

Policy Influence

1. Contributions & Other Spending 2023

In 2019, BBVA performed a process of strategic reflection to continue making progress with its transformation and adapt to the major trends that are changing the world and the finance industry. In this context, the strategic plan approved by the Bank's Board of Directors in 2019 seeks to accelerate this transformation and the achievement of its Purpose, "To bring the age of opportunity to everyone".

BBVA's strategy encompasses trends that are transforming the world.

There are two strategically relevant areas for BBVA.

- On the one hand, the promotion of digitization in which data and technology help improve the financial health of our customers, who will be able to make better informed decisions.
- On the other, support for sustainable finance. The climate transition will require significant investments in the short term and long term in many industries. At BBVA, we are aware of the important role banks may play in this transition providing financing and advice to our clients.

In order to promote this lines of work, we choose to collaborate with organizations that share our vision and whose activity is aligned with our strategic objectives, such as industry associations, employers' organizations, chambers of commerce and the most prestigious think tanks who carry out studies on regulation, finance, digital technology, sustainability, alignment to Paris Agreement, financial inclusion and financial education in countries where we have a relevant presence. As members of these organizations, we contributed € 5.7 million around the world in 2023:

Advocacy, interest representation or similar	€ 4.12 million
Local, regional or national political campaigns / organizations / candidates	€0
Trade associations or tax-exempt groups (e.g. think tanks)	€ 1.55 million
Other (e.g. spending related to ballot measures or referendums)	€0

BBVA seeks to promote that the regulatory framework applying to the financial sector, facilitates digital transformation in equal conditions for all actors. The resources allocated to promoting the bank's vision of digitization total €381 thousand. On the other hand, the bank's support for sustainable finance totals €447 thousand.

BBVA makes an effort to be present in the local organizations in the financial sector and trade associations in those countries where we are present. The largest contributions to these organizations in 2023, within the aforementioned €5.7 million contributed in total, were made to:

- Asociación Española de Banca/Spanish Banking Association (€1.7 million); Asociación de Bancos de México/Mexican Banking Association (€1.9 million); included in “advocacy, interest representation or similar”.
- Cámara de Comercio de España/Spanish Chamber of Commerce (€0.2 million); included in “trade associations or tax-exempt groups”.

These collaborations are in addition to our intellectual contributions to promote the transformation of the sector, which we provide directly through the research activities and analyses of our research department (BBVA Research).

These institutional activities are always carried out with the utmost transparency.

2. Policy Influence/Advocacy and Trade associations-Climate Aligned

Participation in international initiatives related to Sustainability

According to its Sustainability General Policy, BBVA supports and participates in the initiatives that it considers more relevant in line with the bank's strategy and its priority areas of action, which promote the positive contribution of the finance sector in our society. Thus, BBVA actively participates in different global and regional initiatives that aim to promote the decarbonisation of the planet (including alignment with the Paris Agreement), the protection of the environment and natural capital and promote inclusive growth and diversity. In particular:

1. At European level, BBVA is supportive of a variety of initiatives aligned with the Paris Agreement, like the European Green Deal and the European Commission's Sustainable Finance Action Plan, which has been a very positive first step to steer investments towards sustainable activities and projects and the 2021 Sustainable Finance Strategy. Additionally, BBVA is Chair of the Sustainable Finance Expert Group of the European Banking Federation (EBF). BBVA is also a member of the Spanish Green Growth Group.

2. At global level, BBVA is a member of UNEP FI, Co-Chair of its Global Steering Committee representing the European Banks and a member of its Leadership Council till December 2023. From 2021, BBVA is a signatory of the Net Zero Banking Alliance and is nowadays a member of its Steering Group. BBVA Asset Management is a member of the Net Zero Asset Managers initiative.

Through advocacy, BBVA aims to share its experience and expertise with policy makers, but with a focus on regulatory matters and not on political affairs. In 2023, BBVA continued to adopt an active role within the framework of future EU regulatory initiatives. In this context, our interests covers EU regulatory initiatives in the field of financial services (which include Sustainable Finance; Banking Union; prudential requirements CRR/CRD, Capital Markets, retail banking, payments, structural reforms in the banking sector, etc.), as well as other initiatives in areas such as Digital economy, Innovation and Technology, Corporate Governance and Company Law, Audit, Consumer Protection, Competition, Taxation and Corporate Social Responsibility, among others. For that purpose, BBVA participates in the public consultations or position papers that the regulators and other authorities launch to gather input from stakeholders, either individually or via the associations of which we are members. The responses to these consultations and position papers in Europe and globally are available on the Transparency Register or on the public websites of the associations (e.g. EBF, IIF, AFME, etc). BBVA has a robust internal process to ensure that the information provided to the market associations is consistent with BBVA's Sustainability General Policy, in line with the bank's strategy and its priorities.

The areas in charge of regulatory and non-regulatory advocacy on sustainability have procedures to ensure that the positions they defend in different fora are in line with our net zero ambition and sustainability performance as agreed in our governing bodies.

Management system in place: Additionally, the Bank's sustainability advocacy strategy (beyond regulators) is structured around a dedicated Working Group (WG) which meets on a monthly basis with the participation of Public Affairs, Legal, Research, Regulation, Reputational Risk, Competition, Communications, Risk Management, Compliance, Internal Audit, Investor Relations, Premises, Talent & Culture, among other areas. In this WG, technical assessment of new sustainability commitments is carried out and proposals are made to be submitted to the Head of the Global Sustainability Area for decision on adhesion and disengagement of commitments, and the fulfillment of the obligations that these commitments entail is monitored. These responsibilities related to sustainability advocacy are part of the Duties and Authority of the Head of the Global Sustainability Area.

This WG is global in scope, covering all jurisdictions in which the Bank operates. Assessment of local commitments is carried out with the teams involved in the appropriate jurisdiction in each case.

In general, BBVA contributes to consultations on sustainability issues through trade associations and banking associations, either global or local (such as European Banking Federation, Asociación Española de Banca, Asociación de Bancos de México, Asobancaria in Colombia, ASBANC in Peru...). In general we make sure that the position of these associations are in line with our own positions. In the event that the position of these associations does not exactly coincide with that of BBVA, or BBVA considers that the industry's position needs to be completed, qualified or emphasized, BBVA would express its views individually.

As examples, in the IOSCO (International Organization of Securities Commissions) consultation on voluntary carbon markets, BBVA issued its own response, and also in that of the Scope 1 and Scope 2 standards of the ISSB ((International Sustainability Standards Board), in both cases not because of a position different from that of the trade associations but rather to emphasize its own vision.