

**BBVA**

Creando Oportunidades

# General Procurement Principles

Madrid, Octubre 2021

## 1. Purpose

The acquisition of goods and contracting of services are governed by the General Procurement Principles.

These principles develop the content of the BBVA Group Code of Conduct (which will always prevail in the event of discrepancies) insofar as it is applied to the supply process. They are also aligned with the principles, commitments and provisions of the Corporate Social Responsibility Policy and the Anticorruption General Policy.

The General Procurement Principles set forth the principles and values on which BBVA Group's global sourcing model is based, as well as the guidelines for conduct that must be followed by all those involved in the procurement process.

## 2. Scope

These Principles are applicable to all BBVA members who, in the exercise of their professional activity, intervene in the procurement processes<sup>1</sup>, regardless of their unit or entity within BBVA Group, from the preparation of the budget to the invoicing of the contracted good or service.

## 3. General Procurement Principles

### 3.1. Compliance with the law

BBVA Members undertake to comply strictly with the legislation that may be applicable at all times.

### 3.2. Commitment to responsible business

Raising awareness in staff, suppliers and other interested parties involved in the BBVA Group procurement processes as regards sustainability and social responsibility is essential to:

- Ensure compliance with applicable legal requirements regarding human, labour and environmental rights
- Stimulate the demand for socially responsible products, services and / or projects
- Establish appropriate measures to optimize the repercussion derived from BBVA Group's purchasing and contracting decisions in the companies where it operates

### 3.3. Prevention of corruption

The procurement processes must always be carried out according to the BBVA Code of Conduct and Anticorruption General Policy and all the provisions therein.

### 3.4. Relationships based on respect

BBVA's relationships with suppliers are based on respect. BBVA does not discriminate or allow a supplier to be discriminated against (this also applies to the evaluation, selection, award and contracting processes) based on gender, race, age, nationality, religion, sexual orientation, disability, family origin, language, political ideology, political or union affiliation or any other characteristic that is not objectively related to the bases and conditions of the contracting tender or the consideration of which is prohibited by applicable law for these purposes.

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<sup>1</sup> Budgeting, request, supplier selection, negotiation, awarding, contract formalization and / or order issuance, reception and acceptance, invoicing and payment

### 3.5. Concurrency

In general, the procurement processes will be initiated by calling on the participation of a group of suppliers of goods and services whose characteristics and conditions offered fulfil BBVA's needs and requirements at a given time.

### 3.6. Objectivity

The negotiation and award processes must guarantee objectivity and avoid situations in which said objectivity could be impaired, especially if cases of potential conflicts of interests arise. It must be ensured that the selection of suppliers complies with the guidelines established in the internal procurement standard.

Likewise, in order to preserve objectivity, the relationships with suppliers of those involved in the BBVA Group supply process must comply strictly with the guidelines regarding the acceptance and delivery of gifts and personal benefits, set out in the Code of Conduct, in the Anticorruption General Policy and in the Giving Gifts and Organization of Promotional Events Standard.

### 3.7. Transparency

The negotiation and award processes must ensure that all suppliers have the same opportunities and access to the same information, which will be complete, accurate and transparent.

### 3.8. Value creation

The acquisition of goods and contracting of services must seek the optimal conditions for BBVA in each transaction, in addition to maintaining quality relationships with its suppliers.

### 3.9. Confidentiality

Non-public information that is available about suppliers and negotiations is confidential and may not be disclosed or used for any reason other than the professional relationship, whether for their own benefit or that of third parties.

Employees who, due to their position or professional activity, are in possession or have access to non-public information are responsible for the custody and appropriate use of said information.

### 3.10. Continuous improvement

BBVA Group promotes the continuous improvement of its supply process in different areas (technological, organizational, regulatory, risk management, social responsibility, etc.).

### 3.11. Segregation of functions

The heads of each unit must ensure the adequate separation of the budgeting, authorization, negotiation, awarding, reception and payment functions, thereby preventing incompatibilities between them<sup>2</sup>.

### 3.12. Relationships with suppliers

All relationships with suppliers are governed by the principles and values set forth above. BBVA Group also has a supplier relationship model, the basic elements of which are as follows:

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<sup>2</sup> The award, receipt and payment may not concur in the same person.

### **Supplier evaluation**

BBVA carries out a pre-contract evaluation of all its suppliers, which consists of assessing a set of risks, additionally validating whether suppliers share the same values as BBVA Group in terms of ethical, social and environmental commitments.

### **Code of conduct for suppliers**

BBVA Group has defined a Code of conduct for suppliers which defines the minimum standards of ethical, social and environmental conduct and corruption prevention measures that we expect suppliers to follow when they provide us with goods and / or services.

### **Supplier satisfaction**

A supplier satisfaction survey is carried out periodically to find out the concerns, level of satisfaction and improvements that suppliers propose in their relationship with BBVA.

### **Collaboration agreements with suppliers**

By signing collaboration agreements with strategic suppliers, BBVA establishes solid and lasting relationships that provide stability and quality in the performance of BBVA's systems, operations and infrastructures.

### **Payment to suppliers**

BBVA group is aware of the importance of complying with the terms of payment to its suppliers. Thus, it ensures that the corresponding circuits and procedures are always in place to guarantee responsible payment within the legal periods established in each of the countries where it operates.

## **4. Terms for approval**

The General Procurement Principles have been developed by Global Procurement with the support of Compliance and Responsible Business.

These principles are included in the internal standard for "Acquisition of Goods and Contracting of Services" that were approved by the Head of Finance in October 2021.