



GENDER PAY GAP REPORT 2017



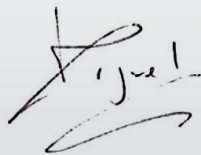
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Being an inclusive employer is a fundamental part of our business strategy. As a leader in Europe and the bank for a changing world, we take an active role in finding solutions to the issues of today and those of the future.



We know that to do this successfully, we must harness the diversity of thoughts, experiences and skills of all. It is therefore of paramount importance that we take an active role in addressing the gender pay gap. ”

Miguel Cabaca
Managing Director



Understanding the gender pay gap

Is the gender pay gap the same as equal pay?

No. They are two separate matters, as explained below.

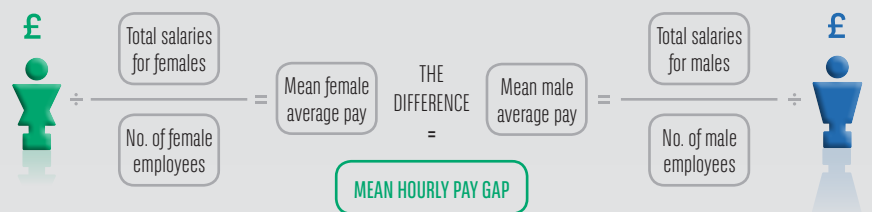
What is the gender pay gap?

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.

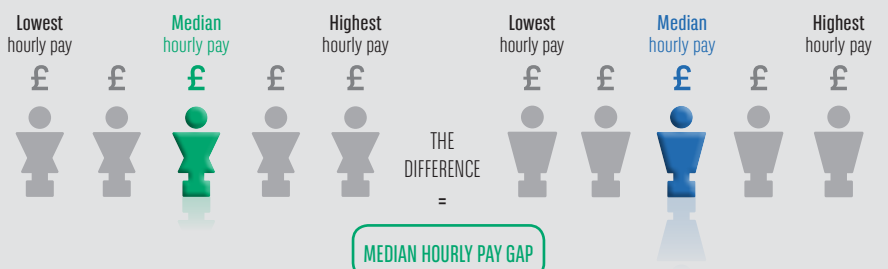
What is equal pay?

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 difference



How we calculate the median difference

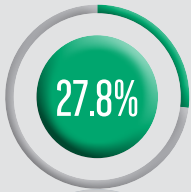




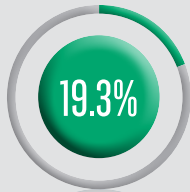
Results

Gender pay gap

Our mean
hourly pay gap



Our median
hourly pay gap

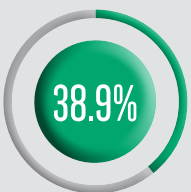


The primary reasons for the gender pay gap across the financial services industry and at Arval UK Group Ltd:

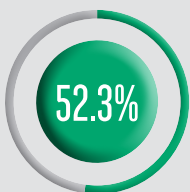
- There are more men than women in senior positions and IT roles.
- Compensation for senior management and IT roles attract higher fixed pay in the market, relative to other positions, which increases the average male pay both in the market and at Arval UK Group Ltd.

Gender bonus gap

Our mean
bonus gap



Our median
bonus gap

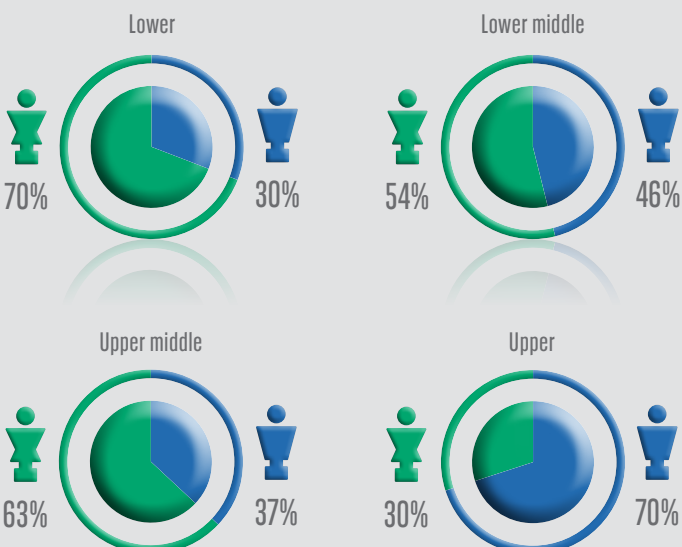


Overall, we have significantly higher mean and median bonus gaps than hourly pay gaps. This is because:

- Bonus amounts tend to increase with seniority and we currently have more men than women in senior roles.
- Bonus amounts at senior levels are based on a % of salary rather than a flat amount.
- We have more men than women in senior commercial roles, which typically attract larger variable pay opportunities.
- More of our part-time employees are women. The calculation for the bonus gap does not account for bonuses being pro-rated for part-time employees and/or for part-year participation.

Population by quartile

Pay quartiles are calculated by ranking the hourly pay of all staff, 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.



Proportion of each gender receiving a bonus

Women receiving
a bonus



Men receiving
a bonus



Declaration

I confirm the information and data reported is accurate as of the snapshot date 5 April 2017.

Miguel Cabaca
Managing Director



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At Arval UK we believe that by behaving with honour and ethics, we can make a difference to our customers and to our people.

We are very clear as a business: diversity will ensure our future success. Diversity in the people we hire, and in those we develop and promote. Our employees already feel this commitment: in our last engagement survey 94% of employees agreed that management provides a working environment that is accepting of gender differences. We intend to build on our current approach to people care and work/life balance to underpin our future diversity and inclusion actions.

We know for women to feel free to succeed in our organisation, we have to focus on two key areas: firstly, increasing the number of senior female management and secondly, encouraging women to go into roles typically favoured by men. ”

A. Firth **Ailsa Firth** HR Director – Arval UK, BNP Paribas Group

What we are already doing to address the gender pay gap

Recruitment



- Today, our workforce is made up of **55%** women.
- Promote greater pay transparency during recruitment process.
- Instruct our recruitment resource to deliver a balanced shortlist for all roles, which is reported and monitored on a regular basis.

Career



- Promote **transparent** and **gender-balanced** talent management and **succession processes** to ensure we nurture and develop diverse talent.

Culture



- Establish over 30 'People Champions' to represent the views and thoughts of our diverse workforce to our Executive Team.
- Hold diversity events such as TEDtalks led by our Exec team to debate diversity subjects including gender-related issues.
- Support employees with family responsibilities through our Flexible Working Policy and enhanced maternity benefit.
- Refine working hours to allow a greater variety of work patterns to be considered.

What's planned to address the gender pay gap

Recruitment



- Examine why men and women are typically attracted to certain jobs through our **HeforShe** campaign.
- Instruct our recruitment resource to diversify our recruitment pipelines and have **gender-balanced** shortlists for all senior roles.
- Use social media to highlight our focus on diversity and inclusion and enable us to attract a wider variety of candidates.

Career



- Make it easier for women to identify internal opportunities. Simultaneously, providing hiring managers more visibility on the **skills and capabilities of women** across the organisation.
- Roll out a mentoring programme to support talent in the organisation.

Culture



- Set up a **gender-focused** employee network in our local offices.
- Launch our new, **transparent pay and benefits framework**.
- Intensify our support of working parents.
- Ensure all new managers are trained to manage diverse teams, to identify and reduce bias and lead inclusively.
- Encourage men to take Shared Parental Leave, use our flexible working options and champion greater gender equality.