Double Materiality Analysis

The requirements established by EFRAG's new European Sustainability Reporting Standards (ESRS) have been followed, and the new Global Reporting Initiative Standards (GRI Standards) that enter into force in January 2023 were followed to determine the material issues. As BBVA Group, we identified and assessed the set of links between the company and the three pillars of sustainable development, from the perspective of the company's impacts on the environment and people through its activity – impact materiality – and the impact that the environmental and social issues have on the company's activity – financial materiality.

The association between potentially material issues with the analysis of impact materiality (Y axis) and financial materiality (X axis) makes it possible to sort these issues into two axes according to Garanti BBVA's impact on environmental and social issues and these issues' impact on the Bank.

This enables the Bank to identify the most relevant material issues in order to prioritize the Bank's focus and actions to tackle possible impacts or opportunities.

The assessment, conducted by the BBVA Group, is overseen by the members are from Garanti BBVA's Investor Relations, Sustainability, Strategic Planning, Capital & Operational Risk, Corporate Brand Management & Marketing and Customer Experience departments. Results are presented to the bank's Sustainability Committee[1] for discussion and approval.

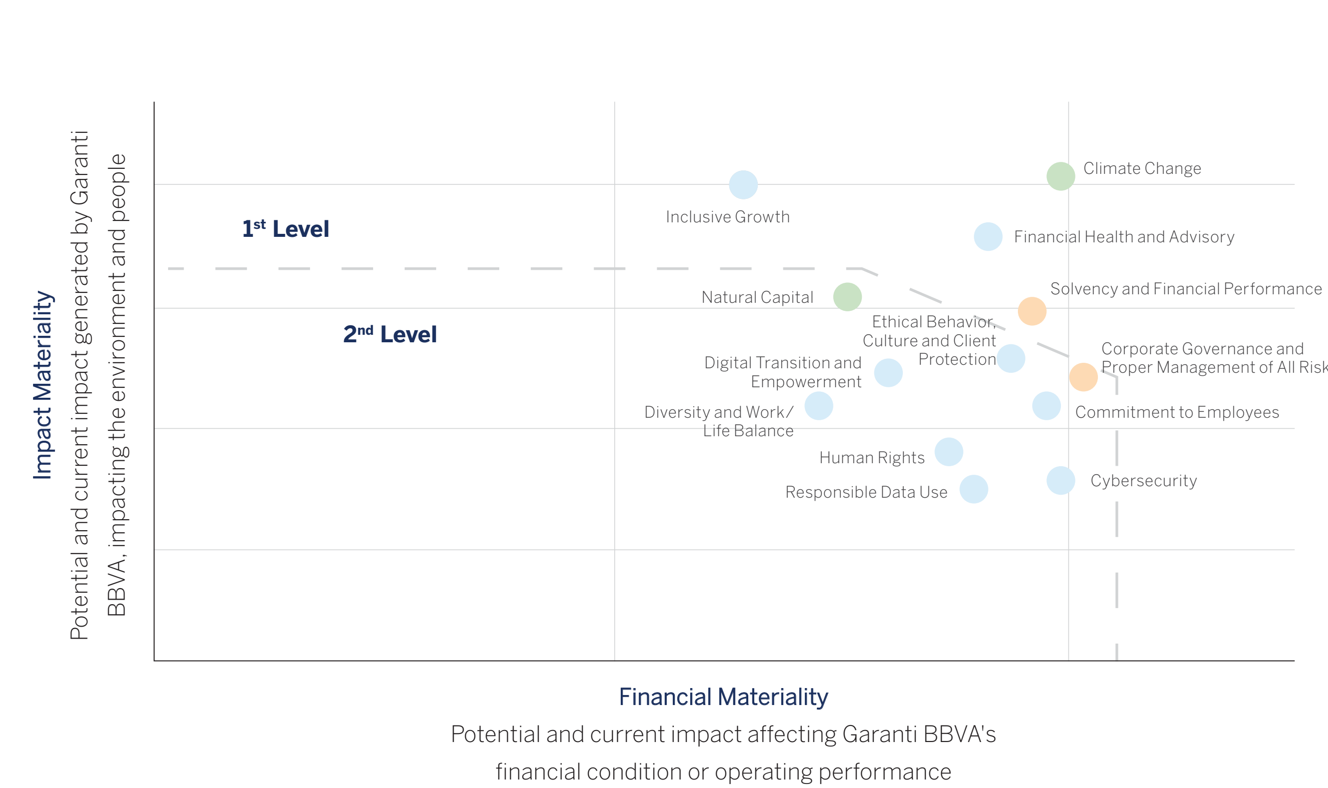
Compared to the materiality analysis published in 2021, a total of 13 material issues remain, although the "COVID-19" issue has been disregarded and "Natural Capital" has been included.

