



Creating Opportunities

# Action Plan on Human Rights 2021-2022

March 2022



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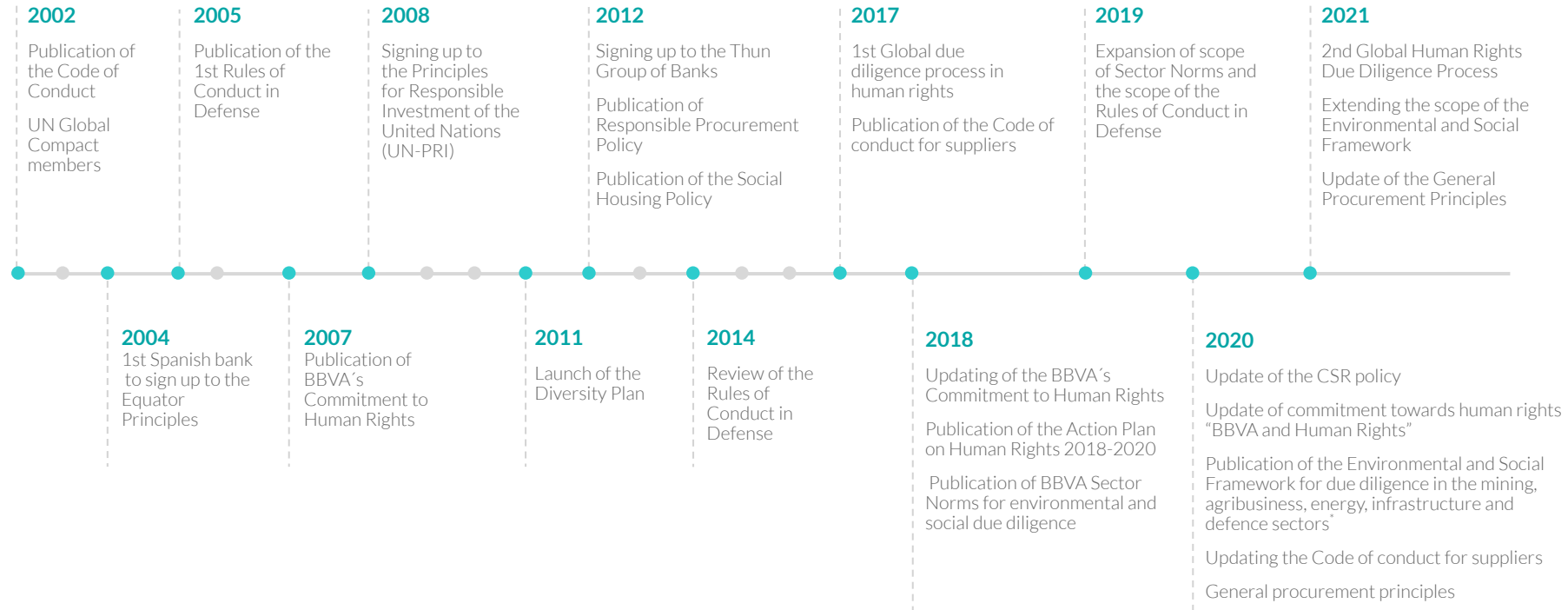
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# BBVA and human rights: our journey



(\*) Replaces Sector Norms and rules of conduct in defense

02

## • Context and background

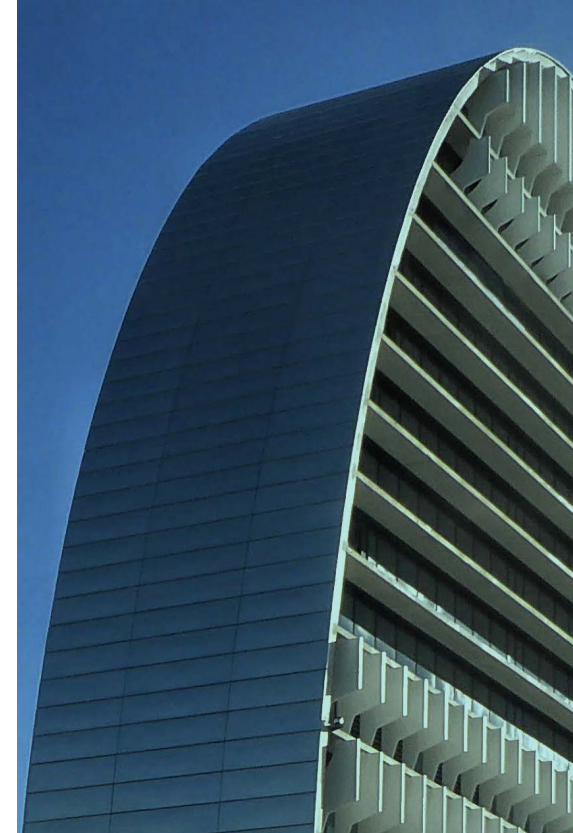
In the current context and for an institution such as BBVA, with more than 81 million customers and 110,000 employees in more than 25 countries and with operations in a wide range of sectors, the commitment to human rights is particularly relevant.

