



6. Report preparation guidelines

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6. 1. Criteria and standards

The BBVA in 2016 report has been prepared in accordance with the latest reporting trends. This involves following various internationally recognized standards, such as the Conceptual Framework of the IIRC (hereinafter the <IR> Framework), the G4 Sustainability Reporting Guidelines under the Global Reporting Initiative, at a comprehensive level, and the AA1000 standard.

The <IR> Framework has been developed by the International Integrated Reporting Council (IIRC), the global coalition of regulators, investors, companies, regulators of standards, issuers of regulations, accounting professionals and non-governmental organizations (NGOs). This <IR> Framework sets out the principles and contents that govern an integrated report.

In accordance with the <IR> Framework, the BBVA in 2016 report contains relevant and concise financial and non-financial information about the strategy, corporate governance and performance of BBVA Group in the year ending 31 December 2016. This effort focuses not only on financial results but also on the progress, achievements and impacts achieved in our relationships with stakeholders.

The report includes a materiality analysis, which identifies the relevant issues for stakeholders. Different approaches to deal with these issues are used throughout the report.

In addition, it includes information on the social impacts generated from the Bank's activity, based on the recommendations for reporting on the creation of value and social impact, which are proposed in the application Guide of the concept of capitals of the <IR> Banking Network. BBVA has been a member of this group since 2011, as a pioneer in Spain.

This report has also been drafted in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines (GRI G4), at a comprehensive level, including relative information about basic, general and specific content and the financial supplement for which information has been available for publication. It also follows the AA1000 APS standard.

In addition, this information reflects the 2016 Progress Report on the United Nations Global Compact and includes BBVA actions related to the United Nations Millennium Development Goals.

6.1.1. Principles to guarantee information quality

The principles for preparing the non-financial information of the BBVA in 2016 report are in line with the GRI G4 guidelines in terms of definition of content and information quality:

- **Stakeholder engagement:** BBVA specifies its stakeholders and explains how it has responded to their reasonable expectations and interests.
- **Sustainability context:** The non-financial information in the BBVA in 2016 report presents the organization's performance in the broadest context of sustainability, considering the information available.
- **Materiality:** The non-financial information in the BBVA in 2016 report covers aspects that show the organization's significant economic, environmental and social impact, or that considerably influence stakeholder evaluations and decisions.
- **Exhaustiveness:** The non-financial information in the BBVA in 2016 report deals with material aspects and their coverage, reflecting their significant economic, environmental and social impacts. The stakeholders can also analyze the organization's performance during the period under analysis.
- **Equilibrium:** The non-financial information in the BBVA in 2016 report reflects both the positive and negative aspects of its performance in order to provide an informed evaluation of its overall performance.
- **Comparability:** BBVA presents the information consistently so that stakeholders can analyze the changes in BBVA's performance.
- **Accuracy:** The information is accurate and detailed enough for stakeholders to analyze the organization's performance.
- **Punctuality:** BBVA presents its reports in accordance with a regular calendar, so that stakeholders can access the information when required and make informed decisions.
- **Clarity:** The information is presented in such a way that the stakeholders at which it is targeted can easily access and understand it.
- **Reliability:** The information has been compiled, registered, analyzed and presented so that it can be evaluated by an external auditor. The scope and methodology of the external review conducted can be viewed in the "Independent Review Report of the non-financial information in the BBVA Group's BBVA in 2016 report". An action plan is then drawn up to ensure that the recommendations arising from review processes are implemented.

6. 2. GRI indicators

6. 2. 1. General standard disclosures GRI G4

Indicator	Page / Omission	Review
Strategy and analysis		
G4-1 Provide a statement from the most senior decision-maker of the organization (such as CEO, Chair or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Letter from the Group Executive Chairman	✓
G4-2 Provide a description of the key impacts, risks and opportunities.	Global Risk Management Impact on people through the business	✓
Indicator	Page / Omission	Review
Organizational profile		
G4-3 Report the name of the organization	Performance	✓
G4-4 Report the primary brands, products and services	Performance	✓
G4-5 Report the location of the organization's headquarters	Performance	✓
G4-6 Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Performance	✓
G4-7 Report the nature of ownership and legal form	Performance CFS (Report management) ACGR (section A)	✓
G4-8 Report the markets served (including geographic breakdown, sectors involved and types of customers and beneficiaries)	Performance	✓
G4-9 Report the scale of the organization, including: - total number of employees; - total number of operations; - net sales or net revenues; - total capitalization broken down in terms of debt and equity (for private sector organizations); and - quantity of products or services provided	Performance	✓
G4-10 a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers	The team	✓
G4-11 Report the percentage of total employees covered by collective bargaining agreements	The team	✓ ⁽¹⁾
G4-12 Describe the organization's supply chain	Suppliers	✓
G4-13 Report any significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain	Suppliers CFS (Note 3)	✓
Commitments to external initiatives		
G4-14 Report whether and how the precautionary approach or principle is addressed by the organization	Responsible banking model Compliance system Internal control model	✓

