

Arval UK Limited

2024 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

The directors are required to adhere to the obligations as set out in the Companies Act 2006 s172(1) which explicitly states that they must act in the best interests of the company, and for the benefit of its members. In consideration of this requirement this statement explains what activities the company completed or was involved in and how the directors ensured that they adhered to their duties, acting in good faith whilst at the same time promoting the ongoing success of the company.

The directors considered the needs of the company and its members in light of both internal and external opportunities and demands including pressures related to the cost-of-living crisis and noted that the change in government was unlikely to mean a significant change in fiscal policy and that the new government was still keenly focused on investment. Although growth in the UK was slow in 2024 the economy had pulled out of recession and overall, the company was back to pre-pandemic growth rates.

The company is a regulated entity, being authorised and regulated by the Financial Conduct Authority ('FCA'), and the directors are also Senior Managers under the FCA's Senior Manager and Certification Regime. Given this requirement, this year, there was a continuing focus on Consumer Duty and how the regime was embedded across the organisation. This has been an ongoing large-scale project which has had a far-reaching impact on every part of the company's retail sector, and a number of initiatives received support. These included various training programs being rolled out and significant changes to the company's processes and procedures in order to facilitate these requirements to ensure that the company continued to adhere to the regulatory environment. The directors noted and recognised that there had been a positive change in the company's culture but that there were still steps to take. This was reflective of the industry as a whole and not unique to the company.

This year saw the conclusion of the company's first securitisation transaction. Due to the significance of this to the company, the directors took the prudent step of delegating the decision making to a specialised board committee, made up of the directors that had specific experience in this area and supported by external legal advisers and advisers from across the BNPP group who had previously experience on this type of financial transaction. The committee met regularly and provided continuous feedback to the directors as to the progress and activities carried out by the company in order to facilitate and successfully close the securitisation project. This demonstrated the directors understanding of when and where to delegate its authority to specialists in order to ensure that the best outcome for the company is achieved.

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. All decisions made by the directors reflect the essential principles of the company and at the same time ensured good outcomes were achieved and adhered to and the directors obligations were maintained.

1.3 Employees

The company does not have any employees. All employees are employed by the company's parent company Arval UK Group Limited. However, as the company is regulated by the FCA the directors gave due consideration to reviewing the company's obligations and ensuring that the company strategy was aligned with the FCA rules and expectations. The directors noted and

recognised that there had been a significant change in the company's culture, therefore robust plans were put in place to facilitate coaching and training for employees enabling them to support the specific needs of regulated customers, including a specific focus on vulnerable customers.

1.4 Suppliers and Customers

The company continues to support and maintain various different customer bases. Consequently, the directors are mindful of the different needs and requirements of those customers, as well as a growing diversification in the energy types of vehicles leased. In consideration of this, the directors have steered the company towards diversifying its various remarketing channels with a strong focus on educating leasing customers regarding electric vehicles, as well as an emphasis on promoting the resale of electric vehicles to its remarketing customers, in order to promote the use of electric vehicles across the value chain. This has enabled the company to support its varied customer base as well as trying to navigate a challenging market given the slow take up of used electric vehicles.

There has been an ongoing emphasis on Know Your Supplier (KYS) initiatives, and work continues, ensuring that suppliers to the company uphold good standards with the company's ethics.

The company saw ongoing resource issues in its external repair network which was reflective of the wider industry and a number of providers were impacted. A review of the strategy was considered in order to support this area, and where some elements could not be fulfilled internally, external suppliers were sought to provide the required resources.

The company continues to benefit from established ongoing supplier networks, including those put in place across the entire BNPP group. This means the company ensures that it continues to use well recognised suppliers with robust practices that have been subjected to rigorous checks and balances meaning it can rely on well established and trustworthy suppliers which in turn reflects the values and standards the company.

