

BBVA

SECOND PARTY OPINION: BBVA SUSTAINABLE DEBT FINANCING FRAMEWORK

BBVA

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Banco Bilbao Vizcaya Argentaria S.A. ("BBVA" or the "Customer") is a global financial services group founded in 1857. The bank is present in more than 25 countries, has a strong leadership position in the Spanish market, is the largest financial institution in Mexico and it has leading franchises in South America and Turkey.

BBVA has developed and updated as per December 2024 Sustainable Debt Financing Framework (the "Framework") with the aim of raising Green, Social or Sustainable Finance Instruments ("SFIs"), including loans, to finance or refinance new and existing projects as part of its sustainable business strategies and commitment to environmental well-being, as described in the Framework. The Framework is in alignment with the stated Standards and Principles (collectively the "Principles & Standards"):

- Green Bond Principles, 2021, with June 2022 Appendix 1 ("GBP"), published by International Capital Market Association ("ICMA").
- Social Bond Principles, 2023 ("SBP"), published by ICMA.
- Green Loan Principles, 2025 ("GLP") published by the Loan Markets Association ("LMA"), the Asian Pacific Loan Market Association ("APLMA") and Loan Syndications & Trading Association ("LSTA").
- Social Loan Principles, 2025 ("SLP") published by LMA / APLMA / LSTA.
- Sustainability Bond Guidelines, 2021 ("SBG"), published by ICMA.
- Handbook Harmonized Framework for Impact Reporting 2024, published by ICMA.

DNV Business Assurance Spain, S.L.U. ("DNV") has been commissioned by BBVA to review its Framework as per December 2024 and provide a Second Party Opinion on the Framework, based on the Principles & Standards.

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 instruments issued via BBVA's Framework, the value of any investments, or the long-term environmental 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 of BBVA and DNV

The management of BBVA 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 management and other interested stakeholders in the SFIs as to whether this financing instruments are aligned with the stated Principles & Standards. In our work we have relied on the information and the facts presented to us by BBVA. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by BBVA's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our assessment methodology to create the BBVA-specific 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 core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond / a borrower of a loan must use the funds raised to finance or refinance or to repay equity of eligible activities. The eligible activities should produce clear environmental and social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond / a borrower of a loan should outline the process it follows when determining eligibility of an investment using Green/Social Bond/Loan proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond/loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of 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 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 Protocol, adapted to the purpose of the bond, as described above and in Schedules I, 2, and 3 to this Assessment;
- Assessment of documentary evidence provided by BBVA on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by BBVA and BBVA's website;
- Discussions with BBVA's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

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

Findings and DNV's Opinion

DNV's findings on the alignment with Principles & Standards are listed below:

1. Use of Proceeds

BBVA intends to use the net proceeds of the SFIs issued under this Framework to finance and/or refinance new and/or existing eligible projects.

The Framework defines the following eligible project categories.

Green Eligible Categories

- Renewable energies.
- Energy efficiency.
- Clean transportation.
- Green buildings.
- Climate change adaptation.
- Sustainable water and wastewater management.
- Terrestrial and aquatic biodiversity conservation.
- Environmentally sustainable management of living natural resources and land use.
- Pollution prevention and control.
- Circular economy adapted products, production technologies and processes.

Social Eligible Categories

- Affordable basic infrastructure.
- Access to essential services.
- Affordable housing.
- Employment generation and unemployment prevention.
- Socioeconomic advancement and empowerment (financial services, banking penetration and financial inclusion).
- Food security and sustainable food systems.

For social eligible categories, this Framework also outlines target populations linked to the social activities.

DNV undertook an analysis of the associated project type to determine the eligibility as Green / Social / Sustainable and in line with the Principles & Standards. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Principles & Standards.

2. Process for Project Evaluation and Selection

BBVA has set up a 'Sustainable Funding Working Group' (SFWG), formed by representatives from the Treasury and departments related to sustainability, made up by Compliance Financial Markets & Sustainability, Fixed Income Origination, Responsible Business, Sustainable Finance and Sustainability. This SFWG is responsible for the evaluation and selection of eligible projects to be financed or refinanced: the SFWG will review and approve on a quarterly basis projects based on the defined eligible categories listed in the section "Use of Proceeds".

The SFWG monitors the eligible projects of the Bank's portfolio and assigns projects once reporting of environmental/social impacts has been prepared. Final approval of the "Green and Social Impact Report" rests in the Standards Working Group (SWG).

In the case of BBVA, S.A.'s subsidiaries, they shall establish their own governance to conduct the process for the project evaluation and selection, management of proceeds and reporting.

DNV concludes that BBVA's Framework appropriately describes the process for Project Evaluation and Selection.

3. Management of Proceeds

BBVA describes the process for management of net proceeds under this Framework:

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

BBVA 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. Nevertheless, if this is not possible, unallocated proceeds will be held by BBVA in its treasury liquidity portfolio in cash or other instruments at BBVA's own discretion.

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

DNV has reviewed the evidence presented and concludes that the Framework appropriately describes the process for Management of Proceeds.

4. Reporting

BBVA has committed to publish on its website an annual Green and Social Impact Report as long as any Green, Social or Sustainability Instrument under this Framework is outstanding/not fully allocated. This Report will include the following information:

- Allocation of proceeds in each Green or Social eligible category and, if applicable, identification of the target population
- Share of proceeds used for financing or refinancing purposes.
- Distribution by geography and vintage of selected assets.
- The remaining balance of unallocated proceeds from the relevant Green, social or Sustainability Instruments and/or cash equivalents
- Indications of which SDGs apply to each Green or Social eligible category included in the relevant Green, Social or Sustainability Instruments.
- Relevant estimated environmental or social impacts per Green or Social eligible category and, if possible, actual impact metrics. The Framework outlines examples of quantitative impact indicators to be used
- The methodologies applied for the calculation of environmental and social impacts.

As mentioned before, final approval of the Green and Social Impact Report on the projects rests in the SWG. In addition, subsidiaries' reporting must also be approved by the SWG.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Framework is not, in all material respects, in accordance with the criteria established in the Protocol, and that it is aligned with the stated definition of Green and Social Financing Instruments within the Principles and Standards (GBP/SBP/GLP/SLP/SBG).

For DNV Business Assurance Spain, S.L.U.

