

## **BBVA'S COMMITMENT TO HUMAN RIGHTS**

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**2nd review on July 7<sup>th</sup>, 2010 at the 11<sup>th</sup> CRR Committee**

## **1. Introduction**

Respect for personal dignity and the rights inherent to it constitute, above all, an essential business requirement that the BBVA Group associates with its pledge to favour and uphold the well-being of the different social environments in which it pursues its operations. Accordingly, BBVA's Code of Conduct expressly states its commitment to apply the content of the Universal Declaration of Human Rights, the United Nations Global Compact and other agreements and treaties of international organizations, such as the Organization for Economic Co-operation and Development and the International Labour Organization.

## **2. The BBVA pledge to promote and uphold human rights**

One of the values upon which the BBVA Group's activities are based involves strict compliance with legislation governing its business and operations; a pledge that includes promoting and respecting human rights and which is embodied in the following principles, being described in greater detail in the sections presented forthwith:

- BBVA shall uphold and encourage respect for the content of the aforementioned agreements in all its operations, in all the countries in which it is present and within its sphere of influence, that is, in all the dealings that BBVA maintains with its customers, suppliers, employees and those communities in which it pursues its business and operations.
- In order to reinforce its pledge not to be in any way directly or indirectly complicit in the violation of human rights, BBVA has adopted action policies regarding Governments, entities or persons, with whom its business is in some way constrained, placing special emphasis on its dealings with private security firms and staff.

## **3. Sphere of application**

Fostering effective respect for human rights is a responsibility that initially resides with the Governments in each jurisdiction. Nonetheless, BBVA understands that businesses and organizations in the private sector also have a role to play in this field. Accordingly, the present document defines the minimum standards of conduct that, in matters of human rights, are applied to all the entities comprising the BBVA Group and to all their employees and management staff. Likewise, these standards are to underscore the relations that BBVA forges with its customers, suppliers and those communities in which it pursues its business and operations.

As a financial group that renders its services to millions of people in myriad jurisdictions, the legal provisions applicable to the field of human rights may vary from one place to another. This means that when the legal requirements applicable in a specific setting differ from the provisions of any one of the aforementioned international agreements, BBVA shall comply with such legal requirements, whilst at the same time seeking to promote respect for the principles that inspire this document within its sphere of influence.

## **4. Customer relations**

BBVA expects its customers to conduct themselves and manage their financial affairs in accordance with current legislation; an expectation that should likewise be extended to respect for human rights. Within this sphere, BBVA has adopted a series of policies, procedures and systems with a view to identifying those scenarios in which it is appropriate to enter into a relationship with customers or become involved in a specific transaction, which include the following:

- Policies and procedures that, abiding by the legal requirements applicable in each case, ensure that the organization has suitable knowledge of its customers, thereby mitigating the risk that its products and services may be used for criminal purposes (basically money laundering and the financing of terrorist activities).

- An in-house rule detailing the principles, criteria and procedural regulations to be taken into account when processing requests for financing involving the arms and munitions manufacturing sector.
- An in-house rule designed to uphold the prohibitions or constraints regarding the undertaking of certain commercial business operations with Governments, entities or persons affected by sanctions or embargos agreed by the United Nations, European Union or any other national body that may be legally binding.
- An environmental policy in which it defines its commitment to furthering sustainable development, respect for the environment and efficiency in the use of natural resources, ratifying its support for the UN Global Compact and for the UN Environment Programme Financial Initiative (UNEP FI).
- An environmental and social risk management policy when advising on and financing investment projects in accordance with the commitments assumed through BBVA's acceptance of the Equator Principles.

## **5. Supplier relations**

BBVA seeks to promote human rights in its dealings with its suppliers by adopting the following commitments in its endorsement processes:

- BBVA values especially those suppliers that share the principles that underscore BBVA's Code of Conduct and which have embraced the commitments forthcoming from the UN Global Compact<sup>1</sup> in the pursuit of their businesses.
- BBVA requires its suppliers to provide assurances that the hiring of their employees is undertaken in accordance with current employment legislation.
- BBVA refrains from dealing with those suppliers that it knows to have incurred in serious human rights violations.
- BBVA introduces greater controls when it deals with higher risk suppliers (those that exceed a given turnover and which involve the subcontracting of products in developing countries), such as, for example, the arrangement of visits to the supplier's facilities in the developing country or the inclusion of relevant guarantees in contracts.