1.5 Community and the Environment

Environmental matters continue to be of upmost importance to the company and to reflect the importance of this the directors have taken the decision to include more frequent updates outside of the annual review on such matters to be tabled for discussion at board level. In addition, training was made available to all board members on emerging environmental matters that may impact the company and its operations.

At a global level the company is undertaking a significant amount of analysis and data classification for all aspects of carbon reporting. The result will be included in the CSRD reporting that will be issued by ASL in the first half of 2025.

The company took significant steps to help it manage its ESG and compliance risk by working with internal stakeholders to collate information and identify gaps. It is also collaborating with external providers including the internationally recognised EcoVadis platform.

The company continued to align its environmental strategy with guidance from BNPP and continued to engage in communications with its employees related to environmental matters. It also continues to align its activities to 15 of the 17 United Nations Sustainable Development Goals which covered topics such as;

- Zero Hunger
- Good Health & Wellbeing
- Quality Education
- Decent Work & Economic Growth
- Industry, Innovation & Infrastructure
- Life on Land

Arval UK Limited

2024 Statement by the Directors regarding the Company's Corporate governance arrangement from the Company's Directors' Report

Corporate governance arrangements

The company continues to apply the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council 'FRC' in December 2018) (the 'Wates Principles'). In August 2024, the FRC issued its second research report on the quality of reporting from large private companies who have chosen to follow the Wates Principles. As a consequent the company has carefully considered its reports to ensure more context-relevant disclosures are provided to facilitate improvements in its governance frameworks and the value of its corporate governance reporting.

Purpose and Leadership

The company continues to promote different mobility solutions tailored to its customers' needs. In particular the company continues to support customers in their journey to all electric fleets and leads by example by continuing to grow its own electric vehicles fleet with over half its vehicles falling into the hybrid, plugin or fully electric category.

In respect of leadership, the company promotes the growth of talent from its internal workforce and carries out regular 360 and pulse surveys of its employees to gain an understanding of how the workforce views its leadership team and where areas need improving.

Values and Culture

The company continues to promote ongoing diversity and inclusion through a variety of different initiatives. The company has been steadily developing a programme focussed on diversity and cultural awareness, with the objective to promote a programme of cultural education, designed to educate and inform. In addition, the company is keen to encourage an awareness of mental health issues and has dedicated individuals across the group as mental health first aiders. Other programmes supported by the company include an increase in awareness around neurodiversity and a continuing committee to promote diversity and inclusion covering gender, race, and sexual orientation, and disabilities.

The company also looks to the wider community to ascertain where it can make a difference and contribute to the wellbeing and support of the community through various volunteering objectives. In addition, the company continues to support a number of different charities and has a well established volunteering programme promoting its visibility in the local community with the aim of accelerating energy transition and fostering the preservation of biodiversity, improving local communities, promoting social inclusion, and supporting social entrepreneurship initiatives.

Strategy

This year the company took on several new projects which enabled it to create operational efficiencies to deliver benefits across the company.

This year was the first year that the company produced a Consumer Duty report in accordance with the FCA requirements. Accordingly, the FCA requires that a firm must prepare a report for its governing body setting out the results of its monitoring and the actions required as a result of the monitoring to be reported at least annually. The company invested heavily in certain aspects of the business including its regulatory complaints handling team, collections team and outcomes testing team, and where customers who suffered harm were identified they were offered remediation. The fundamental strategy of the company was assessed, and changes were made to prevent these poor outcomes causing harm to customers in the future. Where gaps were identified in the regulated processes, the company brought in external experts in this area and taking advantage of external skills where it did not have the necessary skills internally. The board made these prudent decisions in order to protect the long-term strategy and regulatory requirements of the company as well as respecting its regulatory obligations.

Board Composition

The company's board is made up of members from across the BNPP group in order to leverage on a diverse skill set to ensure that the best interests of the company are represented. Board members are, in their own right, senior employees in their own areas and bring a variety of skills, knowledge and experience to the company.

