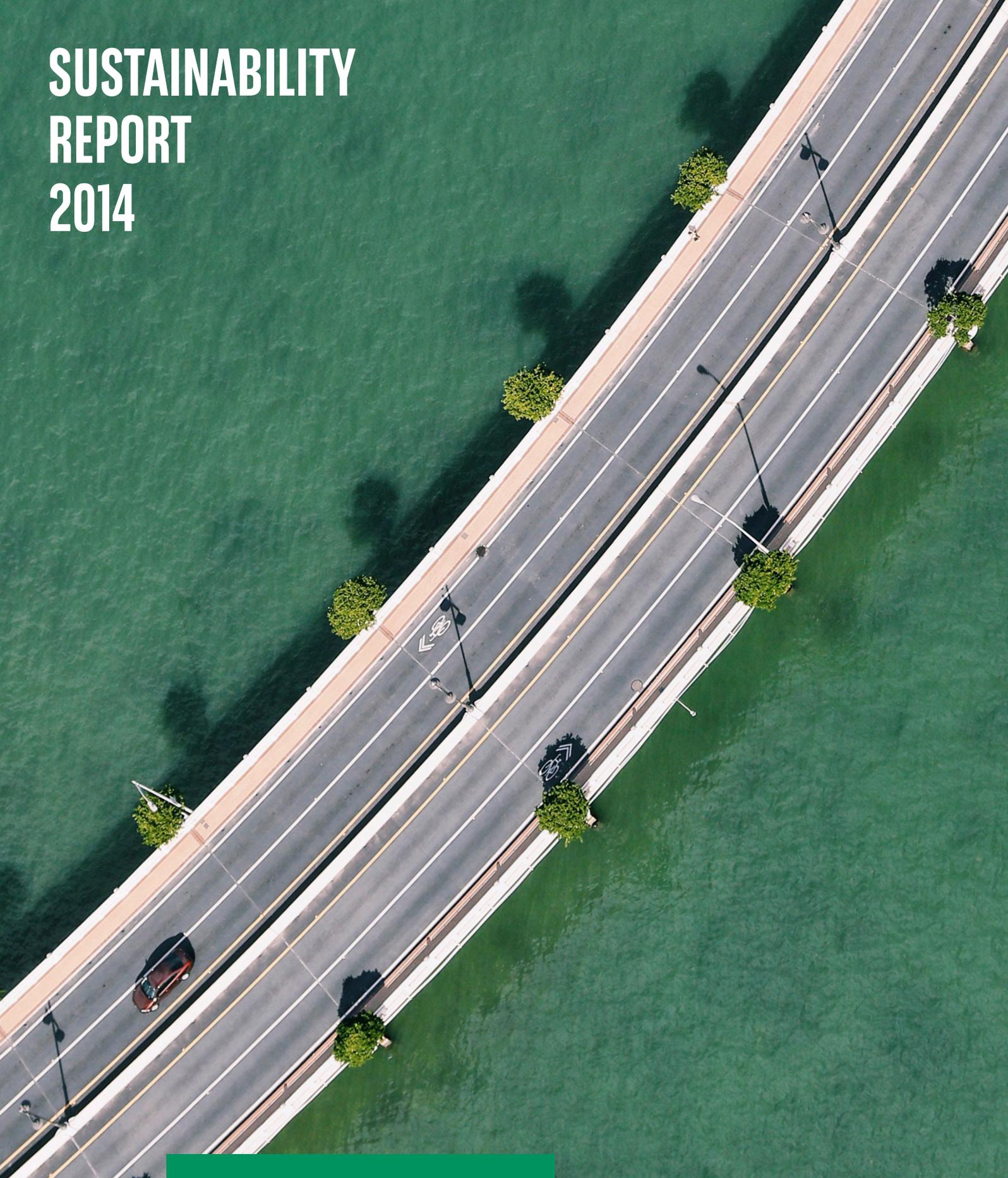


# SUSTAINABILITY REPORT 2014



COMMUNICATION ON PROGRESS



**ARVAL**  
BNP PARIBAS GROUP

We care about cars.  
We care about you.

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# OUR AGREEMENT TO THE GLOBAL COMPACT

A decade after signing the agreement, Arval is as committed as ever to aligning its operations and strategies with the Global Compact's ten guiding principles.

## HUMAN RIGHTS

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

## 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.

## LABOUR

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4:** Businesses should support 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.

## ANTI-CORRUPTION

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

Within this report, a large number of examples show how Arval is putting these principles into action.

# OUR CSR COMMITMENTS

Arval, a leading player in sustainable mobility: 4 pillars and 12 commitments.

OUR ECONOMIC RESPONSIBILITY	OUR SOCIAL RESPONSIBILITY	OUR CIVIC RESPONSIBILITY	OUR ENVIRONMENTAL RESPONSIBILITY
<p><b>Developing sustainable solutions in an ethical way</b></p>  <p>OUR ECONOMIC RESPONSIBILITY</p>	<p><b>Pursuing a committed and fair human resources policy</b></p>  <p>OUR SOCIAL RESPONSIBILITY</p>	<p><b>Combating exclusion, promoting education, road safety and culture</b></p>  <p>OUR CIVIC RESPONSIBILITY</p>	<p><b>Acting to reduce impacts on climate and pollution</b></p>  <p>OUR ENVIRONMENTAL RESPONSIBILITY</p>
<p><b>1/ Enhance our Total Cost of Ownership (TCO) approach</b></p> <p>◆</p> <p><b>2/ Act with business ethics</b></p> <p>◆</p> <p><b>3/ Embed CSR in our range of products and services</b></p>	<p><b>4/ Train staff members to build up long-term and ethical business relations</b></p> <p>◆</p> <p><b>5/ Promote diversity</b></p> <p>◆</p> <p><b>6/ Solidarity-based employment management</b></p>	<p><b>7/ Influence and act for road safety</b></p> <p>◆</p> <p><b>8/ Apply a corporate philanthropy policy focusing on education, health and culture</b></p> <p>◆</p> <p><b>9/ Be compliant with the UN's guiding principles concerning Human Rights</b></p>	<p><b>10/ Promote the choice and use of eco-friendly vehicles/solutions</b></p> <p>◆</p> <p><b>11/ Reduce the environmental footprint linked to our own operations</b></p> <p>◆</p> <p><b>12/ Apply specific policies commitments in sensitive management sectors</b></p>

