

BBVA

Creating Opportunities

BBVA 2022

Green and Social Bonds

REPORT



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Introduction

BBVA aims to gradually align its business to a zero net emissions scenario by 2050 and to use its role as a bank to help its customers with finance, advice and innovative solutions in the transition towards a more sustainable future inspired by the Sustainable Development Goals. The policy sets out the general principles and objectives with a focus on two areas:



Climate action and natural capital: mobilizing the appropriate resources to manage the challenge of fight against climate change and the protection of natural capital.



Inclusive growth: mobilizing the investments needed to build inclusive infrastructures, to finance entrepreneurship and financial inclusion and support inclusive economic development in an equitable way that leaves no one behind.

BBVA considers that the commitment to sustainability is not only a challenge that requires an urgent response, but also an important opportunity for business. The energy transition, in particular, will require major investments over the coming decades to replace fossil fuels with other cleaner and more efficient sources of energy. This will have an impact on practically all industries, and also on how people move, consume or arrange their homes.

In this context, the issuance of green and social bonds plays a key role in the achievement of the Bank's targets. Sustainable origination allows the bank to support its clients' transition towards a low-carbon economy, and contributes to its progressive alignment with the goals of the Paris agreement.

Sustainable bonds and other financing debt instruments are effective instruments for channeling funds to finance BBVA's customers' projects in sectors such as renewable energies, energy efficiency, waste management, water treatment or access to essential needs and services such as housing or inclusive finance.



The issuance of green and social bonds is part of BBVA's sustainable development and climate change strategy, through which the Bank seeks to align its activities with the SDGs and the Paris Agreement. In November 2022, BBVA published its Sustainable Debt Financing Framework (the "Framework"). This Framework replaced BBVA's existing SDG Bond Framework, defined in 2018, under which ESG bonds could be issued.



The new Framework has been developed to reflect new Group's commitment and new best market practice and allows BBVA, S.A. or any of its subsidiaries (under the terms provided for herein) to issue Green, Social or Sustainability Instruments.



With this Sustainable Debt Financing Framework, BBVA expanded the range of sustainable financing debt instruments, now including bonds, certificate of deposits, commercial paper and any other instrument with financing debt purposes meeting the criteria set out in this Framework.



This Framework will be applicable to those relevant Instruments issued from the Framework's effective date, that is November 2022, that it is foreseen in the relevant documentation of the Instrument. Instruments issued prior to such date will be governed, until their maturity, by the former BBVA SDG Bond Framework published in 2018 (the "2018 Framework"). For the purposes of any such prior issued instruments, this Framework does not amend, supplement, restate or otherwise update the 2018 Framework.

02

Summary of the Sustainable Debt Financing Framework

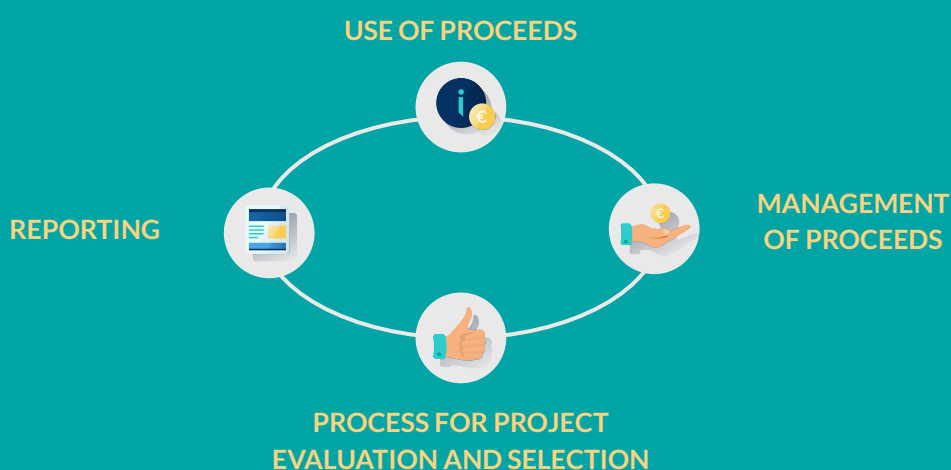
BBVA has developed the Sustainable Debt Financing Framework under which BBVA, S.A. or any of its subsidiaries can issue Green, Social or Sustainability Instruments (Bonds, Certificate of deposits, Commercial paper or any other instrument with financing debt purposes which meets the criteria provided for in this Framework).



BBVA intends to update it periodically, including, if appropriate, to adapt it to the elements of the EU Green Bond Standard, once approved and applicable.

BBVA has developed this Framework based on international best practices. BBVA's Framework is aligned with the 2021 ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines¹, which provides guidelines in the following four core components:

(1) More information [here](#)



BBVA has also taken into account the main sustainability objectives of the European Union's Taxonomy for Sustainable Finance in order to develop BBVA's internal standard ("BBVA Standard for Financing Sustainable Activities") with the aim to provide a harmonized approach to sustainable finance within the Group.