As a result of this double materiality analysis, key material issues are:

- Climate Change: Climate change is the main concern among our stakeholders and they expect Garanti BBVA to contribute to transition towards a low-carbon economy. This requires proper risk and opportunity management that Climate Change resulted in.
- Inclusive Growth: Stakeholders expect the Bank's business model to support the financial inclusion of people in the country, and enable inclusive growth via supporting entrepreneurs, women and/or disadvantaged groups.
- Financial health and Advisory: Stakeholders expect the Bank to get to know its customers and accordingly, propose personalized solutions and recommendations in proactive and increasingly automated way to support to better manage their finances and achieve their life goals.
- Solvency and Financial Performance: Interest groups expect Garanti BBVA to have a business model focusing on generating capital and liquidity, to ensure sustainable growth over time.

These issues are embodied in two of the six strategic priorities: "Helping clients in the transition towards a sustainable future" and "Improving the financial health of clients", as well as ambitious objectives for the coming years in terms of solvency and sustainable finance mobilization.

DOUBLE MATERIALITY ANALYSIS FOR GARANTI BBVA



The information regarding the Bank's 2022 performance of these material issues is explained in the "Value We Created in 2022" sections.

OBJECTIVES AND DEGREE OF PROGRESS OF MATERIAL KEY ISSUES FOR GARANTI BBVA 2022

The objectives related to material issues are detailed below:

Material Issues	Indicators	Objectives	2022 Progress
Climate Change	Sustainable Finance Mobilization	Commitment to contribute to sustainable finance at least ~TL 150bn (2018-2025)	Our sustainable finance mobilization figure for 2022 exceeded TL 28 billion.
	Loan portfolio alignment with Paris Agreement	Establishing targets and methodologies to align the bank portfolio with the Paris Agreement	2030 and interim targets have been worked out in line with the 2050 net zero target. Please refer to page 147 of the 2022 Integrated Annual Report for the relevant targets.
	Electricity consumption from renewable sources	29% in 2025; 71% in 2035	Carbon neutral bank as of 2020
Solvency and Financial Performance	Common Equity Tier-I Ratio	2022: Min. required level of 10% + 1-2%	Common Equity Tier-1 Ratio (with BRSA's forbearance): 16.2% Common Equity Tier-1 Ratio (without BRSA's forbearance): 14.5%
Inclusive Growth	Setting a goal for inclusive growth	Setting a goal for inclusive growth in 2023	Planning for target setting and criteria was done with BBVA Group.
Financial Health and Advisory	Share of customers interacting with Financial Health tool and solutions	40% of our active Mobil customers interact with Financial Health tools and solutions	36% interaction with the solutions offered to customers in 2022

PROCESS FOR DETERMINING MATERIAL ISSUES

The materiality analysis was conducted in the following phases:

- Phase 1 - Identification of material issues that are relevant to stakeholders and to Garanti BBVA.
- Phase 2 - Identification of the potential positive and negative impacts as well as the risks and opportunities for the identified material issues.
- Phase 3 - Weighting of material issues.

