Responsible Banking
A different way of banking

September 2018
Summary

01 What do we mean by Responsible Banking?

02 How do we do Responsible Banking?

03 BBVA’s impact on society

Annexes
Sector norms: main exclusions
TCFD recommendations road map
What do we mean by Responsible Banking at BBVA?
Responsible banking policy, a driver to deliver our purpose every day

Our purpose
To bring the age of opportunity to everyone

Aligned with our vision of the future
Helping customers to achieve their life goals
Be more than a bank, be an engine of opportunities

Having a true impact on people’s lives and business

Mission of our responsible banking policy
To manage the responsibility that comes from the impact of BBVA’s activities on people & society
Holistic approach to responsible banking

Return adjusted to principles

- Integrity
- Prudence
- Transparency

With a multistakeholder approach

- Customers
- Employees
- Society
- Investors & shareholders
- Suppliers

Commitments & responsible practices

And with the whole bank involved

- Business Units & Support Areas are integrating it in their operational models
- Responsible Business function working mainly as a second line to challenge and give support to all areas

Role of Responsible Business: 2nd line to ensure that people are systematically placed at the decision-making processes
Our four pillars on responsible banking

| Balanced relationships with our customers based on transparency, clarity & responsibility |
| Sustainable finance to halt global climate change & attain the UN Sustainable Development Goals |
| Responsible practices with employees, suppliers and other stakeholders |
| Community investment to promote social change and create opportunities for all |
Governance and Accountability

Responsible business function reports directly to the Board of Directors

Board of Directors
- Approval and monitoring of the CSR policy and responsible business plan
- Report to plenary & to the Executive Committee

Leadership
- Integrated in CEO decision-making
- Global Leadership Team oversight
- Local Leadership

Operation Model
- Responsible Business co-dependency: Customer Solutions & Communications
- Global & local teams (140 people)
Main sustainability indexes in which BBVA is present
International standards with BBVA’s active participation

Principles for Responsible Banking
How do we do Responsible Banking?
Responsible Banking - A different way of banking

Systematically ensure that BBVA’s interactions with customers are transparent, clear and responsible to help them to make better financial decisions and build trust

TCR relationships with our customers (transparent, clear & responsible)

TCR relationships
Systematically ensure that BBVA’s interactions with customers are transparent, clear and responsible to help them to make better financial decisions and build trust

Our aspiration 2018: 1st clearest and most transparent bank in major markets
What are we doing?

TCR to transform the traditional bank

<table>
<thead>
<tr>
<th>TCR summary pages &amp; commercial protocols</th>
<th>TCR contracts</th>
<th>TCR external sales &amp; call centers</th>
<th>TCR complaints management</th>
<th>TCR advertising code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 SP covering 90% of sales in 8 countries</td>
<td>75 contracts in 9 countries</td>
<td>42 scripts in 5 countries accounting for 80% of the sales in this channel</td>
<td>112 letters of response to claims in 4 countries</td>
<td>Applied to all main campaigns</td>
</tr>
</tbody>
</table>

TCR to create the new bank

<table>
<thead>
<tr>
<th>TCR in SDA customer solutions</th>
<th>TCR in agile methodology</th>
<th>TCR training &amp; UX system</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCR specialists in global SDA</td>
<td>TCR specialists in global SDA</td>
<td>1260 people trained</td>
</tr>
<tr>
<td>TCR guardians in local SDA</td>
<td>TCR guardians in local SDA</td>
<td></td>
</tr>
</tbody>
</table>

(*) SDA: Single Development Agenda
ROI for TCR relationships

Growth

• Higher customer recommendation (NPS, Net TCR Score)
• Higher non-customer consideration
• More digital sales

Return on Capital

• Less complaints
• More efficient commercial dialog
• Higher employee pride of belonging and motivation

Risk Management

• Lower risk of fines
• Lower reputational risk
• Lower operational costs for unfair commercial practices
• Anticipating regulation

Based on RSC2 Model developed by McKinsey & Seres Foundation
Financial Education & Capability Building

