

BBVA SUSTAINABLE DEBT FINANCING FRAMEWORK

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

Banco Bilbao Vizcaya Argentaria SA and its affiliates and subsidiaries (henceforth referred to as “BBVA Group”) offers retail, wholesale, and investment banking services. The Bank offers, among others, consumer and mortgage loans, private banking, asset management, insurance, mutual funds, and securities brokerage services. BBVA Group has a solid leading position in Spain, is the largest financial institution in Mexico, and has leading franchises in South America. It is also the leading shareholder in Turkey’s Garanti BBVA and has an important investment, transactional and capital markets banking business in the U.S.

BBVA Group is intending to issue Green, Social and Sustainability funding debt instruments (henceforth referred to as “the instrument”) to achieve sustainable development in the banking sector and aims to be a socially inclusive and environmentally sustainable bank. BBVA Group has set itself the priority of helping their clients transition to a sustainable future, taking inspiration from the Sustainable Development Goals (the “SDGs”) adopted by the United Nations, and from other supranational agencies that promote sustainable development and are a global benchmark with a focus on climate change and inclusive and sustainable social development. The purpose of the instruments is to finance projects and entities that support the Sustainable Development Goals (“SDG’s”) 1, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 15 according to EU environmental objectives: climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

The BBVA Group's priorities in these areas will initially be as follows:

- With respect to climate change :
 - Energy efficiency.
 - Circular economy.
 - Reduction of carbon emissions.
- With regard to inclusive and sustainable social development :
 - Facilitation of access to financial services to people who do not use banking services, offering basic digital solutions.
 - Inclusive infrastructure, including basic services and transportation systems.
 - Support for entrepreneurs, and promotion of economic growth and full and productive employment.

DNV GL Business Assurance Services Limited (“DNV”) has been commissioned by BBVA Group to provide a review of BBVA Group’s Sustainable Debt Financing Framework (the “Framework”). Our methodology to achieve this is

described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of debt instruments issued via the Framework, the value of any investments in the debt instrument, or the long term environmental & social benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management Team of BBVA Group and DNV

The management team of BBVA Group has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform BBVA Group's management team, and other interested stakeholders in the Framework, as to whether the Framework is aligned with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) issued by ICMA. DNV's assessment is supplemented with international guidelines and standards, as well as DNV's own technical expertise to assess the eligibility of the Framework. In our work, we have relied on the information and the facts presented to us by BBVA Group. DNV is not responsible for any aspect of the projects or assets referred to in this opinion, and cannot be held liable, if estimates, findings, opinions or conclusions based on information or data provided by BBVA Group management are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by BBVA Group and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment methodology to create BBVA Group-specific Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The "Use of Proceeds" criteria are guided by the requirement that an issuer of a Green, Social, or Sustainable debt instrument must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental and social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green, Social or Sustainable debt instrument, should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria is guided by the requirements that a Green, Social or Sustainable debt instrument should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the instrument investors should be made of the use of Green, Social or Sustainable debt

instrument proceeds, and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by BBVA Group in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion included:

- Creation of a BBVA Group-specific Protocol, adapted to the purpose of the Framework as described above;
- Assessment of the documentary evidence provided to us by BBVA Group on the Framework, supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with BBVA Group's management, and a review of the relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of the findings against each element of the criteria, as detailed in Schedule 2 of this document.

Our opinion, as detailed below, is a summary of these findings.

Findings and DNV's opinion

DNV's findings are listed below:

1. Principle One: Use of Proceeds.

BBVA Group will allocate an amount equal to the net proceeds of the Green, Social or Sustainability Instruments issued under this Framework, to finance or refinance, in part or in full, Eligible Projects, falling within any of the following Green and Social Eligible Categories:

Green Categories:

- Renewable energies.
- Energy efficiency.
- Green Buildings.
- Clean Transport.
- Sustainable water and wastewater management.
- Pollution prevention and control.
- Environmentally sustainable management of living natural resources and land use.

Social Categories:

- Access to essential services: Health and Education
- Affordable core infrastructure: Telecommunications and mass transit, Housing, Public works infrastructure, Arts infrastructure, Infrastructure with a social purpose, Social enterprises and foundations.
- Socioeconomic advancement and empowerment: Financing for individuals qualifying as vulnerable or on low incomes, Support for financial inclusion, Entrepreneurship and support for micro-businesses.

