and its subsidiaries continue to be profitable, whilst providing good customer outcomes with a motivated workforce, and satisfied customers.

This has been translated into the 2026 Sales and Marketing strategy, and Budget plans – which aim to ensure that the business continues to be profitable, whilst providing good customer outcomes.

A new simplified version of the strategy was being articulated to enable all employees across the Company to understand the long term vision and how they link to immediate priorities.

2.3 Risk Management

The Company complies with the BNP Paribas overarching risk management processes, which includes assessment of climate risk. This consists of assessing and identifying material ESG risk across supplier, credit and new transaction initiatives.

The Company operates under ASL's zero-tolerance Anti-Corruption Scheme (ABC), including governance, oversight, risk assessment, policies including code of conduct, whistleblowing, third party due diligence, controls, monitoring and training.

2.4 Metrics & Targets

The Company considers its suppliers in managing its exposure to material climate risk through its double materiality assessment. The Company follows ASL environmental sourcing, energy, strategy and resilience policies.

The Company reports its Scope 1, 2 and Scope 3 business travel Greenhouse Gas ('GHG') emissions as part of the Streamlined Energy Carbon Report ('SECR') within the annual Company accounts and contributes toward two key Arval Corporate global targets for 2026 that align to the Arval Beyond strategy and management of material climate risk:

- 400,000 of leased fleet to be Battery Electric Vehicles ('BEV')¹.
- Reduce leased fleets average CO₂ g/km emissions by 30% per vehicle².

Additional Scope 3 categories for the Company are included within the Arval Sustainability Statements 31st December 2024 (Corporate Sustainability Reporting Directive ('CSRD')) reporting by ASL, which was published in March 2025.

Extracts from the Directors' Report

Employee Engagement Statement

The Company ensures that employee engagement is a central pillar within non-financial performance.

In addition to the Company communications outlined above, the Company continues to place emphasis on two-way feedback. Having a network of People Champions across all of the Company's sites (3), who act as both the voice of employees and advocates for change. An example of this impact includes People Champions sharing "Temperature Checks" by department on a monthly basis. Areas of concern are discussed with the HR Director and the Managing Director each quarter and where appropriate, further review is undertaken by the Department Director and HR Business Partner to ensure appropriate action.

A review of the UK Executive Team "Back to the Floor" sessions was undertaken. The objective of the Back to the Floor sessions is to enable the Executive Committee to see and hear employee and customer experience first-hand, gain regular insight into operational activity, strengthen their connection and empathy with employees and to gain insight to improve company prioritisation and decision making. Four teams received a Back to the Floor visit in 2025, with a further six team visits scheduled for 2026.

Regular 'Open Door' events were once again conducted at all sites, where a cross section of employees were regularly invited to share their feedback and thoughts on Arval strategy and performance with the Company's Managing Director.

Companywide townhalls (branded as 'Full 360') were organised as normal, in April and November, where employees were invited to hear directly from the Executive Committee on the latest business

updates and hot topics. Employees were invited to ask the Executive Committee questions (either directly or anonymously via a People Champion representative) during a dedicated Q&A session. All questions asked were answered by the Executive Committee and later published and distributed after the event.

Throughout the reporting period, close attention has been given to engagement with a further reduction in its Employee Engagement score in June 2025 (compared to October 2024), reflecting the ongoing challenges the business has experienced due to external factors relating to the electric vehicle used car market and aggressive competition, all of which have needed cost and headcount challenges to mitigate the commercial and financial impact of the external challenges. A robust analysis of the survey results was conducted and an action plan to address employee feedback is in place. The plan comprises of three areas of focus; 1) Recognition and celebrating success 2) Providing clarity on Arval UK business goals & priorities 3) Digital, Data and Technology.

To provide further clarity on the Arval UK goals and priorities in a unique context, the Executive Committee launched a new plan reflecting its strategy and centred around achieving its goal of becoming 'Easier to Work with, Trusted to Deliver'. Based around four key pillars – Customer, People, Commercial and Digital, the plan sets out the Company's priorities and metrics for the next 18 months. The plan was launched at the Company's townhall in November, where employees were then given the opportunity to give feedback directly and ask questions.