BBVA is committed to compliance with all applicable laws and respect for internationally recognised human rights.

**BBVA's commitment** to human rights is part of the **General Policy on Corporate Social Responsibility** [↗](#) and is aligned with the **BBVA Code of Conduct** [↗](#)

This commitment takes as its point of reference the **UN Guiding Principles on Business and Human Rights** [↗](#)

This commitment applies to all the relations that BBVA establishes with its stakeholders and the sites where it carries out its business and activities.



## • Context and background

One of these challenges in human rights management is the identification and assessment of the impacts of our entity on human rights. In order to emphasise this point, a global due diligence process was conducted in 2018. The UN Guiding Principles on Business and Human Rights were used as a reference point, according to which companies should activate due diligence processes through three key steps:

01

**IDENTIFICATION** of the potential impacts of its operations on human rights;

02

**DESIGN** of mechanisms within the company to prevent and mitigate them;

03

**PROVIDING** channels and processes to ensure that adequate mechanisms are in place to ensure redress for victims, in case of violations of human rights.

*More information on the results of the due diligence process carried out in 2018 can be found in Appendix I of this report.*



## Update of the due diligence process in 2021

In line with the UN Guiding Principles on Business and Human Rights, due diligence should be "an ongoing process, as human rights risks may change over time, depending on how companies' business activities and operational context evolve". BBVA has therefore conducted a new human rights due diligence in 2021 with the same objective as the previous process: to prevent, mitigate and remedy potential human rights impacts.

As part of a preventive approach, the potential impacts of the business have been identified and improvements have been identified within the business to prevent and mitigate these impacts, with appropriate channels and procedures made available to those affected to ensure that in the event of a breach, the appropriate mechanisms are in place to ensure the necessary remedial action is taken.

### The objectives of this exercise were:

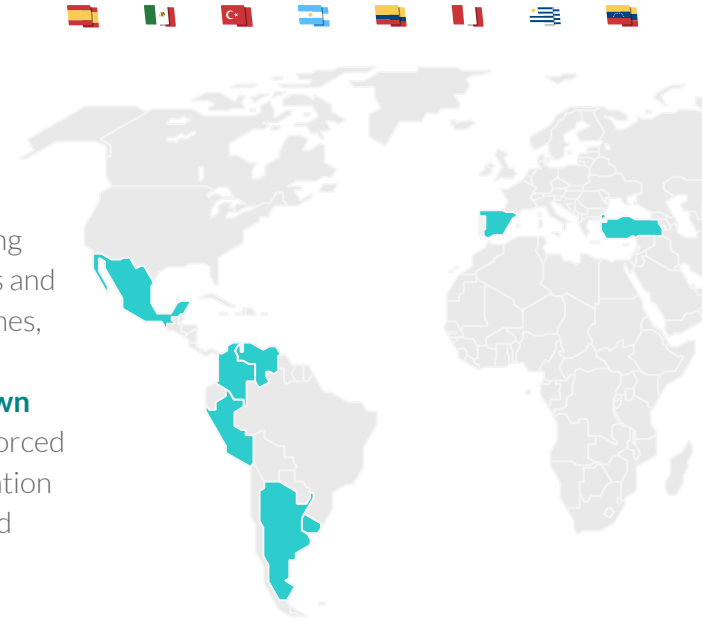
- Continue to integrate the growing expectations of investors and civil society in this area.
- Update and inclusion of new topics for the identification and assessment of the risks analysed in the previous exercise.
- Assessment of the adequacy of grievance mechanisms and measures to manage these risks (in line with the UN Guiding Principles on Business and Human Rights).
- Renewal of the Human Rights Action Plan to prevent and/or mitigate potential negative impacts.
- Alignment of the process with the current Non-Financial Risk Model and future regulatory obligations so that the due diligence process is a continuous and dynamic process. Additional information about the Non-Financial Risk Model can be found in **BBVA Annual Report 2021**. [↗](#)

## Update of the due diligence process in 2021

This comprehensive due diligence process carried out in all the **global areas** of BBVA has been replicated in **Spain, Mexico, Turkey, Argentina, Colombia, Peru, Uruguay and Venezuela**, where BBVA operates. Five priority issues were selected for each country based on prioritisation of severity of impact and country analysis of the most frequent issues based on social and government practises, as well as assessments from interviews with management and global risk control specialists (RCS).