Phase 1 - Identification of material issues that are relevant to stakeholders and to Garanti BBVA.
For the identification of material issues, we have used:

Internal sources:
- List of BBVA's material issues from previous materialities
- Human Rights due diligence carried out by Garanti BBVA in 2022
- Portfolio Impact Analysis Tool for Banks – UNEP-Fi
- Consultation of stakeholders:
  - Clients, with a total of 1,192 surveys conducted in six countries (Argentina, Colombia, Spain, Mexico, Peru and Turkey)
  - Non-clients, with a total of 1,140 surveys conducted in six countries (Argentina, Colombia, Spain, Mexico, Peru and Turkey)
  - Employees, with a total of 9,243 surveys conducted in eight countries (Argentina, Colombia, Spain, Mexico, Peru, Turkey, Uruguay and Venezuela)
  - Investors and shareholders
- Garanti BBVA Reputation Risk Analysis
- 2021 Garanti BBVA Integrated Annual Report
- Climate change risk assessment more than 155 media and 17,792 news analyzed; and mentions on social media.

External sources:
1. Sustainability reporting framework, namely Global Reporting Initiative

2. ESG analysts: MSCI, Sustainalytics, S&P and Vigeo-Eris.

3. Regulation:
  i. Spanish Law 11/2018 on non-financial information and diversity
  ii. European Taxonomy Regulation.
  iii. Capital Market Board of Turkey's Sustainability Principles Compliance Report

4. Other sources: UNEP-FI, analysts, indices and reference studies), as well as Context reports and trends in the financial sector and reports from internationally relevant NGOs.

Phase 2 - Identification of the potential positive and negative impacts as well as the risks and opportunities for the identified material issues.
For each of the identified material issues, both the potential positive and negative impacts caused directly by Garanti BBVA or by its value chain have been identified. On top of that, existing and potential risks and opportunities caused by the environmental and social issues for the financial sector and BBVA have been analyzed.

This analysis resulted in the list of material issues distributed according to the three pillars, with the associated impacts, risks and opportunities (please refer to the table below)

Phase 3 - Weighting of material issues.
In order to assess and prioritize material issues based on BBVA's impact on the environmental and social issues – considering magnitude and scope – the UNEP-Fi impact identification tool (for Consumer and Institutional Banking) has been used as a base source. The result is a measurement and prioritization of potential positive and negative impacts on Garanti BBVA's portfolio. Other sources have been included in the analysis: assessment of the impact of Garanti BBVA's portfolio on natural capital through the ENCORE tool; assessment of Garanti BBVA's impact on human rights through due diligence; and additional source-based prioritization on climate issues.

In order to assess and prioritize material issues based on the environmental and social issues impact on BBVA, various sources have been used, from the perspective of risks and opportunities of the issues for BBVA. Risks were assessed considering their impact and probability.

After identifying the associated risks and quantifying the risks of the sources used, the aggregate risk measurement for the different issues is calculated.