GREEN & SOCIAL ELIGIBLE CATEGORIES

Green Categories	SDG
Renewable energy	7,13
Energy Efficiency	7,13
Green Buildings	7,11
Clean Transportation	9,11
Sustainable water & wastewater management	6
Pollution prevention and control	11,12
Environmentally sustainable management of living natural resources and land use	14,15

Social Categories	SDG
Access to Essential services (Education / healthcare)	3, 4,10,11
Affordable core infrastructure (Affordable Housing /telecommunications network / Public works infrastructure/ Arts infrastructure / Infrastructure with a social purpose / Social enterprises and foundations)	4, 9, 10, 11
Socioeconomic advances and empowerment (Financing for individuals qualifying as vulnerable or on low incomes/ Support for financial inclusion/ Entrepreneurship and support for micro-businesses)	1,3,4, 8,10



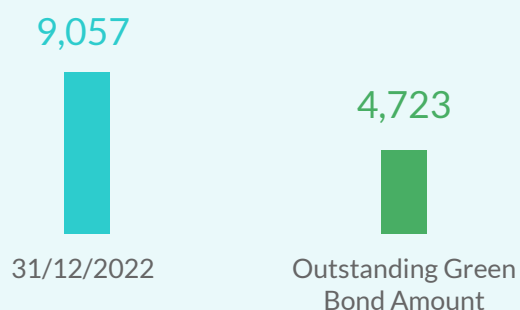
03

BBVA's eligible green Social portfolio vs outstanding ESG bond issuance

As of December 2022, BBVA's green and social eligible portfolio amounted to **€9,057** million and **€3,362** million respectively. These amounts represent outstanding loans identified by BBVA as eligible in accordance with its Sustainable Debt Financing Framework.



GREEN BOND PORTFOLIO VS. OUTSTANDING AMOUNT (Mn)



BREAKDOWN OF THE GREEN PORTFOLIO (EUR Mn)

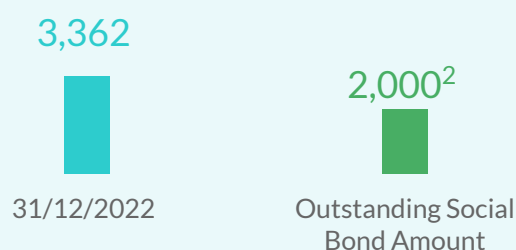
Category	Amount (Mn)	%
Green Buildings	4,115	45%
Renewable Energies	2,916	32%
Clean Transport	1,312	14%
Sustainable water & wastewater management	362	4%
Energy Efficiency	132	1%
Others	220	2%

Total drawn green asset portfolio **9,057**

% of Eligible Green loan portfolio allocated 52.19%



SOCIAL BOND PORTFOLIO VS. OUTSTANDING AMOUNT (Mn) ¹



BREAKDOWN OF THE SOCIAL PORTFOLIO (EUR Mn) ¹

Category	Amount (Mn)	%
Socioeconomic advances and empowerment (Entrepreneurship & support for micro-business)	1,159	34%
Access to essential services (Health)	852	25%
Affordable core Infrastructure (Telecommunications & mass transit)	632	19%
Socioeconomic advances and empowerment (financing for individuals qualifying as vulnerable or on low incomes)	368	11%
Socioeconomic advances and empowerment (financing for Housing)	214	6%
Access to essential services (Education)	60	2%
Affordable core Infrastructure (Public works infrastructure)	48	1%
Socioeconomic advances and empowerment (support for financial inclusion)	18	1%
Others	11	0.3%

Total drawn social asset portfolio **3,362**

% of Eligible Social loan portfolio allocated 29.74%

(1) Social Portfolio does not include loans guaranteed by ICO that corresponds to the Social Covid-19 bond

(2) Include the Social Covid-19 bond by €1.000Mn



Green bonds

4.1 Green eligible assets and their environmental impacts

As of 31 December 2022, BBVA has 8 green bonds outstanding guaranteed by BBVA S.A with a total amount of €4,727 Mn


A summary of these bonds is included in the table below:

Debt type	Issuer	Amount (Mn)	Currency	Issue date	Maturity date	ISIN
Senior Non-Preferred	Banco Bilbao Vizcaya Argentaria, S.A.	1,000	EUR	05/14/2018	14/05/2025	XS1820037270
Senior Non-Preferred	Banco Bilbao Vizcaya Argentaria, S.A.	1,000	EUR	06/21/2019	21/06/2026	XS2013745703
Additional Tier 1	Banco Bilbao Vizcaya Argentaria, S.A.	1,000	EUR	07/15/2020	Perp NC5	ES08132211028
Senior Preferred	Banco Bilbao Vizcaya Argentaria, S.A.	1,250	EUR	10/14/2022	10/14/2029	XS2545206166
Senior Preferred	Banco Bilbao Vizcaya Argentaria, S.A.	215	CHF	11/28/2022	11/28/2025	CH1228837899
Senior Preferred	Banco Bilbao Vizcaya Argentaria, S.A.	210	CHF	11/28/2022	11/28/2028	CH1228837907
Senior Preferred	BBVA Global Markets	35	EUR	02/05/2019	02/19/2025	ES0205067426
Senior Preferred	BBVA Global Markets	43	PLN	11/30/2022	11/23/2026	XS2392204876

Total Amount
Equivalent in EUR¹ **4,723**

¹ Calculated taking into account FX as of december 2022. CHF = 1.01 EUR; PLN = 0,21 EUR

