

**Ms Eniko Horvath**  
**Mr Phil Bloomer**  
**Business & Human Rights Resource Centre**

January 27, 2015

Dear Ms Horvath and Mr Bloomer,

Thanks for providing us with the opportunity to express in the Business & Human Rights Resource Centre BBVA's views on Banktrack's report 'Banking with Principles'.

BBVA is fully committed to responsible banking through a business model based on the principles of integrity, transparency and prudence, which govern all our policies and conduct, being its priorities promoting a transparent, clear and responsible communication to ensure that customers always understand the products and services they buy, promoting financial literacy and developing products and services with a high social impact.

Since 2007, BBVA has a specific [Commitment on Human Rights](#) which defines the minimum standards of conduct that, in matters of human rights, are applied to all BBVA Group employees and management staff in its relations with customers, suppliers and those communities in which it pursues its business and operations.

BBVA's [Code of Conduct](#), approved by the board of directors in December 2003 and binding for all its employees, pays special attention to ethical values, amongst which stand out respect for an individual's dignity and their inherent rights, respect for equality amongst people and their diversity, strict legal compliance and professional objectivity.

Aligned with these commitments, BBVA has standards of conduct regarding responsible lending and a [Social Housing Policy](#) that goes beyond legally required criteria and is designed to offer solutions to all families struggling to pay their mortgage loans in Spain, ensure that any family at risk of exclusion that is a customer of BBVA has a roof over its head and cannot be evicted. Our materiality analysis display eviction as the most material issue in Spain in 2014.

Consistent with these commitments, BBVA is a member of the [Thun Group](#), an informal group of banks concerned with gaining a better understanding of the UN Guiding Principles and of the ways they can be applied in the banking business.

As for due diligence, since it adopted the [Equator Principles](#) in 2004, BBVA applies them with a greater than standard scope, extending them to projects at the operation phase and those financed with other financial products: project bonds, assignment of credit rights and project-linked guarantees. Moreover, BBVA does not apply the minimum US\$ 10 million threshold, and reviews all operations according to the EPs, regardless of the amount of the funds.

In BBVA we have a team dedicated to EP management as part of Corporate and Investment Banking (CIB). It analyzes projects in any geographical area where we have control, represents BBVA before stakeholders, reports to Senior Management and designs the management system, suggesting best practices and contributing toward training and communication of all EP-related aspects.

As well as classifying the projects, BBVA applies an additional classification according to the environment where the projects are located in order to have a comprehensive view of their impacts on the natural and social environment where they are developed. BBVA discloses [social and environmental information](#) on the investment projects financed by the bank, including the Environmental and Social Impact Evaluation and other non-confidential documentation. By sharing this information, BBVA wants to take a step forward in transparency and contribute toward knowledge of the impact of its activity on society and the environment.

BBVA has a demanding and strict sector [policy on defence](#) that addresses the aspects of armaments that contravene with BBVA's business standards and principles: BBVA does not maintain a financial relationship with companies that sell armaments to countries or groups that fall under an arms embargo, does not participate in deals related to armament trade to countries where there is a high risk of human rights violations and does not invest nor provide financial services to companies that are involved in armaments that are considered controversial armaments.

BBVA's Corporate Responsibility report 2014 will follow G4 standards and thus report on its human rights performance.

More information may be found at [bbvaresponsiblebanking.com](http://bbvaresponsiblebanking.com)

Please do not hesitate to contact us if you have any doubts or need more in-depth information.

Sincerely,

A handwritten signature in black ink, appearing to be 'Antoni Ballabriga', written in a cursive style.

**Antoni Ballabriga**  
Global Head of Corporate Responsibility & Reputation