Indicator	Page / Omission	Review
G4-15 List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	Responsible banking model Compliance system Social, environmental and reputational risks	✓
G4-16 List memberships of associations and national or international advocacy organizations in which the organization: - holds a position on the governance body; - participates in projects or committees; - provides substantive funding beyond routine membership dues; - views membership as strategic	Responsible banking model Compliance system Social, environmental and reputational risks	✓

Indicator	Page / Omission	Review
Identified material aspects and boundaries		
G4-17 a. List all entities included in the organization's consolidated financial statements or equivalent documents b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	Performance CFS (Note 3)	✓
G4-18 a. Explain the process for defining the report content and the aspect boundaries b. Explain how the organization has implemented the reporting principles for defining report content.	Materiality analysis Criteria and standards	✓
G4-19 List all the material aspects identified in the process for defining report content	Materiality analysis	✓
G4-20 For each material aspect, report the aspect boundary within the organization	Materiality analysis Criteria and standards	✓
G4-21 For each material aspect, report the aspect boundary outside the organization	Materiality analysis Criteria and standards	✓
G4-22 Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	Criteria and standards	✓
G4-23 Report significant changes from previous reporting periods in the scope and aspect boundaries	Criteria and standards	✓

Indicator	Page / Omission	Review
Stakeholder engagement		
G4-24 Provide a list of stakeholder groups engaged by the organization	Materiality analysis	✓
G4-25 Report the basis for identification and selection of stakeholders with whom to engage	Materiality analysis	✓
G4-26 Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Materiality analysis	✓
G4-27 Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Materiality analysis	✓

Indicator	Page / Omission	Review
Report profile		
G4-28 Reporting period (such as fiscal or calendar year) for the information provided	Criteria and standards	✓
G4-29 Date of most recent previous report (if any)	Criteria and standards	✓
G4-30 Reporting cycle (such as annual, biennial, etc.)	Criteria and standards	✓
G4-31 Provide the context point for questions regarding the report or its contents	Criteria and standards	✓
GRI content index		
G4-32 a. Report the “in accordance” option the organization has chosen b. Report the GRI content index for the chosen option c. Report the reference to the External Assurance Report, if the report has been externally assured	Optional comprehensive conformity Criteria and standards	✓
Assurance		
G4-33 a. Report the organization’s policy and current practice with regard to seeking external assurance for the report b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c. Report the relationship between the organization and the assurance providers d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization’s sustainability report	Criteria and standards	✓

Indicator	Page / Omission	Review
Governance		
G4-34 Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Corporate governance system ACGR (Section C)	✓
G4-35 Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Responsible banking model Corporate governance system ACGR (Section C)	✓
G4-36 Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Responsible banking model ACGR	✓
G4-37 Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	Corporate governance system Compliance system	✓
G4-38 Report the composition of the highest governance body and its committees	Corporate governance system ACGR (Section C)	✓
G4-39 Report whether the chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization’s management and the reasons for this arrangement)	ACGR (Section C)	✓
G4-40 Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting the highest governance body members	ACGR (Section C)	✓
G4-41 Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders Highest governance body’s role in setting purpose, values, and strategy.	ACGR (Section C)	✓
G4-42 Report the highest governance body’s and senior executive’s roles in the development, approval, and updating of the organization’s purpose, values or mission statements, strategies, policies and goals related to economic, environmental and social impacts	Corporate governance system ACGR (Section C)	✓