Madrid, Spain / 27 May 2025



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Schedule 1. Description of Categories to be financed or refinanced through BBVA's Green, Social and Sustainability Financing Instruments

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Renewable energy	<p>Renewable energy technologies</p> <ul style="list-style-type: none"> - Production of equipment and systems necessary to generate, store and utilize clean and sustainable energy, such as solar panels, wind turbines, hydro turbines or hydrogen systems. - Installation, maintenance and repair of technologies linked to the production of renewable energy, such as auxiliary technical equipment for photovoltaic solar systems, solar hot water panels, wind turbines, heat pumps or charging stations for electric vehicles, among others. - Manufacture or production of biomass, biofuels and biogas as sources of renewable energy generation, through a process of transformation of organic materials, such as agricultural waste, wood, urban waste or animal waste. <p>Renewable electricity production</p> <ul style="list-style-type: none"> - Electricity production from renewable energy derived from any of the following technologies: <ul style="list-style-type: none"> o Photovoltaic solar energy. o Concentrated Solar Power (CSP). o Wind energy. o Ocean energy. o Geothermal energy when lifecycle GHG emissions are less than 100 g CO₂e/kWh. o Hydroelectric power when the electricity generation capacity is greater than 5 W/m² or the life cycle GHG emissions are less than 100 g CO₂e/kWh. o Bioenergy combustion (biomass, biogas and biofuels)¹. o From gaseous and liquid fuels from non-fossil renewable sources. <p>Power Transfer Systems</p>	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.

¹ Where the GHG emission saving associated with the use of biomass for electricity and heating and cooling is at least 80% compared to the greenhouse gas emission saving methodology and the fossil fuel comparator in Annex VI of Directive (EU) 2018/2001, and 65% for biofuels for transport compared to the GHG emission saving methodology and the corresponding fossil fuel comparator in Annex V of Directive (EU) 2018/2001 for which a life cycle analysis is required. Compliance with ISO 13065 provides proof of this.

	<ul style="list-style-type: none"> - Manufacture, installation and maintenance of high, medium and low voltage electrical equipment for the transfer and distribution of electricity. - Construction and operation of electricity transmission systems for the transport or distribution of electricity. This may include one of the following facilities, among others: <ul style="list-style-type: none"> o Construction and operation or expansion of the existing direct connection, with an average emissions factor of less than 100 g CO₂e/kWh measured on a life cycle basis to a substation or network². o Construction and operation of electric vehicle (EV) charging stations and supporting electrical infrastructure for the electrification of transportation. o Construction, installation and operation of equipment and infrastructure where the main objective is an increase in the generation or use of renewable electricity. o Installation of equipment to increase the monitoring and control of the electrical system and to enable the development and integration of renewable energy sources. o Installation of equipment to transfer information to users so that they can act remotely on consumption, including customer data centers. o Interconnectors between transfer systems as long as one of the systems is eligible. <p>Hydrogen-related technologies</p> <ul style="list-style-type: none"> - Manufacture of equipment for the production and use of hydrogen, manufacture of hydrogen and synthetic fuels from hydrogen and operation of hydrogen storage facilities, provided that the hydrogen and synthetic fuels meet the following thresholds: <ul style="list-style-type: none"> o The process of manufacturing or obtaining hydrogen must have emissions of less than 3 tCO₂e/tH₂. o In the manufacturing process of synthetic fuels derived from hydrogen, it is necessary to achieve a reduction in GHG emissions of at least 70% throughout their life cycle, compared to a standard fossil fuel, whose impact is estimated at 94 g CO₂e/MJ. - Development of new infrastructures to store hydrogen and adaptation of existing underground gas storage facilities so that they can store hydrogen. 	
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² Calculated as the total annual emissions from power generation divided by the total annual net electricity production in that system.

Energy efficiency	Energy Storage <ul style="list-style-type: none"> - Construction and operation of electricity storage, including pumped hydroelectric energy, and of facilities that store thermal energy, including underground thermal energy storage (UTES) or aquifer thermal energy storage (ATES). - Manufacture of cells, batteries and rechargeable accumulators for transport, stationary energy storage and industrial applications, including the production of components such as active materials, cells, housings and electronic components, as well as the recycling of these products at the end of their useful life. Heating or cooling services <ul style="list-style-type: none"> - Installation and operation of electric heat pumps that meet the following two criteria: <ul style="list-style-type: none"> o Refrigerant threshold: the global warming potential is not higher than 675. o The energy efficiency requirements established in the implementing regulations of Directive 2009/125/CE, on ecodesign applicable to energy-related products are met. - Construction, renovation and operation of pipes and associated infrastructure for the distribution of heating and cooling. - Construction and operation of combined heat, cold and power cogeneration plants using various means: <ul style="list-style-type: none"> o Solar energy. o Geothermal energy when lifecycle GHG emissions are less than 100 g CO₂e/kWh o Bioenergy, through the combustion of biomass, biogas or bioliquids, under certain criteria³. o From gaseous and liquid fuels from non-fossil renewable sources, under certain criteria⁴. o From gaseous fossil fuels⁵. o From residual heat⁶. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.
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³ An urban system that uses at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% of a combination of energy and heat. The reduction in greenhouse gas emissions from the use of biomass in cogeneration facilities is at least 80% relative to the GHG reduction methodology and the reference fossil fuel.

⁴ The lifecycle GHG emissions of combined heat/cold from geothermal energy are less than 100 g CO₂e/kWh. During the construction phase, a leak detection and repair program must be implemented, or equipment is installed to monitor physical emissions, such as methane leaks. While, during the operation phase, physical methane emissions are monitored, the results obtained are reported, and measures are taken to eliminate identified leaks.

⁵ Facilities that are granted a building permit by December 31, 2030, must comply with requirements such as demonstrating an improvement in energy efficiency by achieving at least 10% savings in primary energy. The direct GHG emissions of the activity are less than 270 g CO₂e/kWh of output energy. The substitution results in a reduction of at least 55% in GHG emissions per kWh of output energy, among other requirements.

⁶ The activity carries out the cogeneration of heat/cold and energy using waste heat.

