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The world is living in an age of unprecedented changes



Climate change

+3.0°C
Current climate trend
(above pre-industrial levels

Growing social inequalities

1.4 Bn unbanked
Adults with no account, 2021⁽¹⁾

Nature degradation

3 planets

Needed to satisfy 2050 consumption demands (2

Sustainability is at the core of BBVA's Strategy



OUR PURPOSE

To bring the age of opportunity to everyone



Helping our clients transition towards a sustainable future

OUR SUSTAINABILITY STRATEGIC PLAN

Clear roadmap with 3 goals

Our ambition is to support business growth and manage our impacts, with 3 main goals and indicators



Foster new business through sustainability

> To channel sustainable business



FROM 2018 TO 2025

Climate change & Inclusive growth



Achieve Net Zero 2050

2030 Portfolio Alignment Targets for 6 carbon intensive sectors













Working on the targets of more sectors

Decarbonization targets for Asset Management portfolio

Carbon Neutral in our own operations¹



Make a positive impact

Community investment

BBVA's 2025 Community Commitment

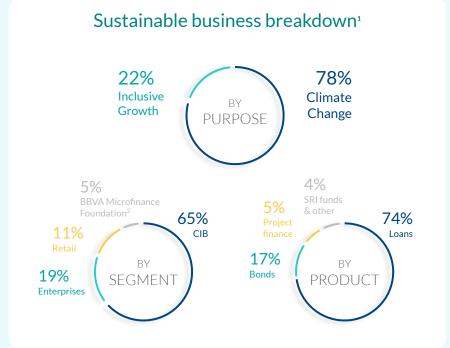
FROM 2021 TO 2025

We are bringing sustainable business to the next level

Tripled our sustainable business target



With a holistic approach that includes climate action, inclusive growth and all business segments



¹Figures from 2018-3Q 2022

Working on **5 growth levers**

Sectorial strategies for Corporate clients

Boost Enterprise business

Launching business big bets to fast-expand our retail business leveraging our digital edge

Financing new sustainable technologies, currently non-bankable under traditional financing structures

Developing best in class risk management capabilities in sustainability

Focusing on low carbon technologies and high emitting sectors leveraging advisory capabilities

with focus on 6 themes (Auto, Real Estate, Agriculture, Supply Chain, Power, Inclusive Growth) leveraging our know-how with Corporate clients

Developing products

Creating an innovative and disruptive value **proposition** in specific verticals Leading the financing of these technologies (Hydrogen, batteries, carbon capture, use and storages technologies ...)

Achieving superior risk management capabilities are key elements to foster growth

Sectorial strategies for **Corporate clients**

Focus on low carbon technologies and high emitting sectors...

Sectorial plans to proactively address portfolio alignment and climate transition (not business restrictive)

4	POWER	Renewables
63	O&G	Alternative feedstocks and scope 1&2 emissions
	AUTOMOTIVE	Fleet decarbonization and infrastructure for electric vehicles
	INDUSTRY (STEEL, CEMENT)	Electrification and hydrogen for industrial heating
	REAL ESTATE	Energy efficiency / insulation and solar distributed generation
*	AGRICULTURE	Agricultural innovation and decarbonization of on-farm energy
	NEW TECHNOLOGIES	Hydrogen, batteries and CCUs (Carbon Capture, Use and Storage)
•	SUPPLY CHAIN FINANCE	Decarbonization financing of suppliers

...enhancing advisory capabilities to finance our clients' transition strategies...



Growing advisory teams with focus on sustainability



Developing industry verticals teams, to increase knowledge specialization



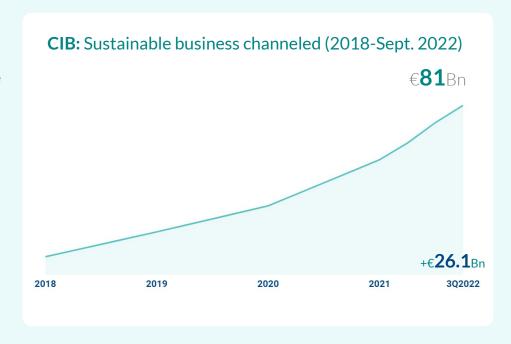
Creating a Sustainability
Network of expertise

Sectorial strategies for Corporate clients

Leveraging on our long standing innovation trajectory

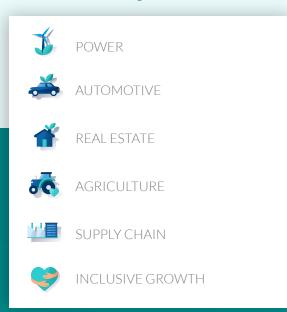


With good trends in sustainable business



Boost Enterprise business

Developing standardized products on 6 themes, and leveraging on client's efficiency goals...



...creating devoted teams in all geographies...