Eligible assets may be projects or any type of lending aligned with the use of proceeds within BBVA's balance sheet, including proceeds coming from clients whose business activities are fully aligned with defined green and Social eligible categories. BBVA Group has defined ambitious eligibility criteria for each category, taken into account best practices and the main sustainability objectives of the European Union's Taxonomy for Sustainable Finance. In the case of BBVA, S.A.'s subsidiaries, they shall adapt the Green and Social Eligible Categories as well as any applicable thresholds within such categories to the relevant categories and thresholds identified for each such subsidiary pursuant to BBVA's internal taxonomy ("Estándar Interno de Finanzas Sostenibles de BBVA"), which have been set with the intention to provide clear environmental and/or social benefits while considering the current state of technology and science in each jurisdiction. Both the eligible projects and relevant thresholds that shall apply for a particular subsidiary according to the above will be clearly identified in the independent verification assessment from an external verifier in respect of each Green, Social or Sustainability Instrument issued by BBVA S.A.'s subsidiary under this BBVA Sustainable Debt Financing Framework,

In addition, BBVA Group has provided evidence of the proposed eligible activities/projects, and the expected environmental or social benefits of them (see Schedule 1 of this opinion which also provides a list of the eligible categories).

The Green Eligible Categories aim to support the increase in renewable and clean energy use and generation as well as support greater energy efficiency, particularly within the built environment to prevent pollution, clean transportation and sustainable water and wastewater management. DNV concludes that these categories help facilitate the transition to a low-carbon economy and provide a clear environmental benefit.

The outlined Social Eligible Categories will provide positive social impact and aligns with the Social Bond Principles category of Access to essential services, Affordable housing, Affordable basic infrastructure and Socioeconomic advancement and empowerment.

BBVA Group has defined vulnerability in terms of clients who individually or collectively, due to their needs or economic, educational or social circumstances, are in a special situation of defenselessness or lack of protection that prevents them from exercising of their rights as a client under conditions of equality, even if it is regional, sectoral or temporary, and that, therefore, requires a higher level of protection in the framework of access and provision of financial services and products. By way of example, these characteristics may be related to income level, employment status, age, physical or mental conditions or without access to new technologies. BBVA Group has also specified the target populations to be covered by its Sustainable Debt Financing Framework, broadly identified as follows:

- People with reduced mobility, for the finance of inclusive housing
- Disadvantaged population groups that lack the minimum facilities for decent living conditions
- Vulnerable groups such as immigrants, homeless people or people undergoing economic hardship
- People included in the income threshold or affected by social vulnerability
- Individuals who satisfy the low-income or vulnerability thresholds
- Individuals and corporations that prove engagement in a micro business productive activity within a period of up to 3.5 years
- Entrepreneurs who meet income and vulnerability thresholds

Excluded and/or prohibited activities have been defined within the defense, mining, energy, infrastructure and agribusiness sectors as reflected in BBVA Group's Environmental & Social Framework which may be found at the following link: <https://shareholdersandinvestors.BBVA.com/sustainability-and-responsible-banking/principles-and-policies/>

DNV can also confirm that the Framework and its associated eligible categories are aligned with BBVA Group's broader sustainability strategy, accelerating the transformation of the Bank, supporting the Bank's Purpose "To bring the age of opportunity to everyone" and contributing to the strategic priority of "helping their clients transition toward a sustainable future".

DNV concludes that the Eligible Categories as outlined in the Framework are consistent with those listed in the GBP, SBP and SBG, and that they will provide clear environmental and/or social benefits.

2. Principle Two: Process for Project Evaluation and Selection.

BBVA Group has set up a 'Sustainable Funding Working Group' (SFWG) that is responsible for the evaluation and selection of eligible projects to be financed or refinanced. The SFWG will review and approve projects based on the defined Eligible categories listed in the section "Use of Proceeds". This procedure will be applied for new issuances and for assigning projects once reporting of environmental/social impacts is being prepared. On top of that, this SFWG will be charged with monitoring the Eligible Projects of the bank's portfolio on a monthly basis.

Final approval rests in the Standards Working Group and will be documented in the relevant minutes of meeting. The Standards Working Group comprises senior representatives from areas related to sustainable finance. These approvals are also applicable to those BBVA Group's subsidiaries willing to issue any Instrument under this Framework,

DNV has reviewed BBVA Group's Sustainable Debt Financing Framework and its governance approach and can confirm that BBVA Group has a well-established governance process in place, has appropriately described the process used to evaluate, select, and track all eligible projects to be financed, and that this is in line with the requirements of the GBP, SBP and SBG.

3. Principle Three: Management of Proceeds.

BBVA Group will monitor and track the use of proceeds of the Green, Social or Sustainability Instruments issued under this Framework through its internal systems and processes.