### IDENTIFICATION, EVALUATION AND CROSS-CHECKING

Taking as a starting point the issues discussed in the previous due diligence process, and incorporating analyst and investor recommendations and expectations, and other emerging themes, an internal taxonomy of **28 human rights issues has been drawn up** covering such important issues as forced labour, child labour, freedom of association and collective bargaining, equal pay and discrimination.



## Update of the due diligence process in 2021

These **28 issues** were divided into **6 thematic blocks**:



### 01 Employment conditions:

which includes issues related to recruitment and fair pay, labour rights and relations, and health and safety.



### 02 Projects and products:

which covers the human rights impact of lending activity, with a focus on corporate clients.



### 03 Supply chain:

which brings together aspects of fair contracting conditions, supplier monitoring and responsible purchasing policies.



### 04 Customer well-being:

prioritising aspects such as accessibility and service as well as security and respect.



### 05 Respect for communities:

from a dual perspective encompassing both environmental protection and inclusive business.



### 06 Cross-cutting issues:

including data protection issues and the impact of new technologies on human rights.





## Update of the due diligence process in 2021

For each of these 28 identified issues, a risk assessment has been made:

### Inherent Risk:

on the basis of two parameters, namely the severity of the **impact** and the **frequency** of occurrence of each issue.

For this purpose, public information on the sector, the country and the company as well as various international frameworks were used, in particular the UN Guiding Principles on Business and Human Rights.

### Residual Risk:

to assess the mitigating aspects that BBVA has at its disposal to manage each issue based on 4 criteria:

1. Policies,
2. Procedures/controls,
3. Grievance mechanisms and
4. Monitoring indicators.

Meetings have been held with the global areas responsible for each issue in order to analyse the effectiveness of these mitigating factors and agree on action plans.

This identification and assessment phase considered potential negative impacts on stakeholders such as employees (with a focus on women), suppliers or subcontractors, customers, and indigenous peoples and local communities.

### Due Diligence assessment methodology

	Inherent risk	Mitigating effectiveness	Residual risk
Low	Impact: <ul style="list-style-type: none"> <li>Scale</li> <li>Scope</li> <li>Irremediability</li> </ul>	1. Policies	Risk following the application of mitigating measures in the BBVA Group
Medium - Low		2. Procedures / Controls	
Medium	Frequency: <ul style="list-style-type: none"> <li>Entity</li> <li>Sector</li> <li>Country</li> <li>Occurrence</li> </ul>	3. Grievance mechanisms	
Medium - High		4. Monitoring indicators	
High			

## Update of the due diligence process in 2021

Subsequently, the global risk control specialists (RCS) conducted a review of the results of the assessment as well as the adequacy of the mitigation action plans under the current non-financial risk model. This cross-checking process had a **twofold objective**: on the one hand, a gradual **alignment of both models** (human rights due diligence and the Non-Financial Risk Model) and on the other hand, to achieve greater systematisation of the process.

### PREVENTION AND MITIGATION

The results of the overall due diligence process determined that there is, in general, a medium-high level of effectiveness of management and mitigation measures for each of the issues. The residual risk is therefore low to medium-low for all taxonomy issues.

However, a number of areas for improvement have been identified around four areas which are reflected in this

#### 2021-2022 Action Plan:

- Management framework
- Stakeholders
- Public information and dissemination
- Processes



## Update of the due diligence process in 2021

**Management framework.** One of the areas of improvement detected has been the reinforcement of the management, monitoring and control structure for human rights risks. In 2021, the alignment with the **Non-Financial Risk Model** was reinforced, and in the future, a six-monthly monitoring system of the progress of the 2021-2022 Action Plan will be implemented. Work will also begin in 2022 on integrating the management of these risks into the regular Non-Financial Risk processes.

**Stakeholders.** Active participation of key stakeholders in the due diligence process has been identified as an area to be strengthened. An active process of engagement with these groups will take place in 2022.

**Public information and dissemination.** BBVA is committed to consistent, reliable and standardised disclosure of key environmental, social and governance (ESG) issues related to its business. In addition to the GRI, BBVA publishes information on human rights according to two of the most advanced standards on the market: Measuring Stakeholder Capitalism of the International Business Council (IBC) of the World Economic Forum (WEF) and the Sustainability Accounting Standards Board (SASB). BBVA is thus responding to the expectations of analysts, investors and other stakeholders.

**Processes.** Action plans have been set up in each of the 6 thematic blocks:

# Update of the due diligence process in 2021

## Processes:

### 01 Employment conditions

In 2021, the commitment to non-discrimination among employees was reinforced.

The non-discrimination variable was included in the Group's existing internal data analytics models that contribute to the selection or recruitment processes. In addition, work has started on comprehensive guidelines for digital disconnection, which will include explicit measures on the right to digital disconnection. The guidelines apply to all geographies and communication and awareness campaigns are conducted for all employees.