Financial education for society

More than 2.3 million participants in 2017

€6.3 million invested in 2017

Financial capabilities into customer solutions

Bconomy
Spain

Check Up
Mexico

Advocacy & knowledge generation

Data verified by KPMG

www.bbvaedufin.com
Customer relationships KPIs

Net Promoting Score (NPS) 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>Position relative to peer group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>1st</td>
</tr>
<tr>
<td>The United States</td>
<td>2nd</td>
</tr>
<tr>
<td>Mexico</td>
<td>2nd(*)</td>
</tr>
<tr>
<td>Turkey</td>
<td>n/aev</td>
</tr>
<tr>
<td>Argentina</td>
<td>2nd(*)</td>
</tr>
<tr>
<td>Chile</td>
<td>2nd(*)</td>
</tr>
<tr>
<td>Colombia</td>
<td>3rd(*)</td>
</tr>
<tr>
<td>Peru</td>
<td>1st(*)</td>
</tr>
<tr>
<td>Venezuela</td>
<td>2nd</td>
</tr>
<tr>
<td>Paraguay</td>
<td>2nd(*)</td>
</tr>
<tr>
<td>Uruguay</td>
<td>n/aev</td>
</tr>
</tbody>
</table>

Source: RepTrak (Reputation Institute).
(*): tie with other entities.
Peer Group: Spain: Santander, CaixaBank, Bankia; The United States: Regions, Wells Fargo, Chase; Mexico: Banamex, Banorte, Santander, HSBC; Argentina: Galicia, Santander, HSBC; Chile: Banco de Chile, Santander, BCI; Colombia: Bancolombia, Banco de Bogotá, Davivienda; Peru: Banco de Crédito, Interbank, Scotiabank; Venezuela: Banesco, Mercantil, Banco de Venezuela; Paraguay: Continental, Itaú.

External Reputation Pulse RepTrak 2017

<table>
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<tr>
<th>Country</th>
<th>Position relative to peer group</th>
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<tr>
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<td>2nd(*)</td>
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<td>Brazil</td>
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</tr>
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<td>Argentina</td>
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<td>2nd(*)</td>
</tr>
<tr>
<td>Uruguay</td>
<td>n/aev</td>
</tr>
</tbody>
</table>
The context: we are at a sustainability inflection point

Global agenda
- UN Sustainable Development Goals 2030
- Paris Agreement
- Human Rights

Market
- USD12 Trillion
  Market size linked to SDGs in 2030
- USD5-7 Trillion
  Expected annual investment till 2030, 70% in emerging markets
- Customers
  Growing sustainability consciousness
- Competitors
  Starting to develop advanced strategies

Investors
- 1,750 Institutional investors signatories
- USD70 Trillion
  Assets under management

Regulators
- Mandatory disclosure
  EU Directive for non-financial information disclosure
- Climate change
  FSB initiative (soft-regulation)
- Sustainable finance strategy in EU
  Action Plan launched

(1) Business & Sustainable Development Commission
(2) The Brooking Institution
Pledge 2025

BBVA strategy on climate change and sustainable development

**To finance**
We will help to create the scale of capital mobilization to halt global climate change & attain the UN Sustainable Development Goals

- Green finance
- Sustainable infrastructure and agribusiness
- Financial inclusion & entrepreneurship

**To manage**
We will manage our environmental & social risks to minimize potential negative direct & indirect impacts

- Transparency in carbon-related exposure
- Alignment with 2°C scenario
- Sector norms in mining, energy, agribusiness & infrastructure

**To engage**
We will engage with all our stakeholders to collectively promote the contribution of financial industry to sustainable development

- TCFD recommendations implementation on 2020
- Financial education
- Promotion of Responsible Banking standards within the industry

€100 Billion MOBILIZED

**ACTIVE COLLABORATION**

Our purpose: to bring the age of opportunity to everyone
A €100 Billion mobilization between 2018-2025

Transition to a low carbon economy

- Green lending to companies & institutions
- Green bonds intermediated as bookrunner
- Energy efficiency, water & waste management & solutions for SMEs & individuals
- Green investment funds & equity

Financial inclusion & entrepreneurship

- Lending to underserved
- Lending to vulnerable microentrepreneurs
- Lending to women entrepreneurs
- New digital business
- Impact investment

Infrastructures & agribusiness

- Project & corporate lending in education, health & affordable housing
- Social bonds intermediated as bookrunner
- Social investment funds & equity
- Agribusiness lending under sustainability criteria
Current exposure on sustainable finance