	<ul style="list-style-type: none"> - Production of heat/cold from solar thermal heating, geothermal energy, gaseous and liquid fuels from non-fossil renewable sources, waste heat, bioenergy and/or gaseous fossil fuels, in efficient district heating and cooling systems. <p>Systems for improving energy efficiency in buildings</p> <ul style="list-style-type: none"> - Renovation or refurbishment of existing buildings, provided that it involves a reduction of at least 30% of primary energy consumption. - Activities that include the manufacture, installation, maintenance, repair and acquisition of energy efficiency equipment in buildings, or their key components, among others: <ul style="list-style-type: none"> o Replacing existing windows with new energy-efficient windows. o Installation and replacement of energy-efficient light sources. o Professional energy management services. o Installation, maintenance and repair of gas, heat, cold and electricity smart meters. - Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings, such as, but not limited to, smart thermostats, building automation and control systems, lighting control systems, smart meters and façade and roof elements with a solar shading or solar control function. - Professional services linked to improving the energy efficiency of buildings, such as technical consultations and energy audits, building performance assessments, energy management services, and energy performance contracts. <p>Energy efficiency in industry</p> <ul style="list-style-type: none"> - Manufacture of technologies aimed at substantially reducing GHG emissions compared to the best performing alternative technology/product/solution available on the market, in sectors not related to real estate. - Acquisition of new energy-efficient process machinery, with almost zero GHG emissions, or near-zero global warming potential. - Renovation of heating/cold machinery, provided that the proven savings are greater than 30% of the energy consumed. - Data storage, handling, management and processing activities through data centers, provided that the application of specific energy efficiency measures for data centers is demonstrated, and the global warming potential of the refrigerants used in the data center cooling system is less than 675. 	
Clean transportation	Manufacture, repair and maintenance of means of mobility and transport and their components	DNV considers the criteria listed under this category to be aligned with the

	<ul style="list-style-type: none"> - Production of biogas or biofuels for transport and production of bioliquids, when the agricultural biomass used is of second or third generation or has certain certificates⁷ and the reduction in GHG emissions is at least 65% in relation to the corresponding reference fossil fuel. - Manufacture, repair, maintenance, renovation, reconversion and modernization of mobility components for zero-emission personal mobility devices. - Manufacture, repair, maintenance, renovation, conversion and modernization of zero-emission vehicles, rolling stock and transport vessels. - Manufacture, installation, technical consultancy, renovation, modernization, repair, maintenance and conversion of products, equipment, systems and software related to the railway components of zero-emission trains, passenger cars and carriages. - Renovation and modernization of vessels for the transportation of goods or passengers by sea, coastal waters or inland waterways, and of vessels necessary for port operations and auxiliary activities, when these are not intended for the transportation of fossil fuels, and the renovation reduces fuel consumption by at least 10%⁸. - Manufacture, repair, maintenance, reuse and energy efficiency measures applied to aviation activity when the manufacture of the aircraft meets one of the following criteria, and is not intended for the transport or storage of fossil fuels: <ul style="list-style-type: none"> o Aircraft with zero direct CO₂ emissions. o Aircraft that are certified to operate with a blend of 100% sustainable aviation fuels. o The aircraft manufacturer provides a declaration certifying that the aircraft meets the requirements of ICAO requirements⁹ <p>Access to mobility and transportation products</p> <ul style="list-style-type: none"> - Acquisition, financing, leasing, rental, operation and sale of low-emission road transport and passenger vehicles, including: 	<p>criteria for eligible green projects under the Principles & Standards.</p>
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⁷ Certifications: SURE, 2BSvs, ISCC EU, Better Biomass, KZR INiG, Bonsucro EU, RSB EU RED, REDcert, RTRS EU RED, Red Tractor, UFAS, SQC, SBP, TASCC.

⁸ Vessels that use green ammonia as fuel, bio and synthetic LNG, synthetic methanol or bioethanol, hydrogen cells or electric batteries will also be considered sustainable.

⁹ International Civil Aviation Organization (ICAO).

- Urban and suburban passenger transport and road passenger transport with zero direct CO₂¹⁰ emissions.
 - o Transport of devices for personal mobility, such as the bicycle, where propulsion comes from the user's physical activity, from a zero-emission engine, or from a mixture of physical activity and zero-emission motor.
 - o Transport of zero-emission passenger cars and light commercial vehicles from 2026, and vehicles with emissions of less than 50 g CO₂/km¹¹.
 - o Transport of zero-emission motorcycles¹².
 - o Road freight transport services¹³.
- Acquisition, financing, leasing, rental, operation and sale of low-carbon or low-emission passenger and/or freight transport by rail, inland waterways and air, including:
 - o Passenger transport by inland waterways.
 - o Inland waterway freight transport.
 - o Interurban transport of passengers and goods by rail.
 - o Transportation of passengers and goods by sea.
 - o Transport of passengers and goods by aircraft.

Transport infrastructures

- Construction, modernization, maintenance and operation of low-carbon or low-carbon emission infrastructure for multiple forms of transport, by road, rail, maritime/river and air, where the infrastructure is not intended for the transport or storage of fossil fuels.
- Construction, modernization, maintenance and operation of infrastructure for personal mobility for pedestrians and bicycles, including sidewalks, cycle lanes and pedestrian areas, electric charging and hydrogen refuelling facilities for personal mobility devices.
- Installation, maintenance and repair of charging stations for electric vehicles in buildings and in the parking spaces attached to the buildings.

¹⁰ Vehicles classified in categories M2 or M3, such as buses, minibuses and coaches

¹¹ Vehicles classified in categories M1 and N1, such as passenger cars and light vans.

¹² Vehicles classified in category L, which includes two-, three- or four-wheeled light motor vehicles, such as motorcycles

¹³ Vehicles classified in categories N2 and N3, including medium and heavy vehicles designed for the transport of goods.