1 2021 BBVA Group Annual Report

MATERIAL ISSUES, RISKS & OPPORTUNITIES

	Issue	Impact Materiality[1]			Financial Materiality	
		Description	**Positive impacts**	**Negative impacts**	**Risks**	**Opportunities**
ENVIRONMENTAL	1. Climate change	Measures to: • Adapt to the consequences of climate change, e.g. establishing policies, identifying and managing climate risks and opportunities, defining the portfolio's decarbonization goals in line with the Paris Agreement goals, including sustainability criteria and specifically climate change in the credit analysis of client transactions. • Develop products that guarantee a responsible use of resources (energy, water, materials, etc.), and promote products and services with environmental content, aligned with appropriate waste management in accordance with the EU Taxonomy, which contribute to the circular economy and avoid pollution. • Improve efficient use of resources, raw materials (paper), water and energy and waste generation in our own operations, in order to reduce the internal environmental and carbon footprint. This includes the measures taken to promote the development and promotion of the circular economy and waste prevention and management.	• Reduce GHG emission levels and help fulfill the objectives set in the Paris Agreement through financing and support for the transition of clients/sectors toward a lower carbon economy. • Reduce GHG emission levels and help fulfill the objectives set in the Paris Agreement by directing and promoting financing toward more sustainable sectors and activities. • Reduce pollution levels by directing and boosting finance toward more sustainable sectors and activities. • Reduce the generation of waste produced by the bank's own operations through management measures and circular economy. • Reduce resource use – mainly water, energy and paper – in the bank's own operations through management and efficiency measures.	• Finance clients without transition strategies toward a lower carbon economy and with no support in this transition, leading to a failure to meet the decarbonization objectives set by the Paris Agreement. • GHG emissions from the portfolio in general, and by financing clients/sectors/operations with high GHG emissions that contribute negatively to climate change. • The portfolio's negative environmental impacts due to pollution in general, and due to financing of highly polluting clients/sectors/operations. • Negative environmental impacts derived from the waste produced by the bank's own operations. • Negative environmental impacts derived from the resources consumed – mainly water, energy and paper – in the bank's own operations.	• Lawsuits related to climate change non-compliance arising from increased regulatory requirements • Lack of adaptation or slow adaptation of financial products to the effects of climate change • Lack of portfolio adaptation (especially high-risk sectors) to the climate transition (transition risk). • Portfolio exposure to acute and chronic physical risk events (storms, floods, heat waves, etc.). • Depreciation and early retirement of existing assets (damage to property and assets in "high risk" locations). • Greenwashing. • Reduced revenue from financing/non-financing of highly polluting products/sectors. • Reduction in the value of fixed assets (e.g. highly polluting assets). • Increased costs and reduced demand for products and services due to fines and rulings. • No or poor integration of an operational efficiency strategy. • Increased long-term resource costs (circularity, energy, water).	• Financing of new activities linked to energy transition – mitigation and adaptation: • transport of biofuels and hydrogen, ST; • Co_2 capture, LT • Renewables, ST; • Green hydrogen, MT • Distribution of solar panels to construction and infrastructures, ST • Building renovation, ST • Adaptation infrastructures, ST • Low emission electric transport, ST • Hydrogen-powered transportation, LT • Metals for electric vehicles, ST • Agricultural waste used as biogas, ST • Energy in agricultural plants, MT • Anti-drought products, MT • Carbon credit markets, ST • Other sectors toward carbon neutrality, ST • Financing of sustainable activities, without pollution disputes. • Recognition for positioning as an environmentally efficient company. • Cost savings through improved efficiency in resource use – water, energy, paper.
ENVIRONMENTAL	2. Natural capital	Management of risks and opportunities linked to natural capital: measures taken to preserve or restore biodiversity; impacts and dependencies on natural capital; impacts caused by activities or operations in protected areas; and remediation or compensation measures implemented.	• Help to reduce and reverse ecosystem degradation by directing and boosting financing toward more sustainable sectors and activities and excluding more harmful activities. • Contribution to the preservation or restoration of biodiversity by financing projects aimed at the protection and/or restoration of natural capital (forest protection, reforestation, ecosystem restoration, etc.); including the blue economy.	• Degradation of ecosystems due to land degradation, depletion of water resources or destruction of forests and biodiversity as a result of the negative environmental impacts of the portfolio as a whole; and by financing clients/sectors/operations with high impact on ecosystem degradation. • Degradation of ecosystems in areas of high ecological value by financing of clients/operations with activity in these locations.	• Portfolio exposure to sectors that are highly dependent on natural capital. • Portfolio exposure to sectors with high impacts on natural capital, which are unable to adapt or are slowly adapting to new natural capital protection requirements	• Financing of activities linked to the protection and restoration of natural capital: • Sustainable forest management, ST • Reforestation, ST • Blue economy, MT • Nature-Based Solutions (NBSs), MT • Organic agriculture, ST • Adaptation of sectors in general to ecosystem degradation, ST • Adaptation infrastructures, ST • Anti-drought products, MT • Ecosystem services credit markets, LT

1 The identified impacts, both positive and negative, are potential: they are taken mainly from the UNEP-Fi tool that considers the potential impacts of BBVA's portfolio.

