

SUSTAINABILITY REPORT 2015



COMMUNICATION ON PROGRESS



ARVAL
BNP PARIBAS GROUP

We care about cars. We care about you.

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Philippe Bismut, CEO Arval
Sandrine Ferré, Communications & CSR Director, Arval

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ARVAL'S COMMITMENT TO THE GLOBAL COMPACT

Over a decade after signing the voluntary UN Global Compact and agreeing to implement universal sustainability principles and take action to support them, Arval remains strongly committed to aligning its operations and strategies with the Global Compact's ten principles:

HUMAN RIGHTS

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed Human Rights.
- **Principle 2:** Businesses should ensure that they are not complicit in Human Rights abuses.

LABOUR

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labour.
- **Principle 5:** Businesses should uphold the effective abolition of child labour.
- **Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges.
- **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
- **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

Read on to discover the many ways Arval is putting these principles into action ...

OUR CSR COMMITMENTS

Arval, a leader in sustainable mobility, has made 12 commitments to the four pillars of corporate social responsibility:



ECONOMIC RESPONSIBILITY

Developing sustainable solutions in an ethical way

- 1• Enhance our Total Cost of Ownership (TCO) approach
- 2• Act with business ethics
- 3• Embed CSR in our range of products and services



SOCIAL RESPONSIBILITY

Pursuing a committed and fair human resources policy

- 4• Train staff members to build up long-term and ethical business relations
- 5• Promote diversity
- 6• Solidarity-based employment management



CIVIC RESPONSIBILITY

Combating exclusion, promoting education, road safety and culture

- 7• Influence and act for road safety
- 8• Apply a corporate philanthropy policy focusing on education, health and culture
- 9• Be compliant with the UN's guiding principles concerning Human Rights



ENVIRONMENTAL RESPONSIBILITY

Acting to reduce impact on climate and pollution

- 10• Promote the choice and use of eco-friendly vehicles/solutions
- 11• Reduce the environmental footprint linked to our own operations
- 12• Apply specific policy commitments in sensitive management sectors

Interview

Philippe Bismut, CEO of Arval, and Sandrine Ferré, Arval's Communications and CSR Director, talk about how the company demonstrates its longstanding commitment to Corporate Social Responsibility.

Sandrine Ferré:

Arval was the first full-service leasing company to sign the United Nations Global Compact in 2004. Why did the company feel that it was important to publicly make this commitment to Corporate Social Responsibility?

Philippe Bismut:

CSR has been integrated into the company's fabric ever since it was founded in 1989, through our concern for road safety, for the environment, and for people – our employees, clients, drivers and suppliers.

CSR is not just about image; it is at the heart of the business. Our existing and potential clients, who are increasingly aware of its importance, appreciate our efforts in such areas as road safety, eco-friendly vehicles and eco-driving. Our employees are inspired by the charitable activities they participate in. And, not least of all, the search for sustainable solutions stimulates innovation.

We signed the UN Global Compact in 2004 to announce that we are serious about CSR and about taking action to prove it.

Today our commitment is stronger than ever. Concretely, we demonstrate our ongoing commitment by following the 12 CSR commitments established by our parent company, BNP Paribas, in four areas: economic, social, civic and environmental.

Sandrine Ferré:

Briefly, in the economic sphere, we put our expertise to work to provide irreproachable, ethical service and help our clients save money by using innovative and sustainable mobility solutions.

Our social commitment focuses on ethical business relations, diversity and solidarity. Employee satisfaction is measured every year by our Global People Survey. In the 2015 survey, 90% of our employees said they believed that Arval is an environmentally responsible company and 75% said that Arval plays a socially responsible role in the community.

In the field of civic responsibility, we work with our clients on improving road safety and eco-driving. We also engage in charitable activities and encourage our employees to do the same. Finally, we insist on respect for human rights in all our activities.

When it comes to the environment, we are constantly striving to reduce our own impact on the environment, especially through the reduction of CO2 emissions and by seeking solutions that can help our clients do the same.



“We signed the UN Global Compact in 2004 to announce that we are serious about CSR and about taking action to prove it.”

Philippe Bismut
CEO, Arval

Interview

Philippe Bismut CEO, Arval
Sandrine Ferré Communications
and CSR Director, Arval

Philippe Bismut:

All of our 28 subsidiaries around the world are expected to not only acknowledge Arval's CSR commitments but also take concrete actions to support them. This report is full of examples of some of the best practices they have developed and shared with us.

We should also mention that all of Arval's innovative digital solutions incorporate CSR concerns. Examples are such mobile tools as Arval Drive Challenge, a mobile app that is fun to use and rewards drivers with points for safe, eco-friendly driving, and Arval Active Link, a telematics solution that gives fleet managers an overall view of driver behaviour in terms of safety and fuel consumption.

Sandrine Ferré:

And we mustn't forget that Arval was the first multi-brand, multi-segment, full-service leaser in France to receive ISO 14001 environmental certification, another proof of the strength of our commitment in this area. Fifteen of our subsidiaries have also received this certification.

Philippe Bismut:

Could you tell us about the activities of the CSR team you lead, Sandrine?

Sandrine Ferré:

We coordinate actions and exchange best practices within the CSR community, and communicate internally and externally on initiatives undertaken by our subsidiaries. Each country's CSR correspondent reports to us on their activities, adapted to local concerns, and we also encourage participation in worldwide events like the UN's Global Road Safety Week in May.

Philippe Bismut:

Perhaps we can give the last word to Arval's slogan, which sums up our approach to CSR perfectly: “We care about cars. We care about you.” That means respecting the environment by reducing the impact of our business to the utmost, improving life for everyone, and treating our employees, clients, suppliers and citizens of the world with the respect they all deserve.



“Our social commitment focuses on ethical business relations, diversity and solidarity.”