### 02 Projects and products

In the field of BBVA's **Environmental and social framework**, an Engagement Protocol has been developed in 2021 for customers who, a priori, do not comply with any of the requirements of the aforementioned framework. This protocol specifically sets out the human rights compliance requirements.

### 03 Supply chain

In 2021, a pilot was launched to strengthen the integration of ESG and specifically human rights issues in the supplier assessment process and to reinforce the fact that we have a responsible supply chain.



## Update of the due diligence process in 2021

### Processes:

#### 04 Customer well-being

In 2021, a Vulnerable Client Protection Framework began to be developed to implement criteria and best practices to adequately protect vulnerable clients.

#### 05 Respect for communities

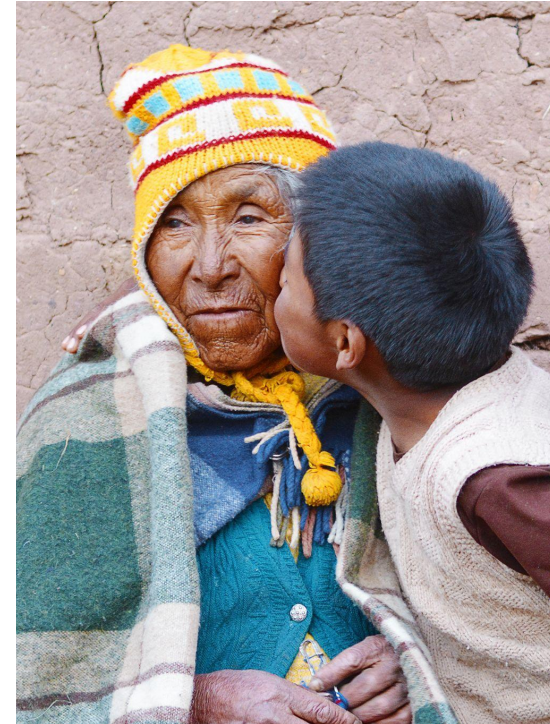
A comprehensive sustainable mobility framework is planned to be launched in 2022, so that the geographical areas where BBVA is present can draw up local plans, which will contribute to reducing the environmental footprint in places and local communities where BBVA is present. Further information on Management of direct environmental impacts can be found in [BBVA Annual Report 2021](#). 

#### 06 Cross-cutting issues

One of the action plans to be highlighted is that preparatory work has begun to launch a privacy policy for the entire BBVA Group in 2022.

There will also be a global personal data protection monitoring tool, including indicators on the number of complaints and grievances related to the protection of personal data.

As a final result of the whole process, **25 action plans** have been developed with the involvement of the entire organisation. Specifically, the action plans are the responsibility of **14 business areas** or global management areas.



## Update of the due diligence process in 2021

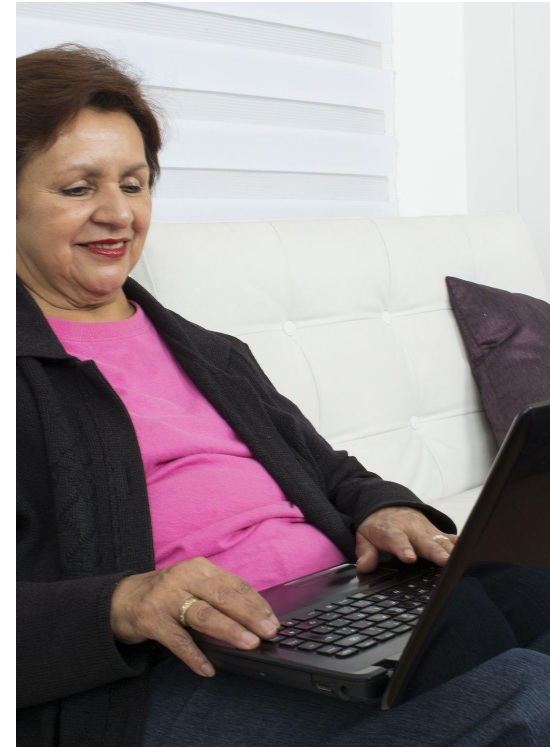
### GRIEVANCE MECHANISMS

Grievance mechanisms play an essential role in the responsibility to respect human rights for BBVA. They are an early warning and risk repair system.

In this due diligence process, the main complaint channels available at BBVA were analysed, i.e.:

- The BBVA Whistleblower Channel in the framework of our **Code of Conduct** [↗](#)
- Employee service channel
- Customer service channels
- Customer ombudsman
- Shareholder and Investor service
- Supplier support channel


These channels were assessed against the criteria for effectiveness set out in Article 31 of the UN Guiding Principles on Business and Human Rights: legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on stakeholder engagement and dialogue.