Indicator	Page / Omission	Review
Highest governance body's competencies and performance evaluation		
G4-43 Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Corporate governance system Compliance system	✓
G4-44 a. Report the processes for evaluation of the highest governance body's performance with respect to the governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice	Corporate governance system ACGR (Section C)	✓
Highest governance body's role in risk management		
G4-45 a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities	ACGR (Section C and E)	✓
G4-46 Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	ACGR (Section C and E)	✓
G4-47 Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	ACGR (Section C and E)	✓
Highest governance body's role in sustainability reporting		
G4-48 Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered	Responsible banking system	✓
Highest governance body's role in evaluating economic, environmental and social performance		
G4-49 Report the process for communicating critical concerns to the highest governance body	Materiality analysis ACGR (Section C)	✓
G4-50 Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	Materiality analysis	✓
Remuneration and incentives		
G4-51 a. Report the remuneration policies for the highest governance body and senior executives b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	The team Remuneration Committee Activity Report The team Remuneration Committee Activity Report	✓ ✓
G4-52 Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization...	The team Remuneration Committee Activity Report	✓ ⁽²⁾
G4-53 Report how stakeholder's views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Materiality analysis Corporate governance system Remuneration Committee Activity Report	✓
G4-54 Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	Confidential information	x
G4-55 Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	Confidential information	x

Indicator	Page / Omission	Review
Ethics and integrity		
G4-56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Responsible banking model Compliance system	✓
G4-57 Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	Compliance system	✓
G4-58 Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Compliance system	✓

ACGR Annual Corporate Governance Report

CFS Consolidated Financial Statements 2016

✓ Content revised according to the scope described and through procedures indicated in the Independent Review Report of the Responsible Banking information.

✗ Content not reviewed

⁽¹⁾ Percentage not reported.⁽²⁾ The processes are only reported to determine the remuneration.

6.2.2. Specific standard GRI G4 disclosures

Economic category

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
Economic performance				
G4-EC1 Direct economic value generated and distributed	Impact on people through the business	Global	✓	Solvency and financial management (Internal) Contribution to the development of local societies (internal)
G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	People-Centric Solutions Social, environmental and reputational risks CDP 2016 Climate Change (CCO.1 and CCO.2)	Global	✓	Eco-efficiency, environment, climate change (internal)
G4-EC3 Coverage of the organization's defined benefit plan obligations	CFS (Note 2.2.12)	Global	✓	Talent attraction, development and retention
G4-EC4 Financial assistance received from government	The team CFS (Appendix XIII, Annual Banking report)	Spain	✓	Solvency and financial management (internal)
Market presence				
G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Confidential information		✗	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
G4-EC6 Proportion of senior management hired from the local community at significant locations of operation	The percentage of management team working in their country of birth is 87%	Global	✓ ⁽³⁾	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
Indirect economic impacts				
G4-EC7 Development and impact of infrastructure investments and services supported	Impact on people through the business	Global	✓	Contribution to the development of local societies (external)
G4-EC8 Significant indirect economic impacts, including the extent of impacts	Impact on people through the business	Global	✓	Contribution to the development of local societies (external)
Procurement practices				
G4-EC9 Proportion of spending on local suppliers at significant locations of operation	Suppliers	Global	✓ ⁽³⁾	Responsible procurement/ outsourcing (external)