# 2014: A NEW ERA, A NEW SLOGAN



“  
*We are also firmly focused on the people we work with, and the world they live in.*  
”

At Arval, Corporate Social Responsibility is a strong commitment and a long-standing priority. With a fleet of 725,000 vehicles worldwide, Arval has naturally integrated issues such as environmental protection, road safety and societal commitment in its business – a choice that illustrates an established responsibility and a real desire to confirm our expertise towards our customers and stakeholders. This responsibility and awareness are not new to Arval: Corporate Social Responsibility has been

part of our DNA ever since the company was founded in 1989. In 2004, we were the first full-service leasing company to sign the United Nations Global Compact, and in 2011, we became the first multi-brand, multi-segment, full-service leaser in France to obtain ISO 14001 certification. Our Corporate Social Responsibility strategy relies on 4 pillars - economic, social, civic and environmental - in line with those of BNP Paribas. Within these pillars, 12 commitments help us structure our actions towards

customers, employees and stakeholders. Based on our experience and expertise, we are determined to let our employees, customers and partners make CSR a part of their daily reality too, through consulting, offers, products and numerous actions. By promoting these values in the ecosystems of our customers, suppliers and partners, we ensure that together, we'll continue to tread lightly on this earth despite the hundreds of thousands of vehicles we operate around the globe. Our new slogan says it all: "Arval. We care about cars. We care about you." It's a powerful promise that, through

the efforts, expertise and passion of our teams, we'll continue to deliver the unrivalled service quality that defines Arval's reputation, success and personality.

It's a reminder that while cars remain our core business, we are also firmly focused on the people we work with, and the world they live in. It's a promise that each of us at Arval is keeping every day. And the reason is simple: We care.

**Philippe Bismut**  
CEO, Arval



## 2 QUESTIONS TO Sandrine Ferré

*Communications and CSR Director, Arval*

### What are Arval's sustainable development actions?

Our CSR strategy is based on 4 pillars: economic, social, civic and environmental. Looking at the economic pillar for instance, Arval develops consulting missions and mobility audits to help customers shape their CSR approach, car policy and mobility solutions to reduce their CO<sub>2</sub> emissions. In terms of social responsibility, Arval annually carries out the Global People Survey (launched by BNP Paribas) to gauge our employees' commitment, expectations and opinions. Environment-wise, we

aim to continuously reduce our own CO<sub>2</sub> emissions. Lastly, our civic responsibility is demonstrated by our eco-driving and safety programmes for drivers.

### Who looks after CSR at Arval?

The Corporate CSR team defines our CSR strategy and key indicators. Our role is to coordinate actions and exchange best practices within the CSR community, and communicate internally and externally on initiatives that take place in each country. We rely on a network of CSR correspondents in the various countries.

Rather than follow a "top-down" approach, we encourage local and individual initiatives that are relevant to local issues, for instance an educational project in India, or reforestation in Brazil. Other initiatives may be more widespread, like the UN's Global Road Safety Week in May.

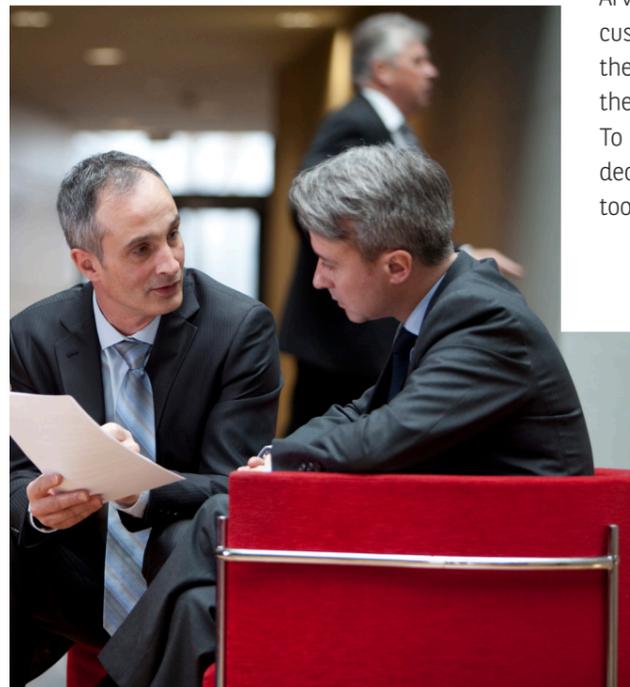
Our aim is to generate enthusiasm and raise awareness of CSR, showing what great things we can do individually and as a group.

# ECONOMIC RESPONSIBILITY

- 1/** ENHANCE OUR TOTAL COST OF OWNERSHIP (TCO) APPROACH
- 2/** ACT WITH BUSINESS ETHICS
- 3/** EMBED CSR IN OUR RANGE OF PRODUCTS AND SERVICES

As a key player in automotive leasing, Arval strives to develop innovative and sustainable solutions that help its customers improve their cost-efficiency, including fleet optimisation, hired costs, enhanced TCO, and mobility audits. Arval furthermore aims to act responsibly in everything it does, striving for honesty and integrity in every aspect of its business.

