

# General Policy on Corporate Social Responsibility of BBVA

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# Contents

<b>Introduction</b>	<b>3</b>
<b>Definition, purpose, regulatory framework and scope of application</b>	<b>3</b>
2.1. Definition and purpose	3
2.2. Regulatory framework	3
2.3. Scope of application	4
<b>General principles</b>	<b>4</b>
<b>Policy provisions</b>	<b>5</b>
<b>Policy governance and oversight model</b>	<b>10</b>
5.1. Approval, responsibility over the Policy and governance model	10
5.2. Oversight and control	10

# 1. Introduction

Banco Bilbao Vizcaya Argentaria, S.A. (hereafter, “**BBVA**” or the “**bank**”) has a differential way of doing banking based on the purpose “to bring the age of opportunity to everyone”, always acting in line with its corporate values and the goal of having a positive impact on the lives of people, businesses and society as a whole.

It is a commitment to a responsible way of doing banking and to creating value over the long-term, which is shared with all stakeholders (customers, employees, shareholders, suppliers and society), and it is reflected in the bank’s various policies and corporate regulations.

This General Policy on Corporate Social Responsibility, which was initially approved by the bank’s Board of Directors in 2008 and subsequently updated in 2015 and 2018, aims to renew the bank’s principles, guidelines and commitments related to corporate social responsibility and adapt them to the reality of the bank and society (hereafter, the “**policy**”).

## 2. Definition, purpose, regulatory framework and scope of application

### 2.1. Definition and purpose

BBVA understands the corporate social responsibility that corresponds to the bank due to the impact of its activity on the lives of people, businesses and society as a whole.

BBVA integrates into its businesses and activities the concerns of its stakeholders, among others, regarding social and environmental issues, issues related to diversity, fiscal responsibility, respect for human rights, the prevention of corruption and other illegal conduct.

This policy aims to create a framework of reference to take into consideration the impact of BBVA’s activity in those concerns within the bank’s policies, standards and decision-making processes. Furthermore, this policy aims to facilitate the attainment of BBVA’s strategic objectives through responsible practices.

### 2.2. Regulatory framework

This policy was approved by BBVA’s Board of Directors on December 22, 2020, in accordance with its function of approving the bank’s corporate social responsibility policy provided for in its Regulations and in the revised text of the Capital Companies Law approved by Royal Legislative Decree 1/2010 of July 2, 2010.

The present policy repeals the current text of BBVA's corporate social responsibility Policy approved by the Board of Directors in February 2018.

Finally, the elaboration of this policy took into consideration the CNMV's Good Governance Code for listed companies (in its revised version in June 2020) regarding corporate social responsibility (in particular, without limitation, Recommendation 55).

### 2.3. Scope of application

This policy will apply to BBVA and the companies that comprise its Group for accounting purposes (hereafter, the "**Group**") and for which the bank has management control. It will serve as a frame of reference when it comes to establishing and developing the Group's policies and governance systems, which must be coherent and in line with this policy.

In its application, the nature, scale and complexity of the risks inherent to the corporate model and the activities carried out by each entity of the Group will be taken into account, as well as local and sectoral regulations that are applicable in each case.

Finally, the references to different units and committees in the Group contained in this policy should be understood as referring to those who carry out their functions at any given time, and may undergo changes in their nomenclature.

## 3. General principles

■ The bank will abide by the following general principles for corporate social responsibility (hereafter, the "**principles**"):

### 1. Geared toward generating a positive impact in society

Corporate social responsibility is part of everything we do in our business. In this regard, the bank will take into consideration the direct and indirect impact in the most relevant areas that its businesses and activities could have on its stakeholders, promoting positive impacts and attempting to reduce the negative impacts.

### 2. Respect for people's dignity and inherent rights

In order to follow this principle, the bank will act in accordance with various widely recognized national and international commitments to which it has adhered, such as the International Charter of Human Rights, United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and the fundamental conventions of the International Labor Organization, among others.