Green buildings	Energy efficient buildings <ul style="list-style-type: none"> - Construction of energy-efficient residential and non-residential buildings in which the primary energy demand is at least 10% lower than the threshold established for nearly zero-energy building requirements. They must be certified by a third party such as LEED¹⁴ (+silver) or BREEAM¹⁵ (+good), among others. - Acquisition of residential and non-residential energy-efficient buildings, with the corresponding energy efficiency certificate depending on the geography. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.
Climate change adaptation	Infrastructure adaptable to climate change <ul style="list-style-type: none"> - Design, development, construction, maintenance and implementation or acquisition of infrastructure designed to increase resilience to climate risks in different areas, such as the following, and associated examples: <ul style="list-style-type: none"> o Resilient infrastructure: Raised and permeable roads. o Resilient food systems: Drip irrigation systems. o Resilient cities: Urban flood parks. o Resilient healthcare systems: Modular and self-sufficient hospitals. o Resilient natural systems: Restoration of mangroves and wetlands. o Resilient industry and commerce: Industrial zones with climate-resistant infrastructure. Research, training, consultancy and awareness-raising <ul style="list-style-type: none"> - Research, development and application of solutions, processes, technologies, business models and products focused on adaptation to climate change. - Consultancy services for the management of and adaptation to physical climate risks. - Training and awareness-raising tasks related to the adoption of measures related to climate risks. Insurance and reinsurance <ul style="list-style-type: none"> - Coverage of climate-related risks, including medical insurance, income protection, workplace accident insurance, civil liability insurance, among others, as a consequence of climatic phenomena. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.

¹⁴ The LEED (Leadership in Energy and Environmental Design) certification is a sustainable building rating system that evaluates aspects such as the efficient use of energy, water management, the quality of the indoor environment, the use of sustainable materials and innovation in design.

¹⁵ The BREEAM (Building Research Establishment Environmental Assessment Method) certification is a sustainability assessment system for buildings based on their environmental performance in various categories, such as resource management, energy, water use, health and well-being, materials, pollution, transportation, and ecology.

	Data-driven solutions for climate risk and natural disaster management <ul style="list-style-type: none"> - Development and application of advanced software, technology and data analysis to monitor, anticipate, assess and respond to climate-related risks, such as: <ul style="list-style-type: none"> o Early warning systems for storms, hurricanes, and wildfires. o Climate observation networks that collect data on temperature, precipitation, and extreme events. o Smart sensors and satellites to analyze changes in sea level, air quality, and soil degradation. 	
Sustainable water and wastewater management	Sustainable water management <ul style="list-style-type: none"> - Construction, expansion, operation and renewal of water collection, treatment and supply systems for the water supply for human consumption. - Construction, expansion, operation and renovation of facilities for the production of reclaimed water¹⁶, rainwater and stormwater collection facilities, and greywater collection and treatment facilities¹⁷. - Manufacture, commercialization and acquisition of technologies related to the efficient use of water resources in households. - Manufacture, development, installation, maintenance and/or repair of leak control technologies in water supply systems, such as control valves, pressure control transmitters and flow meters, including technical consultancy for their design and monitoring. - Nature-based solutions for the prevention of floods or periods of drought, including protection against these risks. Sustainable wastewater management <ul style="list-style-type: none"> - Construction, expansion and operation of systems for the collection and treatment of wastewater, where these urban drainage systems mitigate the risk of pollution and flooding and improve the quality and quantity of urban water, or the net energy consumption of the wastewater treatment plant is equal to or less than: <ul style="list-style-type: none"> o 35 kWh per population equivalent (p.e.) per year for treatment plant capacity below 10,000 p.e. o 25 kWh per population equivalent per year for treatment plant capacity between 10,000 and 100,000 p.e. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.

¹⁶ Reclaimed water is urban wastewater that has undergone further treatment in a reclamation facility in accordance with the requirements established in Directive 91/2717/EEC.

¹⁷ Greywater is untreated wastewater that has not been contaminated by any toilet discharge. Greywater includes wastewater from bathtubs, showers, bathroom drains, washing machines and laundry sinks.

	<ul style="list-style-type: none"> ○ 20 kWh per population equivalent per year for treatment plant capacity greater than 100,000 p.e. - Renewal of wastewater collection and treatment systems, including the sewer network, where an annual improvement in energy efficiency is demonstrated by reducing the system's average energy consumption by at least 20% compared to its own baseline performance averaged over three years. 	
Terrestrial and aquatic biodiversity conservation	<p>Maintenance of ecosystems</p> <ul style="list-style-type: none"> - Conservation activities, such as recovery projects aimed at maintaining or improving the conditions and trends of terrestrial, freshwater and marine habitats, ecosystems and populations of related species of fauna and flora. - Decontamination, remediation of soil and groundwater in contaminated areas, including surface water and its shores, clean-up of catastrophes associated with natural or industrial hazards, such as clean-up of oil spills. <p>Forestry and forest restoration</p> <ul style="list-style-type: none"> - Planting forests and establishing forest management plans, using species and methods that avoid the inappropriate reforestation of sensitive areas. - Rehabilitation and restoration of forests, including reforestation and natural regeneration of forests after an extreme event. <p>Sustainable tourism</p> <ul style="list-style-type: none"> - Hotels, holiday resorts, campsites and similar accommodation that contribute to the maintenance of the natural environment through measures for the conservation or recovery of habitats, ecosystems and species. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.
Environmentally sustainable management of living natural resources and land use	<p>Sustainable livestock, agriculture and fisheries</p> <ul style="list-style-type: none"> - Sustainable agricultural, livestock and poultry practices with prestigious organic production seals, including the production and marketing of organic products. - Financing of sustainable agricultural projects such as, among others: <ul style="list-style-type: none"> ○ Energy efficiency technologies in farms or agricultural companies or those linked to the food industry. ○ Replacement of surface irrigation systems with drip irrigation. ○ No-till farming technologies, such as machinery needed to establish biodiversity islands in pastures or croplands. ○ Machinery linked to precision agriculture. ○ Greenhouses that are solar and/or sustainable. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.