# 1 / ENHANCE OUR TOTAL COST OF OWNERSHIP (TCO) APPROACH



Arval aims to help customers optimise the Total Cost of Ownership (TCO) of their vehicles, while offering full transparency in its disclosure of information. For this reason, Arval's Total Cost of Ownership methodology always includes direct and indirect costs and incentives. In its mobility audits, Arval Consulting applies even more comprehensive standards, incorporating all means of transport to calculate the Total Cost of Mobility for mature audiences.

Arval also aims to explain any hidden costs to customers and provide solutions to optimise their fleet management, thereby offering them increased value for money.

To help customers make better-informed decisions, Arval gives them access to various tools: Arval Analytics, Arval FleetView...

# 2 / ACT WITH BUSINESS ETHICS



## ENSURE ETHICAL BEHAVIOUR

At Arval, honesty and integrity are upheld as essential values in the workplace. For this reason, the company enforces a strict Code of Conduct and anti-bribery policy that apply to every Arval subsidiary and cover relationships with all stakeholders across the whole lifecycle of the vehicle leasing product.

To ensure adherence to these policies at a local level as well as headquarters, the internal PC&C (Permanent Control and Compliance) function is entrusted with the following responsibilities:

- Upholding rules governing the acceptance of gifts within business relationships
- Ensuring all working relationships are subject to a signed contract
- Following up financial transactions to eliminate the possibility of legal or fiscal fraud
- Enforcing the strict ban on cash payments from customers or partners, even in countries where this form of payment may still be common practice
- Advising employees on how to behave and speak with competitors

## ENSURE SUPPLIER STANDARDS

A charter has been developed for suppliers, and is systematically signed and applied by all entities in the scope of ISO 14001. Rather than signing the supplier's own charter, Arval insists that its charter, which fully respects Global Compact principles, is included in all Request for proposal (RFP) and new contracts. Furthermore, a questionnaire on the supplier's CSR policy is systematically included in each RFP, and many countries send an annual CSR-oriented assessment to major suppliers. On top of this, Arval regularly audits and assesses key suppliers.

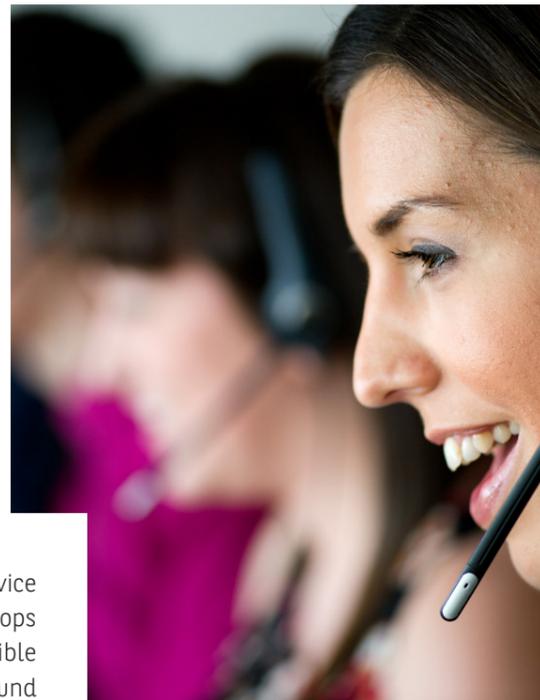
# 3/

## EMBED CSR IN OUR RANGE OF PRODUCTS AND SERVICES

### DEVELOPING SUSTAINABLE SOLUTIONS IN AN ETHICAL WAY

As a subsidiary of BNP Paribas that specialises in the full-service leasing of multi-brand vehicles to companies, Arval develops innovative solutions to help its customers adopt a responsible approach to mobility. Our customer CSR approach is built around four cornerstones:

- Car Policy (enhancing Total Cost of Ownership through fleet analysis, vehicle selection advice, CO<sub>2</sub> reduction targets)
- Sustainable Services and Solutions (advice on choosing leasing services with embedded CSR, fleet optimisation through car sharing, Arval preferred maintenance network)
- Driver Care (eco and safety training, safety kits for drivers, safety and eco tips, eco smart apps)
- Reporting and Offsetting (regular reporting on fuel costs, CO<sub>2</sub> emissions and driver accidents, plus fleet and business reviews to advise customers on action plans and carbon offsetting solutions)



### COMMUNICATE SYSTEMATICALLY AND PROMOTE OUR CSR APPROACH

Arval's commitment to CSR is what sets it apart as a fleet manager – and, for this reason, it strives to regularly communicate on how promises are put into action. Arval's different entities regularly organise discussion groups around important CSR topics such as road safety, car-sharing, and fuel alternatives. All new local websites include a section on sustainable development, accessible from the homepage, which presents Arval's CSR policies and commitments.



*"THIS RANGE OF TOOLS OFFERS OUR CUSTOMERS AND DRIVERS A UNIQUE, INNOVATIVE AND ENJOYABLE EXPERIENCE."*



**Laurence Trif**  
Marketing Director, Arval

### HOW DOES ARVAL INTEGRATE ITS CSR COMMITMENTS IN ITS PRODUCTS AND SERVICES?

Customers are increasingly requesting their car leasing companies to incorporate Corporate Social Responsibility in their solutions. In this light, Arval diversifies its products and services to accompany its customers in their cost optimisation, CO<sub>2</sub> reduction and road accident prevention. Hence, our sales Account Teams, accompanied by the Consulting team, offer, as part of Arval's TCO (Total Cost of Ownership) approach, alternatives either in the car policy itself (electric, hybrid or other lower carbon footprint cars) or in the tools and services developed by the Marketing team.