			Impact Materiality[2]		Financial Materiality	
	Issue	Description	Positive impacts	Negative impacts	Risks	Opportunities
SOCIAL	3. Digital Transition and Empowerment	Offer a good experience for all clients, ensuring simplicity, agility, speed and self-service. In addition to promoting innovation and digitalization of client and business service, development of new disruptive technologies and consolidation of Big Tech.	• Contribution to the transformation toward a digital and connected economy. • Access to finance and financial services by promoting new digital channels, products and services (indirect). • Access to financing and financial services by facilitating accessibility, simplicity and agility in client management (indirect).	• Indirect negative impacts on access to finance and financial services derived from possible exclusions of some vulnerable groups that may not adapt to digitalization (e.g. the elderly). • Exclusion of groups with less adaptability to changes geared toward new technologies (e.g. older people, rural areas).	• No adaptation or slow adaptation to digital transformation expectations. • Loss of business due to competition from digital players that provide financial services. • Costs associated with investments resulting from the approach and facilitation of services • Implementation of solutions, products or services perceived as inappropriate	• Development of new innovative and digital financial products and services. • Positioning and recognition by stakeholders – especially clients – as an innovative and digital company. • Positioning and recognition by stakeholders – especially clients – as a company that offers a simple, agile and fast service.
SOCIAL	4. Financial Health and Advisory	Client relationship management: channels used for measuring client satisfaction, complaints channel, proposing solutions and personalized recommendations to improve their financial health and achieve their life goals.	• Positive contribution to the health of the economy through access to quality and personalized financial services. • Positive contribution to the financial health and well-being of clients. • Positive contribution to consumer protection (indirect). • Financial education for clients and society in general; and specific for disadvantaged and/or vulnerable groups (indirect). • Access to quality financial products and services.	• Negative effects on the health of the economy due to the lack of quality and personalization of financial services. • No contribution or negative contribution to the financial health and well-being of clients. • No contribution or negative contribution to consumer protection (indirect).	• Inadequate design of the catalog of products and services, due to no inclusion of products and services with ESG orientation, or no ESG criteria in products and services (associated with failure to fulfill client needs). • Improper handling of client complaints/claims.	• Positioning and recognition among clients as a reliable company that responds to their needs.
SOCIAL	5. Inclusive Growth	Promote access to sources of financing for low-income populations and small businesses/professionals with fewer resources and options. Development of new products by harnessing new technologies that open up new, previously inaccessible markets due to their risk factor; complemented by efforts to improve the financial literacy of clients to ensure informed decision-making. Company's commitments to society and the populations and territory where it has a presence, to employment and local development through its philanthropic activities.	• Access to finance and financial services in less well connected areas (e.g. rural areas). • Access to finance and financial services for vulnerable and disadvantaged groups; through both financing in general and by offering targeted products. • Financial education for clients and society in general; and specific for disadvantaged and/or vulnerable groups. • Accessibility of financial products. • Products aimed at SMEs and freelancers with less access to financing and sustainable business models. • Positive impact on society and communities by fostering partnerships.	• No access to finance and financial services in less well connected areas (e.g. rural areas). • No access to finance and financial services for vulnerable and disadvantaged groups; through both financing in general and by offering targeted products. • No financial education for clients and society in general; and specific for disadvantaged and/or vulnerable groups. • No accessibility of financial products. • Lack of products aimed at SMEs and freelancers with less access to financing and sustainable business models.	• Reputational loss due to lack or insufficiency of financial inclusion measures. • Reputational risk due to lack of contribution or inadequate contribution to the needs of the social environment.	• Positioning and recognition by stakeholders – especially clients – as a company that provides and facilitates access to financing to vulnerable groups, disadvantaged areas and promotes the revitalization of the local and regional economy. • Development of new products and services aimed at disadvantaged and/ or vulnerable groups, or underserved areas. • Promotion of financing for SMEs and the self-employed with less access to financing.