	<ul style="list-style-type: none"> ○ Controlled and sustainable use of pesticides and fertilizers. - Installation of solar panels on agricultural land, known as agrivoltaics. - Sustainable practices in the fishing industry and aquaculture, such as small-scale fishing close to the coast and fishing/aquaculture with the following seals¹⁸, among others: <ul style="list-style-type: none"> ○ MSC (Marine Stewardship Council)/ASC (Aquaculture Stewardship Council), or alignment projects with these seals ○ Friends of the Sea for fisheries and aquaculture ○ Naturland Aquaculture 	
Pollution prevention and control	<p>Manufacturing of goods and low-pollution chemical compounds</p> <ul style="list-style-type: none"> - Manufacture of medicines, active substances or active pharmaceutical ingredients, following best practices regarding the emission of pollutants. - Manufacture of inorganic or organic chemical compounds , with specific limits on GHG emissions and net energy consumption, including, but not limited to, chlorine, soda ash or ammonia. - Manufacture of plastics in primary forms from mechanical or chemical recycling or from renewable commodities. - Manufacture of metals, such as iron, steel and aluminium, respecting specific GHG emission thresholds per tonne of product. - Manufacture of electrical and electronic equipment designed following circular practices. <p>Carbon capture, utilization and storage (CCUS)</p> <ul style="list-style-type: none"> - Transport, construction and operation of captured CO₂ gas pipelines, provided that thresholds are met, such as: <ul style="list-style-type: none"> ○ Adequate leak detection systems are applied, and a monitoring plan is in place. ○ The management of an existing network is improved. - Storage of CO₂ provided that: <ul style="list-style-type: none"> ○ The complex is evaluated to determine if the geological formation is suitable for a storage site in accordance with Directive 2009/31/EC, on the geological storage of CO₂¹⁹. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.

¹⁸ MSC (Marine Stewardship Council), Friends of the Sea and ASC (Aquaculture Stewardship Council) are organizations and certification programs that promote sustainability in fisheries and aquaculture. They try to ensure that seafood comes from responsible practices that protect marine ecosystems and aquatic species.

¹⁹ In particular, Article 3(8) of Directive 2009/31/CE provides that underground penetration activities, such as drilling, must be carried out in order to obtain geological information on the strata and to characterize the storage site.

	<ul style="list-style-type: none"> ○ A monitoring plan for the injection facilities, the storage complex and, where appropriate, the surrounding environment is in place, with regular reports monitored by the national competent authority. - Development or use of ICT (Information and Communication Technologies) solutions for the collection, transmission and storage of data, as well as for its modelling and use, when these activities are primarily intended to provide data and analysis to reduce GHG emissions. - Research and development of solutions, processes or technologies aimed at reducing, avoiding or eliminating GHG emissions, or the direct capture of CO₂ from the atmosphere. <p>Appropriate waste treatment</p> <ul style="list-style-type: none"> - Collection and transport separated at the source of hazardous and non-hazardous waste into simple or mixed categories intended for preparation for reuse or recycling, avoiding leaks and cross-contamination. - Recovery of material from non-hazardous waste, guaranteeing that at least 50% by weight is converted into secondary raw materials suitable for replacing virgin materials. - Construction, updating and operation of facilities dedicated to the treatment of hazardous waste as a means for the recovery of materials to obtain secondary raw materials, which replace commodities production processes. - Digestion, composting or assessment of biowaste and sewage sludge, obtaining biogas, compost or other chemical products from the process, which are used as raw materials in other processes. - Rehabilitation of illegal landfills or landfills that do not comply with current legislation. This also includes the capture and use of landfill methane gas, provided that the facility has remained closed since 2020, and the gas produced is used to generate electricity or is transformed into biomethane. 	
Circular economy adapted products, production technologies and processes	<p>Sustainable livestock, agriculture and fisheries</p> <ul style="list-style-type: none"> - Manufacture and marketing of textile products in accordance with circular design certificates, such as Ecolabel, Cradle to Cradle, and others, and financing of the sustainable production of materials and products following best practices such as the use of low-polluting materials or waste reduction techniques, among others. - Manufacture, development, installation, maintenance and supply of IT/OT solutions based on data aimed at process optimization. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Principles & Standards.

	<ul style="list-style-type: none"> - Financing aimed at facilitating customer access to products through usage-oriented service models: <ul style="list-style-type: none"> o The customer is allowed access to and use of the products, while ensuring that ownership remains with the company providing this service. <p>Repair, reuse and recycling of materials/products</p> <ul style="list-style-type: none"> - Repair, refurbishment, remanufacturing and marketing of previously used goods, with the aim of converting them into second-hand goods and extending their useful life, including the sale of spare parts. - Preparation of products or their components that have become waste so that they can be reused. - Developing and operating platforms that connect buyers and sellers for trade, including both the sale and exchange of second-hand products, materials or components for reuse. <p>Packaging</p> <ul style="list-style-type: none"> - Manufacture of packaging, under criteria relating to the usability of the packaging, the recyclability of the material used, the seals and certificates of circularity and/or compostability and emissions in the production process. The following types of packaging are included: <ul style="list-style-type: none"> o Compostable packaging. o Recycled packaging. o Eco-design. o Aluminium. o Paper and cardboard. o Plastic, under certain thresholds, such as a usability of ten rotations, 95% recyclable weight, home compostability. o Glass. o Recycled packaging. 	
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Eligible Social Project Categories	Eligible Criteria and Description	DNV Findings
Affordable basic infrastructure	<p>Telecommunication and transport</p> <ul style="list-style-type: none"> - Activities to promote social mobility, communication and digitalization in geographically underprivileged areas, especially 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects

	<p>telecommunications infrastructure or infrastructure related to public or private collective transportation.</p> <ul style="list-style-type: none"> - Construction of bridges, roads, tunnels, footbridges or highways intended to facilitate accessibility for underprivileged population groups, as long as they do not have an impact on protected territory or violate the rights of indigenous peoples. <p>Public/civil works or basic services</p> <ul style="list-style-type: none"> - Development of minimum facilities, such as electricity or public lighting, water, sewage and sanitation infrastructures, reservoirs and dams, to favor access to basic services for the underprivileged. <p>Academic facilities</p> <ul style="list-style-type: none"> - Construction and/or renovation of educational facilities and their equipment, such as schools, non-formal vocational training facilities, purchase of seats, lockers, etc. <p>Healthcare infrastructure</p> <ul style="list-style-type: none"> - Construction and/or renovation of hospital facilities, health centers, and laboratories, as well as clinical services not associated with their operation. <p>Other basic infrastructures</p> <ul style="list-style-type: none"> - Development of community sports facilities, in schools, universities or public spaces, or funding for sports equipment to support such spaces. - Refurbishment or construction of facilities intended to support vulnerable groups such as migrants, the homeless, soup kitchens, nursing homes, reception centres, food banks, nurseries, etc. 	<p>under the Principles & Standards.</p>
Access to essential services	<p>Access to healthcare</p> <ul style="list-style-type: none"> - Funding that facilitates access to products or services that promote physical and mental health. - Acquisition of health products or medical treatments such as medical and diagnostic equipment, treatments aimed at rehabilitation among other things. 	<p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Principles & Standards.</p>