...developing new sustainable solutions for clients



Launching business big bets to fast-expand our Retail business leveraging our digital edge

Leveraging sustainable business and our digital transformation (a win-win alliance) to expand our digital offer...

... while creating an innovative and disruptive value proposition in specific verticals

Digitalization

- Boosts inclusiveness for the underbanked.
- Brings sustainable services to mass markets, and
- Data analytics to **identify** risks and opportunities



Created devoted teams to develop new solutions



AUTO







Financing new sustainable technologies currently non-bankable under traditional financing structures

WHY

HOW

WHAT WE ARE DOING

Engagement

L

Leading the financing of new technologies

(H2, batteries, CCUs...)

Allowing BBVA to be a market reference in the ecosystem

Developing risk mitigation structures

Knowledge

2

Participating in projects

Capturing current window of opportunity

3

Focused on RORC as the critical variable

Defining a specific risk admission process and an investment ceiling

Financial returns

Developing best in class risk management capabilities in sustainability



Framework

Transition Risks Risk Appetite

Physical Risks



© CREDIT POLICIES



Wholesale Credit Industry Frameworks

Retail Operating Frameworks

Onboarding

Client review

Loan approval



MEASURE

Financed carbon

TARGET SETTING

Portfolio

MANAGEMENT TOOLS

Transition Risk Indicator (TRI) ESG non-financial risks Framework

Implementing portfolio alignment strategy

and excelling in managing indirect emissions



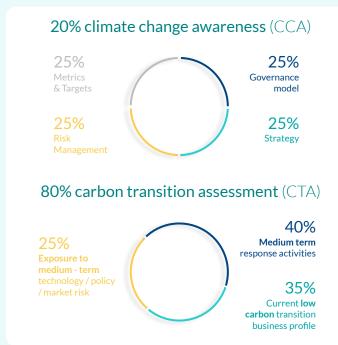
Fostering sustainable business and client transition rather than imposing broad restrictions...

... through a new business origination model to capture the dynamic nature of our clients' strategies through forward-looking approaches

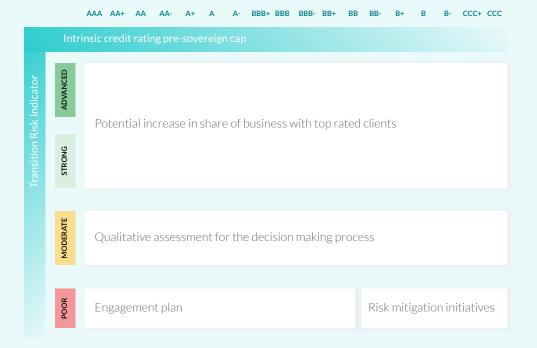
Developing specific tools to assess clients transition that are integrated in credit policies

The Transition Risk Indicator

is a combination of **2 metrics**.



...that combined with the **credit policies** provides a **holistic assessment** of the transition of each client.



Making a positive impact on the society

with integrity as our distinctive mark

Impact on society...

€550 Mn **100** Mn people investment in the community reached

€106.3 mill 44.2 mill As of Dec 21 invested reached

■ Fundación BBVA Microfinanzas

- **1st** private organization contributing in the development assistance for gender
- **2nd** largest philanthropic initiative globally
- 1st in LatAm, according to OFCD for the third consecutive year in 2022

...through our activity

Promoting a relationship with <u>customers</u> based on transparency and responsibility

Engaging our <u>employees</u> with a values-driven organization that enrich talent with a diverse and inclusive team.

NEW 2024 TARGET

35% women in management positions

Decarbonization of our operations by reducing the environmental footprint and offsetting emissions

...with a strong corporate governance...

A solid and effective **Corporate Governance** System at Board level

A Global Sustainability Area at management level that has a business oriented focus at the top of the organization



...and committed to transparency

Best in class reporting. Third TCFD issued





BBVA is rewarded internationally

for its sustainability focus

SUSTAINABILITY AWARDS



Best Private Bank for Sustainable Investing (2023)



Best Bank for Sustainable Finance in Perú (2022)



Best Investment
Bank for Sustainable
Financing
Worldwide (2021)



Gallup Exceptional Workplace Award (2021)



Best bank in Turkey in sustainable finance (2020)



Latin America's Best Bank for Sustainable Finance (2020 & 2019)



Best Investment Bank for Sustainable Finance in Europe and Latin America (2020)



Euromoney Top 3 -Best global bank in D&I (2021)



FT leading diversity company (2021)

The Banker

Sustainability linked loan Deal of the year (2020)



UN Women case study on BBVA's "Work Better Enjoy Life" successful program (2020)



Best Sustainable Bank in Spain (2020)



SUSTAINABILITY INDICES ON WHICH BBVA IS LISTED

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

1st European Bank



Gender - Equality Index



Eurozone 120 Score 57/100



AAA rating