This year the board set up a Board Committee specifically to manage the requirements of its first securitisation (Pulse 2024 PLC). The members of the committee were chosen for their specific skill set and included;

- The Head of Leveraged Finance Capital Markets, EMEA at BNPP who has significant experience of capital structure and complex financing across the full credit spectrum.
- The General Manager of the company, who joined the group in 2015 and has significant experience in managing a variety of business lines, digital innovation and leading large commercial initiatives.
- The Global Operations Director who has been with the company for over 27 years in various different roles and before joining the board was the chairperson of the UK Shadow Executive Committee for two years, leading a transversal leadership team to support the UK Board.
- The Chief Finance Officer who has worked in the Group in various locations for more than 25 years.

The committee convened a number of times throughout the lifetime of the securitisation project to carefully consider and discuss the implementations of each step required to complete the securitisation and then reported back to the board as to the progress of the project and the decisions that were taken. The securitisation closed in November 2024 and the securitisation board committee was dissolved. In future the board will consider, if other board committees should be convened as this allowed for the required attention to be given outside of regular board meetings to matters that have a significant impact on the running of the company. There are no current plans in place to form any further committees and the day-to-day running of the company will continue to be delegated to the existing executive committee.

In respect of the composition of the board, in addition to the four members mentioned above, it is made up of three further members who bring a variety of skills and experience. The Chair of the Board has been in place since 2022 and is the Chief Commercial Director and one of the Deputy CEOs of the company's parent company and has an extensive knowledge of the market, originally holding the position of general manager at the company.

The CEO of BNPP Personal Finance, who is a consumer finance specialist with 25 years in the sector and over 10 years as a CEO and due to his consumer experience sits as the Consumer Duty champion on the company's board, and the board also includes the International Director for Arval Group who is also a Deputy CEO of the company's parent company.

Balance and Diversity

The board is 40% female, which is in accordance with the BNP Paribas Group's target of 40%. At the end of 2024 Frank De Visscher (Chief Finance Officer) resigned and Peter Sapsed was appointed from the start of 2025. The board met four times in 2024, three of these meetings were to discuss the ongoing performed and strategic plans of the company and one was to discuss the annual financial statements. At each meeting (excluding the meeting convened specifically for discussion of the financial statements) the board discussed certain topics in detail and areas which were presented to the board this year included;

- Securitisation
- Consumer Duty
- Strategy Planning
- ESG

In respect of future board meetings, the board members have taken the decision that in addition to the presentation of the Consumer Duty annual report, a consumer focused update will be discussed at every board meeting, due to its overarching impact on the entire company. ESG matters will also be presented at every board meeting and strategy planning will be discussed at the last board meeting of the year.

Directors Responsibilities

The board members and the company are subject to numerous policies which set out the overarching principles of the Arval Group and BNP Paribas governance requirements and incorporates the requirements of relevant policies. Such policies and their relevance are regularly reviewed to ensure ongoing compliance and include such matters as;

- structure chart group companies
- mission letters of the entity's Directors and Executive Committee members.
- authorised signatory list.
- delegations of powers and
- financial commitment authorities.

Information is provided to the board through escalation from the executive level sub committees in accordance with their Terms of Reference.

The directors recognise their obligations to the company and attend various training programmes delivered by the company itself as well as those programmes made available through its parent company. Such programmes include an increase in awareness around governance matters and those relating to sustainable responsibilities.

Opportunity and Risk

The board understands and acknowledges its obligations when considering risk and delegates specific topics to various committees including the day-to-day management to its executive committee which in turn receives regular feedback from further sub committees including;

- Credit Risk and Provisioning Committee.
- Operational Risk Committee (Compliance Committee and Internal Control Committee).
- Supplier Risk and Sourcing Committee.

This ensures that the board has a continuing awareness of risks impacting the company. This year there has been an emphasis on the second hand car market with a particular focus on the falling prices of electric vehicles and how the company can mitigate the impact of this by promoting better awareness of the suitability of electric vehicles to its remarketing customers and increasing their adoption of the company's used cars.