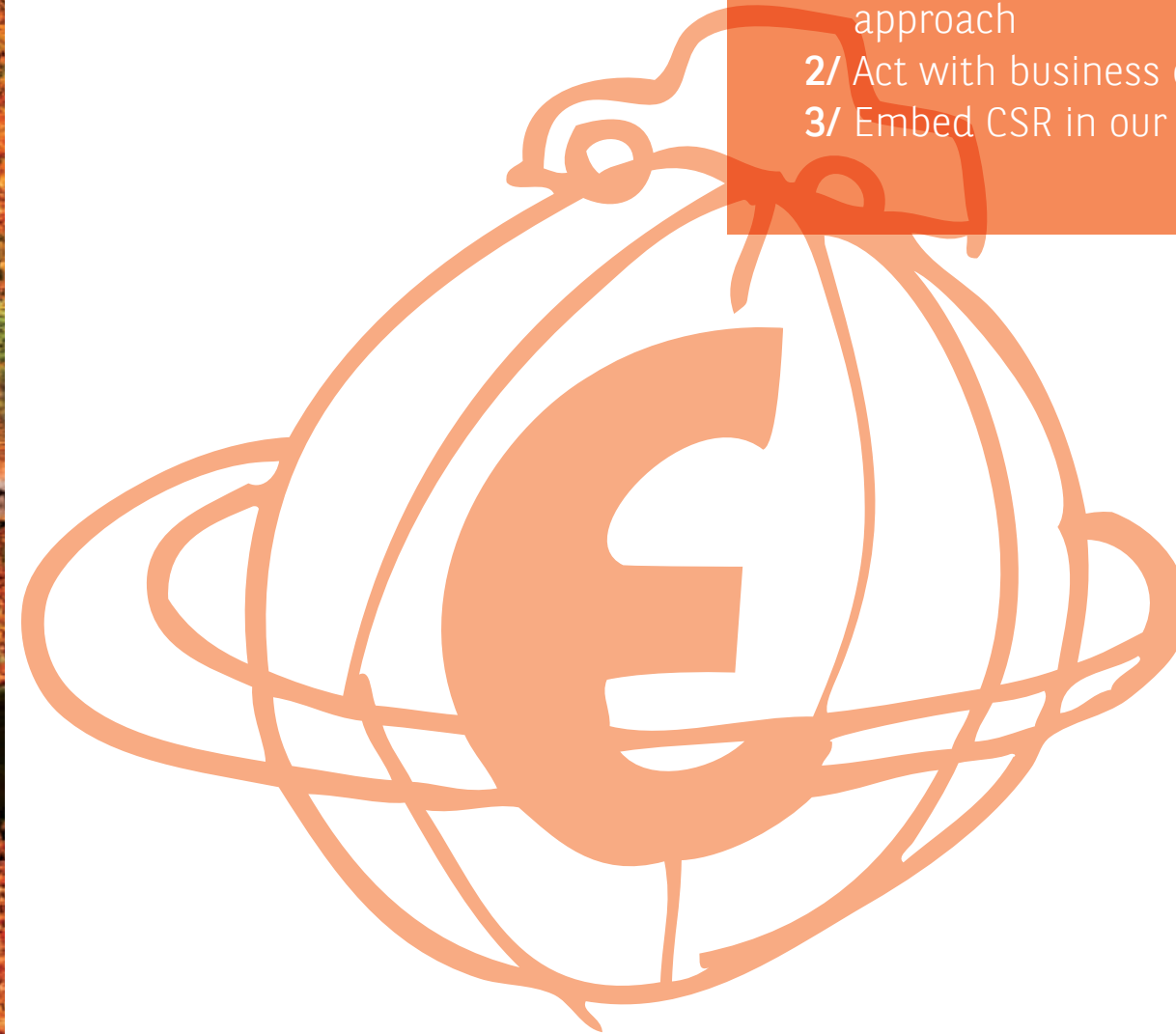
ECONOMIC RESPONSIBILITY



ECONOMIC RESPONSIBILITY

Developing sustainable solutions in an ethical way

- 1/ Enhance our Total Cost of Ownership (TCO) approach
- 2/ Act with business ethics
- 3/ Embed CSR in our range of products and services



1/Enhance Total Cost of Ownership

Arval increases clients' cost-efficiency by optimising fleet management with innovative, sustainable solutions.

Total Cost of Ownership (TCO) is an approach to fleet management that shows clients the big picture: not only the direct costs that are always taken into account but also indirect and hidden costs.

Arval's goal is to optimise its clients' TCO, notably through Arval Analytics, a powerful strategic planning aid offering access to fleet data in one click, for a long-term view of fleet trends that contributes to intelligent decision-making.

Arval Consulting's Mobility Audits go even deeper, analysing in detail vehicle use by all employees and proposing alternatives to generate economic and environmental benefits for the customer, spelled out in a concrete action plan.



Steering Fleet Managers towards Safe, Responsible Solutions

Arval's research arm, the 13-year-old Corporate Vehicle Observatory (CVO), studies business mobility and market developments. Its annual Fleet Barometer monitors trends and anticipates the future evolution of business mobility, while its analysis of the changes in the fleet management market since 2005 provides historical perspective.

The valuable information produced by the Observatory has numerous practical applications. CVO's research, for example, led to the development of a model of TCO calculation that evaluates the hidden costs of road collisions, such as loss of productivity, affective loss and cost of medical treatment.

CVO's work facilitates the definition and choice of safe, responsible solutions to steer fleet managers in their mobility decisions.

ARVAL MOVING FROM TCO TO TCM

The 2014 Fleet Barometer survey carried out by the Corporate Vehicle Observatory showed that Total Cost of Ownership (TCO) is the most important criterion for large and very large companies (over 100 employees). Arval's highly effective TCO approach takes into account the most important components, including cost reduction, efficient mobility and carbon-footprint reduction.

TCO is easy to track and compare, and our customers value our TCO approach for its highly useful benchmarking.

As efficient as it is, however, the TCO approach does not consider all costs generated by a fleet, so Arval is also moving to a Total Cost of Mobility (TCM) methodology, which takes into account all mobility costs by employee, department or company, using innovative tools like Arval Mobility Link.

Enhance Total Cost of Ownership

The Arval Smart Experience, which has won several awards in the United Kingdom, puts user-friendly online tools, mobile apps, tablet-optimised dashboards and social media at the disposal of fleet managers and drivers at no extra cost. The Arval Fleet View app offers detailed, up-to-date, at-a-glance information on the customer's fleet situation at all times. Arval Connect is a secure website offering fleet managers useful information on both the fleet market and their own fleet. The Arval Mobile+ app makes a wealth of crucial information – about each vehicle, nearby service options and fleet policies – available remotely to drivers via a smartphone.

Onboard telematics solution Arval Active Link provides intelligence that saves time and money, improves security and optimises vehicle usage.

Arval's flexible Outsourcing Solutions put the company's consulting expertise to work to optimise clients' costs while handling the complex details of fleet management for them.

Arval Webstore, available on all screens, provides an instant full-service leasing quote for any vehicle available on the market.

2/Act With Business Ethics

Arval aims to act responsibly and with honesty and integrity in every area of its business.

ENSURE ETHICAL BEHAVIOUR

Honesty and integrity in the workplace are absolute values for Arval. Its strict Code of Conduct and anti-corruption policy apply to every Arval subsidiary and cover relationships with all stakeholders across the whole lifecycle of the company's business. A whistle-blowing procedure has also been put into place to enable the reporting of any irregularities.

The Code of Conduct puts forth a set of principles and values to steer the business activities of everyone who works within Arval's sphere of action, internally or externally.



Act with business ethics

To ensure adherence to these policies at both the local and group levels, the internal Compliance and Control Department is charged with:

- Upholding rules governing the acceptance of gifts and invitations from/to business contacts
- Checking that rules concerning sanctions, embargoes, anti-money-laundering, corruption and terrorism financing are respected
- Enforcing a strict ban on cash payments from customers or partners, even in countries where this form of payment is still common practice
- Advising employees on how to behave and speak with competitors, third parties and colleagues
- Ensuring that privacy protection regulations (adapted to local laws) are followed
- Following up on whistleblowing made through the alert procedure

“Lasting relationships based on trust require honesty, integrity, respect for others, and fair and accurate decision-making at all levels.”
Philippe Bismut, CEO, Arval

ENSURE SUPPLIER STANDARDS

Arval’s suppliers are held to the same high ethical standards as the company itself. A supplier charter is signed by all entities within the scope of ISO 14001 certification.

Rather than signing a supplier’s own charter, Arval insists that its charter, which fully respects Global Compact principles, is included in all Requests for Proposal (RFP) and new contracts. A questionnaire on the supplier’s CSR

policy is also included in every RFP, and many countries send an annual CSR assessment form to major suppliers.

On top of all this, Arval regularly audits and assesses key suppliers. In Poland, for example, a certified independent service provider, TUV, audits services and suppliers to ensure that clients are served properly.



3/Embed CSR in our range of products and services

Arval has developed a range of innovative, effective, sustainable tools to help customers adopt a responsible approach to mobility.

CSR concerns are integrated into Arval’s innovative solutions. In addition to its consulting services, Arval offers its customers a wide range of intelligent tools through the Arval Smart Experience, made up of a number of online tools, mobile apps, tablet-ready dashboards and social networks designed to improve customers’ efficiency, safety and sustainability. Our customer CSR approach is based on four cornerstones:

- **Car Policy:** Enhancing Total Cost of Ownership through fleet analysis, vehicle selection advice and CO2 reduction targets. **Arval solutions:** Arval Analytics, Arval Mobility Audits, Arval Smart Experience, Arval Fleet View, Arval Connect, Arval Active Link.
- **Sustainable Services and Solutions:** Advice on choosing leasing services with embedded CSR, fleet optimisation through car sharing, Arval preferred maintenance network. **Arval solutions:** Arval Outsourcing Solutions, Arval Car Sharing.
- **Driver Care:** Eco and safety training, safety kits for drivers, safety and eco tips, eco smart apps. **Arval solutions:** Arval Mobile+, Arval Drive Challenge.
- **Reporting and Offsetting:** Regular reporting on fuel costs, CO2 emissions and driver collisions, plus fleet and business reviews to advise customers on action plans and carbon offsetting. **Arval solutions:** Arval Analytics, Arval Fleet View.



Arval in action around the world

All over the world, Arval's subsidiaries are concentrating on creating, promoting and delivering responsible products and services.

Arval Austria offers clients a fuel card that measures their consumption when they buy fuel, making it possible to calculate each vehicle's CO₂ emissions. This information, transmitted to fleet managers via digital tools, allows them to compare real emissions per litre of fuel with theoretical emissions provided by the manufacturer. The Arval Active Link telematics solution will make these measurements even more precise and provide a more accurate analysis of driver behaviour.

Arval Belgium launched Arval Car Sharing in 2015 with the purchase of 20 cars. The service is already being used by some clients.

Arval Luxembourg is making life simpler and more eco-friendly for its clients by providing drivers with documents in digital form, cutting back on paper use.