1 The identified impacts, both positive and negative, are potential: they are taken mainly from the UNEP-Fi tool that considers the potential impacts of BBVA's portfolio.

		Impact Materiality[1]		Financial Materiality	
Issue	**Description**	**Positive impacts**	**Negative impacts**	**Risks**	**Opportunities**
6. Ethical Behavior, Culture and Client Protection	Guarantee an environment of business ethics by ensuring compliance with the applicable rules and the establishment of policies and measures regarding inside information, the fight against corruption and bribery and money laundering, etc. In addition to implementing measures to quality service that guarantees client security, transparency in client information; prevention and detection of bad sales practices, for example, company policies on compensation or other incentives that may generate risk of selling products and services that threaten the benefits for clients; etc.	• Positive contribution to consumer protection. • Positive contribution to the health of the economy through access to quality and transparent financial services (indirect). • Positive contribution to the financial health and well-being of clients (indirect). • Positive contribution to the health of economies. • Positive contribution to the achievement of ethical, resilient and solvent institutions.	• No contribution or negative contribution to consumer protection. • Negative effects on the health of the economy due to the lack of quality and transparency of financial services (indirect). • No contribution or negative contribution to the financial health and well-being of clients (indirect). • No contribution or negative contribution to the health of economies. • No contribution or negative contribution to the achievement of ethical, resilient and solvent institutions.	• Loss of competitiveness/revenue due to inappropriate advice and marketing (including malpractice and/or lack of transparency in the advisory and marketing process; possible discrimination against clients in access to services and products; failure to offer products and services suited to the needs and/or type of client, with special attention to vulnerable clients). • Loss of competitiveness/revenue due to inadequate design of the catalog of products and services, including unfair clauses, wrong target audience, misallocation of client risk level, etc. • Lawsuits linked to non-compliance with client protection obligations arising from regulatory requirements. • Reputational risk and lawsuits for corruption, fraud, bribery and tax non-compliance	
7. Cybersecurity	Measures aimed at ensuring the bank's security as regards software and information security to prevent theft, attacks or alterations of any kind, which compromise the company's credibility and good work.	• Positive contribution to the health of the economy through the protection of clients' finances. • Cybersecurity education for clients and society in general; as a consequence of information campaigns (indirect).	• No contribution or negative contribution to the health of the economy due to lack of protection or inadequate protection of clients' finances.	• Loss of competitiveness/revenue due to failures in information systems and/or lack of protection against cyberattacks; leaks of confidential information and security breaches. • Excessive dependence on service providers for cybersecurity management.	• Positioning and recognition by stakeholders – especially clients – as a secure company against cyberattacks. • Development of solutions against cyberattacks that can be a competitive advantage in the market.
8. Responsible Data Use	Ensure the privacy and security of personal financial data: ensure data protection from current, emerging and continuously evolving cybersecurity threats and technologies. Potential real-world data breaches that jeopardize clients' personally identifiable information, and credit and debit card fraud. Compliance with the applicable legislation, and guaranteed digital rights.	• Positive contribution to the health of the economy through the protection of clients' finances and data. • Protection of the right to privacy. • Education in responsible use of data for clients and society in general; as a consequence of information campaigns (indirect).	• No contribution or negative contribution to the health of the economy due to lack of protection or inadequate protection of clients' finances. • No contribution or negative contribution to the protection of the right to privacy.	• Loss of competitiveness/revenue due to inadequate processing of clients' personal information. • Reputational risk due to improper processing of employees' personal information. • Lawsuits linked to non-compliance with data use obligations, which are derived from regulatory requirements.	• Positioning and recognition by stakeholders – especially clients – as a company that uses data responsibly.