The company continues to develop various channels to promote its business and does this by considering customer needs alongside their sustainability requirements. By ensuring diversity in its business channels this allows the company to continue to develop a positive strategy and to promote the growth of the company as a whole.

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. An annual review is carried out of pay bands and appropriate compensation packages in accordance with employee grades. The information relating to pay bands and employee grades is made available to all employees to ensure that all employees are aware of how remuneration is applied in order to promote transparency.

Stakeholder Relationships and Engagement

The company continues to maintain and develop its relationships with its suppliers and continually evaluates those relationships to ensure compliance with group policies and to satisfy the needs of the company, while ensuring good value and ethical obligations are adhered to. The company benefits from the stakeholder connections established by its parent company allowing it to leverage on well established relationships.

The company does not have any employees as all employees are employed by its parent company Arval UK Group Limited. Due to the nature of the corporate structure any decision taken by one entity

may impact another entity, therefore the board and its directors are conscious that when making decisions the needs and obligations of its parent company's workforce must also be considered.

Securitisation

In November 2024, the company completed an asset backed commercial paper securitisation transaction.

The company transferred a portfolio of lease receivables with a carrying amount of £402.3m to a Special Purpose Vehicle (SPV) - Pulse 2024 UK PLC. The SPV issued £350.0m Senior Class A notes to external investors and £52.3m Junior Class B notes to the company. The SPV is responsible for making interest and principal payments to the Class A noteholders. The securitisation arrangement is in a revolving period until November 2025.

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.

ARVAL UK GROUP LIMITED

2024 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

1. Section 172 statement

1.1 The Obligations of the Directors and their Responsibilities

In accordance with the Companies 2006 s172(1) the directors of a company must promote the best interests of the company and act in good faith for the members. In light of these requirements the directors of the company have continued to observe their obligations at the same time as considering the needs and requirements of both external and internal stakeholders whilst managing and implementing ongoing regulatory and legislative requirements.

The directors have considered both internal and external factors that have impacted the company which has meant that the company has had to make changes to some of the ways in which it works and how it manages and supports its customers as a result of wholesale changes imposed on the industry.

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. All decisions made by the directors reflect the company's core values whilst prompting the success of the company to maintain the best interests of the group.

1.3 Employees

Following the foundations laid in 2023, Arval UK has continued to ensure that its' values, purpose, people strategies, pay and incentives framework, align well with the Consumer Duty regulatory requirements, which means it is considered in all relevant discussions.

The company recognises that a customer-centric culture is critical to both the successful implementation and ongoing embedding of the requirements of consumer duty, and that achieving and maintaining its customer centric culture requires a top-down approach.

The company has a clearly defined customer centric strategy, that balances the need for profit with the need to deliver good customer outcomes. This strategy is support by the company and the significance of it is represented at board level with a consumer duty champion sitting on the

board of the group's regulated entity. In addition, the company has in place an employee behavioural framework underpinned by a robust governance structure focused on monitoring plans and key metrics. As part of the transformation, there has been a continued emphasis on new technology, embedding system changes from 2023, as well as a focus on the required digital enhancements needed to meet the needs of customers and enhance the experience of employees.

Due to an external downturn in the electric vehicle used car market, this created a challenging environment for Arval in the UK and its main operating subsidiary Arval UK Limited, combined with a more complex regulatory landscape resulted in a pressure on profitability. This in turn led to costs and headcount restrictions which influenced the company's 'People Strategy' and 'Employee Experience.'

The overall commercial performance and financial performance of Arval UK's main operating subsidiary Arval UK Limited has been significantly affected by wider market factors, and the company took steps to reduce costs, where feasible, while still continuing to invest in key initiatives around digitisation and customer experience and outcomes. The company has continued to ensure that the reasons behind these decisions has been clearly communicated to all its stakeholders.