By the end of 2014, we finalised the deployment of Arval Smart Experience in all 25 countries where Arval is present, an initiative welcomed by our customers. This range of tools offers our customers and drivers a unique, innovative and enjoyable experience. Substantially, Arval Smart Experience enables companies in their fleet management (with Arval Fleet View, for instance) and helps them to achieve their CSR objectives (thanks to Arval Drive Challenge).

### WOULD YOU DESCRIBE ARVAL DRIVE CHALLENGE AS CSR-FRIENDLY?

In fact, yes, as this tool promotes more virtuous driving behaviour. Arval Drive Challenge is an app developed as part of the Arval Smart Experience. Available to both customers and the broader public, it allows the driver to monitor his or her driving behaviour and change the latter in accordance to the specific advice delivered by the app. However, this app is not the only way Arval sustains safer driving. Our training programmes (Safety Driving and Eco Driving) play a key role in achieving this objective.

### LASTLY, COULD YOU TELL US A FEW WORDS ABOUT CAR SHARING?

Our investment in car-sharing solutions benefit our customers, our employees and the environment. The objective of this solution is to optimise the overall mobility of the company's employees. This car-sharing solution is recommended to customers upon determining their mobility needs, as part of a mobility audit.

# ACTIONS FROM AROUND THE WORLD



In collaboration with Mobility Car Sharing, a car-sharing leader in Switzerland, **Arval Switzerland** offers carpooling solutions to its customers.



This year, **Arval Netherlands** delivered one of the first hydrogen vehicles. This initiative reflects how Arval endeavours to adapt its product range to its customers' mobility needs.



**Arval Hungary** sends mystery shoppers to its car parks every month to ensure our customers are receiving the best service.



**Arval Poland** has given greater visibility to their CSR actions both internally and to the broader community by developing a CSR section on the website and promoting CSR actions on Social Media platforms.



In 2014, **Arval Turkey** continued to offer Eco & Safety training. In addition to over 600 drivers trained in the previous years, 218 customer drivers and 460 TEB bank drivers benefited from the training last year.



Since 2013, **Arval Slovakia** has been giving customers the chance to try their vehicles in different situations in cooperation with well-known driving schools and professional instructors with many years of experience in medical aid, psychological traffic moves and motor sports, as well as training in improved driving techniques.



**Arval France** Consulting facilitated a total cost reduction of €1,746,100, i.e. €430 per vehicle per year, thanks to comprehensive audits and action plans. At the same time, Arval France for the 6<sup>th</sup> consecutive year celebrated the renewal of its ISO 9001 certification, evidence of its proactive adaptability to market needs and excellence in terms of customer services.



**Arval Spain** has been selected as a Spanish representative in its category in the European business awards. The EBA highlights the most innovative businesses on the continent to promote success, innovation and ethics in the European business community.



## ARVAL'S TCO APPROACH

The 2014 fleet barometer survey showed that TCO (Total Cost of Ownership) is the most important criterion for large and very large companies (+100 employees). Arval's TCO approach is effective as it takes into account the most important components - cost reduction, efficient mobility and carbon footprint reduction.

TCO is fairly straightforward: it is easy to track and to compare. Most of our customers value our TCO approach as it allows effective benchmarking. However, despite its efficiency the TCO approach does not consider all the costs generated by the fleet. Our long-term goal is therefore to move from a TCO to a TCM (Total Cost of Mobility) methodology.

# SOCIAL RESPONSIBILITY

**4/** TRAIN STAFF MEMBERS TO BUILD UP LONG-TERM AND ETHICAL BUSINESS RELATIONS

**5/** PROMOTE DIVERSITY

**6/** SOLIDARITY-BASED EMPLOYMENT MANAGEMENT

Along with its commitment to being a corporate citizen for customers and stakeholders, Arval fully recognises and upholds its responsibility towards employees. Across all aspects of the company, it strives to pursue a committed and fair human resources policy that respects employee diversity and individuality.

## 4 / TRAIN STAFF MEMBERS TO BUILD UP LONG-TERM AND ETHICAL BUSINESS RELATIONS

Arval is committed to establishing and maintaining managerial training programmes that help staff to build long-term ethical business relations. As part of this commitment, Arval has adopted the BNP Paribas Management Principles, which have long proved their worth as guidelines for ethical business conduct.



## 5 / PROMOTE DIVERSITY

Non-discrimination is one of the pillars of Arval's Human Resources Guiding Principles and of the Arval Mobility Policy, which was fully implemented in 2013. In order 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.

# 6 / SOLIDARITY-BASED EMPLOYEMENT MANAGEMENT

Communication and interaction are a key part of how Arval shows its respect for employees. Each year, the Global People Survey gauges employee satisfaction, and results are used as a basis for improvement. In addition, bottom-up communication practices such as HR breakfasts, workshops and focus groups help employees and managers to interact more closely. To further improve communication and transparency, Arval has launched a Mobility Portal in 2014 to advertise vacancies across the company, giving employees everywhere a chance to diversify and grow their careers.



*"WE ARE CONVINCED THAT DIVERSITY WITHIN OUR TEAMS LEADS TO INCREASED CREATIVITY AND IMPROVED PERFORMANCE."*



**Thérèse Vercruysse**  
HR Director, Arval

## WHAT IS ARVAL'S APPROACH TO MANAGING PEOPLE?

As Head of Human Resources, my mission is to pursue a committed and fair human resources policy by training staff members, helping build up long-term ethical business relations and promoting diversity. Arval recognises that employees are crucial to the success of any entity and that the group results will depend on appropriate staffing and the competencies of our people. We therefore established a number of master policies and guidelines to guarantee that Arval is "the place to work".