Environmental category

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
Materials				
G4-EN1 Materials used by weight or volume (paper).	Environment	Global	✓ ⁽⁵⁾ (4)	Eco-efficiency, environment, climate change (external)
G4-EN2 Percentage of materials used that are recycled input materials (paper).	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)
Energy				
G4-EN3 Energy consumption within the organization.	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)
G4-EN4 Energy consumption outside of the organization.	Given the activities of BBVA Group, this indicator is not considered material		X	
G4-EN5 Energy intensity (per employee).	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)
G4-EN6 Reduction of energy consumption.	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)
G4-EN7 Reductions in energy requirements of products and services.	Given the activities of BBVA Group, this indicator is not considered material		X	
Water				
G4-EN8 Total water withdrawal by source.	Environment	Global	✓ ⁽⁵⁾ (6)	Eco-efficiency, environment, climate change (external)
G4-EN9 Water sources significantly affected by withdrawal of water.	Given the activities of BBVA Group, this indicator is not considered material		X	
G4-EN10 Percentage and total volume of water recycled and reused.	Given the activities of BBVA Group, this indicator is not considered material		X	
Biodiversity				
G4-EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	The BBVA offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.		X	
G4-EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	The BBVA offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.		X	
G4-EN13 Habitats protected or restored.	The BBVA offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.		X	
G4-EN14 Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	The BBVA offices are in urban settings, which therefore have no impact on protected natural areas and/or biodiversity.		X	
Emissions				
G4-EN15 Direct greenhouse gas emissions (scope 1).	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)
G4-EN16 Energy indirect greenhouse gas emissions (scope 2).	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)
G4-EN17 Other indirect greenhouse gas emissions (scope 3).	Environment	Global	✓ ⁽⁵⁾ (7)	Eco-efficiency, environment, climate change (external)
G4-EN18 Greenhouse gas emissions intensity.	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
G4-EN19 Reduction of greenhouse gas emissions.	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)
G4-EN20 Emissions of ozone-depleting substances.	Given the activities of BBVA Group, this indicator is not considered material		X	
G4-EN21 NOx, SOx and other significant air emissions.	Given the activities of BBVA Group, this indicator is not considered material		X	
Effluents and Waste				
G4-EN22 Total water discharge by quality and destination.	Given the activities of BBVA Group, this indicator is not considered material		X	
G4-EN23 Total weight of water by type and disposal method.	Environment	Global	✓ ⁽⁵⁾	Eco-efficiency, environment, climate change (external)
G4-EN24 Total number and volume of significant spills.	Given the activities of BBVA Group, this indicator is not considered material		X	
G4-EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Given the activities of BBVA Group, this indicator is not considered material		X	
G4-EN26 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	Given the activities of BBVA Group, this indicator is not considered material		X	
Products and Services				
G4-EN27 Extent of impact mitigation of environmental impacts of products and services.	Compliance system Social, environmental and reputational risks Environment	Global	✓	Social and environmentally responsible finance (external) Eco-efficiency, environment, climate change (external)
G4-EN28 Percentage of products sold and their packaging materials that are reclaimed by category.	Given the activities of BBVA Group, this indicator is not considered material		X	
Compliance				
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	As of December 31, 2016, the BBVA Group has no fines or penalties for non-compliance with regulations related to significant environmental aspects.	Global	✓	Ethical conduct (external) Human rights, employee rights and employment quality (external)
Transport				
G4-EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Given the activities of BBVA Group, this indicator is not considered material		X	
Environmental investments and expenditures				
G4-EN31 Total environmental protection expenditures and investments by type.	The GEP includes a series of investments needed to achieve the targets set. They are not significant in economic terms with respect to BBVA Group's equity and earnings		✓ ⁽¹⁴⁾	Eco-efficiency, environment, climate change (external)
Supplier Environmental Assessment				
G4-EN32 Percentage of new suppliers that were screened using environmental criteria. Material aspects identified: 15 and 23 Coverage of the material aspect: External	BBVA has not screened suppliers using environmental criteria given that the perceived impact on the Group is not significant		X	

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken. Material aspects identified: 23 Coverage of the material aspect: External	BBVA has not analyzed the impacts in this aspect because the level of risks for the Group is not significant given the nature of its suppliers		X	
Environment Grievance Mechanisms				
G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms. Material aspects identified: 14 and 18 Coverage of the material aspect: External	BBVA has not been subject to any significant sanctions or grievances for breach of environmental regulations	Global	✓	Ethical conduct (external)

Social category

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
Labor practices and decent work				
Employment				
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	The team	Global	✓	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Not available. The proportion of temporary employees in BBVA is not significant (5,7%)		✗	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
G4-LA3 Return to work and retention rates after parental leave, by gender	Not reported. There is no homogeneous criterion of this indicator at the Group level		✗	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
Labor/Management relations				
G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	There is no established minimum notice period. In any event, the organizational changes in BBVA Group are analyzed on a case-by-case basis, so the negative impact on employees can be avoided or mitigated, and always within the legal provisions of each country	Global	✓	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
Occupational health and safety				
G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	100% of the workers are represented by a State Health and Safety Committee that channels and assumes the consultation and the participation of workers in all matters related to the prevention of occupational hazards in the company. It is composed of eleven prevention delegates and 11 members of the business representation. Likewise, there are Health and Safety Committees in the large centers and in the territorial ones	Spain	✓	Human rights, employee rights and employment quality (internal)
G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	The team	Spain	✓ ^{(3) (5)}	Human rights, employee rights and employment quality (internal)
G4-LA7 Workers with high incidence or high risk of diseases related to their occupation	Given the nature of BBVA's activity, no high risk of serious diseases related to the workers' occupation has been identified		✗	
G4-LA8 Health and safety topics covered in formal agreements with trade unions	Confidential information		✗	Human rights, employee rights and employment quality (internal)
Training and education				
G4-LA9 Average hours of training per year per employee by gender, and by employee category	The team	Global	✓ ^{(5) (8)}	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal)
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	The team	Global	✓	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal)

