

GENDER PAY GAP REPORT 2021



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 Reports show we are making solid progress and going in the right direction. A variety of actions from our recruitment strategy to the development and mentoring of our talent are starting to make a real difference. Our Gender strategy, along with our broader Diversity & Inclusion agenda, remains a core focus for us in 2022.

A handwritten signature in black ink that reads "Lakshmi". The signature is written in a cursive style and is underlined.

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 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



21.9%

2021

Our median
hourly pay gap



12.7%

2021

GENDER BONUS GAP

Our mean
bonus gap



37.8%

2021

Our median
bonus gap



9.1%

2021

Gender pay gap

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

- There are more males than females in senior 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.

Gender bonus gap

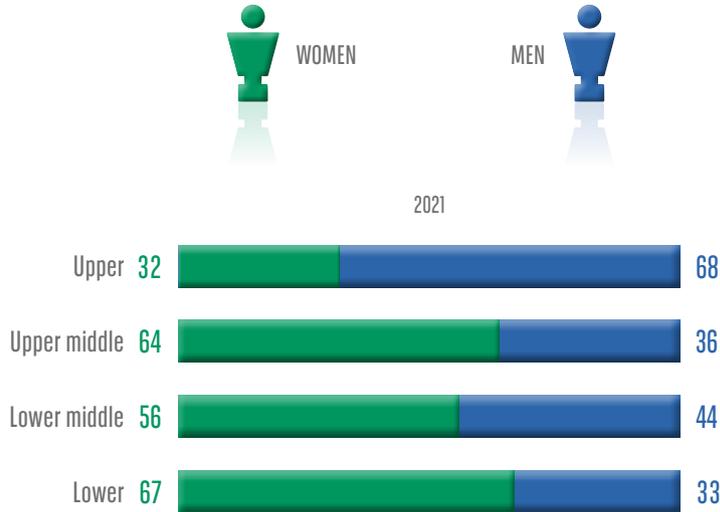
Overall, the bonus gap has decreased which is great news. Our new reward framework launched in 2018 made a key difference as we ensured parity between males and females in similar roles across the business. We're hopeful that the trend for 2022 will see this reduction in the difference between women and men continue to reduce.

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.
- More of our technically specialist roles are performed by men 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 positions, front-office and technical roles, which attract higher rates of pay.

What are Arval UK's 2021 Gender Gap trends?

Key indicators in our Gender Pay Gap results show an improvement in five of the six indicators.

DECLARATION

I confirm the information and data reported is accurate as of the snapshot date 5 April 2021.

Lakshmi Moorthy Managing Director, Arval UK

WHAT WE ARE DOING TO ADDRESS THE GENDER PAY GAP



It's positive to see an overall trend of improvement since we started reporting in 2017 within our Gender Pay Report. That said we want to see further improvement. Our Gender Strategy is one of the key topics behind our focus to be truly inclusive. 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.

Ailsa Firth HR Director – Arval UK, BNP Paribas Group

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 to attract a **more diverse range of candidates.**
- Promoting our **focus on Diversity and Inclusion** internally and externally. Our campaign involves really **listening to our employee and candidate's voices** on how we can be more accessible and inclusive
- Training **hiring managers in interview skills** to **reduce bias in recruitment.**

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 on unconscious bias.**
- Our **Mentoring programme** is now in place across different levels and employee groups across Arval.
- We **monitor our gender balance** in succession plan, 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.
- Embedding **training for managers to manage diverse teams and lead inclusively.**
- 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.
- Providing opportunities for **Manager training and development** through our "You Drive" leadership programme.



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