	<ul style="list-style-type: none"> - Tests to detect infectious/respiratory diseases, such as drugs or vaccines with the aim of stopping the possible effects of these diseases. - Services such as psychological assistance to health personnel and patients due to the situation generated by infectious-respiratory diseases. - Digitalization projects dedicated to health issues with the aim of obtaining a social benefit. - R&D production of specific drugs or vaccines and financing for physical and digital pharmacies. - Financing to facilitate access to services related to physical and dental health, such as dental, optical, orthopaedic, psychological, nutritional services, etc. <p>Access to quality education</p> <ul style="list-style-type: none"> - Funding to promote access to education for individuals who meet the threshold of vulnerability or geographical area, regardless of their income. - Activities aimed at individual financing for education products, such as basic education enrolment, special education schools, specialized professional or technical refresher courses, etc. <p>Access to transportation services</p> <ul style="list-style-type: none"> - Services that promote mobility for individuals through the purchase of general vehicles or payment of travel passes. <p>Support in emergency, crisis or natural disaster situations</p> <ul style="list-style-type: none"> - Financing for asset-based products to any legal person or public administration affected by a situation of natural disaster, crisis or emergency. 	
Affordable housing	<p>Affordable housing</p> <ul style="list-style-type: none"> - Financing aimed at the purchase or construction of a first home or the renovation of a habitual residence or the payment of rent, for those who meet the required vulnerability or geographical thresholds. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Principles & Standards.

	Accessible housing <ul style="list-style-type: none"> - Adaptation or construction of buildings accessible to people with functional diversity. Residents' associations, property owners or property administrations may be recipients of the operation. 	
Employment generation and unemployment prevention	Job creation and inclusive entrepreneurship <ul style="list-style-type: none"> - Financing for individuals who can prove that they have started a productive activity or business and are considered to be in a situation of economic vulnerability. Strengthening quality employment <ul style="list-style-type: none"> - Financing linked to generating, promoting and strengthening quality employment, especially in sectors undergoing transformation due to the impact of climate change, the emergence of new technologies or the risk of human rights violations. Digitalization and job creation <ul style="list-style-type: none"> - Services or products that encourage the digitization of customers and non-customers with an entrepreneurial profile of non-digital microbusinesses or inclusive SMEs, for payments, withdrawals and digital transactions, online consultation, communication and notification services and digital services for managing savings and personal finances from a mobile phone. Business training programs <ul style="list-style-type: none"> - Programs for training, mentoring, access to new markets and technical support aimed at improving the business development of micro-businesses and SMEs and strengthening entrepreneurial initiatives. 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Principles & Standards.
Socioeconomic advancement and empowerment (financial services, banking penetration and financial inclusion)	Promotion of banking penetration <ul style="list-style-type: none"> - Support for people accessing the financial system for the first time who meet the low income or social vulnerability thresholds in opening checking accounts, savings accounts, or making deposits. Promoting financial literacy <ul style="list-style-type: none"> - Educational programs that promote change in people's behavior to improve the management of spending, savings, debt, and finances, 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Principles & Standards.

	<p>such as access to financial counseling services, both face-to-face and digital, and educational programs.</p> <p>Digital activities facilitators of the financial inclusion</p> <ul style="list-style-type: none"> - Products or services that promote digitalisation for customers and non-customers of banking activities in an accessible and equitable manner, including consultation services, web or mobile communications and notifications, digital services, savings management and education programs and incentives for the use of accessible digital devices, among others. <p>Promoting access to financial services and insurance</p> <ul style="list-style-type: none"> - Advances to encourage the resolution of everyday economic and financial problems related to food, payment of essential services (water, electricity, gas) or any other type of service or product related to the inclusive development of society: <ul style="list-style-type: none"> o Advance of remittances and transfers for food, rent payment, services. o Payroll advance to pay for essential services. o Advance on third-party grants. - Products or services that allow access to the financial system for the collection of subsidies. - Insurance aimed at low-income individuals or others with vulnerabilities related to health and employment, such as insurance for medical expenses, work-related accidents, illness, housing, income protection, etc. 	
Food security and sustainable food systems	<p>Improving the productivity of smallholders</p> <ul style="list-style-type: none"> - Financing for small agricultural production in vulnerable areas or farmer reserve areas for people with specific thresholds established by the agricultural financing support programs of governments of the countries, second-tier banks or multilaterals such as IDB, IFC, CAF. <p>Physical, social, and economic access to healthy foods</p> <ul style="list-style-type: none"> - Financing that favors business programs that support small producers and guarantee and reinforce social aspects of their 	<p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Principles & Standards.</p>



	agricultural production (safety, employment, health, education) or have lines of business with high standards in favor of food safety, health and nutrition.	
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Exclusion Criteria (if relevant)

















BBVA's financing proceeds will be subject to restrictions for certain activities in the mining, agribusiness, energy, infrastructure and defense sectors as outlined in [BBVA Sustainable Business Channelling Guide](#).



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Schedule 2. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
GREEN ELIGIBLE CATEGORIES		
Renewable energy	<div> <div>7 AFFORDABLE AND CLEAN ENERGY </div> <div>13 CLIMATE ACTION </div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION </div> </div>	DNV is of the opinion that the eligible category outlined in the Framework contributes to the achievement of the UN SDGs.
Energy efficiency	<div> <div>7 AFFORDABLE AND CLEAN ENERGY </div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE </div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES </div> <div>13 CLIMATE ACTION </div> </div>	
Clean transportation	<div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE </div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES </div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION </div> <div>13 CLIMATE ACTION </div> </div>	
Green building	<div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES </div> <div>13 CLIMATE ACTION </div> </div>	
Climate Adaptation	<div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE </div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES </div> <div>13 CLIMATE ACTION </div> </div>	

Sustainable water and wastewater management	 	
Terrestrial and aquatic biodiversity conservation	 	
Environmentally sustainable management of living natural resources and land use	 	
Pollution prevention and control	  	
Circular economy adapted products, production technologies and processes	 	
SOCIAL ELIGIBLE CATEGORIES		
Affordable basic infrastructure	    	DNV is of the opinion that the eligible category outlined in the Framework contributes to the achievement of the UN SDGs.