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	The team	Global	✓	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
Diversity and equal opportunity				
G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	The team ACGR (Section C)	Global	✓	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
Equal remuneration for women and men				
G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Confidential information		✗	Talent attraction, development and retention (internal) Human rights, employee rights and employment quality (internal) Diversity and work life balance (internal)
Supplier assessment for labor practices				
G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	BBVA has not screened suppliers using labor practices criteria, given that the perceived impact on the Group is not significant		✗	
G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	BBVA has not analyzed the impacts in this aspect because the level of risks for the Group is not significant given the nature of its suppliers		✗	
Labor Practices grievance mechanisms				
G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Compliance system	Global	✓ ⁽¹⁴⁾	Ethical conduct (external)
Human rights				
Investment				
G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Compliance system Social, environmental and reputational risks	Global	✓ ⁽¹⁰⁾	Social and environmentally responsible finance (mixed) Human rights, employee rights and employment quality (mixed)
G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Compliance system	Global	✓ ⁽¹¹⁾	Ethical conduct (mixed) Human rights, employee rights and employment quality (mixed)
Non-discrimination				
G4-HR3 Total number of incidents of discrimination and corrective actions taken	Compliance system	Global	✓ ⁽¹⁴⁾	Ethical conduct (mixed) Human rights, employee rights and employment quality (mixed)
Freedom of association and collective bargaining				
G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	BBVA has not identified any operations or suppliers as having significant risk related to freedom of association and collective bargaining	Spain	✓	Responsible procurement/ outsourcing (mixed) Human rights, employee rights and employment quality (mixed)
Child labor				
G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	BBVA has not identified any operations or suppliers as having significant risk for incidents of child labor	Spain	✓	Responsible procurement/ outsourcing (mixed) Human rights, employee rights and employment quality (mixed)

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
Forced or compulsory labor				
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	BBVA has not identified any operations or suppliers as having significant risk for incidents of forced or compulsory labor	Spain	✓	Responsible procurement/ outsourcing (mixed) Human rights, employee rights and employment quality (mixed)
Security practices				
G4-HR7 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Not reported. The security personnel belong to external companies. Although these companies are committed to assume BBVA's human rights standards, there is no specific commitment on training in this area		x	Human rights, employee rights and employment quality (mixed)
Indigenous rights				
G4-HR8 Total number of incidents of violations involving rights of indigenous peoples and actions taken	BBVA has not identified any significant incidents with relation to this aspect	Global	✓	Ethical conduct (mixed) Human rights, employee rights and employment quality (mixed)
Assessment				
G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments	BBVA has not identified any significant impacts with respect to human rights in its workplaces	Global	✓	Human rights, employee rights and employment quality (mixed)
Supplier human rights assessment				
G4-HR10 Percentage of new suppliers that were screened using human rights criteria	BBVA has not screened suppliers using human rights criteria given that the perceived impact on the Group is not significant except in aspects of legal compliance		x	
G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken	BBVA has not screened suppliers using human rights criteria given that the perceived impact on the Group is not significant except in aspects of legal compliance		x	
Human rights grievance mechanisms				
G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	BBVA has not been subject to any significant sanctions for breaches related to human rights	Global	✓	Ethical conduct (mixed) Human rights, employee rights and employment quality (mixed)
Society				
Local communities				
G4-SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	Financial Education Knowledge, education and culture	Global	✓	Contribution to the development of local societies (external) Social action (external)
G4-SO2 Operations with significant actual and potential negative impacts on local communities	Compliance system The customer	Global	✓ ⁽¹⁴⁾	Contribution to the development of local societies (external) Human rights, employee rights and employment quality (mixed)
FS13 Access points in low-populated or economically disadvantaged areas by type	People-Centric Solutions Knowledge, education and culture	Global	✓	Customer service quality (external) Quality and fair products that respond to customer needs (external) Contribution to the development of local societies (external) Financial inclusion (external)
FS14 Initiatives to improve access to financial services for disadvantaged people	People-Centric Solutions Knowledge, education and culture	Global	✓	Quality and fair products that respond to customer needs (external) Contribution to the development of local societies (external) Financial inclusion (external)