Credit exposure
December 2017

Sustainable bonds

- Sustainable bonds intermediated
  - €10.6 BILLION
- €1.5 BILLION as bookrunner
- Eurozone's largest green bond issued
  - €1 BILLION

Credit exposure

- Financial inclusion & entrepreneurship: 13%
- Green certified loans: 4%
- Green corporate lending: 42%
- Infrastructures & agribusiness lending: 19%
- Other green lending: 7%
- Green project finance: 15%

Sustainable bonds

- Including BBVA Microfinance Foundation
- Green criteria aligned with Green Bond Principles. Social criteria aligned with Social Bond Principles
We are already providing innovative finance solutions to promote sustainable finance

**Transition to low carbon economy**

- Most active bank in green loans market
- 1st green loan in the energy sector in favor of Iberdrola (€500M)
- 1st syndicated green loan
- 1st green project finance

**Infrastructure & agribusiness**

- €333M financing in social infrastructure projects
- Sustainable Bonds: Community of Madrid €240M

**Affordable housing:**

- 60,900 clients refinanced in light of payment difficulties
- 2,676 houses for social rent

**Financing sustainable projects**

- €218M financing in renewable energy projects

**Green lines financing with multilaterals**

- Energy efficiency
- IFC line €150M for green mortgages in Turkey

**Financial inclusion & entrepreneurship**

**Financial inclusion segment**

- >8 million customers in Mexico, South America
- Low-cost digital channels and easy-to-use products
- 6 year commitment of $11,000 million for low income communities in US

**Fundación BBVA MicroFinanzas**

- 5 Countries
- 2 million customers
- 514 branches
- >8,100 employees

United Nations grants consultative status
BBVA's SDGs Bond Framework follows the ICMA\(^1\) Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainable Bond Guidelines which have four requirements:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

(1) International Capital Market Association (ICMA)
## Environmental direct impacts targets 2025

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electricity Consumption</strong></td>
<td>920 GWh</td>
<td>874 GWh</td>
<td>848 GWh</td>
</tr>
<tr>
<td><strong>% Renewable Energy</strong></td>
<td>27%</td>
<td>48%</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Direct CO₂ emissions</strong></td>
<td>283 MtCO₂e</td>
<td>263 MtCO₂e</td>
<td>90 MtCO₂e</td>
</tr>
</tbody>
</table>

- **Electricity Consumption**: Committed with Science Based Targets Initiative & RE 100 Initiative to achieve 100% renewable energy in 2030.

**70% renewable energy**

**68% CO₂ emissions reduction (2015)**
Transparency in carbon-related assets

Carbon-related assets exposure

December 2017

€23.370 Million
3.4% of total assets

<table>
<thead>
<tr>
<th></th>
<th>Utilities</th>
<th>Oil &amp; Gas</th>
<th>Coal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate lending</td>
<td>8.187</td>
<td>12.050</td>
<td>133</td>
<td>20.370</td>
</tr>
<tr>
<td>Project finance</td>
<td>416</td>
<td>767</td>
<td>0</td>
<td>1.183</td>
</tr>
<tr>
<td>Structured Trade Finance</td>
<td>319</td>
<td>1.473</td>
<td>0</td>
<td>1.792</td>
</tr>
<tr>
<td>Equity</td>
<td>0</td>
<td>25</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total exposure to carbon-related assets</strong></td>
<td><strong>8.922</strong></td>
<td><strong>14.315</strong></td>
<td><strong>133</strong></td>
<td><strong>23.370</strong></td>
</tr>
</tbody>
</table>

1) Includes assets linked to utilities and energy generation based on fossil fuels (coal, oil & gas)
# Sector norms