## Update of the due diligence process in 2021

Grievance mechanisms include the BBVA Whistleblower Channel, which allows any stakeholder to confidentially and, if they wish, anonymously report conduct directly or indirectly related to human rights.

No violations of human rights by the entities belonging to the Group as of December 31, 2021 have been detected in the complaints received through this channel. Additional information in [BBVA Annual Report 2021](#). 

As part of the Human Rights Action Plan 2021-2022, we will work to create a global and local category for complaints related to human rights issues in customer service channels by 2022.



04

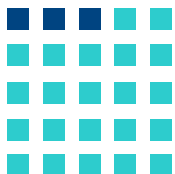
# Action plan on human rights 2021-2022

As a result of the due diligence process, two types of plans were included in the action plan: structural plans (of a more cross-cutting nature) and plans related to each of the six thematic blocks mentioned above.

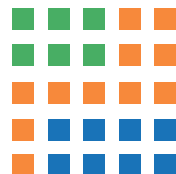
The results were as follows:

## 25 action plans

**3 structural plans** and **22 specific plans** to mitigate the issues identified in the internal human rights taxonomy.



**6 completed**, **11 in progress** and **8 planned** for 2022



14 leading areas of these plans globally

According to the 6 thematic blocks, the following 22 action plans have been developed:

### PLANS

	Employment conditions	8
	Projects and products	2
	Supply chain	3
	Customer well-being	5
	Respect for communities	1
	Cross-cutting issues	3



## Structural Action Plans

→ Action from the Action Plan 2018-2020

▶ Plan in progress

✓ Plan completed

### 01 HUMAN RIGHTS MANAGEMENT FRAMEWORK ▶

- **Integration** of the human rights due diligence process in the annual Non-Financial Risk (NFR) assessment processes.
- **Regular control mechanisms:** Implementation of a six-monthly monitoring system of the status of the action plans.

 **Lead:** Non-Financial Risks and Responsible Business

 **Implementation date:** 2021-2022

### 02 TRANSPARENCY AND PUBLIC INFORMATION ▶

- **Alignment:** Incorporation of new human rights metrics in the Group's Annual Report in line with reporting standards and guidelines (e.g. GRI, SASB and WEF-IBC).
- **Stakeholder engagement:** Consultation on the outcome of due diligence process with key stakeholders.

 **Lead:** Finance and Responsible Business

 **Implementation date:** 2021-2022

### 03 GRIEVANCE AND REMEDY MECHANISMS →

- **BBVA Group Code of Conduct Whistleblowing Channel:** identification of complaints directly or indirectly connected to human rights. ✓
- **Other mechanisms:** creation of a global category that integrates local complaints linked to human rights issues in customer service channels.

 **Lead:** Responsible Business, Compliance, and Clients Solutions

 **Implementation date:** 2021-2022



## Employment conditions

### Fight against discrimination



Action from the Action Plan 2018-2020



Plan in progress



Plan completed

#### 01 COMMITMENT TO THE GLOBAL MANAGEMENT OF LABOUR ISSUES



- Creation of a holding area for labour affairs, Labour & Employment Counselling & Relations, in order to have better coordination and management at global level.



Lead: Talent & Culture



Implementation date: 2021

#### 02 COMMITMENT TO EMPLOYEE DIVERSITY



- Gender:** Country and area specific targets and plans with quarterly tracking of global metrics.
- LGBTI:** Implementation of an guidance and coaching guide for employees in transition and their colleagues.
- Disability:** White Paper for the treatment of people with intellectual disabilities, etc. and pilot with people from this group (Spain).



Lead: Talent & Culture



Implementation date: 2022

#### 03 COMMITMENT TO NON-DISCRIMINATION BETWEEN EMPLOYEES

- Recruitment or selection processes:** Inclusion of the non-discrimination clause in the Group's existing internal data analytics models.



Lead: Talent & Culture



Implementation date: 2021



## Employment conditions

### Fight against discrimination



Action from the Action Plan 2018-2020



Plan in progress



Plan completed

#### 04 EQUAL TREATMENT AND EQUAL OPPORTUNITIES

- **Equal Treatment and Opportunities Plan:** (scope: Spain) covering different processes (recruitment, training, career development, remuneration) and issues (culture, work-life balance, pregnancy and maternity protection, sexual harassment and gender-based violence).



**Lead:** Talent & Culture



**Implementation date:** 2022

#### 05 COMMITMENT TO WORK/LIFE BALANCE

In the framework of the global *Work better, enjoy life* programme:

- **Post-pandemic models:** flexibility and remote working.
- **Global guidelines for work disconnection:** with express measures on the right to digital disconnection. The guidelines apply to all geographies and communication and awareness campaigns are conducted for all employees.