1.4 Suppliers and Customers

Despite the fact that the company does not have any customers, the directors understand that due to the closeness of the group any decision taken by the company may impact the customers of another group company. Consequently, when making decisions the directors are mindful of any such impact, particularly on those customers and suppliers who work with the Arval group across countries or other BNP Paribas entities. Therefore, consideration is given to the overall effect of any decision by taking a holistic approach which ensures that conflicts do not arise as between stakeholders and other group companies.

The BNPP group has fostered relationships with well-regarded suppliers and the company continues to benefit from those relationships. In addition, the company continues to assess its own suppliers to ensure it receives both value for money and reliable ongoing support from ethical providers.

1.5 Community and the Environment

The company continues to promote various local projects in the community and has been a long standing supporter of various causes in areas such as the environment and education. This year employees have increased the number of hours spent volunteering by dedicating more than 2400 hours. The company aims to empower its employees to continue with this trajectory, with the objective to deliver over 7000 hours from 2020 to the end of 2025.

The company continues to drive forward plans in respect of energy transition to increase the number of electric vehicles on its leased fleet as well as reducing its carbon footprint.

The company also continues to look at its sponsorship and partnership relations in the community by contributing to road safety awareness campaigns, access to a community sport team, and is a long-term supporter of the local Pride event at its head office.

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 by continuing to leverage the Taskforce For Climate Disclosures ('TCFD'), now disbanded, 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 company has focused on outlining its approach to governance, strategy, risk management, metrics, and targets. 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, BNP Paribas ('BNPP') that can be seen in the BNPP Climate

Report, which is available on their website, namely:

- The impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning (Section I of the Report)
- Governance arrangements in relation to assessing and managing climate-related risks and opportunities (Section II)
- How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management (Section III)

In addition, the parent company ASL is building a framework to address the disclosure requirements for the Corporate Sustainability Reporting Directive ('CSRD'), which the company will reference for the 2025 reporting cycle. Within this framework, a double materiality assessment has been conducted which through impact, risk and opportunity analysis considers both impact and financial material topics. These, alongside the transition plan, will be reflected in future company reporting.

2.1 Governance

The company adopts the governance structure as outlined by BNPP which ensures that the board has clear oversight and ownership of material climate risk.

The company considers, reviews, and sets the response to material climate risk through committees and working groups on operational risk, credit, asset, supplier and new activity transactions.

2.2 Strategy

The company and its subsidiaries have adopted the 'Arval Beyond' strategy, in common with ASL of which three elements highlight material opportunities and threats presented by climate risk:

- "Good for you Good for All" – helping customers contribute toward the protection of the environment and support safer driving through vehicle electrification targets and safety tools.
- 360 Mobility – giving customers wider sustainable mobility options such as e-bike leasing and car sharing.
- Sustainability and Responsibility – creating a culture that engages all employees through awareness and engagement, aligning commitments with the United Nations Sustainable Development Goals.

The impact of regulatory change on the vehicle leasing industry is considered against these elements to enable the company to assist customers in satisfying their sustainability obligations and to promote employee knowledge and understanding.

2.3 Risk Management

The company adopts the BNPP risk management processes, which includes assessment of climate risk. This consists of assessing and identifying material ESG risks across supplier, credit and new transaction initiatives.

2.4 Metrics & Targets

The company considers both its customers and suppliers in managing its exposure to material climate risk and monitors who, within its portfolios and partners are aligned to the relevant climate risk requirements.

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 has key targets for 2025 that align to the Arval Beyond strategy and management, including material climate risk. Additional Scope 3 categories for the company will be included within the CSRD reporting by ASL, which is due to be published during the first half of 2025.