### 3. Community investment

The bank will develop social programs and activities to address the more relevant challenges in the communities where the Group has a presence, with the aspiration of creating opportunities for everyone.

### 4. Involvement as an agent of social change

The bank will get involved, along with other stakeholders, as agents of change with the aspiration of creating opportunities for everyone, dedicating its skills, corporate knowledge, capacities, and resources to this aim.

- The Group will also carry out its activities in the corporate social responsibility area based on the following general principles, which are already applied in its different management policies:

#### 1. Integrity

#### 2. Prudent risk management

#### 3. Transparency

#### 4. Achievement of a profitable and sustainable long-term business

#### 5. Creating long-term value for all stakeholders

#### 6. Compliance with applicable law at any given time

## 4. Policy provisions

The bank's commitment to developing a responsible way of doing banking in all of the entities that make up the Group means that the principles are integrated in the bank's relationship with all of its stakeholders (employees, customers, shareholders, suppliers or society), as well as in its relationship with the environment and social development, fiscal responsibility and prevention of conduct contrary to the rules.

The Group has internal regulation and executive areas responsible for each of these fields, which regulate the responsible action of the Group depending on the matter, as well as the principles, commitments, objectives, strategy, channels of communication, participation and dialogue with its stakeholders. As of the date of approval for this policy, the following can be highlighted:<sup>1</sup>

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<sup>1</sup>A modification of this Policy will not be necessary in the event that in the future the aforementioned internal regulations are modified in their title or content.

## 4.1. Provisions regarding stakeholders and other groups

### ■ **Customers**

The bank puts customers at the center of its activities. Establishing a responsible relationship with them, helping them to reach their personal and professional goals, and having a relationship with them based on transparency, clarity and responsibility is one of the bank's goals.

In order to attain this goal, the bank has established various internal regulations. To date, the following stand out, among others: the Customer Ombudsman Regulations or the Code of Conduct, which is applicable to all bank employees and aims to regulate fundamental aspects of our relationship with customers. In addition, the bank has defined transparency, clarity and responsibility standards to guide solution development processes, as well as the commercial relationship with customers.

The bank also promotes the development of products and services to improve its customers' financial health, promoting inclusion and financial education with responsible access to financial services.

### ■ **Employees**

In relation to its employees, the Bank has a fundamental commitment to human rights, diversity, the promotion of equal opportunities, as well as to preventing discrimination on the basis of gender, color, ethnic origin, disability, religion, sexual orientation or political opinions.

The Bank also promotes professional development by fostering the improvement of skills and competencies of its employees, promotes work-life balance practices and nurtures a culture of social and environmental commitment, facilitating the conditions for carrying out volunteering actions.

In relation to this, the Bank has drawn up a number of internal policies within the framework of the Talent & Culture Area, as well as the BBVA Code of Conduct itself, to ensure that the Bank fosters a committed, diverse and equal-opportunity organization, promoting the safety of its employees.

### ■ **Shareholders and investors**

Bank engages on a permanent basis with its shareholders and investors to ensure it identifies and understands which issues they deem the most important and allows the adequate exercise of their voting rights and investment-related decision-making.

For this purpose, the Bank publishes information on an ongoing, recurrent and timely manner, ensuring its availability over time. BBVA has a Shareholders and Investors Communication and Contact Policy that addresses a number of issues, including the transparency and truthfulness in its disclosures to shareholders and investors and the equal treatment among shareholders, and

establishes the channels of communication, participation and interaction with shareholders and investors.

▪ **Suppliers**

BBVA incorporates the Principles of this Policy into its relationship with suppliers, providing complete and transparent information in its procurement processes, ensuring compliance with labor and environmental legal requirements, observing human rights and nurturing demand for socially responsible products and services.

These commitments are included in different internal Bank standards that define BBVA's general procurement principles, as well as its Code of conduct for suppliers of the BBVA Group, which sets forth the fundamental principles that all suppliers are required to observe when doing business with BBVA Group companies or entities.