The Arval way to manage people is ensured, firstly, by our Global Team composed of a Talent, a Learning-and-Development, a Rewards-Budget and Control, an International Administration, and a Tools-Management HR officer; and secondly, by our regional and local HRs who adapt Arval's master policies to local cultures and laws. Our master policies are applied worldwide to ensure that local HR policies are developed in alignment with our Arval group policies (and more widely with the BNP Paribas Group policies). We believe that harmonisation is a key principle of efficiency. However, our HR governance also involves local HR, providing us with their outlooks. The Arval way of managing people is not one-sided.

Managing our people is also about listening to them. Every year, we conduct a Global People Survey to define internal benchmarks and identify the development scopes of our HR processes. This initiative is welcomed by our staff and participation rates are above 80%. Through this remarkable number of responses we perceive that our people are pleased with our responsiveness to their claims and needs.

## WHY DOES ARVAL PROMOTE DIVERSITY?

One of our core principles is to promote diversity and fight all forms of discrimination by valuing each individual and respecting differences. Our employees are treated equally throughout their career regardless of their age, race, colour, language, political or religious beliefs, gender, disability or sexual orientation. While in some countries these principles are embedded in the law, in other countries where they are not as obvious, Arval endeavours to apply its diversity milestones to ensure that employees receive the same rewards and benefits. At Arval, we are also convinced that diversity within our teams leads to increased creativity, improved performance and efficient internationalisation. Therefore, we encourage international mobility and recruitment, and provide the technical support to facilitate international administration (expatriation, international moves, etc.).

## WHAT ROLE DO ETHICS PLAY AT ARVAL?

At Arval, we operate with a ZERO tolerance policy even if no damage. We consider that a firm cannot be more or less ethical: either it is ethical or it is not. For instance, anti-fraud and -bribery is communicated as part of the "Business Fundamentals" during arrival training. Additionally, we have identified a number of sensitive functions and are organising continuous mobility in these to guarantee compliance with our business ethics while maintaining stability and service consistency to our customers.

# ACTIONS FROM AROUND THE WORLD



Arval Portugal supports Academia dos Champs, an association that uses tennis as a tool for social integration. Arval Portugal employees and their families are regularly invited for tennis lessons.



Employees' wellbeing is a key concern for Arval Netherlands. Our Dutch branch offers its employees a fitness gym, a varied range of sport activities, proper working areas, balanced meals and fresh fruit.



Arval France works proactively to promote diversity and ensure that there is no discrimination between its employees. A diversity policy and several other agreements have been signed, and events organised to raise employees' awareness of diversity.



Keeping pace with a world where change is the norm, Arval Belgium offers its employees the possibility to take language courses to enable them to operate in an international scene.



Arval UK won the CSR International Excellence award for its employees' Health & Wellbeing initiatives in July 2014.



## ARVAL TAKES CARE OF ITS PEOPLE

Arval endeavours to be a "learning company" in order to enhance the level of performance of employees on the job, support talented people in their careers, and develop employability within the company through mobility. Arval therefore regularly delivers comprehensive training programmes in

very different ways including classroom training, conferences, seminars, workshops, on-the-job training, coaching and e-learning. Each tool has its own strength and weaknesses. Our employees are directed towards the training that best meets their needs.



# CIVIC RESPONSIBILITY

**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

Arval seeks to be a corporate citizen in each of its actions and is committed to promoting a culture of road safety, combating exclusion, and supporting education through various activities including corporate and other sponsorship.

# 7 /

## INFLUENCE AND ACT FOR ROAD SAFETY



### TRANSFORMING DRIVER BEHAVIOUR

Another of Arval's objectives is to raise awareness on road safety by organising numerous events every year. For instance, Arval organises a variety of training sessions dedicated to eco-safety/eco-driving and road safety.

Arval also proposes internal training and awareness programmes to its customers worldwide. All customer road safety initiatives are tested internally before being offered externally, as a mean of guaranteeing their quality and effectiveness. Customers are encouraged to include safety training in their Company Car Policy.

### PROMOTING PERSONAL SAFETY

Arval undertakes a number of initiatives to help customers optimise fleet safety. Personalised advice is offered so customers can select a vehicle that answers their safety needs.

Arval considers it as a corporate duty to help prevent road accidents and uphold its "duty of care" responsibilities. Every year, it publishes a fleet review on accident rates and road safety programmes to fleet managers.

The company's expertise in the field of accident management and risk has allowed it to develop a comprehensive road risk programme to help customers limit their exposure. Customers benefit in terms of legal responsibility and improve their control on visible and hidden costs of accidents (lost time, vehicle off the road for repair, missed orders and business opportunities...).

### Arval Smart Experience to challenge Drivers

Road safety is embedded in Arval Drive Challenge, an Arval Smart Experience tool. This application available to both customers and the wider community contributes to transforming drivers' behaviour by monitoring their driving habits and giving them tips for improvement.

*Customers are encouraged to include safety training in their Company Car Policy*



# 8 /

## APPLY A CORPORATE PHILANTHROPY POLICY FOCUSING ON EDUCATION, HEALTH AND CULTURE

As well as helping to improve road safety, Arval is committed to corporate philanthropy, with a particular focus 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 (NGOs). *See highlights p.30*

# 9 / BE COMPLIANT WITH THE UN'S GUIDING PRINCIPLES CONCERNING HUMAN RIGHTS



In order to insure that the United Nations' guiding principles of Human Rights are respected throughout its business relationships, Arval complies with Global Compact principles both internally 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 systematically given the latest Communication on Progress, as well as a summary of Arval's CSR policy, and are 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 actions. Furthermore, for full transparency with stakeholders, the Communication on Progress report is published annually on the Global Compact website.