Extracts from the Directors' Report

Employee Engagement Statement

The company has undertaken a range of activities, designed to ensure its workforce have been engaged in the business strategy and overall commercial performance, which included being clear on the behaviours expected of them, in relation to promoting good customer outcomes. This included written communications as well as virtual and in person employee conferences. The customer-centric strategy has evolved from being themed around consumer duty to an Arval Service Culture programme to continue with both employee and customer engagement activities.

Given reward and remuneration plays a key role in promoting the desired employee behaviours and embedding a customer centric culture, the company undertook several actions to ensure that the consumer duty was incorporated into its reward and performance management framework, and to encourage the right outcomes for customers including:

- A review of the Arval UK Employee Incentives and Bonus Policy to strengthen the relationship between reward and good customer outcomes.
- Enhancing the Arval UK Employee Commission Scheme for 2024 to recognise and reward good customer outcomes.
- Ensuring performance reviews consider both results achieved and behaviours demonstrated, underpinned by the Arval Behaviour Framework.
- Every Arval UK director had an appropriate customer centric objective linking good customer outcomes (alongside other business objectives) to their individual pay and bonus awards in 2023 and 2024.
- All employees had a "Collective Objective" set in the appraisal platform "About Me." Part of this objective was a request to all employees to consider at an individual level how they were contributed to the delivery of good customer outcomes.
- In addition, all People Managers received a second "Collective Objective" to support regular one-one meetings with team members, and a greater emphasis on the formal recording of personal development plans and coaching. Managers were supported in meeting this requirement through a manager foundations programme (Manager 101s) that was launched in February 2024 and is ongoing. In addition, a new Training & Coaching Framework was developed and trialled in a small number of teams, with full deployment to regulated teams in 2025, and with a final phase expected across the whole business into 2026.

Reviewing and enhancing employee feedback processes to support a 'speak-up' culture which encourages employees to raise issues has been a major focus, and included:

- 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. Areas of concern are discussed with the HR Director and the Managing Director and where appropriate further review is undertaken by the Department Director and HR Business Partner.

- The UK executive Team “Back to the Floor” sessions to see and hear the employee and customer experience first-hand. Specifically feedback on the need to fix and embed existing platforms and processes was heard and led to the design of 2024 Business Transformation Roadmap which had a greater emphasis on fixing and embedding existing platforms and processes, following a year of significant change in 2023 with consumer duty as well as Salesforce (CRM) and Workspace platform changes.
- Regular ‘Open Door’ events where a cross section of employees were regularly invited to share their feedback and thoughts on Arval strategy and performance with the company’s CEO.

The company has seen a reduction in the Employee Engagement score from March to October, however the score was still a positive score when compared to external benchmarks. The reasons behind the reduction have been fully analysed and the executive committee and People Champion network have been actively engaged in an action plan to address employee feedback. There are 3 key areas of focus 1) Alleviating workload and pressure especially in operational teams. 2) Recognition and Celebrating Success 3) Prioritisation, Process and Systems to improve ways of working. The shift in the engagement score also reflected the challenges the business has experienced due to external factors relating to the electric vehicle used car market and slow sales in 2024 driven by aggressive competition, all of which have needed cost and head count challenges to mitigate the commercial and financial impact of the external challenges.

The company continues, even in a more challenging context in 2024, to have an excellent standard of voluntary employee turnover. Demand for certain skillsets however outstrips market supply in some key areas such as collections which has required a new hiring strategy to be planned for in 2025.

Organisation changes at the company have been limited with headcount reductions met primarily through not replacing vacancies. The company is currently working closely with the parent company on further global Target Operating Model alignments as well as a review of outsourcing and insourcing opportunities. Specifically, the accident management service will move inhouse from February 2025; after planning and implementation work took place in 2024, to improve customer experience.

In respect of property strategy developments, the company’s new premises within Manchester went live in August 2024 to excellent feedback from employees and a significant cost reduction as well as an improved energy efficiency rating. In addition, its Solihull team will move into a new BNP Paribas shared office with effect from January 2025.