BBVA Group will maintain an excess of Eligible Projects beyond the proceeds from the outstanding Green, Social and Sustainability Instruments in order to guarantee compliance with the requirements for the use of the proceeds. In addition, the full amount of the proceeds from any Green, Social or Sustainability Instruments is expected to be allocated immediately after the relevant issuance. Nevertheless, if this is not possible, unallocated proceeds will be held by BBVA Group in its treasury liquidity portfolio.

BBVA Group has established a Sustainable Financial Instruments Register and any Eligible Project assigned to a Green, Social or Sustainability Instrument that ceases to comply with the qualification requirements within any of the Green or Social categories, will be substituted by another Eligible Project that meets these same requirements on a best effort basis and when reasonably practicable.

DNV has reviewed evidence and can confirm that BBVA Group has committed to appropriately managing the proceeds arising from future Sustainable Financing Instrument issuances, and this is in line with the requirements of the GBP, SBP and SBG.

4. Principle Four: Reporting.

BBVA Group has committed to publish on its website an annual Sustainable Report as long as any Green, Social or Sustainability Instrument under this Framework is outstanding. The Sustainable Report will include at least the following information:

- Allocation of proceeds in each Green or Social Eligible Category.
- Share of proceeds used for financing or refinancing purposes.
- The remaining balance of unallocated proceeds from the relevant Green, Social or Sustainability Instruments and/or cash equivalents.
- Indication of which SDGs apply to each Green or Social Eligible Category included in the relevant Green, Social or Sustainability Instrument.
- Relevant estimated environmental or social impacts per Green or Social Eligible Category and, if possible, actual impact metrics.

BBVA Group may provide examples of relevant quantitative impact indicators per eligible green and social categories.

Each issuing entity in BBVA Group will elaborate the Sustainable Report that will be reviewed and approved by the Standards Working Group.

DNV concludes that BBVA Group has made appropriate plans to produce reporting on the allocation and the environmental, social or sustainable impacts of the issuances and that this is in line with the requirements of the GBP, SBP and SBG.

On the basis of the information provided by BBVA Group and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the stated definitions of green bonds within the GBP 2021, social bonds within the SBP 2021 and sustainability bonds within the SBG 2021.

for DNV GL Business Assurance España S.L.U.

Madrid, 25 November 2022

A handwritten signature in blue ink, appearing to read "Lars Appel".

Lars Appel
Project Manager
DNV – Business Assurance

A handwritten signature in blue ink, appearing to read "Juan Andrés Salido".



Juan Andrés Salido
Project Sponsor and Technical Reviewer
DNV – Business Assurance





About DNV




Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.



With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.


SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE BBVA GROUP SUSTAINABLE DEBT FINANCING FRAMEWORK





ICMA Eligible Categories	Description of the Eligible Activities / Projects Eligibility criteria	SDG alignment
<ul style="list-style-type: none"> Green categories: 		
Renewable energy	<p>Projects that support the development of renewable energies:</p> <ul style="list-style-type: none"> • Manufacturing: key products and components, low-carbon technologies essential to renewable energy. • Electricity production from solar photovoltaic/concentrated solar, wind, ocean, hydroelectric, geothermal, bioenergy combustion (biomass, biogas and biofuel). • Hydrogen production from renewable sources, equipment manufacturing and storage. • Electricity transmission, distribution and storage <p>Production thresholds:</p> <ul style="list-style-type: none"> • Facilities operating with life cycle emissions below 100gCO₂e / kWh, decreasing to 0g CO₂e/kWh by 2050. • In hydropower, the power density of the electricity generation facility is greater than 5W / m². • In Bioenergy, the GHG emissions savings are at least 80% in relation to the GHG savings methodology and the relative fossil fuel comparator set out in Annex VI of Directive (EU) 2018/2001. <p>Electricity transmission, distribution and storage thresholds:</p> <p>Must meet one of the following two criteria:</p> <ul style="list-style-type: none"> • The electricity transmission and distribution infrastructure or equipment of the system is an interconnected European system and its subordinate systems. • It is in a system that meets the following conditions: <ul style="list-style-type: none"> ○ More than 67% of generation capacity < than the threshold value of 100 gCO₂e / kWh over a continuous 5-year period ○ The average emissions factor of the system network < than the same threshold and 	 