Arval Netherlands introduced Arval Mobility Link, a platform that allows employees to choose for themselves the best way to travel on each journey – by car, bicycle or public transportation – and simplifies the administration of monitoring transport costs while providing incentives to lower fuel consumption and CO₂ emissions.

Arval Poland facilitates safe, eco-friendly driving through the Arval Driving Academy, the first such training programme in the country's fleet market. The academy will offer over a thousand BGZ BNP Paribas company car users a full day of obligatory training in eco and defensive driving.

Arval Romania is tackling the CO₂ problem by offering clients an emission-offsetting programme with Tree Nation, while **Arval Switzerland** is selling CO₂ compensation through myclimate; so far, its customers have compensated for over 108 tonnes of emissions.

Arval UK had a busy year, especially in the digital realm. Some 3,200 customers (7.7%) now use e-Billing, and it has developed a range of electronic tools for customers and their drivers, among them driver apps for Arval Mobile+ and the Arval Drive Challenge, a comprehensive suite of electronic reporting tools for Arval Fleet View and Arval Analytics, a new telematics solution with Arval Active Link and new prospecting tools with arval.co.uk and Arval Webstore. Many of these initiatives were recognized by awards and commendations from the 2015 BusinessCar Fleet Technology Awards.



SPREADING THE WORD ABOUT CSR

Arval's exemplary commitment to CSR sets it apart. Arval's different entities regularly organise discussion groups about such important CSR topics as road safety, car-sharing and fuel alternatives, and all new local websites include a section on sustainable development, accessible directly from the homepage, to present Arval's CSR policies and commitments.

ARVAL ACTIVE LINK

The telematics solution Arval Active Link, developed and launched in 2015, optimises cost management by keeping the fleet manager informed of fuel consumption and kilometres driven, establishes real-time contact with the driver for maintenance and assistance, and also encourages safe, responsible driving.

Interview

Do CSR concerns come into play in total cost of ownership (TCO) and total cost of mobility (TCM) approaches?

Driver behaviour is an important influencer of TCO, and encouraging and helping drivers to learn to behave well on the road can have a direct positive impact on TCO. In the area of fuel consumption and accident management, the link is clear. When it comes to car policy, we help clients choose vehicle options that not only improve employee safety but also optimize TCO. One can reinforce the other.

Today, we are talking more and more in terms of the next dimension, TCM. In that area, we have been launching a number of innovative projects and services, such as Arval Mid-Term Rental, Car Sharing and Arval Active Link, to name just a few, developed in response to clients who are asking for ways to improve their TCM (thanks to Arval Drive Challenge).



Are Arval's clients expressing an interest in good corporate citizenship as well as economic benefits?

Definitely. Big international clients are increasingly including CSR questions in their tenders, not only for legal reasons but also because CSR concerns are increasingly an integral part of their business. They often ask for detailed information on and proof of CSR compliance. They are increasingly seeing it as a way to differentiate between companies with short-term views and companies they can partner with for the long term in a sustainable relationship. Clients are also looking for ISO certification.

In our day-to-day operations, we are increasingly being asked to define car policies for clients that take CSR concerns into account and make sure they are dealt with in a consistent and reliable way. In countries like the UK, for example, our clients want us to take care of driver-license checking, following up with training courses, anomaly reporting in operational fleets and so on.

With Arval Active Link, the onboard telematics offer, we are able to monitor driver behaviour and its impact on fuel consumption and CO₂ emissions. Driver behaviour as measured by Arval Active Link can even predict the potential for collisions. As soon as we see driver behaviour deviating from the norm, we contact the client or the driver to propose solutions such as road safety training.

What other products and services does Arval offer that can help clients work effectively while also acting as good corporate citizens?

We have a range of digital tools like Arval Smart Experience, a full suite of applications that is highly effective for fleet managers and is also good for the environment, since it cuts down drastically on paperwork. It is also increasingly appreciated by drivers as an easier, cheaper, more economic way to communicate.

We are also innovating with such programmes as My Arval Community, which was launched in France and will be rolled out in other countries. It allows fleet managers from different companies to discuss new initiatives and CSR-related topics among themselves. They learn from it, and Arval, as the moderator of the community, learns from it as well.

Car sharing is another environmentally friendly initiative offered by Arval. We were the first in France to launch it, and it is also offered in the Netherlands and Belgium. We support our clients by offering it as part of an internal mobility policy.

Arval is always looking for innovative new solutions that save clients money while addressing their environmental, social and civic concerns. One good example is a contract awarded this year by the city of Paris to BNP Paribas Real Estate and Arval for the construction of a green building incorporating the Arval Car Sharing platform.

SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY

Pursuing a committed and fair human resources policy

- 4/ Train staff members to build up long-term and ethical business relations
- 5/ Promote diversity
- 6/ Solidarity-based employment management



4/Train staff members to build up long-term and ethical business relations

Along with its commitment to being a good corporate citizen for customers and stakeholders, Arval insists on the same ethical standards for its employees in every part of the company.

Arval is a learning company committed to providing managerial training programmes to help staff build long-term ethical business relations. As part of this commitment, Arval has adopted the four BNP Paribas Management Principles, which have long proved their worth as guidelines for ethical business conduct: client focus, risk-aware entrepreneurship, people care (showing respect, promoting equal opportunities, acknowledging performance, and developing talent and skills), and leading by example.

The training approach based on these principles is designed to help employees enhance their performance, advance in their careers and learn about the company's culture. The One Arval Academy was launched in 2015 to centralise all the company's training courses, both general and specific, and will be rolled out in all Arval subsidiaries around the world.



Arval in action around the world

Arval Austria offers three types of training courses and seminars: universal courses, involving mainly language classes, which were taken by one-third of employees in 2015; technical training on tools used at Arval Austria and those offered to customers (Arval Smart Experience, Arval Active Link, etc); and special courses on such topics as cross-cultural management.

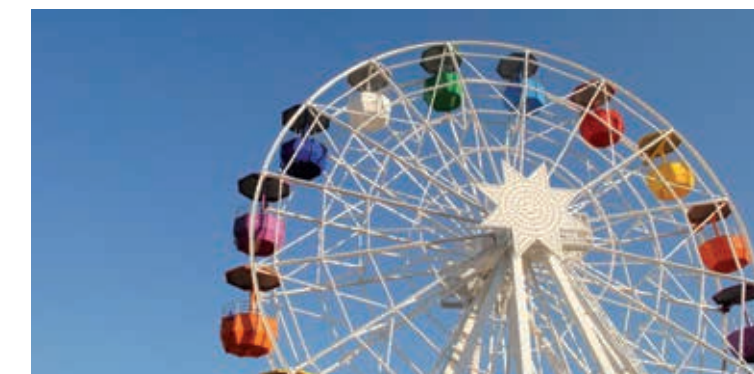
At **Arval Brazil**, an hour of training, open to all who wish to participate, is offered every Friday on subjects that are proposed in advance by employees.

As of the end of 2015, 31,166 hours of training had been offered to **Arval France's** employees, representing 5,887 trainings.

Arval in action around the world

Arval Spain, in accordance with group policy, trained all new employees in the Arval Code of Conduct and also provided around 15,000 hours of training overall, or 39 hours per year per employee.

Arval Switzerland offered several trainings on long-term business relations to increase its sales staff's knowledge of products, services and Arval Sales Methodology. The use of social media was another popular subject, with employees receiving 40 hours of training on average during the year.



5/Promote Diversity



Arval's Human Resources policy is strongly committed to respecting employee diversity and individuality.

Non-discrimination is one of the pillars of Arval's Human Resources Guiding Principles and the Arval Mobility Policy. To enforce this commitment, Arval trains its HR managers in non-discrimination practices and teaches them to promote inclusion and diversity. The Arval Management Committee now has strong female representation and a wide spread of nationalities.

Arval in action around the world



For **Arval France**, which was awarded the Diversity Label by AFNOR (the French national standardisation organisation) in 2015, diversity and equal treatment are a top priority in every aspect of professional life, starting with recruitment and continuing throughout the employee's training process and career. Internal publications help raise awareness about diversity and keep everyone informed about new developments.

Its Disability Mission, launched in 2007, coordinates the integration of disabled employees, raises staff awareness about disabilities at work, and focuses on employee retention, workstation adaptation and training. In September, the HR department's seminar on disability presented the Disability Mission and organised team solidarity-building games for 40 employees. Arval France, 51% of whose employees are women, also renewed its gender equality agreement and increased the percentage of women on its Management Committee from 20% to 33%.