To address concerns and opportunities related to digital tools, a new 'Digital Boost' budget was secured for Arval UK for 2026, to resolve those digital pain points impacting employee experience/engagement as identified through the People Champions and via employee survey feedback. A dedicated digital workstream comprising of Executive Committee members, People Champions and representatives from Arval IT was also set up to focus on resolving new and ongoing employee digital pain points going forward.

Talent and development remains a core element of the People strategy, with a new Training & Competence Framework launched to all regulated teams, and a new Senior Leadership Programme also launched in 2025, in addition to existing manager training and group and local programmes.

Voluntary turnover remains steady. In 2025, six senior appointments were made. These included the Head of Controlling, appointed as a replacement following internal progression (after the previous incumbent stepped up to become Chief Finance Officer); the Head of Asset Valuation, introduced as part of a structural change to separate pricing and asset valuation into distinct disciplines within Arval UK; the Head of IT, an internal appointment following the retirement of the previous incumbent; the Head of Pricing, recruited to replace a leaver; and the Head of Marketing, which was filled through an external hire. All these new hires reflect a diverse profile in terms of gender as well as mix of internal skills versus external market experience.

In 2025 the Company surpassed 200,000 units, a significant milestone that was recognised and celebrated.

Employee-Related Policies and Outcomes

The Company has clear policies and training supporting expected employee conduct. The company delivers its Diversity, Equity and Inclusion (DEI) strategy aligned with the ASL charter and publishes annual Gender Pay Gap reports.

Supported by the sustainability strategy, the Company prioritises human rights, safety and inclusion to support well-being and avoid risks. Key policies include the Code of Conduct and DEI governance. Internal policies are designed to identify and mitigate risks related to human rights across operations and supply chains.

Financial Risk Management and Future Developments

Financial risk management and future developments are covered in the Strategic Report.

A future development is the proposed Arval Group acquisition project of Athlon, a significant player in the European vehicle leasing sector. This project is ongoing and will be further considered in 2026. The directors believe this will be in the best interests of the Company and view it as a positive step forward, to continue to strengthen Arval's position and competitiveness within the European and UK market.

Corporate Social Responsibility

The Company has a strong corporate and social awareness and continues to contribute to the larger community through various initiatives mainly via its subsidiaries. There is a particular focus on the promotion of electric vehicles as part of the Company's strategic focus on promoting sustainable mobility.

Going concern

The financial statements have been prepared on a going concern basis.

As a reminder, the Arval Group is a wholly owned subsidiary of BNP Paribas, a leading bank in the world with an international reach. Arval has access to BNPP funding and support when needed.

The directors having given due consideration to the position of the Company are confident that the Company can continue to manage its business risks positively and despite pressures on the market as a whole, are comfortable that the company is well placed to continue operating in the market.

Statement as to Disclosure of Information to Auditor

The directors have taken all the necessary steps to make themselves aware of any relevant audit information and to ensure that the auditor is aware of such information. As far as the directors are aware, there is no relevant information of which the company's auditor is unaware.

Statement of Employment of Disabled Persons

The company takes its obligations to all its employees seriously and full consideration is given to all applicants. Applicants are employed on merit and employment is offered in accordance with their applicable skill set, ability and suitability to the role. If in the course of employment an individual becomes disabled, the company has a policy of offering training in order to assist with returning to work if appropriate and any further support required.

The company continues to review its policy in respect of diversity and inclusion and it is committed to being a fully inclusive employer.

Fostering Relationships with Stakeholders

The Company's stakeholders are as set out in the Strategic Report. The Company has numerous stakeholders and continues to promote and maintain a transparent relationship with them, ensuring that the needs of its stakeholders do not conflict with the best interests of the Company.

BNP PARIBAS FLEET HOLDINGS LIMITED

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Extract from the Directors' Report

Employee Engagement statement

The Company does not have any employees. All employees are employed by the Company's subsidiary Arval UK Group Limited. However, when making decisions the well-being of employees is always a consideration, and the employees of its subsidiary complete regular "Pulse" surveys to enable the Company to assess the overall satisfaction of employees and to reflect on any feedback received from its subsidiary's employees.