*"EVERY YEAR, WE ORGANISE AND DELIVER A NUMBER OF CAMPAIGNS AND EVENTS TO ENCOURAGE SAFER BEHAVIOUR AND POSITIVELY INFLUENCE A REDUCTION IN THE NUMBER OF PEOPLE KILLED AND INJURED ON OUR ROADS."*



**Tracey Fuller**  
CSR Manager, Arval UK

## COULD YOU TELL US ABOUT ARVAL'S COMMITMENT TO ROAD SAFETY?

Road safety is embedded within our culture and has been for a number of years. We are fully committed to this area, as is demonstrated by the wide range of initiatives that we deliver to promote this essential message to our customers, our employees and to the global community. Our messages go beyond just drivers to cover all road users, for example promoting the safety of cyclists and pedestrians of all ages. Every year, we organise and deliver a number of campaigns and events to encourage safer behaviour and positively influence a reduction in the number of people killed and injured on our roads.

## WHAT MAJOR INTERNAL ACTIONS HAVE BEEN TAKEN IN THE UK?

As examples in the UK, we organised an Employee Safety Day during national Road Safety week in June 2014 in partnership with emergency services and key suppliers. At this event, employees were given practical advice on how to stay safe on the road as well as the chance to use a driving simulator to test their skills. We also provided advice on cycle helmets and maintenance as well as tyre checks in partnership with a tyre manufacturer. An employee competition on the day resulted in 3 members of staff joining us at a customer safety event and taking part in a safe driving experience.

Furthermore, we ran "Drink & Drug Driving Workshops" where our employees were informed about the risks of alcohol and drugs, how long these substances stay in the system and how this affects our driving behaviour.

## WHAT EXTERNAL ACTIONS DID ARVAL UK UNDERTAKE TO PROMOTE ROAD SAFETY BOTH TO CUSTOMERS AND THE WIDER COMMUNITY?

For customers we regularly send information including our road safety cards, promotional posters, a driver safety newsletter and (hints and tips) documents such as our winter driving guide. We also highlight any changes in legislation and seek opportunities to promote the Arval Drive Challenge app (see highlight p.26). On a number of occasions last year we supported key customers with their own road safety events using the good practices that we have developed from our own experiences.

In the community, we sponsored several important events such as the Brake Fleet Safety Awards for the seventh year running and "SafeDrive, StayAlive" which is a road safety show for 16-year-olds that reaches over 3,000 pupils each year.

# ACTIONS FROM AROUND THE WORLD

## KEY FIGURES



**Over £21,000**

was donated to more than **15** local & national charities by **Arval UK** and 339 hours dedicated to volunteering actions.



**€3,000**

was mobilised by **ARVAL Russia** for disabled children at the Pervomaysky orphanage.



**€50,000**

was raised by **Arval Romania** to support Hope and Homes for Children, a NGO working to provide a better environment for poor and orphaned children.



Twice a year, **10**

employees of **Arval Czech Republic** donate blood, a lifeline for many people needing long-term or emergency treatments.



**3 apprentices**

aged between 16 and 18 received comprehensive training in a variety of business areas at **Arval Switzerland**.



**5,132 hours**

have been dedicated to train **Arval France** customers and employees in road safety.

## ARVAL & ASSOCIATIONS

Arval applies a corporate philanthropy policy focusing on education, health and culture. To achieve its civic goal, Arval works in partnership with several associations.



In addition to its ongoing commitment to donate to the Telethon foundation that further medical research on rare genetic diseases, **Arval Italy** in October 2014 together with the initiative "Sulla Strada Giusta - On the Right Track" launched a donation programme consisting of donating €1 for every new car registered to Meyer Children's Hospital in Florence. **Arval Italy** also encourages employees, customers and suppliers to join the initiative and make donations to the hospital.



**Arval India** supported Aseema Charitable Trust through donations of various kinds. The NGO aims to equip children from marginalised communities with high-quality, value-based education to enable the development of their limitless potential.



**Arval Netherlands** sponsored a student team who participated in the Shell eco-marathon. This competition brings together around 200 teams and 3,000 students from across Europe to battle for ultra-energy efficiency on the road.



**Arval Germany** supported Kinderunfallhilfe with a Christmas donation. This NGO helps children and teenagers to recover from road accidents. As part of their activity, they also promote road safety.



For Christmas, 3 **Arval Luxembourg** employees helped the "Stëmm vun der Strooss" association to organise a Christmas lunch for the homeless in Luxembourg.



In 2014, **Arval Spain** worked on acquiring ISO39001 certification. This standard will mirror Arval's efforts in acting for road safety.



# ENVIRONMENTAL RESPONSIBILITY

- 10/** PROMOTE THE CHOICE AND USE OF ECO-FRIENDLY VEHICLES/SOLUTIONS
- 11/** REDUCE ENVIRONMENTAL FOOTPRINT LINKED TO OUR OWN OPERATIONS
- 12/** APPLY SPECIFIC POLICIES COMMITMENTS IN SENSITIVE SECTORS

While our business is a pillar of the international automotive industry, the potential footprint on the environment is considerable. Our duty is therefore to do our best to minimise our environmental impact, as well as raise awareness among our customers and actively help them reduce theirs. For several years, Arval has developed many activities both upstream, through research and discussions with manufacturers, and downstream, with customers and colleagues. The company is committed to accurately measuring and optimising the environmental impact of the 725,000 vehicles leased to its customers.

# 10/ PROMOTE THE CHOICE AND USE OF ECO-FRIENDLY VEHICLES/SOLUTIONS

Arval has developed a number of innovative services to help customers build an optimal car policy. Thanks to Arval's tailored advice, customers can select the most ecological vehicle for their purposes and reduce vehicle emissions. Other services include fleet optimisation, car-sharing programmes, eco-driving training and tips for driver, carbon offsetting for customer fleets, and regular reports on fuel costs and driver accidents.