Arval Italy's OHSAS 18001 certification, first obtained in 2012 for good occupational health and safety performance, was renewed in 2015 for another three years. And, for the second year in a row, employees were invited to bring their children to work on every Friday in May for Arval Kids Day. Over 300 children took part in Road Safety awareness activities and visited their parents' offices. The country also offers women a post-maternity part-time job plan and has a "pink parking" area for pregnant women.

Arval Luxembourg signed the Letzebuerg Diversity Chart to demonstrate its commitment to promoting diversity through concrete actions that go beyond legal and regulatory obligations.

Arval UK conducted the Stonewall Survey (along with BNP Paribas UK) to evaluate the management of diversity and equality in the workplace and identify possible areas for improvement.

6/Solidarity-Based Employment Management

Arval keeps in close touch with its employees, listening and reacting to their needs and opinions.

Arval's active communication and interaction policy is a vital sign of respect for its employees. Each year, the confidential Global People Survey gauges employee satisfaction and the general climate in the company. The results, published and distributed in the form of reports, are used as a basis for improvement, with historical comparisons providing an indicator of progress.

In addition, such bottom-up communication practices as Human Resources breakfasts, workshops and focus groups facilitate closer cooperation between employees and managers.

To further improve communication and transparency, Arval has a Mobility Portal that advertises vacancies across the company to give employees everywhere a chance to diversify and advance their careers.

Arval's emphasis on Learning & Development through training offers another way of increasing employee mobility and career advancement.



ARVAL TAKES CARE OF ITS PEOPLE

As a “learning company”, Arval wants to enhance the level of performance of employees on the job, support talented people in their careers and increase employability within the company through mobility.

Arval regularly provides comprehensive training programmes in a variety of ways, including classroom training, conferences, seminars, workshops, on-the-job training, coaching and e-learning.



Interview



“We are convinced that our business is sustainable only if we act ethically.”

Thérèse Vercruysse
Human Resources
Director, Arval

How does Arval instil a sense of ethical responsibility in its employees?

Ethics is a value for us, and we are convinced that our business is sustainable only if we act ethically. This is the way we want to position ourselves on the market.

To ensure ethical behaviour in-house, we have tools and processes in place, including our Code of Conduct, whistle-blowing procedures and an induction programme, in which ethics training is embedded. Employees know that we have a zero tolerance policy; if someone behaves in a non-ethical way, we do not want to hear explanations.

Arval has a policy of solidarity-based employment management. What does this mean for employees in concrete terms?

We know that motivated employees are more productive, so we provide tools and an environment designed to make them feel comfortable, engaged and motivated. “Nine-to-five” employees are present but not necessarily productive. The best way to motivate employees is to provide them with direction, because then they know what their contribution is and feel that they are truly needed. What they do should make sense to them. They also need to feel rewarded for what they do. We share our successes with them.

Something we are really proud of is that our people are truly engaged. We measure employee satisfaction every year through the confidential Global People Survey, which is used in every country. It has an extremely high participation rate year after year: 81% in 2013 and 84% in 2014 and 2015. Employees respond to it because they know it makes a difference, that there is follow-up on the results: in every country an action plan is formulated at Executive Committee level.

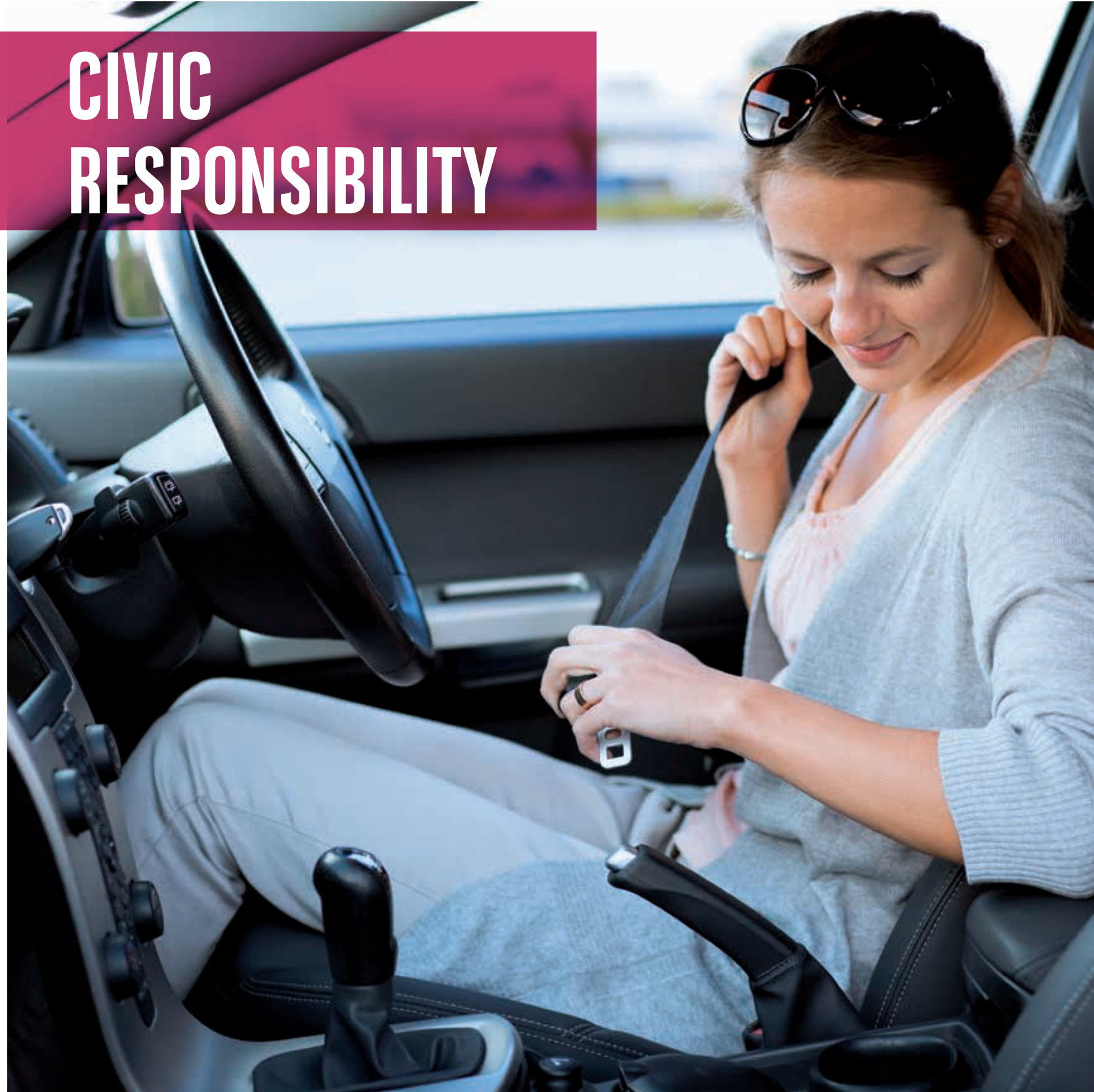
How is Arval’s commitment to Corporate Social Responsibility expressed through the company’s human resources approach?

CSR is important to us, not only in words but also in actions. If you don’t walk the talk, it can cause problems. For example, we want to promote diversity. We set an example at the top. If you look at the composition of our Executive Committee or our Management Committee, you will see that they are made up of different genders and many nationalities. We may be based in France, but we are an international company. There are four nationalities among the eight people on our Executive Committee. When we say that we are international and diverse, we really are. In top management, we are multicultural and multinational, with English as a common language.

Why is diversity so important for Arval?

Diversity is not just about gender, but also about nationality, physical abilities, religion, age, etc. If a team’s members are all clones of each other, they may work together well, but I’m not sure they will be very creative. Will they be challenged? Will they think out of the box? When there is diversity in a team, it may be more difficult to manage, but we know that at the end of the day the results will be better. We want to be innovative, and we want to be a flexible, alert company. Change for us is not an exception; it is normal life. It keeps you on your toes, agile. And diversity is one way of accomplishing that.