1 The identified impacts, both positive and negative, are potential: they are taken mainly from the UNEP-Fi tool that considers the potential impacts of BBVA's portfolio.

			Impact Materiality[1]		Financial Materiality	
	Issue	**Description**	**Positive impacts**	**Negative impacts**	**Risks**	**Opportunities**
SOCIAL	9. Human Rights	Actions aimed at promoting, protecting and ensuring the effective exercise of human rights: creation of policies, identification of associated risks, control and management of possible violations of human rights, inter alia, by the bank and third parties connected to it (e.g. suppliers).	• Positive contribution to the protection of the human rights of employees, clients, third parties and society in general. • Financing clients/activities/ sectors that make a positive contribution to human rights (such as activities that provide access to services and commodities) • Engaging the services of suppliers that protect the human rights of their employees. • Positive contribution to improving the protection of employees' rights. • Positive contribution to the social development of the countries where it has a presence, by engaging local suppliers • Sustainable transformation of suppliers by introducing procurement clauses that require progress on human rights issues.	• No contribution or negative contribution to the protection of the human rights of employees, clients, third parties and society in general. E.g. • financing of clients/activities/ sectors that violate human rights. • Engaging the services of suppliers that violate the human rights of their employees. • Violation of rights of direct employees. • No contribution or negative contribution to the social development of the countries where it has a presence, by engaging local suppliers • No contribution to the sustainable transformation of suppliers as a result of bad practices in the supplier approval process (for example, working conditions that do not respect Human Rights) or lack of inclusion of sustainability requirements.	• Reputational risk and lawsuits for non-compliance with the human and labor rights of employees. • Portfolio exposure to sectors/clients/operations with high risk of human rights violations. • Bad practices or cases of violation of human rights by a third party that may be linked to the company or the sector. • Bad practices in social and governance matters by a third-party supplier or contractor that may be linked to the company or the sector. • Unfair and abusive contractual conditions • No social and environmental due diligence processes for the engagement and maintenance of suppliers and contractors (including modern slavery, forced labor and child labor).	• Positioning and recognition by stakeholders as a company with a positive contribution to human rights. • Promotion of financing of activities that provide access to basic services and staple food commodities, especially for populations or regions with difficult access. • Strengthening relationships with suppliers by promoting the defense of Human Rights and the establishment of partnerships.
	10. Diversity and Work/ Life Balance	Measures to ensure the management and integration of individual differences within the company's stakeholders: implementation of policies and plans on discrimination, equality and diversity; other initiatives aimed at guaranteeing equal opportunities, work-life balance and disconnection and the well-being of employees.	• Positive contribution to the objectives of ensuring equal opportunities. • Contribution to the welfare of society.	• No contribution or negative contribution to the objectives of ensuring equal opportunities. • No contribution or negative contribution to the welfare of society.	• Reputational risk and lawsuits for cases of discrimination, limitation of maternity/paternity rights, workplace harassment or similar in employees. • Bad practices in equality and work-life balance; or cases of discrimination by a third party that may be linked to the company or the sector. • No adaptation or slow adaptation of the entity's strategy (and implementation of measures) to promote equality, diversity and work-life balance that may affect the perception that employees and other stakeholders have of the entity.	• Positioning and recognition by stakeholders – especially employees – as a company that promotes equal opportunities and work-life balance. • Increased productivity from implementing actions to improve work-life balance.
	11. Commitment to Employees	Talent management measures such as talent selection, attraction, retention and development: organization of working time; remuneration policies, competitive and fair wages; training policies and initiatives, and career plans. Social dialog, including procedures for informing, consulting and negotiating with staff: freedom of association, trade union relations and collective agreements. And measures aimed at preventing occupational risks and promoting the health (physical and mental) and safety of employees.	• Generation of quality employment and payment of decent wages. • Contribution to the welfare of society. • Positive contribution to employees' labor rights. • Positive contribution to the safety, health and integrity of employees. • Positive contribution to safety and health education.	• Generation of increasingly poor quality employment. • No contribution or negative contribution to the welfare of society. • No contribution or negative contribution to the labor rights of employees. • No contribution or negative contribution to the safety, health and integrity of employees. • No contribution or negative contribution to health and safety education.	• Reputational risk and lawsuits due to no fair and decent wage conditions. • No adaptation or slow adaptation of the entity's strategy (and implementation of measures) to promote the attraction and retention of talent that may affect the perception that employees and other stakeholders have of the entity. • Reputational risk or lawsuits for limitations on the right to organize, freedom of association and collective bargaining; or perception of limitation to such rights. • Lack of or insufficient measures for the protection of the safety, health and welfare of employees	• Positioning and recognition by stakeholders – especially employees – as a company that facilitates the career development of its employees. • Positioning and recognition by stakeholders – especially employees – as a company that favors social dialog. • Positioning and recognition by stakeholders – especially employees – as a company that protects the health and safety of employees.