4.2 Key environmental impacts in 2022

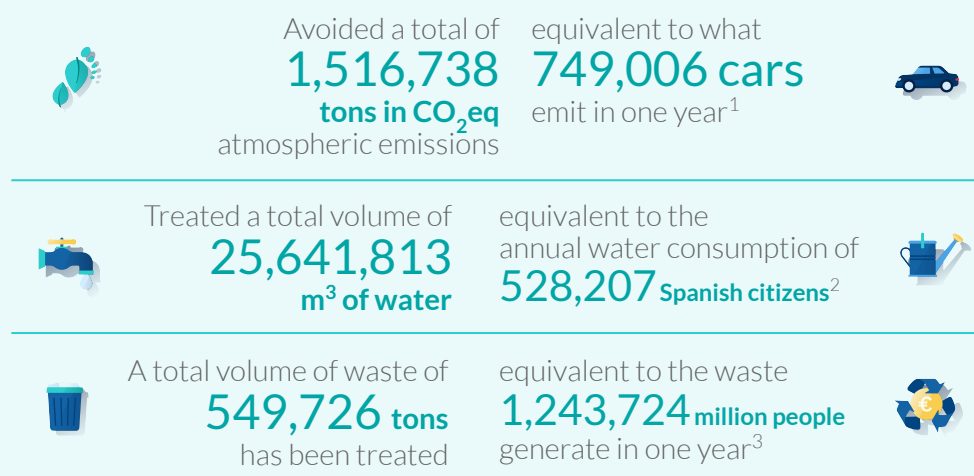
					Total amount		
	Total (Eur)	Impact (tons CO2e avoided)	Electrical Energy Generated (MWh/Year) ⁽²⁾	Installed Potency (MW)	of wastewater treated (m3/year)	of waste managed (tons/year)	SDG
RENEWABLE ENERGY ⁽¹⁾							
Wind	1,260,260,697	1,034,546	5,556,510	9,034			    
On shore	875,052,282	732,469	4,195,952				
Off-shore	385,208,415	302,078	1,360,558				
Wind (under develop) - Off-shore	53,053,660	110,715	485,067	3,600			
Solar	666,685,771	309,204	1,384,412	1,816			
Hydroelectric	13,322,849	-	-	-			
Mixed wind & solar portfolio	540,864,969						
Other mixed renewable energy projects	61,328,115						
SUSTAINABLE TRANSPORT							
Completed transportation projects	654,531,001	34,678					    
Transportation projects under development	81,633,226	4,860					
Infrastructure electric vehicles	113,890,466	-					
GREEN BUILDINGS							
Green buildings (completed projects)	444,483,334	1,325					     
A certified	183,140,543	536					
LEED or BREEAM Certified	261,342,791	788					
Green Buildings (under construction) - A Certified	20,000,000	15					
Acquisition and ownership of green buildings (green mortgages)	246,554,258						
ENERGY EFFICIENCY							
Efficient Lighting	4,494,834	1,296					   
District Heating / Cooling Distribution	32,819,891	20,097					
Telecommunications Infrastructure	96,854,619	-					
WATER MANAGEMENT							
	119,033,277				25,641,813		    
WASTE MANAGEMENT							
	136,397,655					549,726	    
OTHERS ⁽³⁾							
Mixed green assets	190,131,036	-					   
Total	4,736,339,659	1,516,738	7,425,989	14,449	25,641,813	549,726	

(1) The calculation of avoided emissions from renewable energy projects is based on multiplying the renewable electricity injected into local grids by the relevant national CO2 emission factor for electricity. The proportional part of the investment corresponding to the bonds issued by BBVA has been accounted for.

(2) All figures reported for renewable electricity generation are based on actual generation amounts delivered to local grids during the calculation period. We have relied on several different sources to quantify the total amount of renewable energy generated from these renewable energy projects based on data availability.

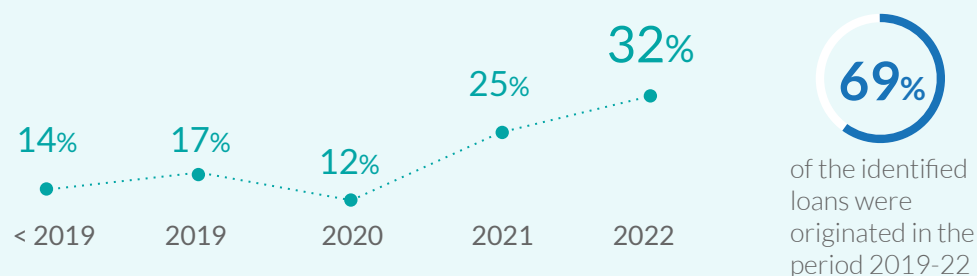
(3) Includes portfolios of projects in various categories including: solar, electric vehicle infrastructure, energy efficiency equipment, sustainable transport, water, and biodiversity.