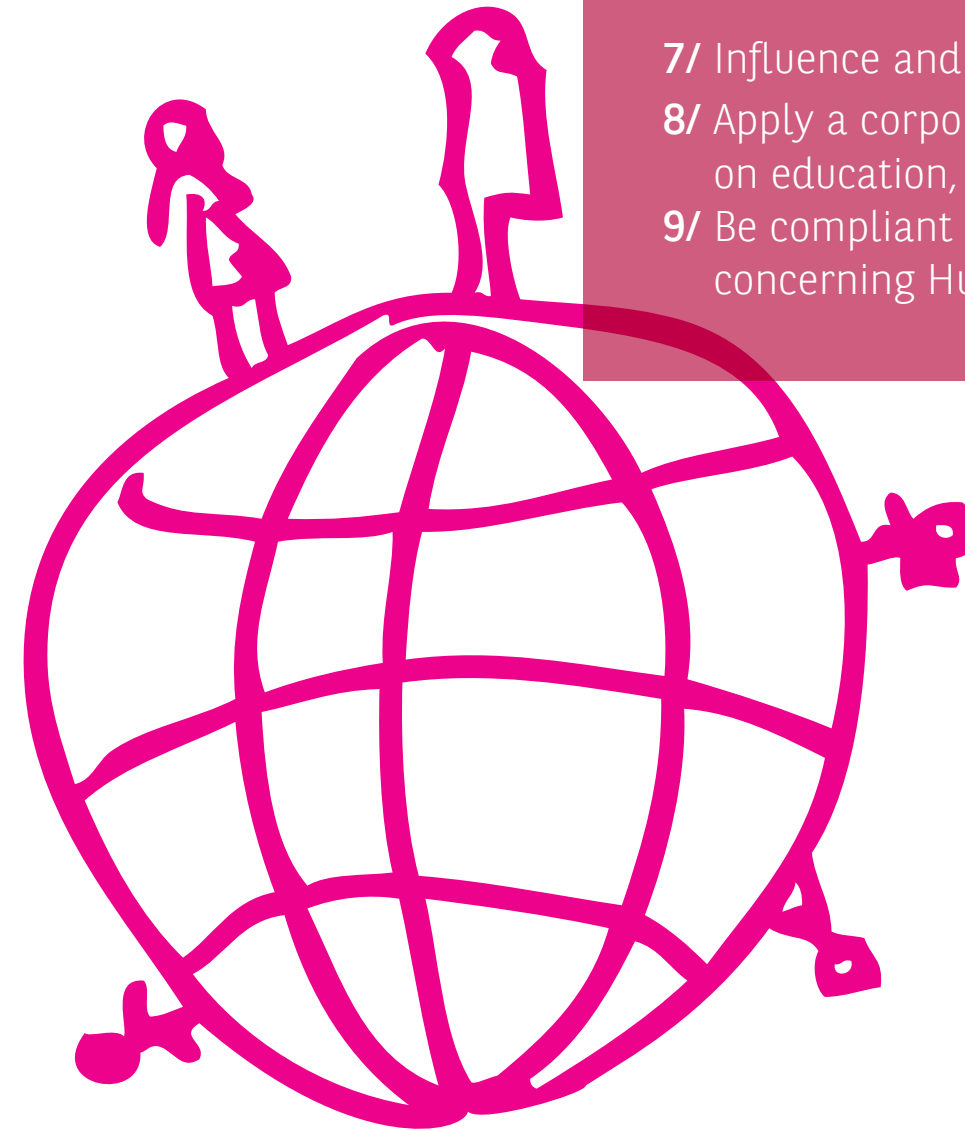
CIVIC RESPONSIBILITY



CIVIC RESPONSIBILITY

Combating exclusion, promoting education, road safety and culture

- 7/ Influence and act for road safety
- 8/ Apply a corporate philanthropy policy focusing on education, health and culture
- 9/ Be compliant with the UN's guiding principles concerning Human Rights



7/Influence and act for road safety

In its role as a fleet management specialist, Arval is especially concerned about safe driving and collision prevention.

TRANSFORMING DRIVER BEHAVIOUR

Arval sees road collision prevention as a corporate duty. Every year, it publishes a Fleet Review on collision rates and road safety programmes for fleet managers.

By organising numerous events every year, including a variety of eco-driving and safety training sessions, Arval also raises awareness about road safety.

In-house training and awareness programmes are available to Arval clients worldwide. All such initiatives are first tested by Arval to ensure their quality and effectiveness.

The company's Eco-Driving programme includes safety training both on the road and on simulators to save clients money by reducing fleet claim rates and improving employees' driving records, two factors that together represent over 46% of Total Cost of Ownership.

The Arval comprehensive road risk programme helps limit clients' legal liability and improves control of visible and hidden costs of collisions (lost time, vehicles taken off the road for repair, missed business opportunities, etc.). Safe driving can also help the environment by reducing CO2 emissions.

That's not all: Arval encourages all of its clients to include safety training in their Company Car Policy and offers them personalised advice in selecting vehicles that meet their safety needs.



Arval in action around the world

Arval Belgium launched Arval Drive Challenge in 2015 and also organised a Road Safety Week Campaign: the winning schools in a drawing competition won prize money to be invested in road safety around the school.

In partnership with its telematics provider, **Arval Brazil** is creating an institute to provide traffic and road safety education to the public.

Arval Finland is using social media to promote road safety, the use of the right seasonal tyres and safe driving.

Arval Morocco rolled out road safety training, mandatory for collaborators receiving a car from Arval and voluntary for 42 other drivers. After a rundown on theory, the trainees take to the road, assisted by trainers offering tips on safer, more ecological driving.

In recognition of its expertise in road safety, **Arval Spain's** Madrid office was awarded ISO 39001 certification in 2015, with assistance from the Fundación Mapfre, a non-profit organisation devoted to road safety in Spain. Barcelona will seek certification next, and the company will help its clients obtain it as well.

In 2015, **Arval Turkey** trained 37 drivers in eco driving and 581 in road safety.

Arval in action around the world

Arval UK supported Global Road Safety week in May, producing a safety poster and getting over 100 employees to sign the Save Kids Lives declaration. The company also promoted its work across other countries, resulting in Arval India engaging its employees in this initiative.

Every November, Arval supports UK Road Safety week, led by Brake, the UK road safety charity. Arval UK has been a corporate sponsor of Brake for over nine years, working in partnership to promote the charity and produce educational information for customers, and engaging employees in fundraising initiatives. This year the company raised £1,500 for Brake through a sponsored run, cake sale, dress-down day and raffle. The company also produced a driver safety newsletter and a new safety film made available on YouTube.

In addition, **Arval UK** worked with corporate customers on their own road safety programmes (reaching around 5,000 drivers) and hosted three customer road safety workshops involving sharing of best practices.

Working with the community, the company presented a Road Safety puppet show to 1,200 young students in the UK; sponsored SafeDrive StayAlive, a local road safety show, for 15-year-old students, reaching over 8,000 pupils; and arranged for Vauxhall to donate a Vauxhall Adam car to Michelin for the Young Driver of the Year programme.

8/Apply a corporate philanthropy policy focusing on education, health and culture

As a good corporate citizen, Arval encourages its branches around the world to participate in a wide variety of local charitable activities.

Arval is committed to corporate philanthropy focusing on education, exclusion, health, road safety, culture and solidarity. Since 2008, all Arval subsidiaries have maintained close and sustainable relationships with local non-governmental organisations.

The company's subsidiaries take this commitment seriously, working with and making contributions to local charities, raising funds, volunteering their time and labour, and lending cars for activities benefitting children in need, the poor, the disabled, refugees and victims of natural disasters. They also encourage their clients to participate in their philanthropic actions.



Arval in action around the world

Arval Germany donated two cars to Dunkelziffer, an association that helps maltreated children, and two more to Hilfe von Mensch zu Mensch, an association that looks after unaccompanied minor refugees.

Arval Hungary helped make Christmas special at the Transition Home for children in Nyírszölös by financing a theatrical production and providing transportation to it. "Thanks to Arval, the children felt like kings and queens," said the head of the home.

Arval India hosted "Arval Outreach: A Day of Giving" in July 2015 for 45 underprivileged children from the Vatsalya Trust homes, with the help of the Concern India Foundation. Employees spent the day with the children, enjoying group activities and sharing meals. The children are eager to visit again.

Arval Italy reaches out to future drivers with its Sulla Strada Giusta (On the Right Road) project, which raises awareness of road safety and eco driving in collaboration with the Meyer Children's Hospital in Florence. For every new car registered, the company gives the hospital one euro – between October 2014 and December 2015, over €103,000 was donated – and promotes the initiative among customers and suppliers, who gave €26,000 to the hospital.

