

Statement on Modern Slavery and Human Trafficking

Introduction

This Statement outlines the steps that Arval UK Group Limited (Arval UK), as part of the BNP Paribas Group, has taken to ensure that modern slavery¹ and human trafficking² are not taking place in its business or in any of its supply chains. It also refers to the risk management processes that the Group has put in place in the context of its financing and investment activities, which govern 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 2023.

The Board attest annually that Arval UK Group Limited complies with this Statement through the information provided by the respective departments of Sustainability, 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 over 182,000 Full-Time Equivalent workforce.

It holds key positions in its three main areas of activity; Corporate and Institutional Banking (personalised solutions for our corporate and institutional customers), Commercial, Personal Banking & Services (network of commercial & personal banks in the Eurozone, and the Europe-Mediterranean zone, as well as some of the Group's specialised business lines³), and Investment & Protection Services (expertise in savings, investment and protection solutions).

About Arval

As at the end of December 2023 Arval UK funded more than 192,000 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 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

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.

² The expression "human trafficking" means: "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, of 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 Organized Crime"

³ Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Finance, BNP Paribas Investors, new digital business lines (Nickel, Floa).

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.

The risk-assessment processes Arval implements to address the risks of modern slavery and human trafficking take into account the different situations of its stakeholders, and is complemented by 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 and standards:

- The United Nations Sustainable Development Goals
- The Ten 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 labour standards set out by the International Labor Organization

These public commitments are backed by internal policies implemented at Group level, with the goal of handling social, environmental and governance matters and human rights. These policies include:

- The BNP Paribas Group Code of Conduct (updated in December 2021)
- The BNP Paribas Statement on Human Rights
- The BNP Paribas Sustainable Sourcing 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:

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 for the individual and the need to apply stringent norms of professional behaviour; Arval UK rejects all forms of discrimination.

The BNP Paribas Code of Conduct, which applies to all employees, reaffirms the Group's commitment to ensuring good behaviour and combating disrespectful behaviour towards individuals. Arval UK's "Respect for People" policy aims to combat inappropriate behaviour, in particular, 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 the views expressed are different from their own.

The Global agreement, signed on 18 September 2018 and extended to 30 June 2024, has set up an ambitious plan to contribute to improving quality of life 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 breach 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 who choose to raise an alert, protection against reprisal for having raised an 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 has categorised the vehicle leasing sector and its employees, most of them being skilled professionals, as particularly exposed to these practices.

Towards its suppliers

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

- A responsible purchasing policy that aligns the Function's objectives with the Group's CSR objectives, as expressed in the Group purpose;
- The definition by the Function of a normative reference framework 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 International Labour Organization’s conventions in supplier contract standard templates in all countries where suppliers are located, allowing contract termination in case of non-compliance by the suppliers of the Group ESG requirements
- ESG questionnaire models, used during the onboarding of new suppliers and during calls for tenders, and including environment, ethics and human rights targeted questions. BNP Paribas Procurement Norms set a minimum weight of 15% for CSR-related criteria in calls for tenders
- supplier monitoring rules, targeting ESG 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 and 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 modern slavery and human trafficking statement for the financial year ending 31 December 2023¹ and is owned and approved by the Board of Directors of Arval UK Group Limited.



Bart Beckers – Chairman & Director, Board of Directors of Arval UK Group Ltd
May 2024

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