**Lead:** Talent & Culture



**Implementation date:** 2022

#### 06 FAIR AND DECENT WAGE CONDITIONS

As part of the *Living Wage* project:

- **Annual review of BBVA's wage gap** in the main geographical areas.
- **Update of the living wage metric** in accordance with the World Economic Forum (WEF) standard.



**Lead:** Talent & Culture



**Implementation date:** 2022



## Employment conditions

### Fight against discrimination



Action from the Action Plan 2018-2020



Plan in progress



Plan completed

#### 07 MATERNITY / PATERNITY RIGHTS

- Increase in the number of paternity leave days to reach a global minimum (Scope: Mexico and Turkey). 
- Awareness-raising campaign for employees to take their paternity leave. 



Lead: Talent & Culture



Implementation date: 2021-2022

#### 08 COMBATING HARASSMENT, INTIMIDATION, DEGRADING TREATMENT AND VIOLENCE AT WORK



- Draw up global guidelines to standardise sexual harassment and gender-based harassment protocols, and workplace harassment protocols, adapting them to local legislation.



Lead: Talent & Culture



Implementation date: 2022



## Projects and products



Action from the Action Plan 2018-2020



Plan in progress



Plan completed

### 09 INTEGRATION OF HUMAN RIGHTS IN DIFFERENT CORPORATE CUSTOMER RELATIONSHIP PROCESSES (including modern slavery, forced labour and child labour) →

Updating of the **Environmental and Social Framework**:

- Review of activities of excluded sectors to decide on extending them and to determine sectors most at risk so as to establish additional measures in the relationship with customers in these sectors. →
- Pilot project to extend scope to the Corporate Banking area in the energy, mining, agribusiness and infrastructure sectors. →
- Developing an Engagement Protocol with clients which a priori do not meet any of the requirements of the Framework. This protocol specifically sets out the human rights compliance requirements. →



**Lead:** Sustainability



**Implementation date:** 2021-2022

### 10 PRIOR CONSULTATION PROCESSES IN COMMUNITIES AND THEIR SOCIAL AND ENVIRONMENTAL IMPACT →

Within the framework of the **Equator Principles**:

- Review by NFR (Non-Financial Risks) of Equator Principles metrics in order to improve the quality and traceability of information and public information (including indicators related to prior consultation processes with communities). →



**Lead:** Sustainable Finance Corporate & Investment Banking



**Implementation date:** 2021-2022

## Supply chain

→ Action from the Action Plan 2018-2020

▶ Plan in progress

✓ Plan completed

### 11 FAIR AND RESPECTFUL CONDITIONS



- **Assessment of current conditions** offered to suppliers and contractors in order to ensure responsible terms and conditions.

 **Lead:** Legal Services and Responsible Business

 **Implementation date:** 2021-2022

### 12 INTEGRATING THE HUMAN RIGHTS VARIABLE IN THE PROCUREMENT AND MAINTENANCE OF SUPPLIERS AND CONTRACTORS (including modern slavery, forced labour and child labour)

- **Responsible supply chain programme:** pilot to strengthen the integration of ESG and specifically human rights issues into procurement processes.
- **Internal audits:** Integrating human rights into supplier audits.

 **Lead:** Non-Financial Risks and Responsible Business

 **Implementation date:** 2022

### 13 NON-DISCRIMINATION OF WORKERS OF SUPPLIERS AND CONTRACTORS



- Inclusion of a specific section on respect for and non-discrimination against the employees of suppliers and contractors in next review of the Code of Conduct of the BBVA Group.

 **Lead:** Compliance

 **Implementation date:** 2022



## Customer well-being

### Accessibility and Service



Action from the Action Plan 2018-2020






Plan in progress



Plan completed

#### 14 ELIMINATION OF THE GENDER VARIABLE FOR THE DEVELOPMENT OF ANALYTICS MODELS FOR FINANCIAL PRODUCTS



- Inclusion of the concept of discrimination and elimination of the variable within the Model Governance Framework. 
- Development of Fairness Guide and training for data scientists. 
- Continuous review process on new models and review plan for models older than 1 year. 