The Corporate Social Responsibility committee at **Arval Morocco** sponsors and promotes a number of community actions among employees, who have donated a total of 320 hours to the projects.



Arval Romania actively supports two nongovernmental organisations doing good works in the country. The company lent four cars at no cost for four months to Plantam Fapte Bune to help with its afforestation project, which aimed to plant 1 million trees in Romania in a single day. The company also supported HHC, an NGO that helps abandoned children in the country, for the third time in 2015.

Arval Russia is involved in a number of philanthropic projects. In addition to supporting the Pervomaisky Orphanage, it arranged for the donation of 60 PCs to the State College of Modern Technologies for its computer labs, and participated in a charitable run with its client SAP. It also helped the French charity



"Un Maillot pour la Vie" by participating in its sport charity auction and buying Maria Sharapova's T-shirt to support sport activities for children.

Arval UK won an International CSR Excellence Award in 2015 for its Arval Cares approach to employee-led fundraising. During the year, 98 employees gave over 500 hours of their time to 11 team events. Arval Cares Direct gave £31,870 to some 15 UK-based charities, while indirect fundraising brought in £45,700. And a donation to charity for every completed Net Promoter Score customer survey in 2015 raised £1,615 for the Alzheimer's Society.

9/Be compliant with the UN's guiding principles concerning Human Rights



To ensure that the United Nations' guiding Human Rights principles are respected throughout its business relationships, Arval complies with UN Global Compact principles both in-house and in its upstream relations with suppliers.

The company's global procurement contracts consistently include a reference to the Global Compact and clearly stipulate that business partners must communicate any non-compliance.

At tender level, suppliers are always given the company's latest Communication on Progress and a summary of Arval's Corporate Social Responsibility policy. They are also required to sign Arval's suppliers' charter.

Contracts of any nature must include a commitment to refuse child labour and corruption, and to reduce the environmental impact of business activities.

To guarantee full transparency for all stakeholders, Arval's Communication on Progress report is published annually on the UN Global Compact website.

Interview



Do Arval’s responsibilities towards the outside world differ from those of other types of companies because of the nature of your vehicle-leasing business?

We take road safety seriously for a couple of reasons. Firstly, we have more than 900,000 vehicles on the road worldwide and want drivers to be aware of the risks they face and how to use the roads safely. However, above all we want to take care of people when they use the roads, no matter how they use the roads; whether they drive company cars or vans as part of their job, or just commute to work, we want to protect them and the communities where our vehicles are used, and we do this by educating people about how to stay safe on the road.

Informing people about alternative technologies like electric and hybrid vehicles is also important to us. We continuously raise awareness about these technologies in relation to company cars and help our customers make the right choices and consider alternative technologies in their fleets where appropriate.

What measures or tools are most effective in improving road safety?

Education and awareness are key to changing driver behaviour on the roads. In the UK, we continuously talk to our people about all aspects of road safety. We invest in improving the safety of our employees through an ongoing programme of driver education and training that focuses on such topics as winter driving, minimising distractions, cycling safety, fatigue and tyre safety. We also focus on seasonal campaigns, which might, for example, raise awareness of alcohol and morning-after risks around Christmas time.

These campaigns are delivered through newsletters, posters, events and e-mail campaigns. We also have such tools and resources as tyre-tread cards, which people can keep in their wallets to ensure that their tyre depth is at a safe level.

All of these campaigns and resources are shared with our customers. For example, we’ve issued around 10,000 tyre-tread cards over the last four years to our customers, who give them to their drivers. We also support customers in improving the safety of their fleets. That can involve doing driver road shows, reviewing company policies and setting new procedures or sharing with them our education and awareness initiatives, the most recent being our “do’s and don’t’s for cyclists and drivers” to raise awareness about sharing the roads safely.

What charitable activities are Arval UK and its employees involved in?

We are passionate about supporting a charity called Brake, a UK road-safety charity. We have been partners for nearly 10 years. We raise awareness of the charity, fundraise for it and support its Road Safety Week, held every November. Last year, we also produced a new video, “Top 10 Safety Tips from Arval”, for Road Safety Week. It is available to everyone on YouTube (<https://www.youtube.com/watch?v=uh4GkzMnd9c>).

In May 2015, we actively supported the UN’s Global Road Safety Week for the first time, as did other countries, including Arval India. This campaign is all about saving kids’ lives. They even had a dedicated hashtag (#savekidslives). In the UK, we produced posters with information on how you can protect children on the roads, whether they are cycling, scootering or walking, and distributed them to partners, customers and employees. Around 120 employees, including our Executive Board in the UK, made their own pledges, and we took photos and did lots of social media and tweeting around it. That was probably our biggest project. I shared that with all of our countries.

Interview

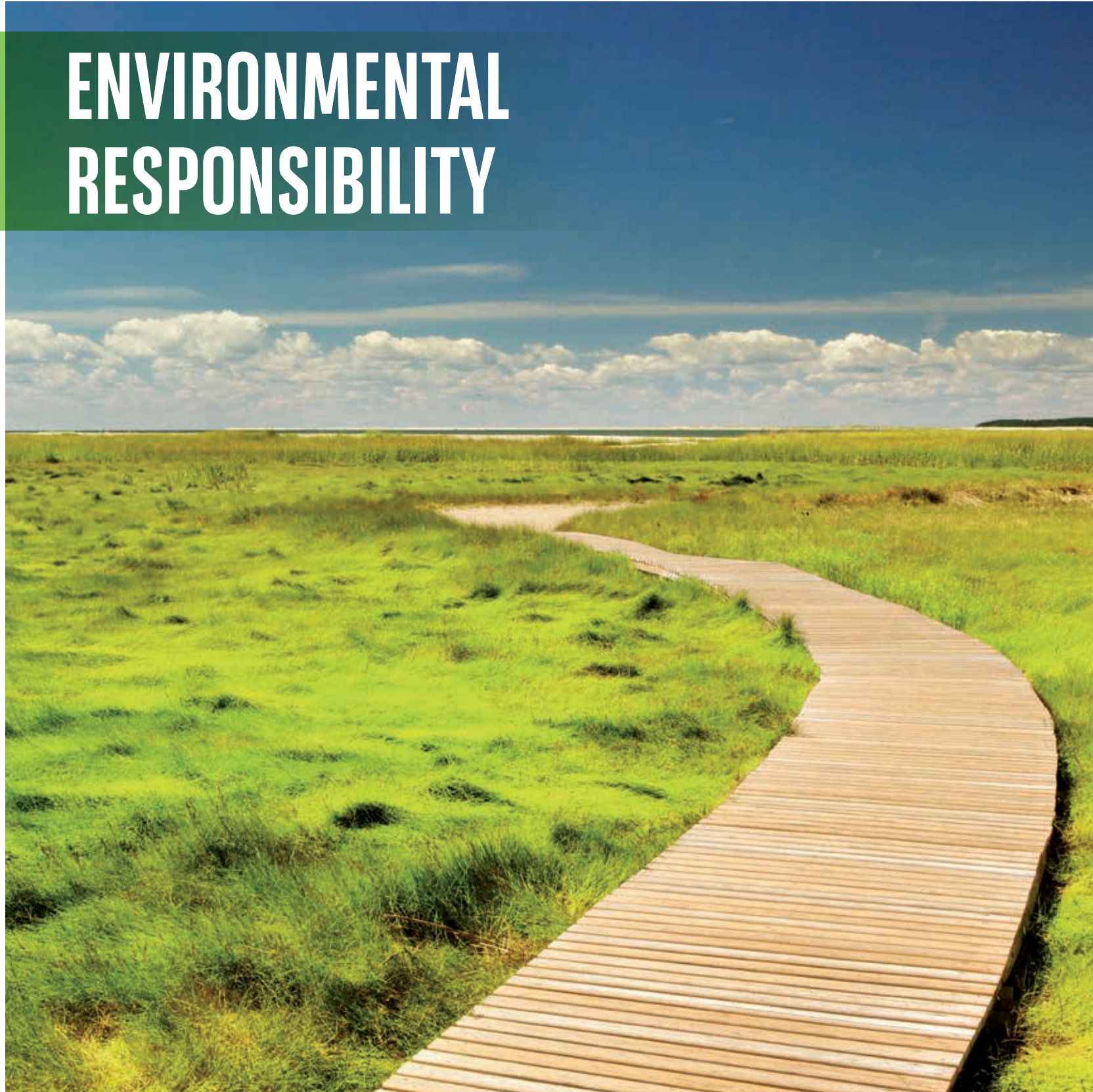


We also work with a number of other partners with whom we sponsor safety-awareness programmes for young drivers and children in schools.