## **6. Employee relations**

BBVA understands that a key dimension of its responsibility in terms of human rights is contained in its relations with its employees. Accordingly, BBVA's internal policies and procedures include the ethical and procedural fundamentals contained in the Code of Conduct for this sphere, being mainly embodied in the following:

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<sup>1</sup> Businesses should (a) support and respect the protection of internationally proclaimed human rights within their sphere of influence, (b) non complicity with abuses of human rights (c) uphold the freedom of association and the effective recognition of the right to collective bargaining, (d) uphold the elimination of all forms of forced and compulsory labour, (e) uphold the effective abolition of child labour, (f) uphold the elimination of discrimination in respect of employment and occupation, (g) support a precautionary approach to environmental challenges, (h) undertake initiatives to promote greater environmental responsibility, (i) encourage the development and diffusion of environmentally friendly technologies and (j) work against corruption in all its forms, including extortion and bribery

- Encouraging diversity and equal opportunities.
- Guaranteeing a workplace that has no room for discriminatory attitudes for reasons of gender, ethnic origin, creed, religion, age, disability, political affinity, sexual preference, nationality, citizenship, civil status or socio-economic condition.
- Ensuring a working environment free of health risks on all its premises through the adoption of rules and procedures based on international best practices in matters of health and safety at work and the prevention of industrial hazards, and consistent with those legal requirements that, as appropriate, are applicable.
- Upholding freedom of association through the utmost respect for the role and duties befalling workers' delegates in accordance with current legislation, and most especially regarding collective bargaining.
- Complying to the letter with current labour legislation in each one of the jurisdiction in which it operates, with international conventions and all other legal and statutory provisions affecting the employment of forced and child labour, providing support for its full and total elimination.

In order to ensure compliance with the above obligations, BBVA has made several channels available to its staff through which they can report those situations that are ethically questionable according to the content of the Code of Conduct, including those that may give rise to any human rights violation.

## **7. Relations with Society**

BBVA is fully committed to the development of those societies in which it is present. This commitment takes shape in several fields of action, with a highlight being the defence and promotion of human rights. Accordingly, BBVA is committed to:

- Co-operating actively with governmental bodies, international organizations and other institutions in fostering values consistent with the UN's Universal Declaration of Human Rights within its sphere of influence.
- Driving plans and actions designed to enhance what are referred to as social rights (education, health, housing, etc.).
- Refraining from taking part in the financing of those foreign trade operations whose purpose is directly related to antipersonnel mines and cluster bombs, given their particular impact on people's right to life and personnel integrity, especially as regards the civil population.
- Operating solely in those countries that do not stop the organization from pursuing its business in compliance with the standards laid down in this document.

## **8. Mechanisms for safeguarding compliance with the commitments embraced in matters of human rights**

In addition to those channels established on a general basis in the Code of Conduct, BBVA has charged the Corporate Responsibility and Reputation committee with the duty of safeguarding compliance with the commitments assumed by BBVA in this matter and promoting the adoption of the necessary measures to rectify any possible human rights transgression.

Furthermore, BBVA understands that compliance with those commitments assumed in the field of human rights by employees and management depends largely on their familiarity with the same. BBVA shall therefore include specific schemes in its training and communication plans.

Likewise, in view of their specific nature and special sensitivity, BBVA provides regular instruction in the matter to its own and outside security staff, focusing especially on the principles contained in the “UN Code of Conduct for Law Enforcement Officials”.

#### **9. Review of the present document**

The Corporate Responsibility and Reputation committee shall review the content of this document at least once a year and proceed to its modification whenever so required to bring it in line with the evolution of BBVA’s businesses and operations and any new developments forthcoming in the matter.