	<p>same observation period.</p>	
<p>Energy efficiency</p>	<p>Projects include investment and expenditures relating to the acquisition and manufacture of energy efficient equipment:</p> <ul style="list-style-type: none"> • The acquisition and manufacture of energy efficient equipment. • Production of energy efficient equipment for buildings and other key components <p>Thresholds for equipment acquisition and manufacturing:</p> <ul style="list-style-type: none"> – Projects must comply with the minimum requirements established in the applicable national regulations if they involve energy efficiency equivalent to those resulting from the Energy Performance of Buildings Directive (EPBD). 	 
<p>Green Buildings</p>	<p>Projects include investment and expenditures relating to green buildings (low-carbon housing):</p> <ul style="list-style-type: none"> • New construction, renovation and acquisition of residential and non-residential energy-efficient buildings <p>Construction thresholds:</p> <ul style="list-style-type: none"> • Qualify as eligible if at least 10% lower than the threshold set for Nearly Zero Energy Building (NZEB) requirements and have an energy performance level equivalent to a B-rated EPC classification (or better). • Third-party certification: EDGE (minimum level 1 for Latin America, which represents 20% energy savings), LEED (minimum silver), BREEAM (minimum “good”), HQE (minimum “good”), DGNB (minimum silver), GBC España-verde and Passivhaus. <p>Renovation thresholds:</p> <ul style="list-style-type: none"> • Projects must meet any of the following thresholds: • Meet the applicable requirements for renovation amounts according to Directive 2010/31/EU • Generate a primary energy demand (PED) reduction of at least 30% compared to the building's energy performance before renovation <p>Acquisition thresholds</p> <ul style="list-style-type: none"> • Buildings built before December 31, 2020: the building must have at least a class A EPC. • Buildings built after December 31, 2020: the building must satisfy the criteria established in the construction thresholds. • Buildings with an effective nominal power of more than 290 kW: efficiently operated according to the energy performance contract or a building control system in accordance with Articles 14(4) and 15(4) of Directive 2010/ 31 EU 	 






<p>Clean Transportation</p>	<p>Projects include investment and expenditures relating to the manufacture or acquisition of low-carbon transport vehicles and their key components.</p> <ul style="list-style-type: none"> • Passenger cars, light commercial vehicles, heavy vehicles, buses, railway fleets, boats and other personal mobility devices with specific thresholds. • <p>Thresholds for manufacture and acquisition of sustainable vehicles.</p> <ul style="list-style-type: none"> • Up to December 31, 2025: vehicles with an emission intensity of less than 50 g of CO₂ per km. • As of January 1, 2026: only vehicles with an emission intensity of 0 g CO₂ per km • For zero-emission motorcycles • Heavy vehicles and buses: vehicles N2, N3, M2, M3 under Regulation (EU) 2018/858. • Low-emission heavy-duty vehicles or zero-emission heavy-duty vehicles as defined in Regulation (EU) 2019/1242 • Vehicles that use electric, hybrid, hydrogen, CNG and LNG fuels. • Electric or hydrogen, CNG or LNG-fueled vehicles. • Up to December 31, 2025: hybrid and dual fuel vessels that for normal operation source at least 50% of their energy from fuels with zero direct CO₂ emissions or from electricity. 	 
<p>Water management and wastewater treatment</p>	<p>Projects include investment and expenditures relating to production, acquisition and renovation of equipment used for water operations conducted with high energy efficiency:</p> <ul style="list-style-type: none"> – Water supply, irrigation equipment, and water treatment equipment; and construction, expansion and operation of wastewater collection, treatment and renewal. – Average energy consumption by the system (including extraction, treatment and distribution) is equal to or less than 0.5 kWh/m³ of produced water supply. – The level of leakage calculated using the Infrastructure Leakage Index (ILI) classification method is equal to or less than 1.5. <p>Renovation of the supply system is demonstrated in one of the following ways:</p> <ul style="list-style-type: none"> – A decrease in average energy consumption of the system by at least 20% compared to the 3-year averaged performance, including extraction, treatment and distribution, measured in kWh per cubic meter of billed/unbilled authorized water supply – Closing the gap by at least 20% between the current leakage level, calculated using the ILI classification method, and an ILI of 1.5 <p>Wastewater collection and treatment construction, expansion and operation thresholds:</p>	