Then there is our own charity, Arval Cares, which has been running for over 10 years in the UK. Each month we support a different charity nominated by an employee, and we aim to raise awareness of the charity through the month and raise funds for it through various activities like bake sales and raffles. On the last Friday of every month, we have a dress-down day: employees donate money to the charity to participate. At the end of the month, Arval Cares tops up the money raised to a nice round figure and donates it to the charity.

Arval Cares also supports employees in their own fundraising activities by sponsoring them to run a marathon, for example, or jump out of a plane. Last year, 20 of our employees cycled over 240 miles from Arval Swindon to the Arval Paris head office and raised over £14,000 for two charities.

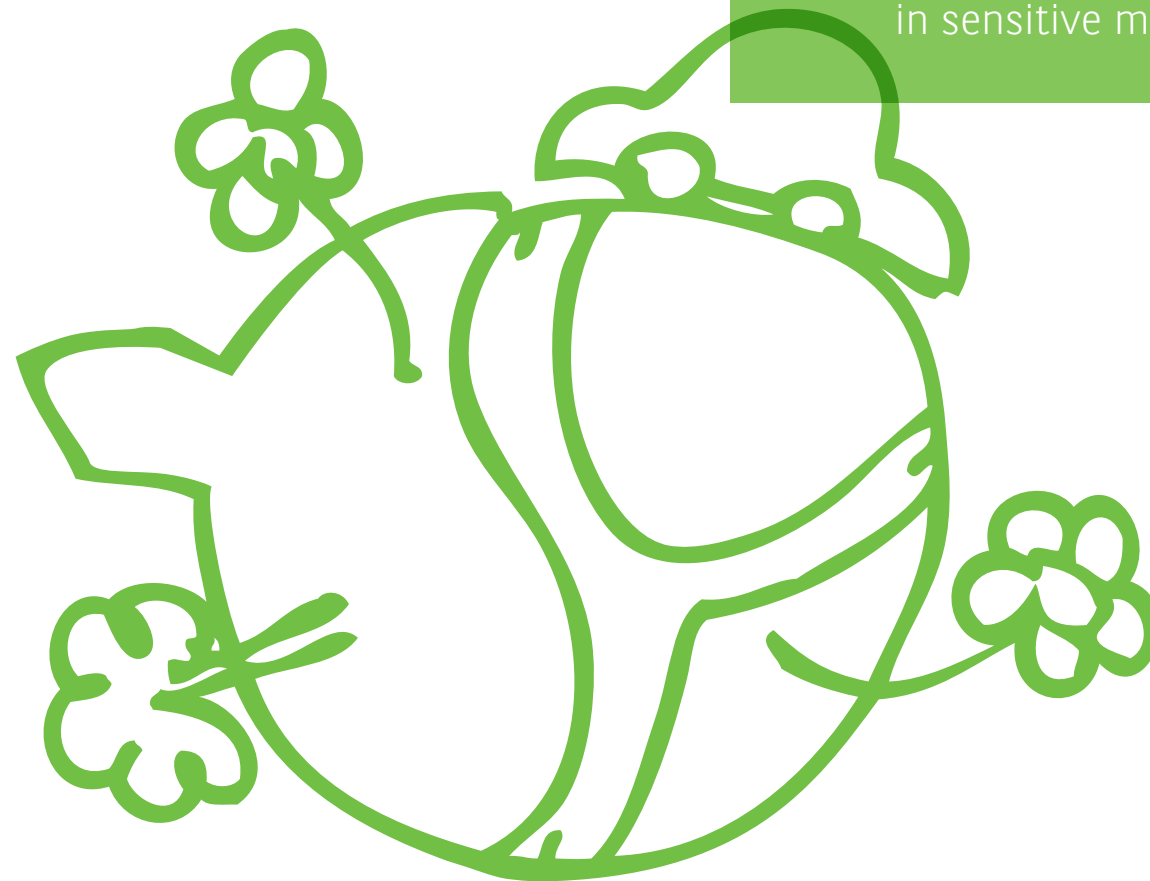
ENVIRONMENTAL RESPONSIBILITY



ENVIRONMENTAL RESPONSIBILITY

Acting to reduce impact on climate and pollution

- 10/ Promote the choice and use of eco-friendly vehicles/solutions
- 11/ Reduce the environmental footprint linked to our own operations
- 12/ Apply specific policy commitments in sensitive management sectors



10/Promote the choice and use of eco-friendly vehicles/solutions

Since the potential impact on the environment of the 949,000 vehicles Arval leases to its clients is considerable, the company does its utmost to advocate the use of eco-friendly alternatives in-house and among its clients.

Arval has developed a wealth of innovative services to help fleet managers build an optimal car policy, among them Arval Analytics and Arval Fleet View. Following Arval's tailored advice, clients can reduce vehicle emissions by selecting the most ecological vehicles for their purposes.

Other services include fleet optimisation, car-sharing programmes, eco-driving training (which can lead to reduced emissions and a 25% reduction in fuel costs), tips for drivers, carbon offsetting for fleets, and regular reports on fuel costs and driver collisions.

TRANSFORMING DRIVER BEHAVIOUR

Arval's comprehensive programme for reducing the impact of fleets on the environment begins by measuring the emissions of the client's fleet and establishing quantitative reduction goals.

Various solutions are then proposed. Arval advises on the decision-making process, manages the calculation of CO2 volumes, and provides its expertise for car policies and driver training.

If emissions remain above the reduction objectives, Arval provides offsetting solutions and manages the traceability, quality and eligibility of the underlying compensation project.

Leased cars, which have a shorter road life than private vehicles, are replaced on average every 39 months with new, less-polluting models, and Arval offers its clients electric cars when appropriate.

The telematics solutions now available for cars provide valuable information on how each one is operated, making it possible to intelligently optimise its use.

ECO-DRIVING

In all the countries in which it operates, Arval offers clients and employees the opportunity to participate in a complete eco-driving programme that encourages drivers to change their behaviour behind the wheel and learn to use their vehicles more efficiently.

On their own, drivers can test the eco-friendliness of their driving habits with the Arval Drive Challenge app, a serious game.

Arval's experts keep up with all the latest innovations in engine efficiency and alternative fuel to advise clients on which vehicles are best suited to their needs. Their advice can actually lead to a reduction of around 5 tonnes of CO2 emissions per vehicle during the duration of a contract.

How does it work? Arval's Eco-Driving training programmes teach drivers how to use their vehicles more efficiently. When they drive with tyres inflated at 60% of the recommended level, for example, it causes over-consumption of fuel of 1 litre per 100 litres.

Initially, increased awareness of best practices enables drivers to cut fuel consumption by around 5%; subsequent training can bring about a real change in behaviour, cutting fuel consumption and CO2 emissions by 8% to 14%.

Arval promotes environmentally friendly vehicles (electric, hybrid, etc.) and good driving habits through other initiatives as well, including the production of "green catalogues" offering advice and suggestions, and tools like Arval Fleet View, which provides at-a-glance information on average fleet CO2 emissions and fuel consumption.

Arval in action around the world

In 2015, **Arval Czech Republic** delivered 510 vehicles running on compressed natural gas (CNG), which emits 20% to 29% less CO2 than diesel or gasoline.

Arval India has been promoting the Mahindra REVA electric car, a new solution for India, on its website.

Arval Italy has also been actively promoting the use of alternative fuels. It has 1,130 hybrid vehicles, 344 electric vehicles, 1,877 vehicles running on gasoline and liquefied petroleum gas (LPG), and 2,441 on gasoline and methane.

Arval Luxembourg, which visits its clients at least once a year and often much more frequently, always sets a good example by arriving in an electric car. Its business managers offer expert advice on reducing emissions. The average theoretical CO2 emissions of its clients' fleets over the past three years were as follows: 2013: 124 grams; 2014: 121 grams; 2015: 120 grams.

Arval Morocco has created an annual challenge to recognise clients who make an effort on safety and eco-driving, with three trophies awarded: one for safety, one for eco-driving and one for a combination of both. Rankings and news are sent to clients every three months to motivate them to improve their standing.

Arval Morocco teams also participated in the first Arval Regularity Rally, whose goal is to promote eco-driving and road safety by encouraging participants to strictly respect the rules of the road and drive in an eco-responsible manner. During the "race", participants stopped at the Imi n'Ifri natural bridge, where they collected several tonnes of kilos of trash left behind by previous visitors.