The projects allocated by BBVA Green Bonds have :

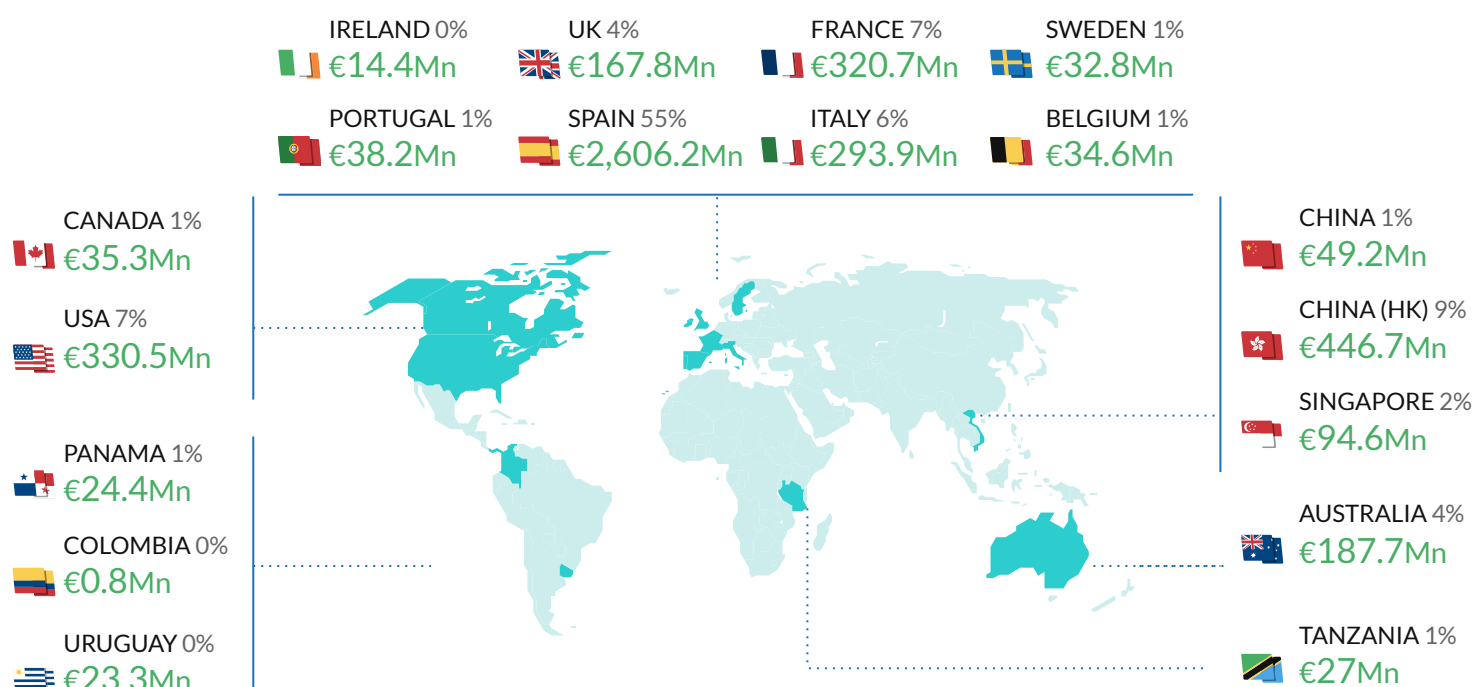


(1) Impact calculated based on a reference travel distance of 15,000 km per year by a typical diesel car.
 (2) Impact calculated taking as a reference the per capita water consumption in Spain in 2018.
 (3) Impact calculated taking into account per capita waste generation in Spain in 2021.

4.3 Distribution by geography and vintage of selected assets



The following map shows the geographic distribution of the selected assets



4.4 Methodology for the calculation of impacts linked to green bonds

The methodology used by BBVA to calculate the emissions avoided related thanks to the investment projects comprising the subject matter of contained in this report is based on internationally renowned standards and guidelines, ensuring that results are certified, reliable and verifiable. Specifically, the methodology is based on the generation of equivalent and comparable scenarios following the baseline scenarios proposed in standard ISO-14,062, and specifically on section 2: “Greenhouse Gases. Specification with guidance at the project level for quantification and reporting of greenhouse gas emission reductions and removal enhancements.”

In the case of renewable energy projects, the avoided CO₂ emissions were calculated by multiplying the renewable electricity injected into the local power grid by the CO₂ emission factor of the national energy mix. CO₂ emission factors of the energy mix used in each country were the following:

Country	Emission factor (ton CO ₂ /MWh)	Source
France	0.163	International Energy Agency
Ireland	0.251	International Energy Agency
Italy	0.219	International Energy Agency
Portugal	0.202	International Energy Agency
Uruguay	0.113	International Energy Agency
Bulgaria	0.288	International Energy Agency
Polonia	0.308	International Energy Agency
Chile	0.267	International Energy Agency
Colombia	0.221	International Energy Agency
Spain	0.14	Red Eléctrica de España
United States (Nebraska)	0.559	US Energy Information Administration
United States (Wyoming)	0.843	US Energy Information Administration
United States (Massachusetts)	0.429	US Energy Information Administration
Canada (Alberta)	0.463	Electricity maps

The renewable electric power generated by these projects was calculated based on the electric power generation estimates available during the due diligence of each investment project for the P90 value.

In the case of the mixed renewable power generation projects (with consumption of natural gas for producing electricity), emissions were calculated exactly as in the previous case, but deducting the emissions resulting from the combustion of natural gas from the avoided emissions. The emission and power mix factors considered were the same, while the emission factor used for natural gas was 0.252 ton CO₂/MWh (official data of the Environmental Transition Ministry of Spain).