	<ul style="list-style-type: none"> - The net energy consumption of the water treatment plant must be equal to or less than: - 35 kWh per population equivalent (PE) per year for treatment plant capacity below 10,000 PE - 25 kWh per PE per year for treatment plant capacity between 10,000 PE to 100,000 PE - 20 kWh per PE per year for treatment plant capacity greater than 100,000 PE <p>Water collection and treatment renovation thresholds</p> <ul style="list-style-type: none"> - Improved energy efficiency by reducing average energy consumption by at least 20% compared to baseline performance over 3 years 	
<p>Pollution prevention and control</p>	<p>Projects include investment and expenditures relating to products adapted to the circular economy and/or eco-efficient products, technologies and production processes of products with environmental certification, packaging and efficient use of resources:</p> <p>Manufacture of plastics in primary form, collection / transport / recovery of non-hazardous waste, anaerobic digestion of sewage sludge for the production and use of biogas or chemicals, biowaste and composting of biowaste.</p> <p>Specific thresholds for manufacture of plastics in their primary form:</p> <ul style="list-style-type: none"> - Must be manufactured entirely through mechanical recycling of plastic waste or chemical recycling of plastic waste / renewable raw materials that meet at least 27% lower emissions during the life cycle of plastic made from fossil fuels <p>Specific threshold for recovery from non-hazardous waste:</p> <ul style="list-style-type: none"> - At least 50% by weight of processed non-hazardous waste collected separately in secondary raw materials suitable for replacing virgin materials in production processes. <p>Specific thresholds for Capture and use of landfill gas.</p> <ul style="list-style-type: none"> - The landfill or landfill cell where the gas capture system was installed, expanded or modernised is permanently closed. The landfill produced is used directly for the generation of electricity or heat as biogas, or is improved to biomethane for injection into the natural gas grid, or used as fuel for vehicles or as a feedstock in the chemical industry. <p>Specific thresholds for CO2 transport.</p> <ul style="list-style-type: none"> - Transport, construction and operation of CO2 gas pipelines and modernisation of gas grids where the main objective is the integration of the captured CO2. Eligible provided that: 	 

	<ul style="list-style-type: none"> - Adequate leak detection systems are applied and a monitoring plan is in place, with a report verified by an independent third party. - The CO2 transported from the facility where it is captured to the injection point does not result in leaks greater than 0.5% of the mass of CO2 transported. - CO2 is delivered in permanent storage that meets the criteria for underground geological storage set out in the <u>storage section</u>; or other modes of transport, which lead directly to a permanent CO2 storage site that meets those criteria. <p>Specific thresholds for underground permanent geological storage of CO2 or the operation of underground geological CO2 storage sites, the following must be met:</p> <ul style="list-style-type: none"> - An assessment of the complex is carried out to determine whether the geological formation is suitable for a storage site in accordance with Article 3(8) of Directive 2009/31/EC - A monitoring plan is available for the injection plants, the storage complex and, where appropriate, the surrounding environment, with regular reports checked by the competent national authority. - Within the EU, the activity complies with Directive 2009/31/EC of the European Parliament and of the Council. - For the exploration and operation of storage sites in third countries, the activity complies with ISO 27914:2017 for geological storage of CO2. 	
<p>Environmentally sustainable management of living natural resources and land use</p>	<p>Projects include investment and expenditures relating to agricultural activities.</p> <ul style="list-style-type: none"> • Certified organic agricultural production and investment in irrigation technologies, such as replacement of the surface irrigation system with drip, underground or sprinkler irrigation, equipment for “fertigation” and measures that aid automated / digital measurement and management of water consumption. <p>Specific thresholds for certified organic agricultural production and investment in irrigation:</p> <ul style="list-style-type: none"> • For organic agricultural production, certification of approved national or international organic production seals is required: AB (France), Bio Suisse (Switzerland), Bio-Siegel (Germany), Japanese Agricultural Standard (Japan), etc. • The farm is not located on land with a high carbon content (wetlands, continuous forest areas, peat bogs and permanent grasslands) • Environmentally sustainable forestry including afforestation or reforestation: forest management activities that mitigate the impact of forestry. Sustainable forestry projects have received Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) to promote sustainable forestry and responsible sourcing 	

	<ul style="list-style-type: none"> - Environmentally sustainable fishery and aquaculture where Certification under the Marine Stewardship Council (MSC) for fisheries or the Aquaculture Stewardship Council (ASC) for aquaculture is required • Organic livestock production certified with EU organic seal: approved national or international organic production sales • 	
Social Categories:		
<p>Access to essential services</p>	<p>Projects include investment and expenditures relating to construction or restoration of health care structures, manufacture or acquisition of health care goods and services, and related operating expenses:</p> <ul style="list-style-type: none"> - Construction and/or reform of hospital facilities, health centers and laboratories and non-clinical services relating to operation. - Medical and diagnostic equipment. - Health safety equipment and medical hygiene supplies. - Epidemics, e.g. COVID -19 Screening tests, vaccines or other drugs intended to alleviate or prevent, research and pandemic-related services. - Insurers in their health-related activities. <p>Projects include investment and expenditures relating to Education</p> <ul style="list-style-type: none"> - Construction and/or reforms of facilities related to education, and services relating to operation (e.g. schools and universities that award official degrees and qualifications) - Construction and/or reform of non-regulated occupational training facilities, and services related to their operation (e.g. training at chambers of commerce, training for the unemployed, etc.) - Funding for education equipment e.g. seats, lockers etc., and support for research, e.g. microscopes, safety equipment, etc. 	   