<table>
<thead>
<tr>
<th>Purpose</th>
<th>To address industry-specific sustainable issues and provide clear guidance on the procedures that must be followed during customer management and transactions in these sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Integrating new Human Rights commitment</strong></td>
<td><strong>Integrating new environmental commitment</strong></td>
</tr>
<tr>
<td>Scope</td>
<td>Corporate &amp; Investment Banking activities carried out by all BBVA Group institutions, businesses lines, branches, subsidiaries and geographies</td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td><strong>Mining</strong></td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td><strong>Agribusiness</strong></td>
</tr>
<tr>
<td>Due diligence processes</td>
<td>Transactions + Clients + Products</td>
</tr>
<tr>
<td>How we did it?</td>
<td><strong>Based on international standards</strong></td>
</tr>
<tr>
<td><strong>Benchmark analysis</strong></td>
<td><strong>Economic assessment</strong></td>
</tr>
<tr>
<td>Escalation &amp; exceptions</td>
<td>Exemptions will only take place exceptionally and shall only be approved by the CIB Leadership Committee.</td>
</tr>
<tr>
<td></td>
<td>Exemption requests must be clearly justified and supported by all decision-making tiers</td>
</tr>
</tbody>
</table>

A set of norms that are best practices within the industry that will be annually updated
Engagement with all stakeholders and commitment with the main global initiatives

CUSTOMERS
- Advocacy
- Raise awareness
- Educating & empowering

REGULATORS
- Advocacy
- Knowledge sharing

COMPETITORS
- Partnerships
- Self-regulation

CORPORATE CLIENTS
- Dialogue
- Support

WATCHERS
- Hearing & learning
- Transparency

INVESTORS
- Holistic view
- Transparency

SUPPLIERS
- Dialogue
- Support

EMPLOYEES
- Raise awareness
- Call to action

Representing European banking at the Global Steering Committee of United Nations forum for financial institutions. Chair of the Sustainable Finance Working Group at the European Banking Federation
Progressive implementation of TCFD recommendations on climate change

Focus on financial impact

BBVA member of pilot group promoted by United Nations (UNEP FI)

16 banks
ANZ, Barclays, BBVA, BNP Paribas, Bradesco, Citi, DNB, Itaú, National Australia Bank, Royal Bank of Canada, Rabobank, Santander, Société Générale, Standard Chartered, TD Bank Group and UBS

Areas of recommendations

Governance
Strategy
Risk management
Metrics & targets
Our Sustainable Finance Pledge

Our people, a first-class workforce

Our values

Customer comes first

We think big

We are one team

Transformation journey

1. **Zero tolerance against low quality**

2. **New ways of working:**
   - Agile, collaborative tools

3. **New headquarters**

4. **Collaborative culture, entrepreneurship**
   - (‘trial - error’)

5. **Leaner structures**

Ethical conduct

Code of Conduct updated and approved by the Board on 2015

Includes commitments to the prevention of corruption in the Group in its relations with suppliers, anti bribery policies, acceptance of gifts, events management, prevention of money laundering and commitments regarding politically exposed persons

Audiovisual distribution with the involvement of senior management. 116,211 employees trained online in 2017
Main responsible practices related to people management

<table>
<thead>
<tr>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable remuneration linked to the Group’s strategic objectives through indicators formed by both financial and non-financial</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Diversity Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.6% women in the management team</td>
</tr>
<tr>
<td>Employee ratio</td>
</tr>
<tr>
<td>54% women / 46% men</td>
</tr>
<tr>
<td>Diversity Charter and UN Women’s Empowerment Principles signatory</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>€52 million investment</td>
</tr>
<tr>
<td>39 hours of training per employee</td>
</tr>
<tr>
<td>84% employees trained</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Corporate Volunteering Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;8,000 BBVA volunteers</td>
</tr>
</tbody>
</table>

Verified by KPMG
BBVA Internal Emotional Reputation (Pulse) 2015-2017
Status and evolution vs 2016. Scale 0-100

Note: Statistically significant differences since +/-1.5
NA- Not available: The survey for these countries begins in 2017
Source: Internal Reputation Survey May-July 2017, Reputation Institute. 8,105 respondents
Community investment, €103M in 2017

**Education**
- Mexico
- The Teachers Academy Foundation
- Turkey
- Spain

**Entrepreneurship**
- Integral program to support social enterprises in their growth
- Program to identify, award & support fintech start-ups
- Program to support women entrepreneurs in Turkey

**Science & culture**
- Support for advanced research in biomedicine, basic science, environment and socio-economics
- Promotion of cultural activities: music and visual arts
- “BBVA Foundation Frontiers of Knowledge Awards”
Other relevant issues: Reputational Risk Management Model