▪ **Regulators and supervisors**

The Bank complies with the regulatory framework existent in all jurisdictions where it develops its activity.

Also, BBVA maintains a constructive and continuous engagement with supervisory and regulatory bodies, with the purposes of collaborating in public policies that promote responsible banking practices and which contribute to have a society that creates opportunities for everyone.

▪ **Community investment**

The Bank will promote the development of the societies and communities where it operates, fostering the investment, contribution and participation in community investment activities, in accordance with the following general guidelines:

- **Priority areas of action:** the Bank will preferably concentrate its community investment initiatives in the areas stated below. However, it may choose to focus on different ones in the future, as long as they remain true to this community investment purpose and follow the general principles described in section 3:
  - Education: support a connected education for all, promoting access to education, educational quality and the instruction and training of adults and teachers.
  - Financial education: promotion of traditional or digital financial education and financial training, to improve people's financial health and promote their inclusion in the financial system.
  - Entrepreneurship: support entrepreneurship as a lever for the inclusive and sustainable growth of societies and for the creation of decent work opportunities.
  - Environment: through initiatives to promote the fight against climate change and, in general, the protection of the environment.

- Support to vulnerable groups: through initiatives aimed at improving their living conditions and reducing economic and social inequality in the societies in which the Group has a presence.
  - Science, knowledge and culture: promoting an open and inclusive knowledge by supporting research, science and culture.
  - Promotion of initiatives to raise awareness about the importance of corporate social responsibility as a key element for the development of a responsible business activity.
  - Support in emergency situations: aimed at providing relief in the aftermath of natural disasters, economic and/or political crises or health emergencies, among others.
- **Measurement of impact and transparency:** the Bank will measure and publish the social impact of its community investment wherever it understands that they can have a more relevant impact, following international reference standards, such as the framework of the Sustainable Development Goals of the United Nations 2030 Agenda.

## 4.2. Provisions regarding areas of activity

### ▪ **Environment and Inclusive and sustainable social development**

The Bank has singled out sustainability as one of its top priorities in order to “support clients in the transition to a sustainable future.” BBVA is aware of the prominent role of banking in this transition towards a more sustainable world through its financial activity and is determined to play a relevant role, as demanded by society and its stakeholders.

Thus, as set out and regulated in its Sustainability General Policy, BBVA incorporates sustainability into the day-to-day running of its business and into everything it does, both in the relationship with its customers and clients and in its internal processes, focusing on the fight against climate change and inclusive and sustainable social development as the main two key areas, and has established a number of priority areas in both areas, drawing inspiration from the 2030 Agenda for Sustainable Development of the United Nations.

### ▪ **Fiscal responsibility**

BBVA carries out its activity by adequately complying with its tax obligations and avoiding any practice that entails the illicit avoidance of its tax payments or that has a detrimental impact on the public treasury.

To this end, as part of its internal body of regulations and standards, the bank has defined a series of principles in the field of taxation and fiscal strategy, which, among other issues, prioritize the promotion of integrity, transparency and prudence in the Group's tax-related practices.



■ **Prevention of illegal conduct and corruption**

As part of its internal body of regulations and standards, the Bank has defined a Code of Conduct, establishing that BBVA will promote compliance with legal obligations and prevent conducts that are contrary to internal regulations and policies or may have a detrimental impact on BBVA's equity, image or reputation.

Likewise, BBVA has set up a broad internal regulatory framework to prevent and identify illegal conduct, including, but not limited to, an Anti-corruption Policy and a number of specific policies addressing the main activities likely to give rise to corruption-related risks, as well as a Prevention Model of the criminal responsibility of legal persons, which is part of its global internal control model.

■ **Commitment to Human Rights**

BBVA will ensure compliance with all applicable laws and respect for internationally recognized human rights in all its interactions with employees, customers, shareholders, suppliers and, in general, with the communities where it may conduct its business and activities.

BBVA has a commitment to human rights which aims to guarantee respect for the dignity of all people and the rights inherent to all human beings, and which are an indispensable requirement of its actions.