1 The identified impacts, both positive and negative, are potential: they are taken mainly from the UNEP-Fi tool that considers the potential impacts of BBVA's portfolio.

			Impact Materiality[1]		Financial Materiality	
	Issue	**Description**	**Positive impacts**	**Negative impacts**	**Risks**	**Opportunities**
GOVERNANCE	12. Solvency and Financial Performance	A bank that is strong in capital and liquidity contributes to the stability of the system. In addition, the bank's performance improves over time. In other words, a solid capital and liquidity management also creates a sustainable business model in the existing ecosystem.	• Positive contribution to the economic stability • Positive contribution to socio-economic welfare	• No contribution or negative contribution to the economies. • No contribution or negative contribution to socio-economic welfare	• Insufficient capital adequacy pose to risk for business model • Failure to meet the expectations of stakeholders, especially shareholders and investors.	• Enables business continuity. • Capital cost savings. • Lower pressure from the regulator • Attracting more capital inflow and investors • Increasing job opportunities and attracting more customers
GOVERNANCE	13. Corporate Governance and Proper Management of All Risks	Ensure compliance with best practices in good governance: composition, independence and remuneration of governing bodies; promoting transparency; promoting control, anti-trust management and actions, and actions against monopolistic practices; promoting economic, social and environmental skills in Board/Management members, inter alia. And having a risk management and control model in place: systems and procedures used to detect and assess the different risks to which the company is exposed in accordance with the applicable national, European or international reference frameworks. Management and control of all types of risks: traditional risks as well as social, climate and environmental and good governance risks, systemic risk, risk of adaptation to different regulations and the company's resilience. Impacts detected and derived from these risks, and mechanisms to deal with them.	• Positive contribution to the achievement of ethical, resilient and solvent institutions. • Positive contribution to equal opportunities and diversity (through diversity in senior positions). • Positive contribution to the health of economies through the mitigation of risks that may affect it. • Positive contribution to building resilient institutions.	• No contribution or negative contribution to the achievement of ethical, resilient and solvent institutions. • No contribution or negative contribution to equal opportunities and diversity (through diversity in senior positions). • No contribution or negative contribution to the health of economies through the mitigation of risks that may affect it. • No contribution or negative contribution to the achievement of resilient institutions.	• Corporate governance structure or practices misaligned with good governance principles and standards. • Inadequate inclusion of new types of risk or without the necessary speed. • No or insufficient mitigation plans for all relevant risk types. • Lack of integration of risks (traditional and non-traditional) into the company; or inadequate integration or without the necessary speed.	• Creation of long-term value thanks to the development of a strong good governance policy that seeks to favor shareholders and key stakeholders for the bank. • Identification of new opportunities as opposed to emerging risks.

1 The identified impacts, both positive and negative, are potential: they are taken mainly from the UNEP-Fi tool that considers the potential impacts of BBVA's portfolio.