Arval Netherlands helps its clients reduce their environmental footprint with green car policies, car-sharing initiatives and road training. Along with six other Dutch companies, it initiated an Eco-Challenge for all company drivers. The average

amount of CO2 emissions per vehicle delivered in the country in 2015 was 97 grams/kilometre.

Arval Portugal has formed a new partnership with a local company for eco-driving and road-safety training. The training sessions were kicked off with two major clients, with impressive results: fuel consumption was reduced by about 15%.

Arval UK produced an eco-driving guide in support of Green Transport Week and distributed it to its customers for them to share with their drivers. The guide highlights ways in which drivers can make their fuel go further.



Expert advice can lead to a reduction of 5 tonnes of CO2 emissions per vehicle during the duration of a contract

11/Reduce environmental footprint linked to our own operations

Arval monitors its environmental footprint closely and takes action to reduce it in as many ways as possible.

ISO 14001 CERTIFICATION

Arval's commitment to the environment has been recognised with ISO 14001 certification in the UK, France, Spain, Italy, the Czech Republic, Romania, Hungary, Belgium, the Netherlands, Germany and Slovakia.

Arval recognises that its day-to-day operations and products have both a positive and negative impact on the environment and is fully committed to minimising the pollution and harmful effects of its actions and products wherever possible.

This commitment is put into action through the ISO 14001 Environmental Management System (EMS) and other environmental initiatives.

The company also promotes in-house environmental awareness and strongly encourages its employees to:

- Reduce paper use
- Use eco-friendly travel
- Lower energy consumption
- Prefer eco-efficient buildings
- Recycle

OPTIMISING THE ARVAL FLEET

Every year, Arval fully compensates for the CO2 emissions of its own company cars around the world. This choice, made by the company, is supported by its staff. In 2015, a number of Arval subsidiaries participated in REDD+Kenya, a project designed to reduce the impact of deforestation in Kenya and protect biodiversity.



Arval in action around the world



year. Rainwater is recovered for reuse, and electronic valves automatically shut down the water supply to avoid loss of water. The company's computer screens are equipped with EcoView sensors.

Arval Finland continues its move from paper to electronic communications: clients can sign contracts electronically, for example, rather than on paper. Lights are turned on and off automatically to save electricity.

The BNP Paribas Group's goal of reducing CO2 emissions per employee to 10% between 2012 and 2015 was bested by **Arval France**, which has reduced its emissions per employee by 18%.

The new photovoltaic plant for **Arval Italy's** headquarters in Scandicci, completed in April 2015, produces energy for the building. By the end of November it had produced 49,316 kWh, and it will cover one-third of the company's electricity needs once damage caused by a hurricane is repaired. Its software measures the amount of CO2 emissions avoided (27,513.20 kilos as of 11 March 2016) and litres of petroleum use avoided (11,292,27 as of 11 March 2016).

Every year, **Arval Italy** sets goals for the amount of paper to be saved through digitisation. One project carried out in 2015 saved 1,785 kilos of paper. Arval Italy has had ISO 14001 certification for its voluntary environmental management system since 2004.

The certification, for the Scandicci and Assago hubs, has now been extended to the Verona and Rome hubs.

The vehicles in **Arval Luxembourg's** own fleet emit an average of 113.95 grams of CO2 per kilometre. The company uses e-cars for local business trips. It prefers eco-friendly suppliers with ISO 14001 certification, and its cleaning company uses non-polluting products. Business travel is reduced by using Lync, videoconferences and conference calls.

Arval Netherlands has installed 520 solar panels on the roof of its building.

Arval Spain has renewed its commitment to the ISO 14001 internal travel policy recommendations on lower CO2 emissions and carbon offsetting compensation for the company fleet.



Arval Austria employees are highly aware of the impact of their daily activities on the environment. They use eco-friendly paper, take care not to use too much of it, print in black and white on both sides of the sheet and reduce the size of documents when possible. The use of bottles was cut back in 2015, and bicycle couriers are preferred over cars or the post for the delivery of documents.

The company's offices are located in one of Vienna's first green buildings, which has no air conditioning and was chosen by the company for that reason.

Arval Belgium is also located in a green building with reduced energy consumption. Nearly 600 solar panels on the roof produce an estimated 117,000 kWh per

12/Apply specific policy commitments in sensitive management sectors

Arval’s environmental approach is embedded in its policies to ensure that it is involved only in responsible projects.

Arval is committed to applying risk guidelines for new customers and contract renewals. These guidelines comply with BNP Paribas’s sector exclusion policies covering defence, palm oil, nuclear power, wood pulp, coal-fired power generation, oil sands, the mining industry and agriculture.

The aim is to create strict investment and financing policies for sectors that may have a significant impact on the environment. Based on in-depth analyses, these policies address the most critical points in the production chain, which accounts for the bulk of potential impact in each segment. They stipulate essential conditions and precise complementary criteria, which help pinpoint all risks related to a transaction, ensuring that only responsible projects are selected.



Interview

How does Arval Netherlands contribute to the increased use of sustainable, eco-friendly vehicles and solutions?

The Arval Group strategy is to embed CSR concerns in the heart of all its products and services. One strategic thing we have done in the Netherlands is to develop, through the Arval Mobility Link, an IT platform that allows our clients to offer their employees greater freedom of mobility choice while controlling costs.

The Netherlands has a very, very good public transportation network, so the ability to choose between your car, public transport, rail, bicycle or taxi is well developed here, probably more so than in any other country in mainland Europe.

We are really seeing tangible evidence that companies are saying to employees that they wish to offer their employees greater choice by means of offering them a mobility budget. Our mobility platform allows the client to manage how these mobility budgets are being used, putting the decision about the form of transport they wish to take into the hands of employees.

If, for example, I am an employee and I use my company car, each journey is recorded on the mobility platform reflecting the start and end point, the kilometres driven and the fuel consumption. If I decide to take the train tomorrow, I can present my travel card to the electronic reader in the station at the journey start and end. This journey is then also recorded on the mobility platform, and you do not have to buy a ticket. All journeys undertaken on the mobility card are invoiced once a month and can also be used on trams, buses, metros and taxis.

On the platform, both my employer and I can view all my journeys and identify how efficiently I drove my car in terms of fuel consumption, and I can get a very clear picture of my personal CO2 footprint.

It is also possible to create a bonus-malus system on the platform. If I perform better than the parameters the company has set for fuel consumption or mileage, I receive a bonus. If I perform worse, I get charged a penalty. The idea is to encourage people to think much harder about their need to travel and the method of travel taken.

Our future plan is to use Arval Active Link as the main device to capture vehicle information and to feed this into our mobility platform, because the more data we have, the more we can do for our clients. This ties into the group strategy, which calls for Arval Active Link to be installed in all our cars by 2020.

Is this type of approach the way of the future?

Right now the platform is being used only in Arval Netherlands and Arval Belgium. It is more difficult to implement in larger countries with less-integrated public transport systems, but when the technology catches up, I think this is the way employee mobility is going to go. It will make it much easier for employees to swap from one form of transport to another.

What is Arval Netherlands doing to reduce its own environmental footprint?

Every year we set ourselves a target for a reduction in our carbon footprint. In 2014, an independent body calculated that the carbon footprint for our company car drivers and our office building was 759 tonnes of CO2, so in 2015, we installed 541 solar panels on the roof of our building. These panels are now generating around 120,000 kilowatts of electricity per year, which we can use. As a result, in 2016, we expect to be close to our target of 500 tonnes of CO2. That means we will have reduced the amount of CO2 gas we are producing from 759 tonnes to 500 tonnes per year; that’s a huge drop. We’re almost at the point of generating 25% of all the power we

need to keep the building going.

We also support an organisation called Natuurmonumenten, a Dutch organisation that develops and preserves nature parks. Whenever we put a vehicle on the road that has a CO2 capacity of less than 100 grams, we donate €10 to Natuurmonumenten. So when we encourage our clients to reduce CO2 emissions, the users of the parks benefit.

Furthermore, we also offset our own carbon footprint from our own company cars by donating €5 every month to the Climate Neutral Group when a company car is refuelled. In this way we try and practice what we preach.



“The Arval Mobility Link platform gives drivers a clear picture of their personal mobility CO2 footprint.”

Liam Donnelly
General Manager,
Arval Netherlands

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