**Lead:** Data, Client Solutions, GRM and Responsible Business



**Implementation date:** 2021-2022

#### 15 DIGITAL ACCESSIBILITY TO FINANCIAL PRODUCTS AND SERVICES FOR VULNERABLE GROUPS AND COMMUNITIES

- **Creating a process for new designs** and global application developments to be accessible.
- **Awareness raising and training plan** to responsible teams on accessibility issues. 
- **Accessibility guides.** 



**Lead:** Client Solutions and Responsible Business



**Implementation date:** 2021-2022



## Customer well-being

### Customer protection and security

→ Action from the Action Plan 2018-2020

▶ Plan in progress

✓ Plan completed

#### 16 TRANSPARENT, CLEAR AND RESPONSIBLE (TCR) PRODUCT AND SERVICE INFORMATION (including Marketing & Advertising)

- **Global integrity and customer plan:**  
Establishment of integrity red lines and indicators with retail customers, and controls to facilitate their implementation.
- **Vulnerable client protection framework:**  
Development of criteria and good practices to adequately protect clients in vulnerable situations (including aspects of information protocols). ▶

👤 **Lead:** Client Solutions, Compliance and Responsible Business

📅 **Implementation date:** 2021-2022

#### 17 PROMOTING FAIR TREATMENT OF CUSTOMERS

- **Recovery and debt collection processes:** ✓  
integrating the human rights variable into the Retail Credit Risk Management Policy.

👤 **Lead:** Global Risk Management

📅 **Implementation date:** 2021

#### 18 AVOID EXCESSIVE AND DISCRIMINATORY ABUSE OR USE OF SECURITY FORCES →

- **Security forces evaluation processes:** ✓  
Regular analysis and monitoring of the actions of (external) security forces on BBVA Group premises, with a focus on possible human rights violations against customers and employees. Reporting revisions in evaluation reports.

👤 **Lead:** Engineering (Security)

📅 **Implementation date:** 2021





## Respect for communities



Action from the Action Plan 2018-2020



Plan in progress



Plan completed

### 19 MITIGATION OF DIRECT ENVIRONMENTAL IMPACT AND EFFICIENT RESOURCE MANAGEMENT

- **Global Eco-efficiency Plan 2021-2025:**  environmental action plan focused on reducing the direct environmental impacts of the BBVA Group, which establishes, for each of the geographical areas, year-on-year targets for reducing the carbon footprint, the use of renewable energy and waste management, among others.
- **Global framework for sustainable mobility:**  design of a global framework for the sustainable mobility of employees' journeys to work, so that each geographical area of the BBVA Group can draw up local plans to reduce the environmental footprint in local places and communities where BBVA is present.



**Lead:** Real state and Services



**Implementation date:** 2021-2022



## Cross-cutting issues



Action from the Action  
Plan 2018-2020



Plan in progress



Plan completed

### 20 COMBATING CORRUPTION, BRIBERY, TAX FRAUD AND MONEY LAUNDERING (including financing of terrorist groups)



- **Fiscal strategy (approved by the Board):**  
Update to include a reference to the importance of ESG factors.
- **General Policy for the Prevention of Money Laundering:** Include an express mention of the defence of human rights.



**Lead:** Tax & Compliance



**Implementation date:** 2021-2022

### 21 DATA PROTECTION AND PRIVACY OF OUR STAKEHOLDERS

- **Adoption of a Global privacy policy** approved by the Board of Directors.
- **Global monitoring tool** with indicators for the protection of customers' personal data.



**Lead:** Compliance, Data and Engineering



**Implementation date:** 2022

### 22 ENSURE HUMAN RIGHTS ARE TAKEN INTO ACCOUNT IN OWN-ACCOUNT INVESTMENT AND/OR MERGERS & ACQUISITIONS PROCESS



- **Inclusion of ESG and human rights criteria** specifically in the due diligence of Mergers & Acquisitions (M&A) transactions.



**Lead:** Merger & Acquisition and  
Responsible Business



**Implementation date:** 2022

05

## • Good practices

This section of the Plan includes three BBVA Group best practices from among the thematic blocks that make up the taxonomy of human rights.

### LIVING WAGE PROJECT

In 2017, Mexico launched an initiative that established a minimum wage to improve the quality of life of its employees, with the aim of having well-paid employees and supporting the family economy.

Subsequently, in order to implement this good practice in the rest of the countries in which BBVA operates, a study was carried out with the following objectives:

1. Establish a minimum wage in BBVA sufficient to cover the total basic food basket in each country\*
2. Analyse the levels of income inequality of employees – between higher income earners and lower income earners – in order to reduce the gap at the extremes

\*The total basic food basket is composed of a minimum food basket made up of a set of basic foodstuffs sufficient to satisfy energy and protein needs, plus the inclusion of non-food goods and services (clothing, transport, education, health, etc.)

