

Responsible banking model

At BBVA we have a **differential banking model** that we refer to as responsible banking, based on seeking out a return adjusted to principles, strict legal compliance, best practices and the creation of long-term value for all stakeholders. It is reflected in the [Bank's Corporate Social Responsibility or Responsible Banking Policy](#) (or CSR Policy). The Policy's mission is to manage the responsibility for the Bank's impact on people and society, which is key to the delivery of BBVA's Purpose.















The CSR Policy is approved by the Board of Directors. Likewise, the responsible banking model is supervised by the Board of Directors and the Executive Committee, as well as by the Bank's Global Leadership Team (GLT), chaired by the CEO.

All the business and support areas integrate this policy into their operational models. The Responsible Business Unit coordinates the implementation and basically operates as a second line for defining standards and offering support.

The four **pillars** of BBVA's responsible banking model are as follows:

- Balanced relations with its customers, based on transparency, clarity and responsibility.
- Sustainable finance to combat climate change, respect human rights and achieve the UN Sustainable Development Goals (SDGs).
- Responsible practices with employees, suppliers and other stakeholders.
- Community investment to promote social change and create opportunities for all.

During **2017**, the Group has worked on a climate change and sustainable development strategy which address the management of risks and opportunities deriving from the fight against climate change and the achievement of the SDGs in a comprehensive way. BBVA's approach to these kinds of risks and opportunities are included in the section on [Sustainable finance](#).

Responsible banking strategic initiatives						
Strategic initiative	Strategic priority	2018 plans	Deliverables	KPI	2020 goal	Progress in 2017
0. Operating model		CSR Policy update Agile organization within the Responsible Business Department Reporting to the GLT and to the Board of Directors	CSR Policy approval Agile methodology implementation Three reports to the Board of Directors and five to the GLT			Responsible banking model
1. TCR to transform the traditional bank	 New standard in customer experience	TCR in strategic projects (Glomo, public web, Wallet, NetCash, Automik) TCR guidelines and training	80% of features based on TCR principles 12 workshops and 400 people trained Two reports to the Customer Solutions Leadership	Net TCR Score	First in clarity and transparency (except for the United States)	TCR communication
TCR to create the new Bank	 Digital sales					
	 Reputation					
2. Sustainable finance	 New standard in customer experience	Strategy on climate change and sustainable development Task Force on Climate-related Financial Disclosures (TCFD) recommendations Commitment to Human Rights and action plans Sector norms SDG bonds framework	Strategy on climate change and sustainable development approval Sustainable Finance forum TCFD recommendations roadmap Commitment to Human Rights and action plans approved Sector norms approval and implementation SDG bonds framework approval and first green bond issue Two reports to the Board of Directors and to the GLT	Responsible banking synthetic index	Top 3	Sustainable finance
	 Optimize capital allocation					
	 New business models					
3. Reputational risk	 Optimize capital allocation	Local reputational risk specialists Step-in risk assessment	Risk specialist participation in local decision-making bodies Step-in risk assessment execution Annual assessment & due diligences	RepTrak Pulse	Above 60 in all the countries	Reputational risk
	 Reputation					
4. Community investment	 New standard in customer experience	BBVA Momentum Center for Financial Education and Capability Donations norm and platform Global volunteering initiative	BBVA Momentum implementation in five countries Financial education annual summit Donations norm approval and platform implementation -Global volunteering initiative launch and 20% increase of volunteers Two reports to the GLT	RepTrak Citizenship	First or second in all the countries	Contribution to society
	 Reputation					
	 A first-class workforce					
5. Monitoring, communication and advocacy	 Reputation	Reputation monitoring and materiality analysis Non-financial reporting Analysts & investors engagement	Two reports to the GLT Integrated reporting and bbva.com contents Road shows and meetings with investors and shareholders	Responsible banking synthetic index	Top 3 First or second in all the countries	Materiality The BBVA share
	 Unrivaled efficiency					
6. Talent & Culture	 A first-class workforce	Diversity & inclusion plan Work-life balance plan	Launch of various initiatives	RepTrak Employees	Score improvement in related aspects	People management