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
Anti-corruption				
G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Internal control model Compliance system	Global	✓	Good corporate governance (mixed) Ethical conduct (mixed)
G4-SO4 Communication and training on anti-corruption policies and procedures	Compliance system	Global	✓	Good corporate governance (mixed) Ethical conduct (mixed)
G4-SO5 Confirmed incidents of corruption and actions taken	Confidential information		✗	Ethical conduct (mixed)
Public Policy				
G4-SO6 Total value of political contributions by country and recipient/beneficiary	BBVA's policy in countries does not allow contributions of this type	Global	✓ ⁽¹³⁾	Good corporate governance (mixed)
Anti-competitive behavior				
G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	BBVA has not identified any significant claim in which a final judgment has been handed down against this concept	Global	✓	Good corporate governance (mixed) Ethical conduct (mixed)
Compliance				
G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Compliance system The obligations arising from administrative and judicial proceedings are registered in the CFS (more information in Note 24)	Global	✓	Good corporate governance (mixed) Ethical conduct (mixed)
Supplier assessment for impacts on society				
G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	BBVA has not screened suppliers in this aspect, given that the perceived impact on the Group is not significant		✗	
G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken	BBVA has not screened suppliers in this aspect, given that the perceived impact on the Group is not significant		✗	
Grievance mechanisms for impacts on society				
G4-SO11 Number of grievances impacts on society filed, addressed, and resolved through formal grievance mechanisms	Compliance system The obligations arising from administrative and judicial proceedings are registered in the CFS (more information in Note 24)	Global	✓	Ethical conduct (mixed)
Product responsibility				
Customer health and safety				
G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Customer protection	Global	✓ ⁽¹⁴⁾	Customer service quality (external) Commercialization practices (external) Ethical conduct (external)
G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Compliance System The customer	Global	✓ ⁽¹²⁾	Customer service quality (external) Commercialization practices (external) Ethical conduct (external)
Product and service labeling				
G4-PR3 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	TCR Communication	Global	✓	Customer service quality (external) Commercialization practices (external) Ethical conduct (external)
G4-PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Compliance System Complaints and claims The obligations arising from administrative and judicial proceedings are registered in the CFS (more information in Note 24)		✓	Customer service quality (external) Commercialization practices (external) Ethical conduct (external)

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
G4-PR5 Results of surveys measuring customer satisfaction	The best customer experience	Global	✓ ⁽⁹⁾	Customer service quality (external) Commercialization practices (external) Ethical conduct (external)
FS15 Policies for the fair design and sale of financial products and services	Compliance system TCR Communication	Global	✓	Customer service quality (external) Commercialization practices (external) Ethical conduct (external)
FS16 Initiatives to enhance financial literacy by type of beneficiary	Financial education	Global	✓	Financial education (external) Customer service quality (external) Commercialization practices (external)
Marketing communications				
G4-PR6 Sale of banned or disputed products	TCR Communication	Global	✓ ⁽¹⁵⁾	Customer service quality (external) Commercialization practices (external) Ethical conduct (external) Security, privacy and customer protection (external)
G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	The obligations arising from administrative and judicial proceedings are registered in the CFS (more information in Note 24) TCR Communication Policy	Global	✓ ⁽¹²⁾	Customer service quality (external) Commercialization practices (external) Ethical conduct (external) Security, privacy and customer protection (external)
Customer privacy				
G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Customer protection	Global	✓ ⁽¹⁶⁾	Customer service quality (external) Commercialization practices (external) Ethical conduct (external) Security, privacy and customer protection (external)
Compliance				
G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	The obligations arising from administrative and judicial proceedings are registered in the CFS (more information in Note 24)	Global	✓	Customer service quality (external) Commercialization practices (external) Ethical conduct (external)
Product portfolio				
FS1 Policies with specific environmental and social components applied to business lines	People-centric solutions Social, environmental and reputational risks Environment Suppliers	Global	✓	Quality and fair products that respond to customer needs (external) Commercialization practices (external) Ethical conduct (external) Eco-efficiency, environment, climate change (external)
FS2 Procedures for assessing and screening environmental and social risks in business lines	Social, environmental and reputational risks Environment	Global	✓	Quality and fair products that respond to customer needs (external) Commercialization practices (external) Ethical conduct (external) Eco-efficiency, environment, climate change (external)
FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Social, environmental and reputational risks	Global	✓	Quality and fair products that respond to customer needs (external) Commercialization practices (external) Ethical conduct (external) Eco-efficiency, environment, climate change (external)
FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Social, environmental and reputational risks The team	Global	✓	Quality and fair products that respond to customer needs (external) Commercialization practices (external) Ethical conduct (external) Eco-efficiency, environment, climate change (external)
FS5 Interactions with clients/investors/business partners regarding environmental and social risks and opportunities	Materiality analysis People-centric solutions Social, environmental and reputational risks	Global	✓	Social and environmentally responsible finance (external)