This commitment is defined taking into consideration the stakeholders with whom BBVA engages: employees, customers, shareholders, suppliers or society, in line with the three pillars of the United Nations Guiding Principles for Business and Human Rights:

- the state' duty to protect human rights
- the corporate responsibility to respect human rights; and
- Access to remedy for victims of business-related abuses

In order to comply with the aforementioned United Nations Guiding Principles, and in order to prevent, mitigate and remedy potential impacts on human rights, BBVA performs due diligence processes aimed at strengthening its ability to detect and assess human rights risks. The bank establishes the pertinent action and improvement plans deemed appropriate based on the result of these processes.

■ **Involvement in international initiatives**

BBVA supports and participates in the initiatives it considers most relevant based on the bank's strategy and its priority areas of action, and which promote the positive contribution of the financial sector in our society to bring about the change required to ensure a better future and create opportunities for all, both today and for future generations.

BBVA is committed to the main international initiatives in the area of responsible banking and corporate social responsibility, such as the United Nations Global Compact, the United Nations

Principles for Responsible Banking or the United Nations Women's Empowerment Principles, among others. The full list of commitments is published on BBVA's corporate website.

## 5. Policy governance and oversight model

### 5.1. Approval, responsibility over the Policy and governance model

This Policy was approved by the Board of Directors of BBVA on December 22, 2020, pursuant to the analysis conducted by the Executive Committee of the Board, and came into force at the time of approval.

The Policy was drawn up and coordinated by the *Communications & Responsible Business Area*, specifically by its Responsible Business unit, with the collaboration of *Non Financial Risk, Client Solutions, Corporate & Investment Banking, Talent & Culture, Finance, Legal, Data, Global Risk Management and Secretary General*, within the scope of their respective competencies.

The *Global Head of Communications & Responsible Business* will be responsible, at the executive level, for this Policy and for its submission for approval, will know its degree of application, will promote the actions required to ensure that whoever is subject to this policy is aware of its contents and, where appropriate, will promote its implementation at the corresponding subsidiaries within the Group.

The heads of the areas affected by the policy will be responsible for incorporating and implementing its Principles into their regulations and activities, in the manner in which these areas deem appropriate.

The *Communications & Responsible Business Area*, through its unit Responsible Business Unit will be responsible for publicizing the Principles, updating the Principles as required or deemed appropriate based on the pertinent legal regulatory developments or best national or international practices on the matter, and providing guidance to the different executive areas to ensure they are incorporated into the Group's day-to-day operations and the internal norms and standards that regulate them, thus promoting their execution and adoption by the businesses, as well as their observance in any interactions with the different stakeholders. For clarification purposes, advice to executive areas on sustainability will be carried out within the framework of BBVA's Sustainability General Policy and by the areas or units under the terms specified therein.

### 5.2. Oversight and control

The Board of Directors, as the Bank's highest supervisory body, will oversee the Policy's implementation directly or through the Executive Committee, on the basis of periodic or ad-hoc reports received from the *Global Head of Communications & Responsible Business*, or the Head of the Responsible Business Unit, or from the different areas of the Bank that will incorporate the

Principles into their day-to-day business and operations and, where appropriate, from the Heads of BBVA's control functions.

At a minimum once a year, or in the event of any event requiring changes to this Policy, the *Communications & Responsible Business Area* will revise and submit to the Bank's corporate bodies any updates and modifications deemed necessary or appropriate at any time.

Control over the degree of compliance with both this Policy and its development will be carried out in accordance with the Group's control model, aimed at appropriate risk management and set up on the basis of three lines of defense, independent of each other. All areas will add any aspects required to achieve the principles and goals set in this Policy to their regulations and procedures. Existing processes will be adjusted to include the controls needed to guarantee correct management, in accordance with the mitigation and control frameworks defined by the specialists and the roles and responsibilities of the parties to the process, as per the Group's control model.

Monitoring and reporting of risk and control aspects will follow the governance system under the Group's general risk management and control model and the applicable risk-specific policies.