## MANAGEMENT OF VEHICLE EMISSIONS

Arval offers a comprehensive programme to help customers reduce the impact of their fleet on the environment. The programme starts by measuring the emissions of the customer's fleet and establishes quantitative reduction goals. Various optimisation actions are then proposed. Arval helps with the decision-making process, manages the calculation of CO<sub>2</sub> volumes, and provides its expertise for car policies and driver training. When emissions remain above the reduction objectives, Arval provides offsetting solutions and manages the traceability, quality and eligibility of the underlying compensation project.

## ECO-DRIVING

In all countries, Arval offers customers and employees the opportunity to participate in a complete eco-driving programme, whereby drivers are encouraged to change their behaviour behind the wheel and learn to use their vehicles more efficiently. The different courses teach drivers how to drive according to various principles such as economic driving, respect for the environment, and passenger and driver security. The programme can be expanded with a driving proficiency training course that prepares drivers for unforeseen traffic situations.

Thanks to their knowledge of the latest innovations in engine efficiency and alternative fuel, Arval's experts help customers choose the vehicles best suited to their needs. As a result of their advice, vehicle CO<sub>2</sub> emissions can be reduced by around 5 tonnes per vehicle during the duration of the contract. Eco-driving training programmes teach drivers how to use their vehicles more efficiently. Initially, increased awareness of best practices (e.g.: driving with tyres inflated at only 60% of the recommended level causes over-consumption of 1 litre per 100) enables drivers to cut their consumption by around 5%; subsequently, training aims at bringing about a real change in behaviour, and at cutting fuel consumption and CO<sub>2</sub> emissions by 8% to 14%.

Arval also promotes environmentally-friendly vehicles (electric, hybrid, etc.) and driving behaviour through other initiatives, including the production of "green catalogues" offering advice and suggestions.

**5 tonnes**  
less CO<sub>2</sub> emissions per vehicle

# 11/ REDUCE ENVIRONMENTAL FOOTPRINT LINKED TO OUR OWN OPERATIONS

Arval regularly takes stock of its environmental footprint and implements new ways to reduce it.

## ISO 14001 CERTIFICATION

Arval's commitment to the environment has been recognised with ISO 14001 certifications 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 practicable.

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

The company is currently developing its environmental approach on several different fronts:

- Paper usage
- Energy consumption
- Recycling
- Eco-friendly travel
- Eco-efficiency of buildings

## OPTIMISATION OF ARVAL FLEET

Every year, Arval fully compensates the CO<sub>2</sub> emissions of its own company cars all over the world. This is an internal choice by the company, supported by its staff. In 2014, a number of Arval entities participated in REDD+Kenya, a project that aims at reducing the impact of deforestation in Kenya and protecting biodiversity. Other countries have chosen specific projects locally.

# 12 / APPLY SPECIFIC POLICIES COMMITMENTS IN SENSITIVE SECTORS



Arval is committed to applying risk guidelines for new customers and contract renewals. These guidelines comply with all sector exclusion policies created by BNP Paribas: defence, palm oil, nuclear power, wood pulp, coal-fired power generation and basic agricultural commodities. The aim is to create strict investment and financing policies for sectors that may have a significant impact on the environment.

As the result of in-depth analysis, these policies address the most critical points in the production chain, accounting for the bulk of potential impact in each segment. They stipulate essential conditions and precise complementary criteria. As such, these criteria help pinpoint all the risks related to a transaction, ensuring that only responsible projects are selected.



*"AS ARVAL'S ENVIRONMENTAL PILLAR EXPERT, IT MAKES ME HAPPY TO SEE HOW OUR COMPANY BRINGS TOGETHER ITS CORE ACTIVITY AND THE WELFARE OF OUR PLANET."*



**Valeria Evangelista**  
Head of Corporate Vehicle Observatory  
& Corporate Social Responsibility,  
Arval Italy

## COULD YOU DESCRIBE ARVAL'S COMMITMENT TO ENVIRONMENTAL ISSUES?

As Arval's environmental pillar expert, it makes me happy to see how our company brings together its core activity and the welfare of our planet. Cars are at the heart of our business and we are committed to tread lightly on this earth by primarily promoting the use of eco-friendly vehicles, encouraging the commitment of our employees and customers in environmental actions, offsetting our CO<sub>2</sub> emissions and contributing to changing driving behaviours. For instance, thanks to our TCO (Total Cost of Ownership) approach and our worldwide consulting academy, we can provide our customers with advice on different mobility solutions. While our TCO approach allows us to create a comparison between traditional, hybrid and electric cars, and other alternative fuels, it also allows our customers to choose the right vehicle depending on their mobility needs. Adapting their car choices to their needs allows them to reduce their emissions and fuel consumption considerably. Sustainable mobility is also a topic at the heart of our Corporate Vehicle Observatory activities. Our internal research platform is committed to creating and spreading a culture of corporate mobility, dealing also with environmental sustainability, innovative technologies and alternative fuels. As part of the Arval Smart Experience which brings our customers a brand-new, innovative and interactive service offer and facilitates relationships between fleet managers, drivers and Arval, we've developed Arval Drive Challenge. This app ensures that drivers adopt responsible choices and behaviour to reduce their fuel consumption and CO<sub>2</sub> emissions.

## WHAT MAJOR INITIATIVES HAVE BEEN TAKEN TO MAKE ARVAL ECO-FRIENDLY?

Either in collaboration with local offsetting operators or local NGOs, all Arval countries are engaging in offsetting their CO<sub>2</sub> emissions. Tree planting is one of the most frequent initiatives undertaken by Arval to compensate its carbon footprint. Additionally, a number of countries, of which Arval Italy, have implemented car-pooling solutions for their commuting employees. Alongside, in Italy, we offer free parking spaces to employees who commute together. A welcomed initiative that takes us a step further in reducing our CO<sub>2</sub> emissions.