Access to essential services	<div>3 GOOD HEALTH AND WELL-BEING</div> <div>4 QUALITY EDUCATION</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>10 REDUCED INEQUALITIES</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>13 CLIMATE ACTION</div>	
Affordable housing	<div>1 NO POVERTY</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>10 REDUCED INEQUALITIES</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div>	
Employment generation and unemployment prevention	<div>1 NO POVERTY</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>10 REDUCED INEQUALITIES</div>	
Socioeconomic advancement and empowerment (financial services, banking penetration and financial inclusion)	<div>1 NO POVERTY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div>	
Food security and sustainable food systems	<div>1 NO POVERTY</div> <div>2 ZERO HUNGER</div> <div>3 GOOD HEALTH AND WELL-BEING</div>	

Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Bond/Loan	<p>The Bond/Loan must fall into one of the following categories, as defined by the Principles & Standards:</p> <ul style="list-style-type: none"> Green/Social Use of Proceeds Bond. Green/Social Use of Proceeds Revenue Bond. Green/Social Project Bond. Green/Social Securitized Bond. Loan instrument made available for Green/Social project (Green/Social use of loan proceeds). 	<p>The Framework outlines the type of instruments expected to be issued under the Framework: 'Use of Proceeds' for Green, Social, or Sustainable instruments.</p> <div> <p>From the Framework</p> <p><i>BBVA intends to obtain financing with a green and/or social component, either under a loan/credit format (the "Loans") or by issuing green, social or sustainability instruments (the "Instruments")... and used to finance and/or refinance assets, loans or projects which meet the criteria provided in this Framework.</i></p> </div> <p>The reviewed evidence confirms that the Green Financing Instruments meet the criteria under the Principles & Standards, and DNV confirms this process to be well aligned with the Principles & Standards.</p>
1b	Green / Social / Sustainability Project Categories	<p>The cornerstones of Green/Social/Sustainability Bonds and Loans are the utilization of the proceeds of the bonds or the loans which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project category presented by BBVA are as follows:</p> <p>Green Eligible Categories</p> <ul style="list-style-type: none"> Renewable energies. Energy efficiency. Clean transportation. Green buildings. Climate change adaptation. Sustainable water and wastewater management. Terrestrial and aquatic biodiversity conservation.

			<ul style="list-style-type: none"> • Environmentally sustainable management of living natural resources and land use. • Pollution prevention and control. • Circular economy adapted products, production technologies and processes. <p>Social Eligible Categories</p> <ul style="list-style-type: none"> • Affordable basic infrastructure. • Access to essential services. • Affordable housing. • Employment generation and unemployment prevention. • Socioeconomic advancement and empowerment (financial services, banking penetration and financial inclusion). • Food security and sustainable food systems <p>Additionally, for eligible social categories, BBVA has also identified appropriate target populations.</p> <p>The above-mentioned project categories meet the requirements for eligible green and social project categories, as defined under de Principles & Standards. DNV confirms that BBVA's selection of eligible project categories is well aligned with the Principles & Standards.</p>
1c	Environmental and Social Benefits	All designated Green/Social/Sustainability Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer/Borrower.	<p>The Framework provides comprehensive details of the intended environmental and social benefits from each project category. This is show as follows:</p> <div> <p>From the Framework</p> <p><i>...BBVA will publish an annual report (the "BBVA Green and Social Impact Report") on its website.</i></p> <p><i>The report will be done on a portfolio approach, taking as a reference, if applicable, the guidelines provided by ICMA's "Handbook - Harmonised Framework for Impact Reporting". This Report will be reviewed and approved by the Standards Working Group.</i></p> </div>

			<p>BBVA has also taken into account the main sustainability objectives of the European Union's Taxonomy for Sustainable Finance in order to develop its internal taxonomy ("Estándar Interno de Finanzas Sostenibles de BBVA") with the aim to provide a harmonized approach to sustainable finance within the Group.</p> <p>BBVA will publish relevant estimated environmental or social impacts per Green or Social Eligible Category and, if possible, actual impact metrics. Some case studies of specific Eligible Projects will be provided to illustrate the positive impact.</p> <p>BBVA has defined examples of impact indicators for all eligible green and social project categories included in the Framework, providing clear evidence of expected environmental and social benefits to be achieved. Examples of benefits (non-exhaustive list):</p> <ul style="list-style-type: none"> • Environmental benefits: transition to a low-carbon economy, energy savings, clean water provided, waste treatment, ecosystems protection, climate change adaptation. • Social benefits: access to essential services (education, healthcare), affordable housing, people benefiting of new telecom networks expanded in specific regions, people and SMEs benefitting of financial inclusion, etc. <p>DNV confirms that the proposed use of proceeds for eligible project categories listed under Schedule 1 will reasonably be expected to deliver meaningful environmental and social benefits.</p>
1d	Refinancing Share	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>BBVA has defined Eligible Projects as loans, investments or projects within BBVA Group's balance sheet for which the disbursement has occurred no more than three calendar years prior to the year of issuance of the Instrument.</p> <p>The proposed management of net proceeds from the Green/Social/Sustainability Finance Instruments is confirmed</p>

		by DNV to reasonably be expected to meet the criteria under the Principles & Standards.
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2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-Decision Process	<p>The Issuer of a Green/Social/Sustainability Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green/Social/Sustainability Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • The environmental/social objectives of the eligible Green/Social Projects; • The process by which the issuer determines how the projects fit within the eligible Green/Social Projects categories; and • Complementary information on processes by which the issuer identifies and manages perceived environmental and social risks associated with the relevant project(s). 	<p>BBVA has set up a Sustainable Funding Working Group (SFWG) to review, evaluate and select projects eligible for financing or refinancing, provided they meet the criteria set out in the Framework. Additionally, BBVA has established a Standards Working Group (SWG) comprising senior representatives from areas related to sustainable finance. The SWG's role is to advise the Group on the standards that define and regulate sustainable financing.</p> <div> <p>From the Framework</p> <p><i>As for the asset evaluation and selection process of eligible projects, the governance includes the Sustainable Funding Working Group (SFWG) formed by representatives from the Treasury and departments related to sustainability, made up by Compliance Financial Markets & Sustainability, Fixed Income Origination, Responsible Business, Sustainable Finance and Sustainability.</i></p> <p><i>This SFWG will review and approve on a quarterly basis projects based on the defined Eligible categories listed in the section "Use of Proceeds".</i></p> <p><i>In the case of BBVA, S.A.'s subsidiaries, they shall establish their own governance to conduct the process for the project evaluation and selection, management of proceeds and reporting. In addition, subsidiaries' reporting must also be approved by the Standards Working Group (SWG).</i></p> </div> <p>DNV confirms this process for project selection and evaluation to be well aligned with the Principles & Standards.</p>