In the case of energy efficient building construction projects, energy savings have been calculated based on the difference between the building's non-renewable primary energy consumption and the limit established by the European Taxonomy to consider the building as eligible. Specifically, consumption must be at least 10% lower than the non-renewable primary energy consumption limit according to the appropriate national standard. This consumption is multiplied by the CO₂ emission factor of the national energy mix, indicated in the previous table, and by the surface area of the building. While on a provisional basis, for projects with a completion date prior to December 31, 2020, the European Taxonomy in regards to ownership or acquisition of buildings allows all buildings with an A, B or C emission rating to be identified as eligible, as these are in the top 15% of the national stock, BBVA's framework limits its selection process to only those buildings with an A rating. Therefore, a more restrictive condition has been adopted in the eligibility determination process. In this case, the calculation of emissions is calculated as the difference between the consumption of the building and the limit between the levels of energy certification letters A and B (given that the national standard for nZEB¹ had not been defined at that time) multiplied as in the previous case by the CO₂ emission factor of the national energy mix, indicated in the previous table and by the surface area of the building.

For sustainable transport projects, emissions were calculated as the direct difference of emissions between the 50 gCO₂/p.km threshold (proposed by the Expert Group that collaborated in the drawing up of the Proposal for an EU Green Bond Standard and defined in document Technical Annex to the TEG final report on the EU Taxonomy) and the emissions generated by the investment project. The emission factors used for the investment projects are the ones defined by the European Environment Agency in its document entitled "Energy Efficiency and Specific CO₂ Emissions" (Train: 28.39 gCO₂/p.km).

For power transmission line projects for the evacuation of output from renewable facilities, the transported energy is considered to replace the net power injected into the electric grid, in a way such that the line is considered as another part of the property that contributes to curtailing emissions. Emissions were exclusively assigned to the financed amount, in this case, the transmission line.

As for projects entailing the upgrade and replacement of lighting systems with new technologies, the emissions are proportionally attributed to the energy savings generated by the new lighting compared to the replaced one, by the national electricity factor.



¹ Net Zero Energy Building



For projects that involve the build-up of electric vehicle charger networks, the calculation is based on the capacity of said networks to enable the use of low-emission vehicles. Based on this, the environmental impact measured as CO₂ emissions avoided, is calculated based on the difference in emissions generated by the electricity generation of the country in which the network is located, with the limit of 50 gCO₂/p.km for efficient vehicles.

For heat and cold distribution networks, as stated in the EU taxonomy, environmental impacts in terms of emissions avoided are estimated by comparing the emissions of the same amount of energy produced conventionally versus the emissions produced by the network's generators, which includes both renewable energies and the use of residual heat.

For waste management projects, the amounts assigned to the collection and valuation thereof, as well as the population served, were estimated applying a specific ratio for each project and indicator, this ratio being based on each project's economic-operating variables. The information used was extracted from their year-end annual account reports and information disseminated through the official pages of the public bodies responsible for awarding the respective service contracts.

In the case of projects and activities related to the sustainable management of water resources, the total amount of wastewater treated, the equivalent population, the volume of drinking water supplied and the number of people with access to drinking water was estimated applying a specific ratio for each project and indicator, being this ratio being built based on each project's economic-operating variables. Specifically, the metric of the volume of drinking water supplied was estimated taking into account the average consumption of the communities within the aquifer service area (obtained in all cases from official sources of statistics).

The timeframe for the calculation of the impacts of the chosen projects was January 1 through December 31, 2021, taking into account the month in which the loans originated in 2021 were formalized.

The calculation methodology applied by BBVA for the calculation of environmental impacts of this report has been developed by an independent advisor (Ecodes), which guarantees its impartiality and the use of objective and comparable sources of information.

Social bonds

5.1 Social eligible assets and their impacts

As of 31 December 2022, BBVA has 2 social bonds outstanding guaranteed by BBVA S.A with a total amount of €2,000Mn

A summary of these bonds is included within the table below:

Debt type	Issuing institution	Total (Euro)	Issue date	Maturity date	ISIN
Senior Preferred ¹	Banco Bilbao Vizcaya Argentaria, S.A.	1,000,000,000	04/06/2020	04/06/2025	XS2182404298
Senior Preferred	Banco Bilbao Vizcaya Argentaria, S.A	1,000,000,000	09/09/2021	09/09/2023	XS2384578824
Total Outstanding amount		2,000,000,000			

5.2 Key Social impact relating Covid-19 Social Bond

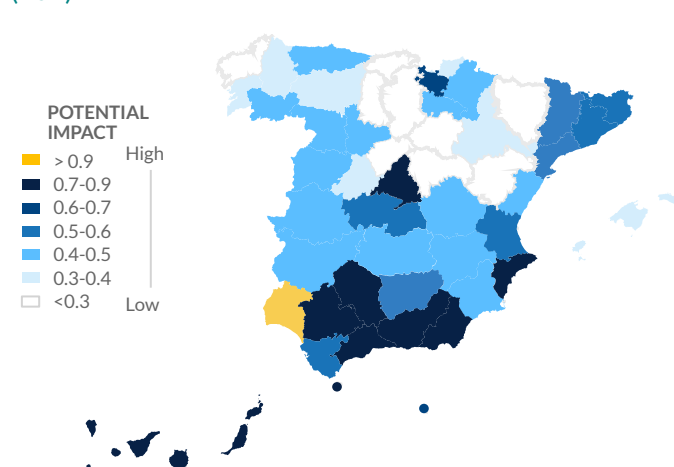
The funds received from the Covid-19 Social Bond have been allocated mainly to micro businesses. Up to 32,406 companies with a total of 33,994 employees have been benefited.