<p>Affordable core infrastructure</p>	<p>Projects include investment and expenditures relating to services for promoting social mobility, communication and digitalization, with an expansive effect on social development</p> <p>Infrastructure required for extension of telecommunications networks (e.g. fiber optic installations, telephone lines, antennas, etc.)</p> <p>Infrastructure for mass transit and public or private means of transport in disadvantaged geographical areas or where a positive impact is generated, while complying with minimum safeguards or thresholds of the climate action standard, e.g. transport is not fueled by coal, diesel or other fossil fuel</p> <p>Projects including investment and expenditures relating to inclusive housing (for low income people):</p> <ul style="list-style-type: none"> - Inclusive homes, housing developments, common areas and recreation areas. Installations and/or reforms for inclusive housing (e.g. Infrastructure adaptation for people with reduced mobility). - Adaptation or construction of accessible buildings. <p>Projects including investment and expenditures relating to public works, arts and social infrastructure:</p> <ul style="list-style-type: none"> - Electricity connections (for power not sourced from fossil fuels such as coal, diesel or other bitumens), water, sanitation facilities, reservoirs, dams, bridges, roads (under criteria established in DNSH -"Do no significant harm"- climate action) where the project complies with the Equator Principles, e.g. that roads or highways do not have an impact on protected territory or clash with the rights of indigenous peoples. - Construction, reform and/or operation of infrastructure to promote the arts, such as: cinema, theater, music, literature, audiovisuals. - Involving construction and the proper functioning and hygiene of infrastructure to serve vulnerable groups such as: immigrants, homeless people or people undergoing economic hardship. <p>Projects including investment and expenditures relating to social enterprises and foundations:</p> <ul style="list-style-type: none"> - Infrastructure relating to construction of offices, warehouses and machinery and their operating expenses that form part of the activity of social enterprises or foundations. - In the case of social enterprises, prove the social purpose in the company's organizational document or, where applicable, a minimum of 70% of employment for vulnerable¹ people or a 	 
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	<p>minimum of 70% of sales to vulnerable¹ customers. In the case of foundations, check that their foundational goals are aligned with the social and/or climate action goals envisaged by BBVA Group and prioritize the criteria for allocating the funds.</p>	
<p>Socioeconomic advancement and empowerment</p>	<p>Projects include investment and expenditures relating to satisfy the low-income or vulnerability:</p> <ul style="list-style-type: none"> - Any assets and liabilities for individuals who satisfy the low-income thresholds - For individuals who satisfy the vulnerability thresholds, with "another income threshold" or a specific product <p>Financing for health purposes (access to diagnostic services and medical treatment, dental services, opticians, health insurance, etc.)</p> <p>Financing for education (compulsory public/private/subsidized education, special education, non-compulsory education such as secondary education and university studies, occupational training, scholarship support, etc.)</p> <p>Financing for transport: funding to promote mobility while respecting the minimum climate action safeguard, e.g. highly polluting second-hand cars.</p> <p>Financing for housing: funds for the purchase or restoration of main homes, including rent payments.</p> <p>Advances for essential services and subsidies to third parties to resolve day-to-day economic hardship related to food, essential utility bills, etc.</p> <p>Activities in support of access to banking services: people accessing the financial system for the first time who meet the low-income or social vulnerability thresholds</p> <p>Projects include investment and expenditures related to financial inclusion and Entrepreneurship and support for micro-businesses:</p> <p>Digitalization products and services that promote the digitalization of banking activities in an accessible and equitable way (payments, mobile transactions, cardless withdrawals, consultations, digital services for managing savings and personal finances, etc.)</p> <p>Financial education programs: educational programs on managing expenses, savings and debt, guided by principles of impartiality and transparency</p>	    