Talent strategy remains a key focus at the company, with Talent Programmes covering all levels across the company and participants are gender balanced, or in the case of two of the programmes dedicated to females only. A review of one of the programmes, Shadow Executive, was undertaken and will be replaced by a new Senior Leadership Programme in 2025, aimed at offering soft skills and experiential learning tools to head of departments. Executive development is provided through an independent executive coach.

Several senior appointments were made including the Head of Collections on an interim basis (with Head of Onboarding expanding their remit), Retail Director (filled by a move from Arval Corporate) and Chief Finance Officer (internal promotion). Of these three roles, two incumbents remained with Arval and moved to new roles.

There are clear policies setting out expectations for practice and behaviours of all employees, with appropriate training through e-learning and in person and virtual class programmes. In 2024, there was an increased focus to improving product training and complaint handling.

The key KPIs monitoring workplace health are very satisfactory with absence levels satisfactory.

The company continues to deliver against the Equality, Diversity and Inclusion strategy underpinned by the Charter, outlining Arval Group commitments as an employer agreed. The Gender Pay report continues to move in the right direction with the next report due to be published in April 2025. The company's Executive Committee continues to be gender balanced, and the resourcing of roles seeks to also be gender balanced. The ‘Diversity, Equity and Inclusion’ working group made up of employee representatives continued to make a difference through external speakers and sharing of resources, as

well as providing peer to peer support such as the 'Parent & Carer' and 'Menopause Networks.' The company's Mental Health First Aiders' network remains in place with additional support through an Employee Confidential line (external provider) and a mental health application available to all employees.

Financial Risk Management and Future Developments

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

Corporate Social Responsibility

The company continues to contribute to the larger community and to manage its impact on the environment. Consequently, the group continues to contribute to local initiatives including road safety awareness and the electrification of vehicles.

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 have reviewed, in addition to going concern, all most important areas of the accounts that may be subject to judgement and estimation uncertainty, including accounting estimates, asset impairment and expected credit loss assessments.

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 remains committed to maintaining positive and transparent relations with all its stakeholders, both internally and externally. In addition, the company is aware that by taking a holistic approach to managing stakeholder relations with all of the groups company's leads to better and more productive relations.

The company continues to promote the environmental and sustainable obligations of its stakeholders and is keen to continue to assist its stakeholders towards more sustainable practices. In order to do this the company continues to review its own performance and to demonstrate to stakeholders what it believes are the best practices.

BNP PARIBAS FLEET HOLDINGS LIMITED

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Extracts 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. The board of the company is fully committed to the wellbeing of its subsidiary's employees including diversity, equity, inclusion, welfare and health.

At a board level there was one change with the Chief Financial Officer being replaced with an internal hire. The board carefully considered the needs of the company and its subsidiaries before making the selection.

Currently the company board is split gender wise 66% female, and this is in excess of the group company policy of a 50/50 split.

Despite the company not having any direct employees it continues to monitor and review its subsidiaries and their employee obligations. The board remains committed to gender diversity and inclusivity and carefully reviews the results of feedback gathered from employees to ensure that it maintains a culture that respects the needs of its workforce. In addition to reviewing feedback, policies in relation to health, wellbeing, diversity, equity and inclusivity are continually reviewed in order for it to reflect the requirements of the workforce.

In addition to the company and its obligations to the workforce, employees are also required to complete various training courses, this enables employees to be aware of the standards of behaviour expected of them, particularly as one of the company's subsidiaries is a regulated entity.

A number of training modules have been rolled out to employees in respect of regulatory training with a specific emphasis on Consumer Duty. The company recognises that Consumer Duty is a continuing obligation and supports the decision taken by its regulated subsidiary to continue to provide updated training to employees empowering them with the knowledge to make decisions and assist customers. The company believes that by empowering individuals in this manner it helps to develop their understanding of the needs and wants of customers which can then be feedback to decision makers when developing new and more effective ways of working with customers.