Indicator	Page / Omission	Scope	Review	Material aspects identified and coverage of the material aspect
FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	Impact on people through the business People-centric solutions CFS (Note 7.3)	Global	✓	Contribution to the development of local societies (external)
FS7 Monetary value of products and service designed to deliver a specific social benefit for each business line broken down by purpose	People-centric solutions	Global	✓	Contribution to the development of local societies (external)
FS8 Monetary value of products and service designed to deliver a specific environmental benefit for each business line broken down by purpose	People-centric solutions	Global	✓	Contribution to the development of local societies (external) Eco-efficiency, environment, climate change
Audit				
FS9 Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures	Internal control model Social, environmental and reputational risks	Global	✓ ⁽¹⁴⁾	Good corporate governance (internal) Solvency and financial management (Internal) Human rights, employee rights and employment quality (internal)
Active ownership				
FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	People-centric solutions	Global	✓ ⁽¹⁴⁾	Social and environmentally responsible finance (external)
FS11 Percentage of assets subject to positive and negative environmental or social screening	Social, environmental and reputational risks	Global	✓ ⁽¹⁴⁾	Social and environmentally responsible finance (external)
FS12 Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	People-centric solutions	Global	✓	Social and environmentally responsible finance (external)

ACGR Annual Corporate Governance Report
CFS Consolidated Financial Statements 2016

✓ Content revised according to the scope described and through procedures indicated in the Independent Review Report of the BBVA in 2016 report.

✗ Content not reviewed

Note: the identified material aspects correspond to the relevant material issues in the materiality analysis.

⁽¹⁾ Percentage not reported.

⁽²⁾ The processes are only reported to determine the remuneration.

⁽³⁾ Not broken down by geographical area.

⁽⁴⁾ The information from Turkey has not been verified.

⁽⁵⁾ The limits on the indicator, scope and the criteria applied to the estimates are shown in the table of reference. The intensity indicators have been calculated according to the number of occupants of the buildings, meaning the sum of the average workforce and the estimation of the third parties working in the Bank's facilities. The verification of the number of occupants has been made exclusively for Spain.

⁽⁶⁾ The consumption in the branch network has been estimated using a limited sample of branch offices.

⁽⁷⁾ With respect to business trips, only the emissions derived from trips by the Group's employees by plane are reported.

⁽⁸⁾ Not broken down by gender or employment category.

⁽⁹⁾ The results of the Net Promoter Score depend on the comparative group used, a change in that group could change the results of the NPS.

⁽¹⁰⁾ Only the operations analyzed with respect to compliance with the Equator Principles are reported.

⁽¹¹⁾ The information reported is about the number of employees trained in relation to the Code of Conduct of BBVA.

⁽¹²⁾ Number of incidents are not reported.

⁽¹³⁾ BBVA's corporate policy is reported.

⁽¹⁴⁾ The reporting is qualitative.

⁽¹⁵⁾ BBVA's product communication policy is reported.

⁽¹⁶⁾ The audits of security measures for the processing of personal data implemented in BBVA Group companies are reported.

6. 3. Independent assurance report

Deloitte.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

Independent Assurance Report on the BBVA in 2016 Report

To the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A.

Scope of our work

We have performed the review, with a limited assurance, of the corporate responsibility non-financial information "BBVA in 2016" Report (hereinafter referred to as 'the Report') of Banco Bilbao Vizcaya Argentaria Group (hereinafter BBVA), the scope of which is defined in the Report preparation guidelines chapter. Our work consisted of the review of:

- The adherence of the Report to the GRI Sustainability Reporting Guidelines version 4 (hereinafter referred to as G4 Guidelines) and the reliability and adequacy of the contents, including the Financial Services Supplement, proposed in the aforementioned guidelines for 2016.
- The information included in the Report relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard 2008 (AA1000APS).

Procedures performed

We carried out a limited assurance engagement in accordance with International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for engagements related to the review of Corporate Responsibility Reports issued by the Spanish Institute of Certified Public Accountants to achieve limited assurance. Also, we have applied AccountAbility's 1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA1000APS and on the sustainability performance indicators (type 2 moderate assurance).