	<p>Intermediation of aid and subsidies from third parties: financial services that provide access to the financial system for collection of grants, scholarships or aid to relatives</p> <p>Financing for entrepreneurs: Financing for individuals and corporations that prove engagement in a productive activity within a period of up to 3.5 years, for the activity of the company and job creation or maintenance</p> <p>Inclusive entrepreneurship: financing for entrepreneurs who meet income and vulnerability thresholds</p> <p>Financing to support micro-businesses that meet the thresholds related to duration of incorporation, number of employees and/or revenue and that carry out a productive business for a period of more than 3.5 years</p>	
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SCHEDULE 2: BBVA GROUP-SPECIFIC SUSTAINABLE DEBT [FINANCING FRAMEWORK ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing under the Framework	<p>The Green/Social/Sustainable instrument must fall in one of the following categories, as defined by the Principles:</p> <ul style="list-style-type: none"> • Use of Proceeds Bond/Loan • Use of Proceeds Revenue Bond/Loan • Project Bond/Loan • Securitized Bond/Loan. <p>Green/Social/Sustainable instrument are defined as any type of instrument made available, exclusively to finance or re-finance, in whole or in part, new and/or existing Eligible Sustainable Projects.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 • BBVA’s internal taxonomy (“Estándar Interno de Finanzas Sostenibles de BBVA”), • Annual Report 2021 • BBVA TCFD Report December 2021 • Environmental and Social Framework March 2022 • Equity Story Sostenibilidad March 2022 • General Corporate Social Responsibility Policy BBVA 2020 • Sustainability General Policy of BBVA • Discussions with issuer 	<p>The Framework outlines the type of instrument expected to be issued under the Framework: ‘Use of Proceeds’ for Green, Social, or Sustainable instruments.</p> <p>DNV has reviewed the evidence provided, and can confirm that an amount equivalent to the funding raised under the Framework will be used to finance and/or refinance Eligible Sustainable debt financing Instruments that are green, social or sustainable in nature. This will result in clear environmental, social, or sustainable benefits.</p> <p>We can confirm that the Bank has specified the target populations to be covered by its Sustainable Debt Financing Framework, broadly identified as people with reduced mobility, (for the finance of inclusive housing), disadvantaged population groups that lack the minimum facilities for decent living conditions, vulnerable groups such as immigrants, homeless people or people undergoing economic hardship, people included in the income threshold or affected by social vulnerability, Individuals who satisfy the low-income thresholds, Individuals and corporations that prove engagement in a micro business productive activity within a period of up to 3.5 years,</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>and entrepreneurs who meet income and vulnerability thresholds.</p> <p>DNV confirms that the specific type of instrument to be financed or refinanced (the Sustainable Financing Instruments) align with the GBP, SBP and SBG, and that they are green, social and sustainable in nature.</p>
1b	Green/Social/Sustainable Project Categories	The cornerstone of a Green/Social/Sustainable instrument is the utilisation of the proceeds, which should be appropriately described in the legal documentation for the instrument.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 • BBVA's internal taxonomy ("Estándar Interno de Finanzas Sostenibles de BBVA"), • Annual Report 2021 • BBVA TCFD Report December 2021 • Environmental and Social Framework March 2022 • Equity Story Sostenibilidad March 2022 • General Corporate Social Responsibility Policy BBVA 2020 • Sustainability General Policy of BBVA • Discussions with issuer 	<p>BBVA Group will allocate an amount equal to the net proceeds of the Green, Social or Sustainability Instruments issued under this Framework, to finance or refinance, in part or in full, Eligible Projects, falling within any of the following Green and Social Eligible Categories:</p> <p>Green Categories:</p> <ul style="list-style-type: none"> – Renewable energies. – Energy efficiency. – Green Buildings. – Clean Transport. – Sustainable water and wastewater management. – Pollution prevention and control. – Environmentally sustainable management of living natural resources and land use. <p>Social Categories:</p> <ul style="list-style-type: none"> – Access to essential services: Health and Education – Affordable core infrastructure: Telecommunications and mass transit, Housing, Public works infrastructure, Arts infrastructure, Infrastructure with a social purpose, Social enterprises and foundations. – Socioeconomic advancement and empowerment.
1c	Green/Social/Sustainable benefits	All designated Green/Social/Sustainable Project categories should provide clear	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 	The Green Eligible Categories aim to support the increase in renewable and clean energy use and generation as well as support greater energy efficiency, particularly within the built