By sectorial and territorial impact, 78% of the total amount has been allocated to companies in sectors that have suffered a strong or significant impact due to COVID-19², while 69% has been assigned to companies located in areas with greater potential impact according to the social impact index (IPSI>0.6)

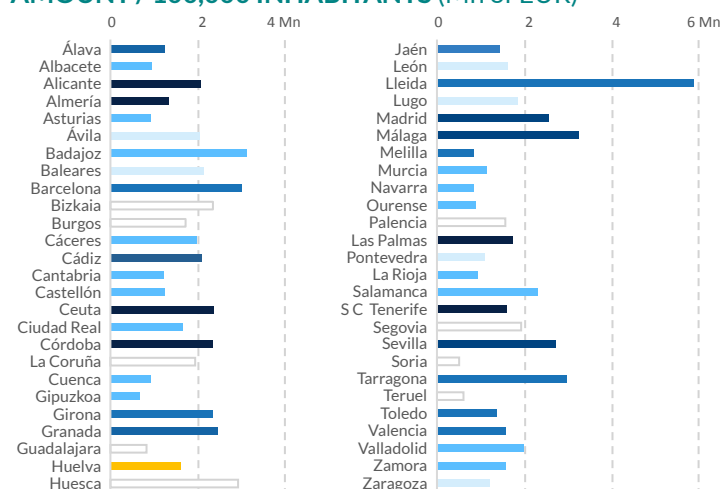
TOTAL AMOUNT BY DEGREE OF IMPACT PER SECTOR (EUR)

310,086,062 EUR STRONG	469,701,179 EUR SIGNIFICANT	218,021,701 EUR MODERATED	2,193,994 EUR NO SIGNIFICANT
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POTENTIAL SOCIAL IMPACT INDEX (PSII)







AMOUNT / 100,000 INHABITANTS (Mn of EUR)



(1) The €1 Bn bond corresponds to the social COVID-19 bond. Asset selection is prioritized based on their contribution to mitigate the impact of COVID-19.
(2) Sector categories impacted due to Covid 19 according to DBK report /CESCE Group"

5.2.1 Key Social impact relating Social Bond

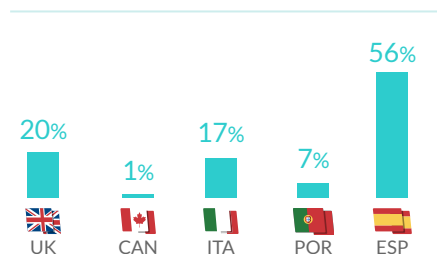
Social Bond Principles Category	Sub- category	Use of proceeds	Indicator	Amount	ODS
Access to essential services	Healthcare	357,888,622 €	Number of beds in hospitals and clinics	1,044	
			Number of beds in elder residences	184	
			Potential beneficiaries covered by the infrastructure or service	2,159,014	
	Education	16,395,095 €	Number of students served	53,815	
	Financial services	136,584,288			
Affordable housing		6,062,598 €	Families with social housing	31	
Socioeconomic advancement and empowerment	Financing for vulnerable or low income populations	367,661,618 €	Potential beneficiaries covered by the social benefit	762,787	
Affordable basic infrastructure	Broadband communications	115,417,906 €	Number of premises connected to broadband	200,206	
			Potential beneficiaries covered by the infrastructure	814,580	
			Number of households connected to broadband	303,275	
			Number of enterprises connected to broadband	495	
Total drawn amount ¹		1,000,010,127 €			

(1) Only drawn amounts are considered and may be pledged as collateral in financing transactions unless are included in the use of proceeds of an outstanding GSS Bond or another GSS financial instrument

Distribution by geography and vintage of allocated assets

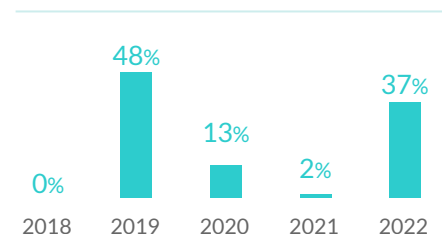
GEOGRAPHY

(%)



VINTAGE OF SELECTED ASSETS

(%)



5.3 Methodology for the calculation of the impacts linked to social bonds

Both the eligibility criteria and the procedure for analyzing projects financed under BBVA's social bond issues are defined and described in this section.

First, in order to measure the social impact generated by funding provided to micro enterprises and small and medium businesses with the goal of enhancing socioeconomic advancement and empowerment as outlined in the Social Bond Principles¹, it is necessary to establish criteria that allow defining which types of companies have the greatest potential for social impact associated with the funds granted.

These criteria are applied consecutively to act as a filter that generates a selected pool of companies that allow for the maximization of the social impact of the funds considered in the portfolio.

All of this is based on the premise that the direct social impact generated by the loan funds on large companies is less than the direct social impact on micro, small and medium-sized companies.

The reasoning behind is that the viability as ongoing concerns of large companies and corporations is not generally contingent on the reception or lack thereof of the loan funds. However, for many of the micro, small and medium-sized companies, receiving the loan funds contribute directly to their continuity or facilities payment commitments with employees and suppliers.

Thus, when prioritizing the pool of companies, SMEs are considered to have a greater potential for social impact derived from the use of the funds they receive.