Outcomes
(Global & local)

Impact vs Strength Matrix

Mitigation actions

Process

Risk identification & impact assessment
Assurance Providers identification
Strength assessment & mitigation proposals
Local/Global review (6 months)
Implementation & follow up

Governance & Accountability

- Reputational risk appetite + ICAAP (integrated in Global Risk Management)
- Reputational risk specialist Responsible business function
Other relevant issues: Customer Privacy & Data Security

Operational and technological risk management

- New Engineering Risk & Corporate Assurance unit
- Focus on adapting the levels of information protection to the new challenges arising from the Group's digital strategy
- BBVA CERT: new center of BBVA Group's cybersecurity and fraud strategy.
- Cyber Trust Program: continuous cybersecurity monitoring and improvement plan

Data protection risk management

- Risks identification and assessment
- Consistent set of policies and procedures
- Definition of a whole range of mitigation measures/actions focused on mitigating identified risks
- Definition and tracking of indicators such as consumers claims/complaints, security incidents/breaches or independent review processes, including a causal analysis
- Reputational risk assessment
BBVA’s impact on society
# BBVA’s impact on society

## Contribution to development - customer support

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>€115,021M</td>
<td>in homes financed</td>
</tr>
<tr>
<td>3.5 million</td>
<td>SMEs, micro-enterprises and self-employed workers supported</td>
</tr>
<tr>
<td>€19,692M</td>
<td>of finance granted to SMEs, micro-enterprises and self-employed workers</td>
</tr>
</tbody>
</table>

## Creating wealth

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>€9,881M</td>
<td>contribution through paid and accrued taxes</td>
</tr>
<tr>
<td>€5,163M</td>
<td>paid in salaries and wages</td>
</tr>
<tr>
<td>€1,135M</td>
<td>of remuneration in cash to shareholders</td>
</tr>
</tbody>
</table>

## Contributions to society

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>€103 M</td>
<td>investment in social programs</td>
</tr>
<tr>
<td>126,488</td>
<td>children and young people with integration grants</td>
</tr>
<tr>
<td>1.9 million</td>
<td>beneficiaries from BBVA Microfinance Foundation activity</td>
</tr>
</tbody>
</table>

Verified by KPMG
For further information:

https://shareholdersandinvestors.bbva.com/
ANNEXES

Sector norms: main exclusions
TCFD recommendations road map
Sector norms: general exclusions

BBVA will not provide financial services to projects or clients whose core business is linked to any of the following activities or environmental and social impacts:

- Companies that have shown credible and clear evidence (based on court rulings or relevant controversies), of material breaches regarding applicable laws and regulations, or taking part in human rights abuses regardless of the country.
- Activities that involve child or forced labor as defined in ILO conventions.
- Projects that entail the resettlement or violation of rights of indigenous peoples, without their free, prior and informed consent (FPIC)
- Projects located or in the vicinity of UNESCO World Heritage sites, List of Ramsar wetlands, Alliance for Zero Extinction sites and Category I-IV areas of the International Union for the Conservation of Nature.
- Businesses with headquarters based in countries subject to EU, US or UN sanctions
Sector norms: main exclusions

**Mining**
- New coal mines and coal mine expansions.
- New projects on Mountaintop Removal (MTR) extraction methods.
- Asbestos extraction projects.
- Major coal producers using MTR mining in more than 10% of their activity.
- Clients with a significant portion of their activity consisting in the extraction of coal (more than 40%) used to generate electricity that lack a diversification strategy.

**Energy**
- New nuclear power plants.
- Construction of new and expansion of existing coal power plants.
- Exploration and production of oil and gas in the Arctic.
- Tar sand exploration and production.
- Simple hull oil tankers.
- Significant coal-based power generation (more than 40%) without a diversification strategy.