Our work consisted in making enquiries to Management and certain units of BBVA involved in the preparation of the Report and in carrying out the following analytical procedures and sample-based review tests:

- Meetings with BBVA personnel to ascertain the principles, systems and management approaches applied in Spain, Argentina, Chile, Colombia, Mexico, Peru, Venezuela and the United States.
- Review of the steps taken in relation to the identification and consideration of the stakeholders during the year and of the stakeholders participation processes through the analysis of the available internal information and third-party reports.
- Analysis of the coverage, materiality and completeness of the Report on the basis of the understanding of BBVA of its stakeholders' requirements in relation to the material issues identified by the organisation and described under "Materiality Analysis" chapter.
- Review of the information related to the management approaches applied to Corporate Responsibility.
- Analysis of the adherence of the general contents of the Report to those recommended in the GRI G4 Guidelines and verification that the contents included agree with those recommended by the GRI Guidelines.
- Review of the 2016 Responsible Business Committee meetings minutes.
- Verification, by means of review test on selected samples, the quantitative and qualitative information related to the GRI Contents included in the Report and the adequate compilation based on the data provided by the sources of information of BBVA. Review tests on selected samples have been carried out both in Spain and in Argentina, Chile, Colombia, Mexico, Peru, Venezuela and the United States.
- Check that the 2016 Turkey's data related to energy consumption, water consumption, CO₂ emissions, financing of renewable energy projects and social programs investment match those reviewed by another independent third-party.

Responsibilities of BBVA Management and of Deloitte

- The preparation and contents of the Report is the responsibility of BBVA's Directors, who are also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue a limited assurance report based on the procedures applied in our review.
- This report has been prepared in the interest of BBVA in accordance with the terms and conditions of our Engagement Letter.
- We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
- Deloitte maintains, in accordance with the International Standard on Quality Control 1 (ISQC1), a global system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
- Since a limited assurance is substantially less in scope than a reasonable assurance engagement, we do not provide reasonable assurance on the Report.
- Our team consisted of professionals with assurance on Corporate Responsibility Reports qualifications and, specifically, on economic, social and environmental performance and stakeholders' participation processes.

Conclusions

The *GRI-G4 Indicators*, in *Report preparation guidelines chapter*, provides details of the contents reviewed and of the limitations in the scope of our work, and identifies any contents that do not cover all the areas recommended by the GRI. Based on the procedures performed and evidence obtained, except for the issues identified in the *GRI-G4 Indicators*, nothing has come to our attention that causes us to believe that:

- Corporate responsibility non-financial information included in the Report has not been prepared in all material aspects, including the reliability and adequacy of the contents, in accordance with the guidelines of the GRI G4.
- BBVA has not applied the principles of inclusivity, materiality and responsiveness as described in Criteria and standards chapter, in accordance with standard AA1000 2008 APS:
 - Inclusivity: participation process for stakeholders that facilitates their involvement in the development of a responsible approach.
 - Materiality: the process of determining materiality requires an understanding of the important or relevant issues for BBVA and its stakeholders.
 - Responsiveness: specific actions and commitments with which BBVA responds to the material issues identified.

Observations and recommendations

Also, we have presented to Responsible Business Management at BBVA our recommendations in relation to the matters for improvement regarding Corporate Responsibility and the application of the principles of inclusivity, materiality and responsiveness. The most significant recommendations, which do not modify the conclusions expressed in this review report, are summarized as follows:

Inclusivity and materiality

In 2016, BBVA has included new sources of information in its materiality analysis. BBVA has update their material aspects of 2015 including the distinctive features of the geographies where the Bank has operations. BBVA should deepen the assessment of the impacts of their material aspects identified in their different business along the value chain in order to improve the usefulness of its materiality analysis.

Responsiveness

During this exercise, one of the milestones of the Group has been the definition of a new purpose for the Bank, summarized in the scope "Building opportunities". For 2016-2018, six strategic initiatives of Responsible Banking has been approved to align the Group with the new purpose, focused on a transformation in the relation with the client through a more transparent, clear and responsible communication, financial education and the evolution in services and responsible solutions to satisfy client demand. These initiatives should be defined by specific actions with a monitoring plan in each business and geographies to verify the investment and activities carried out.

2016 also saw the kick-off of the BBVA Group's 2016-2020 General Eco-Efficiency Plan. In order to ensure the success of the Plan, it would be advisable to continue making progress in monitoring system of the Plan, with particular emphasis on the timely availability of indicators and homogeneous registration of occupants in all corporate centers.

In addition, during 2016 BBVA has worked in the inclusion of acquired entities in the last two years in the responsible banking information system. Even so, BBVA must continue to refine the system in order to have information on all business with the quality and scope required.

Deloitte Advisory, S.L.

Helena Redondo
Madrid, March 3th, 2017