## HOW CAN WE TAKE THIS FURTHER?

While in some countries environmental awareness is instinctively integrated in the local culture and therefore in business decisions, other countries have not yet attained this maturity. While all Arval countries are engaged in CO<sub>2</sub> offsetting, Arval's ambition is now to raise consciousness on sensitive environmental sectors to a global level and find alternative energy solutions for all our buildings. In Italy and in the Netherlands, this initiative has already been implemented with great success. The two buildings operate on renewable energies which guarantee low CO<sub>2</sub> emissions.

# ACTIONS FROM AROUND THE WORLD



At Arval Brazil, offsetting the annual carbon footprint is an ongoing commitment. Since 2011, more than 4,000 trees have been planted in Brazilian forests through a partnership with a local NGO called Iniciativa Verde.



Arval Netherlands invested in 550 solar panels on the roof of their building. These solar panels annually deliver 120,000 kWh of energy, accounting for 9,000 hours of charging (semi) electric cars at an average charging time of 4 hours.



This year, Arval UK achieved 12% reduction of overall CO<sub>2</sub> emissions. In addition, the waste management supplier was changed to ensure all waste is sorted at a material recovery facility plant and recycled. Now, none of the waste goes to landfill.



By signing a contract with Vireo Car Wash, an environmentally friendly car wash, Arval Morocco endeavours to keep its cars clean and stay green. By selecting waterless cleaning, our Moroccan branch is contributing to saving a scarce resource.



In addition to promoting eco-friendly paper and using bicycle couriers to transport documents and mail, Arval Austria proactively recommends low CO<sub>2</sub> cars to its customers. Arval Austria is also established in a "Green Building" office that guarantees an overall remarkable CO<sub>2</sub> offsetting.



Arval Italy's headquarters in Scandicci are in a modern and sustainable building called "Saetta Fotovoltaica". Its design ensures a safe and comfortable work environment. The low environmental impact of the building is guaranteed by the use of renewable energies such as a geothermal plant for internal heating/cooling and a photovoltaic plant which was completed at the end of 2014.



Arval Finland and Arval Denmark reduced their paper consumption by introducing an archiving service for their customers and drivers: all documents are sent electronically and are automatically archived on their online platforms. Customers and drivers have 24/7 access to online applications and can therefore consult documents at any time.



Arval Germany has turned ISO 14001 guidelines into a major environmental action. In addition to labelling cars that release below 120g of CO<sub>2</sub> per km, Arval Germany uses ISO 14001 certification as a criterion for selecting its suppliers.



This year, Arval Romania has been committed to compensate 100% of its CO<sub>2</sub> emissions through its partnership with Tree-Nation. After La Pedregoza plantation in Colombia, Arval Romania engaged in reforestation projects in Africa.



In 2014, Arval Hungary undertook to increase its recycled paper consumption to 80%. Alongside, Arval Hungary contributed in planting 1ha of trees.



This year, Arval France is celebrating its 10,000th tree planted in the Paris region as part of its long-term partnership with ONF. In addition, Arval France has offset 3,559 tonnes of CO<sub>2</sub> emissions produced by its internal fleet in 5 years.

## ARVAL & ISO 14001

As of 2014, 15 countries have been certified ISO 14001 adding up to 86% employees working in an ISO 14001-compliant environment. Arval continuously develops new processes that help

monitor all environmental aspects of its business, raise awareness on ecological matters and encourage the commitment of its employees and customers to eco-friendly actions.

# CVO

## C O R P O R A T E V E H I C L E O B S E R V A T O R Y

**“The CVO’s main areas are fleet management funding and operations, technological innovation, environmental sustainability and road safety”**

Alessandro Pigazzi, Head of Arval Consulting

### **What can you tell us about the role of Corporate Vehicle Observatory?**

Launched in 2002 by Arval, the Corporate Vehicle Observatory (CVO) is a platform that provides an expert view of the industry and a research organisation with access to a wide range of market data. A key element of what the CVO delivers is the “Think Tank” approach that gathers intelligence from fleet managers, procurement specialists, car manufacturers, public authorities and the press. The CVO has gained international recognition for its activities partly through its demonstrably neutral position and independent approach. One of the main missions of the CVO is to share knowledge with all the stakeholders through a constant in-depth analysis of the significant trends of the automotive market through independent approach.

### **What are the main areas of intervention and goals of the CVO?**

Although not the exclusive focus of the CVO, the four main areas are technological innovation and alternative energies, sustainability and environmental impacts, road safety and accident prevention, and fleet management funding and operations. The CVO provides detailed background information for each of these four areas. This information covers topics such as new drivetrains and energy sources, policies, driver management, funding strategies and taxation impacts.

To complete the picture provided by the CVO, resources are dedicated to understanding future trends by surveying the fleet market, the regulatory framework surrounding it and strategies being developed in response to the changing landscape. Typically this type of information is gathered from a large base of more than 4,800 decision makers in 15 countries and through a specific study called the Annual Fleet Barometer.

### **How does CVO benefit customers and other potential stakeholders?**

Customers who are part of the CVO community gain access to the data created and the papers published by the CVO. Together with other interested parties they benefit from a solid base of information on which they can build their fleet strategies.

In addition to providing information, the CVO organises a number of industry events that bring together key players from the fleet industry, suppliers, financial institutions and trade bodies. These events, based around the activities of the CVO, create a valuable opportunity for networking and exchanging information. Finally it should not be forgotten that through the close links between CVO and Arval Consulting, customers also have the opportunity to gain access to best-in-class consulting services to help them reach the objectives they may set based on the information provided by the CVO.

## CONTACTS

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BNP PARIBAS GROUP

**We care about cars.  
We care about you.**