Exceptions may be made for new nuclear power plants, construction of new and expansion of existing coal power plants, and coal-based power generating clients, in countries with high energy dependency and without viable alternatives. BBVA will report on such projects/clients financed.
Sector norms: main exclusions

**Agribusiness**
- Illegal logging
- The burning of natural ecosystems to clear land for the development of agricultural projects
- Projects for production of first-generation biofuel
- Use of substances prohibited by the Stockholm Convention
- Non-certified Palm oil operations or not in the process of obtaining certification by the Roundtable on Sustainable Palm Oil (RSPO)
- Clients engaging in blast and cyanide fishing
- Clients using driftnets in excess of 2.5km
- Clients trading and manufacturing angora wool
- Clients with animal testing not related to health research
- Clients with direct participation in the trade of shark fins, commercial whale hunting, illegal, undeclared and unregulated fishing

**Infrastructure**
- Dams failing to comply with WCD Framework
- Facilities failing to comply with the Hong Kong Ship Recycling Convention
- Clients that cannot furnish the health and safety records of their workers and/or areas of influence
- Clients that cannot disclose or provide information about their performance in connection with the use of water, waste and greenhouse gas emissions
## Implementation road map of the TCFD recommendations on climate change 1/2

<table>
<thead>
<tr>
<th>Area</th>
<th>Recommendations</th>
<th>Done</th>
<th>Plan 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td>Describe the <strong>board’s oversight</strong> of climate-related risks and opportunities</td>
<td>• Included in the CSR Policy approved by the Board of Directors</td>
<td>• Reporting to the Board of Directors and to the Board Executive Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Board of Directors’ oversight (3 times in last 12 months)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Describe <strong>management’s role</strong> assessing and managing climate-related risks and opportunities</td>
<td>• Plans &amp; norms approved and oversighted by the CEO</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Global Leadership Team &amp; Sustainable Finance Working Group as forums to help decision-making</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Responsible Business as specialist function coordinating implementation &amp; monitoring</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STRATEGY</strong></td>
<td>Describe the <strong>climate-related risks and opportunities</strong> the organization has identified over the short, medium and long term</td>
<td>• Quantify credit exposure to carbon-related assets &amp; mix energy generation in utilities</td>
<td>• Update risks and opportunities definition that are material for BBVA</td>
</tr>
<tr>
<td></td>
<td>Describe the <strong>impact</strong> of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning</td>
<td>• Pledge 2025. Strategy on climate change and sustainable development</td>
<td>• Strategy implications assessment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Product portfolio defined at CIB</td>
<td>• Retail business opportunities</td>
</tr>
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<td></td>
<td>Describe the <strong>resilience</strong> of the organization’s strategy, taking into consideration different scenarios, including a 2ºC or lower scenario</td>
<td></td>
<td>• Participation in pilot group with UNEP FI</td>
</tr>
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<td></td>
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<td>• First impact assessment on credit portfolios</td>
</tr>
</tbody>
</table>
## Implementation road map of the TCFD recommendations on climate change 2/2

<table>
<thead>
<tr>
<th>Area</th>
<th>Recommendations</th>
<th>Done</th>
<th>Plan 2018</th>
</tr>
</thead>
</table>
| **RISK MANAGEMENT**         | Describe the organization’s **processes for identifying** and assessing climate-related risks | • New sector norms approved by the CEO  
• Equator Principles implemented  
• Due diligence processes in clients, transactions & products defined | • Formalize process                                                                 |
|                             | Describe the organization’s **processes for managing** climate-related risks   |                                                                                                | • Sector norms & due diligence processes implementation                  |
|                             | Describe how processes for identifying, assessing & managing these risks are **integrated** into the organization’s **overall risk management** |                                                                                                | • Integration as emerging risk                                           |
| **METRICS & TARGETS**       | Disclose the **metrics** used to assess climate-related risks and opportunities in line with its strategy and risk management process | • Quantify credit exposure to carbon-related assets & mix energy generation in utilities  
• Renewable energy   | • Wider disclosure on Scope 3 for carbon-related clients |
|                             | Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 **greenhouse gas (GHG) emissions** | • Emissions reported Scope 1, Scope 2  
• Committed with Science Based Targets Initiative |                                                                                           |
|                             | Describe the targets used by the organization to manage climate-related risks and opportunities and **performance against targets** | • Mobilize €100 Billion 2018-2025. Renewable energy 70% and 68% reduction in direct GHG emissions. 100% renewable energy7 in 2030  
• Current exposure in sustainable finance | • Annual report verified by third party about Pledge 2025 performance |
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March 2018