As a consequence of this first selection criterion, the applied social impact calculation model starts from the first phase of exclusion, which leaves large companies out of the measurement phase. For this, all operations with companies with an annual turnover greater than €50 million euros and/or with a number of employees greater than 250 are excluded. As a result, the companies included in the analysis correspond to the following categories:

Company Category	Employees	Annual Turnover (Million euros)	Total Balance (Million euros)
Medium	< 250	≤ 50	≤ 43
Small	< 50	≤ 10	≤ 10
Micro	< 10	≤ 2	≤ 2

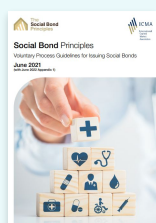
Source: https://ec.europa.eu/growth/smes/sme-definition_en

¹ **Social Bond Principles. Voluntary Process Guidelines for Issuing Social Bonds Principles June 2021** (with June 2022 Appendix 1)

Additionally, since from a social point of view the impact that the funds of companies with reported sales of less than €25,000 per year would be considered irrelevant in a set that analyzes a funding pool of over 1,000 million euros, they have also been excluded in this first phase, and are therefore not part of the group of companies used to obtain the reported social impact indicators.

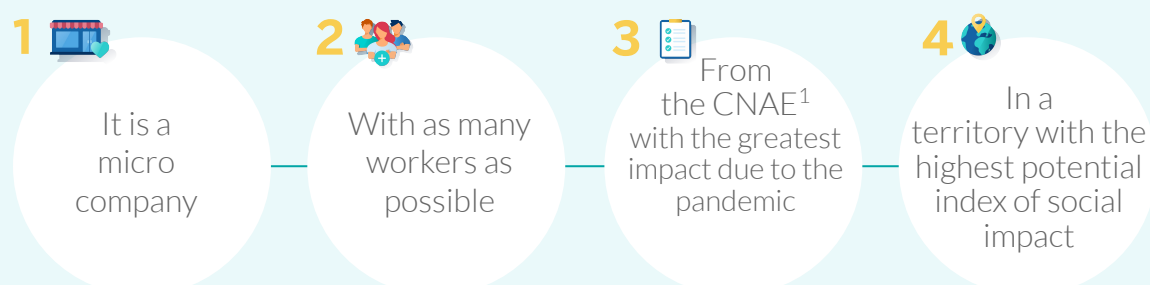
Once the study population has been reduced to SMEs with annual turnover of more than €25,000, a selection process is carried out using ordering criteria described below.

The method used to maximize the potential social impact is based on the sequential application of selection criteria, which has been considered in this order:



- 1** The **size** of the company receiving funding (micro, small or medium)
- 2** The number of **workers** employed by the host company
- 3** The company's **activity** sector (based on the impact derived from the COVID-19 crisis)
- 4** and the **location** of the company (based on the potential for territorial social impact).

This sequential ordering system allows companies to be ordered so that the one with the greatest potential for social impact meets the following characteristics:



Being micro, small, or medium, is determined by the volume of turnover and the number of workers that are employed.

The impact associated with the CNAE is a categorical variable with three levels (strong, significant and moderate). The source used in this case was the “DBK Report (CESCE Group) COVID-19: Impact on the Main Sectors of the Spanish Economy” and other official resources related to said report.

The potential social impact index (PSII) for potential territorial social impact (IPSI) is a synthetic index that assesses the social reality of each province based on the most representative welfare and equality indicators, together with the potential to retain and amplify the impact associated with a European regional competitiveness index. The PSII reflects the direct impact and the potential for retention and amplification of the effects of the use of resources in a single indicator.

Welfare and equality indicators have been calculated through a linear combination of the following variables by area:



¹ National Classification of Economic Activity

By using the AHP method (Analytical Hierarchy Process) the variables are weighed to assign them the final score in the index, a process undertaken by a nominal group of relevant experts, including sociologists and economists.

As a result of said index associated with each province, a numerical value is obtained for each province, which has been used in the ordering process.

However, for reporting purposes, three levels of potential social impact have been generated (high, moderate and low) related to said values and that allow segmenting the selected companies to obtain a broad view of the distribution by territories according to their potential social impact.

Once all the selected companies have been ordered according to the criteria of the first phase (all except those excluded), the potential social impact is determined by the descriptive analysis of the companies that end up added to the accumulated amount granted, thus guaranteeing a maximum potential for social impact.

For social bond proceeds in other categories including access to essential services such as healthcare, education, and financial services, as well as affordable housing and affordable basic infrastructure, including access to broadband technologies, efforts were made to align the reporting metrics selected with the recommendations contained in the Social Bond Principles. As such, a preliminary process was conducted to identify an initial wide range of indicators that measure outputs, outcomes and longer-range impacts associated with each social funding category. This initial list also included the identification of specific target populations affected by the funded projects, included people living in areas with high risk of poverty and social exclusion and those living in depopulated rural areas. This initial scoping exercise was followed by an exhaustive desk research process to identify possible data sources that would provide evidence for the generation of the social impacts detailed in the initial list of indicators. Once completed, the final list of indicators selected for the present report were adapted to conform to the availability of corroborating data and information, which in most cases substantially limited the range of indicators reported as well as additional information provided on the impacts achieved among specific at-risk target groups. The final list of social indicators reported are listed in the table below:



Social Bond Principles Category	Sub-category	Indicator	Indicator Type	Indicator Definition	Data Source
Access to essential services	Healthcare	Number of beds in hospitals and clinics	Output	Existing number of beds reported by the hospitals and healthcare centers financed with loans included in the social bond	Official documents published by the hospital or healthcare center
		Number of potential beneficiaries covered by the infrastructure or service	Output	Estimated number of people that may benefit from the hospitals and healthcare centers financed by the loans included in the Social Bond, calculated in terms of the residents in the catchment areas of the hospitals and healthcare centers defined as the municipality in which they are located	Population data from the National Institute of Statistics (INE) of Spain
		Number of people with a rare disease being provided access to services and adequate medication	Output	Reported number of people with a rare disease being provided access to services and adequate medication attributable to proceeds included in the social bond.	Sustainable Finance Allocation reporting released by the client
		Number of people treatment medication high impact	Output	Reported number of people that have received a high impact treatment medication attributable to proceeds included in the social bond.	Sustainable Finance Allocation reporting released by the client
	Education	Number of vulnerable students served	Output	Reported number of vulnerable students enrolled in the educational centers receiving proceeds allocated to the Social Bond	Sustainable Finance Allocation reporting released by the client
Affordable housing	Social housing for families in areas with high levels of poverty and at risk of social exclusion	Number of families receiving social housing	Output	Families with Access to social housing as reported in the Sustainable Finance Allocation reporting released by the client	Sustainable Finance Allocation reporting released by the client
Socioeconomic advancement and empowerment	Financing for vulnerable or low income populations	Number of potential beneficiaries covered by the social benefit	Output	Number of individuals or families benefiting from social benefits as reported in the Sustainable Finance Allocation reporting released by the client	Sustainable Finance Allocation reporting released by the client
Affordable basic infrastructure	Broadband communications	Number of premises connected to broadband	Output	Estimated number of premises connected to high-speed broadband technology as reported by the company deploying the infrastructure	Project Due Diligence Documents
		Number of households connected to broadband	Output	Estimated number of households connected to high-speed broadband technology as reported by the company deploying the infrastructure	Project Due Diligence Documents
		Number of potential beneficiaries covered by the infrastructure	Output	Estimated number of people that may benefit from the household broadband connections calculated based on the average household size in the countries in which the project is located. The final estimate is based on multiplying the number of household connections by the average household size	Data on average household size by country obtained from Eurostat.

The indicators selected and reported can be used as proxies for the associated impact and allow the report reader to ascertain the magnitude and direction (positive) of the social changes linked to the social bond proceeds. Due care was used to assure that the data used to document these indicators is published in official company documents and complemented in certain cases with data from official sources such as the OECD or Eurostat. For future reports, efforts will be undertaken to improve the quality of the social indicators reported to detail specific changes (impacts) attributable to the social bond proceeds as well as highlight, where appropriate, the ways the funding is benefitting specific underserved or at-risk groups of population.

Once the social impacts attributable to the company or project receiving funding through the Social Bond proceeds was established, it was necessary to determine the proportional part of these impacts that can be attributed to the financing granted by BBVA. For this, it was necessary to establish an economic reference value to allow us to determine the total amount of economic inputs that were necessary to generate the social outputs (and impacts) that were measured. For loans to companies operating in the healthcare sectors, Non-Current Assets as reported in the audited financial statements was used as the economic reference value. For projects in the telecommunications sector, the total amount of capital expenditure as reported in the due diligence documents was used as the economic reference value. Once established, the amount of funding granted by BBVA to each project or company was divided by the economic reference value to establish an attribution percentage. This is referred to here as the attribution level. Finally, in order to obtain the social impacts attributable to the social bond proceeds, the total amount of social impacts measured (e.g. total number of beds in hospitals and healthcare centers) was multiplied by the attribution level to obtain the units of social impacts assigned to the social bond issued by BBVA.

The analysis methodologies used by BBVA to calculate the social impacts of this report was developed and overseen by an independent advisor (Ecodes), which guarantees its impartiality and the use of objective and verifiable sources of information.



Independent review report



WHEN TRUST MATTERS

Independent Limited Assurance Report to the Management of Banco Bilbao Vizcaya Argentaria S.A.

Banco Bilbao Vizcaya Argentaria S.A. ("BBVA") commissioned DNV GL Business Assurance España, S.L.U. ("DNV", "us" or "we") to conduct a limited assurance engagement over Selected Information presented in the BBVA 2022 Green and Social Bonds Report (the "Report") for the period from 1 January 2022 to 31 December 2022.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

Selected information

The scope and boundary of our work is restricted to the key performance indicators included within the Report for the reporting period 1 January 2022 to 31 December 2022 (the "Selected Information"), listed below:

- Impact indicators included in the table "Environmental impacts of assets allocated to the green bonds"
- Impact indicators included in the table "Social impacts of assets allocated to issued social bonds"
- The claims and assertions relating to the allocation of funds under the BBVA 2022 Green and Social Bonds Report

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used [BBVA Sustainable Development Goals \(SDGs\) Framework April 2018](#) and the reporting criteria defined in the mentioned BBVA 2022 Green and Social Bonds Report (the "Criteria").

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on BBVA's website for the current reporting period or for previous periods.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with BBVA's management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by BBVA for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by BBVA have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.



Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, 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.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

DNV GL Business Assurance España, S.L.U

Madrid, Spain.
31.07.2023



WHEN TRUST MATTERS

Responsibilities of the Directors of BBVA and DNV

The Directors of BBVA have sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to BBVA in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV GL Business Assurance España, S.L.U

DNV GL Business Assurance España, S.L.U Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.
<https://www.dnv.es/about/supplychain>

BBVA