#### CASE STUDY



### Employment conditions Fight against discrimination

#### Specific actions carried out in BBVA:

- **Identification of the value of the basic basket** total individual and total basic basket per household in each country. This task was developed in collaboration with BBVA Research, due to the difficulty in finding a benchmark with a comparable methodology across countries
- **Annual monitoring of the minimum wage and the pay gap** by extremes in all the countries where BBVA operates
- **Setting up local action plans** with the aim of increasing the minimum wage and reducing the gap between extremes

#### Achievements:

- Actions have been carried out in those countries where it was necessary to reduce the gap at the extreme end or to make the BBVA minimum wage cover the cost of the total basic food basket

# Good practices


## CASE STUDY



## Projects and products

### ENVIRONMENTAL AND SOCIAL FRAMEWORK

In sectors that are particularly relevant due to their potential social and environmental impact, BBVA has specific guidelines for action, complementary to the risk appetite perspective, which restrict participation in certain activities. These guides were initially contained in the "Sector standards" published in 2018.

In 2020, BBVA published the **Environmental and social framework**  (the "Framework") for due diligence in the mining, agribusiness, energy, infrastructure and defence sectors, replacing the Sectoral Standards and the Defence Performance Policy.

The development of the framework took into account market trends in sustainability, international regulations, international standards (including the Sustainable Development Goals, the Paris Agreement, the UN Guiding Principles on Business and Human Rights and the recommendations of the Task Force on Climate-related Disclosures -TCFD-), best practises and the demands of our stakeholders.

### Specific actions carried out in BBVA:

- **Incorporation of general exclusions** relating to human rights, in funding to clients or projects where there is evidence of:
  - violations of applicable human rights laws and regulations
  - employment of child or forced labour
  - resettlement or violation of the rights of indigenous or vulnerable groups without their Free, Prior and Informed Consent (FPIC)
- **Developing an engagement protocol** with customers who, a priori, do not comply with any of the requirements of the Framework (including human rights requirements).

### Achievements:

- Support from an external analyst for the implementation of this Framework.
- Customer stock review within the implementation of the Framework with the following results: more than 300 customers assessed and 18 with whom an engagement plan has been or will be initiated. (7 of them with human rights-related breaches).

# Good practices

## RESPONSIBLE TAXATION

BBVA understands responsible taxation as a materialisation of its commitment to the communities in which it operates. Based on this commitment, and in accordance with our Fiscal Strategy, BBVA aligns its fiscal contribution with value creation and orients its taxation towards the achievement of the United Nations Sustainable Development Goals (SDGs) and **protection of Human Rights**.

Taxation is linked to Human Rights, insofar as and through redistributive action of the States, it makes it possible to provide underprivileged with means for them to effectively exercise their rights. Further, this respect for these rights is relevant in the application of tax legislation and in the relationship with the tax authorities.

### CASE STUDY



## Cross-cutting issues

### Specific actions carried out in BBVA:

- **Assessment of the adaptation of the Tax Strategy**, approved by the Board of Directors, with a commitment to protect human rights also in the tax area. This action will run from 2022-2023.
- **Transparency on overall tax contribution** of the Group with the publication of an annual report since 2012 using PwC's Total Tax Contribution (TTC) methodology.
- **Internal schemes to ensure that the payment of taxes** takes place in the jurisdictions that are responsible for its collection, aligning our contribution with the effective implementation of our economic activity
- **Active participation in initiatives** committed to spreading best practice in tax transparency (such as the European Business Tax Forum etc.).
- **Active dialogue** with local tax administrations as well as with various NGOs also committed to human rights

### Achievements:

- Top score (100) in the Dow Jones Sustainability Index in the "Tax Strategy" section for 4 consecutive years.
- BBVA's inclusion as a best practice in the CSR Europe report "A Blueprint for Responsible and Transparent Tax Behaviour" in the "Public transparency and reporting" area

## Appendix 1

# Summary: Results of the human rights due diligence process in 2018

The first human rights due diligence process was conducted in 2018. One of the main findings of the process was the identification of 4 key areas of work:



### Policy and structure

which highlights the updating of our commitment to “BBVA and human rights” in line with the UN Guiding Principles on Business and Human Rights.



### Improvement in processes

with a focus on strengthening the supplier assessment and evaluation process, and the functioning and scope of redress mechanisms.



### Training and cultural transformation

making an effort to integrate human rights into plans such as the internal and external communication plan, the diversity and work-life balance plan, and the general training plan for employees.



### Alignment with business and strategy

integrating the human rights perspective into the BBVA Group’s strategic projects, such as the strategy on sustainability and climate change. An important milestone in 2018 was the adoption of the sectoral rules specific to the financing of sectors with particular social and environmental impacts (mining, energy, agribusiness and infrastructure). Today, these standards have been integrated into the [Environmental and Social Framework](#). 

As a result of the 2018 process, the Human Rights Action Plan 2018-2020 was published with 17 outstanding action plans, led by 11 global management areas, aimed at preventing and mitigating actual and potential impacts on our stakeholders.

More information on this process can be found in the [Human Rights Action Plan 2018-2020](#). 



Creating Opportunities

# Action Plan on Human Rights 2021-2022

March 2022