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>environmentally sustainable or social benefits which, where feasible, will be quantified or assessed by the issuer.</p>	<ul style="list-style-type: none"> • BBVA's internal taxonomy ("Estándar Interno de Finanzas Sostenibles de BBVA"), • Annual Report 2021 • BBVA TCFD Report December 2021 • Environmental and Social Framework March 2022 • Equity Story Sostenibilidad March 2022 • General Corporate Social Responsibility Policy BBVA 2020 • Sustainability General Policy of BBVA • Discussions with issuer 	<p>environment to prevent pollution, clean transportation and sustainable water and wastewater management. DNV concludes that these categories help facilitate the transition to a low-carbon economy and provide a clear environmental benefit.</p> <p>The outlined Social Eligible Categories will provide positive social impact and aligns with the Social Bond Principles category of Access to essential services, Affordable housing, Affordable basic infrastructure and Socioeconomic advancement and empowerment.</p> <p>From the evidence reviewed, it gives DNV the opinion that the Sustainable Financing Instruments will deliver clear environmental and social benefits.</p>
1d	Refinancing share	<p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 	<p>We conclude that the Bank has defined Eligible Projects as loans, investments or projects within BBVA Group's balance sheet. At the moment of issuance, BBVA Group will provide an estimate of the share of financing vs re-financing of net proceeds of each of the Green, Social or Sustainability Instruments, issued under this Framework.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment- decision process	The issuer of a Green/Social/Sustainable instrument should outline the decision-making process it follows to determine the eligibility of projects using instrument proceeds.	Evidence reviewed: <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 • BBVA's internal taxonomy ("Estándar Interno de Finanzas Sostenibles de BBVA"), • Annual Report 2021 • BBVA TCFD Report December 2021 • Environmental and Social Framework March 2022 • Equity Story Sostenibilidad March 2022 • General Corporate Social Responsibility Policy BBVA 2020 • Sustainability General Policy of BBVA • Discussions with issuer 	DNV has reviewed BBVA Group's Sustainable Debt Financing Framework and its governance approach and can confirm that BBVA Group has a well-established governance process in place, has appropriately described the process used to evaluate, select, and track all eligible projects to be financed, and that this is in line with the requirements of the GBP, SBP and SBG.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2b	Issuer's governance framework	In addition to the information disclosed by an issuer on its Green/Social/Sustainable Instrument process, criteria and assurances, investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 • BBVA's internal taxonomy ("Estándar Interno de Finanzas Sostenibles de BBVA"), • Annual Report 2021 • BBVA TCFD Report December 2021 • Environmental and Social Framework March 2022 • Equity Story Sostenibilidad March 2022 • General Corporate Social Responsibility Policy BBVA 2020 • Sustainability General Policy of BBVA • Discussions with issuer 	Based on the information reviewed, DNV concludes that BBVA Group has in place the appropriate level of corporate governance, and the relevant social and environmental policies to observe and fulfil its commitment to its sustainability priorities and to the relevant UN SDGs. DNV can also confirm that the Framework and its associated eligible categories are aligned with BBVA Group's broader sustainability strategy, accelerating the transformation of the Bank, supporting the Bank's Purpose "To bring the age of opportunity to everyone" and contributing to the strategic priority of "helping their clients transition toward a sustainable future".

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of a Green/Social/Sustainable instrument should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner, and attested to by a formal internal process that will be linked to the issuer's lending and investment	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 	<p>DNV concludes that BBVA Group has an appropriate procedure in place to track, manage and allocate the proceeds from the Sustainable Finance Instrument issuances.</p> <p>BBVA Group will maintain an eligible portfolio that at least matches or exceeds the net proceeds from its outstanding instruments that are issued under the Framework. If a business or project ceases to fulfil the eligibility criteria, we can</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>operations for Green/Social/Sustainable Projects.</p> <p>So long as the Green/Social/Sustainable Instrumentare outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green/Social/Sustainable investments or loan disbursements made during that period.</p>		<p>confirm BBVA Group has committed to removing the project from the portfolio upon becoming aware of such ineligibility, and that it will replace it with another eligible green or social project, as soon as reasonably practicable.</p>
3b	Temporary holdings	<p>Pending such investments or disbursements to Eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 	<p>DNV can confirm that BBVA Group has appropriately disclosed how it will manage any unallocated proceeds within its portfolio. We can also confirm that this is in line with the Framework and the requirements set out under the GBP, SBP and SBG.</p>

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds, and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which instrument proceeds, have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • BBVA Sustainable Debt Financing Framework, November 2022 • BBVA's internal taxonomy ("Estándar Interno de Finanzas Sostenibles de BBVA"), • Annual Report 2021 • BBVA TCFD Report December 2021 • Environmental and Social Framework March 2022 • Equity Story Sostenibilidad March 2022 • General Corporate Social Responsibility Policy BBVA 2020 • Sustainability General Policy of BBVA • Discussions with issuer 	<p>BBVA Group has committed to publish on its website an annual Sustainable Report, including at least the following information:</p> <ul style="list-style-type: none"> – Allocation of proceeds in each Green or Social Eligible Category. – Share of proceeds used for financing or refinancing purposes. – The remaining balance of unallocated proceeds from the relevant Green, Social or Sustainability Instruments and/or cash equivalents. – Indication of which SDGs apply to each Green or Social Eligible Category included in the relevant Green, Social or Sustainability Instrument. – Relevant estimated environmental or social impacts per Green or Social Eligible Category and, if possible, actual impact metrics. <p>BBVA Group may provide examples of relevant quantitative impact indicators per eligible green and social categories. Each issuing entity in BBVA Group will elaborate the Sustainable Report that will be reviewed and approved by the Standards Working Group.</p> <p>DNV concludes that BBVA Group has made appropriate plans to produce reporting on the allocation and the environmental, social or sustainable impacts of the issuances and that this is in line with the requirements of the GBP, SBP and SBG.</p>