2b	<p>Issuer / Borrower's Environmental and Governance Framework</p>	<p>Issuers / Borrowers are also encouraged to:</p> <ul style="list-style-type: none"> • Position the relevant information within the context of the issuer/borrower's overarching objectives, strategy, policy and/or processes relating to environmental/social sustainability. • Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria • Have a process in place to identify mitigants to known material risks of negative environmental and/or social impacts from the relevant project(s). 	<p>BBVA has a Corporate Governance System, comprising a set of principles, rules and mechanisms that integrate and regulate the structures and operation of its corporate bodies, which are responsible, at the highest level, for the governance of the Bank.</p> <div data-bbox="1227 360 1964 582"> <p>From the Framework</p> <p><i>The Executive Committee supports the Board of Directors in decision-making and the ongoing monitoring of BBVA's strategy and objectives in the area of sustainability as well as its development and execution by the Group's executive areas.</i></p> </div> <p>BBVA has defined and implemented a governance model to define, supervise and monitor the implementation of the Group's sustainability strategy. This model is based on reports received from the Global Sustainability Area and the Group's various departments that incorporate sustainability into their business and activity reporting.</p> <p>BBVA has a General Sustainability Policy approved by the Board of Directors, which integrates the previous Corporate Social Responsibility Policies and the General Sustainability Policy, and which defines and establishes the general principles, and the main management and control objectives and guidelines to be followed by the Group in terms of sustainable development with a focus on climate change, natural capital and inclusive growth.</p> <p>According to BBVA's criteria, the Bank takes into account the following standards as regards its loan portfolio (i) the LMA/LSTA/APLMA Loan Principles, (ii) EU taxonomy, (iii) internal taxonomy based partially on EU Taxonomy and/or best market practices.</p> <p>DNV confirms that BBVA's environmental, social, and governance (ESG) strategies and grouping of projects with</p>
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		eligibility criteria, are well aligned with the Principles & Standards.
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3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking Procedure	<ul style="list-style-type: none"> (Bond) The net proceeds of Green/Social/Sustainability Bonds 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 operations for Green/Social/Sustainability Projects. (Loan) The proceeds of Green/Social Loans should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a green loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner. 	<p>The Framework states how BBVA plans to manage the net proceeds from the Sustainable Financing Instruments, in accordance with the evaluation and selection process in the Principles & Standards.</p> <div> <p>From the Framework</p> <p><i>BBVA will monitor and track the use of proceeds of the Green, Social or Sustainability Loans/Instruments received/issued under this Framework through its internal systems and processes.</i></p> </div> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are well aligned with the Principles & Standards.</p>
3b	Tracking Procedure	So long as the Green/Social/Sustainability Bonds or Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>The related tracking process is covered in the Framework as follows:</p> <div> <p>From the Framework</p> <p><i>BBVA will maintain an excess of Eligible Projects beyond the proceeds from the outstanding Green, Social and Sustainability Loans/Instruments in order to guarantee</i></p> </div>

			<p><i>compliance with the requirements for the use of the proceeds.</i></p> <p><i>Any Eligible Project assigned to a Green, Social or Sustainability Loan/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.</i></p> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are aligned with the Principles & Standards.</p>
3c	Temporary Holdings	Pending such investments or disbursements to eligible Green/Social/Sustainability Projects, the Issuer/Borrower should make known to investors/Lenders the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>The Framework explains the treatment of unallocated funds as follows:</p> <div> <p>From the Framework</p> <p><i>BBVA will maintain an excess of Eligible Projects beyond the proceeds from the outstanding Green, Social and Sustainability Loans/Instruments in order to guarantee compliance with the requirements for the use of the proceeds.</i></p> <p><i>Nevertheless, if this is not possible, unallocated proceeds will be held by BBVA in its treasury liquidity portfolio in cash or other instruments at BBVA's own discretion.</i></p> </div> <p>DNV confirms that the Framework outlines instruments to which unallocated proceeds will be invested, that are well aligned with the Principles & Standards</p>

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical Reporting	<ul style="list-style-type: none"> Issuers/Borrowers should make, and keep, readily available up to date information on the use of proceeds to 	BBVA has also committed to publish an annual report (the "BBVA Green and Social Impact Report") on its website.

		<p>be renewed annually until full allocation, and on a timely basis in case of material developments.</p> <ul style="list-style-type: none"> • The annual report should include a list of the projects to which Green/Social/Sustainability Bond/Loan proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact. • Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP/SBP/GLP/SBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories). 	<p>The report will be done on a portfolio approach, taking as a reference, if applicable, the guidelines provided by ICMA's "Handbook - Harmonised Framework for Impact Reporting".</p> <div> <p>From the Framework</p> <p><i>The report will include the following information:</i></p> <ol style="list-style-type: none"> <i>1. Allocation of proceeds in each Green or Social Eligible Category and, if applicable, identification of the target population.</i> <i>2. Share of proceeds used for financing or refinancing purposes.</i> <i>3. Distribution by geography and vintage of selected assets</i> <i>4. The remaining balance of unallocated proceeds from the relevant Green, Social or Sustainability Loans/Instruments and/or cash equivalents.</i> <i>5. Indicate which SDGs apply to each Green or Social Eligible Category included in the relevant Green, Social or Sustainability Loans/Instruments.</i> <i>6. Relevant estimated environmental or social impacts per Green or Social Eligible Category and, if possible, actual impact metrics. Some case studies of specific Eligible Projects may be provided to illustrate the positive impact.</i> <i>7. The methodologies applied for the calculation of environmental and social impacts.</i> </div> <p>DNV confirms that the proposed reporting is consistent with the criteria set out in the Principles & Standards</p>
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WHEN TRUST MATTERS

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 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener group. All rights reserved.