

# Corporate Social Responsibility Policy

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# Contents

<b>Introduction</b>	3
<b>Definition, purpose, regulatory framework and scope of application</b>	3
2.1. Definition and purpose	3
2.2. Regulatory framework	3
2.3. Scope of application	3
<b>General principles</b>	3
<b>Policy provisions</b>	4
<b>Policy governance and oversight model</b>	9
5.1. Approval, responsibility over the Policy and governance model	9
5.2. Oversight and control	9

# 1. Introduction

Garanti BBVA (hereafter, “**Garanti BBVA**”) has a differential way of doing banking based on the purpose “to bring the age of opportunity to everyone”, always acting in line with its corporate values and the goal of having a positive impact on the lives of people, businesses and society as a whole.

It is a commitment to a responsible way of doing banking and to creating value over the long-term, which is shared with all stakeholders (customers, employees, shareholders, suppliers and society), and it is reflected in the bank’s various policies and corporate regulations.

This General Policy on Corporate Social Responsibility, aims to highlight the bank’s principles, guidelines and commitments related to corporate social responsibility and adapt them to the reality of the bank and society (hereafter, the “**policy**”).

## 2. Definition, purpose, regulatory framework and scope of application

### 2.1. Definition and purpose

Garanti BBVA understands the corporate social responsibility that corresponds to the bank due to the impact of its activity on the lives of people, businesses and society as a whole.

Garanti BBVA integrates into its businesses and activities the concerns of its stakeholders, among others, regarding social and environmental issues, issues related to diversity, fiscal responsibility, respect for human rights, the prevention of corruption and other illegal conduct.

This policy aims to create a framework of reference to take into consideration the impact of Garanti BBVA’s activity in those concerns within the bank’s policies, standards and decision-making processes. Furthermore, this policy aims to facilitate the attainment of Garanti BBVA’s strategic objectives through responsible practices.

### 2.2. Regulatory framework

This policy was approved by Garanti BBVA’s Board of Directors on 08 / 07 / 2021.

### 2.3. Scope of application

This policy will serve as a frame of reference when it comes to establishing and developing the Bank’s policies and governance systems, which must be coherent and in line with this policy.

## 3. General principles

□ The bank will abide by the following general principles for corporate social responsibility (hereafter, the “**principles**”):

### 1. Geared toward generating a positive impact in society

Corporate social responsibility is part of everything we do in our business. In this regard, the bank will take into consideration the direct and indirect impact in the most relevant areas that its businesses and activities could have on its stakeholders, promoting positive impacts and attempting to reduce the negative impacts.

## **2. Respect for people's dignity and inherent rights**

In order to follow this principle, the bank will act in accordance with various widely recognized national and international commitments to which it has adhered, such as the International Charter of Human Rights, United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and the fundamental conventions of the International Labor Organization, among others.

## **3. Community investment**

The bank will develop social programs and activities to address the more relevant challenges in the communities where the Bank has a presence, with the aspiration of creating opportunities for everyone.

## **4. Involvement as an agent of social change**

The bank will get involved, along with other stakeholders, as agents of change with the aspiration of creating opportunities for everyone, dedicating its skills, corporate knowledge, capacities, and resources to this aim.

- The Bank will also carry out its activities in the corporate social responsibility area based on the following general principles, which are already applied in its different management policies:

### **1. Integrity**

### **2. Prudent risk management**

### **3. Transparency**

### **4. Achievement of a profitable and sustainable long-term business**

### **5. Creating long-term value for all stakeholders**

### **6. Compliance with applicable law at any given time**

## **4. Policy provisions**

The principles are integrated in the bank's relationship with all of its stakeholders (employees, customers, shareholders, suppliers or society), as well as in its relationship with the environment and social development, fiscal responsibility and prevention of conduct contrary to the rules.

The Bank has internal regulation and executive areas responsible for each of these fields, which regulate the responsible action of the Bank depending on the matter, as well as the principles, commitments,

objectives, strategy, channels of communication, participation and dialogue with its stakeholders. As of the date of approval for this policy, the following can be highlighted:

## 4.1. Provisions regarding stakeholders and other groups

### □ *Customers*

The bank puts customers at the center of its activities. Establishing a responsible relationship with them, helping them to reach their personal and professional goals, and having a relationship with them based on transparency, clarity and responsibility is one of the bank's goals.

In order to attain this goal, the bank has established various internal regulations, the most important regulation being: the Code of Conduct, which is applicable to all bank employees and aims to regulate fundamental aspects of our relationship with customers.

### □ *Employees*

In relation to its employees, the Bank has a fundamental commitment to human rights, diversity, the promotion of equal opportunities, as well as to preventing discrimination on the basis of gender, color, ethnic origin, disability, religion, sexual orientation or political opinions.

The Bank also promotes professional development by fostering the improvement of skills and competencies of its employees, promotes work-life balance practices and nurtures a culture of social and environmental commitment, facilitating the conditions for carrying out volunteering actions.

In relation to this, the Bank has drawn up a number of internal policies within the framework of the Talent & Culture Area, as well as the Garanti BBVA Code of Conduct itself, to ensure that the Bank fosters a committed, diverse and equal-opportunity organization, promoting the safety of its employees.

### □ *Shareholders and investors*

Bank engages on a permanent basis with its shareholders and investors to ensure it identifies and understands which issues they deem the most important and allows the adequate exercise of their voting rights and investment-related decision-making.

For this purpose, the Bank publishes information on an ongoing, recurrent and timely manner, ensuring its availability over time. Garanti BBVA has a Disclosure Policy that addresses a number of issues, including the transparency and truthfulness in its disclosures to shareholders and investors and the equal treatment among shareholders, and establishes the channels of communication, participation and interaction with shareholders and investors.

### □ *Suppliers*

Garanti BBVA incorporates the Principles of this Policy into its relationship with suppliers, providing complete and transparent information in its procurement processes, ensuring compliance with labor and environmental legal requirements, observing human rights and nurturing demand for socially responsible products and services.

These commitments are included in different internal Bank standards that define Garanti BBVA's general procurement principles, as well as its Code of Conduct for Suppliers, which sets forth the fundamental principles that all suppliers are required to observe when doing business with Garanti BBVA or entities.

### □ *Regulators and supervisors*

The Bank complies with the regulatory framework existent in all jurisdictions where it develops its activity.

Also, Garanti BBVA maintains a constructive and continuous engagement with supervisory and regulatory bodies, with the purposes of collaborating in public policies that promote responsible banking practices and which contribute to have a society that creates opportunities for everyone.

#### □ *Community investment*

The Bank will promote the development of the societies and communities where it operates, fostering the investment, contribution and participation in community investment activities, in accordance with the following general guidelines:

- **Priority areas of action:** the Bank will preferably concentrate its community investment initiatives in the areas stated below. However, it may choose to focus on different ones in the future, as long as they remain true to this community investment purpose and follow the general principles described in section 3:
  - Education: support a connected education for all, promoting access to education, educational quality and the instruction and training of adults and teachers.
  - Financial education: promotion of traditional or digital financial education and financial training, to improve people's financial health and promote their inclusion in the financial system.
  - Entrepreneurship: support entrepreneurship as a lever for the inclusive and sustainable growth of societies and for the creation of decent work opportunities.
  - Environment: through initiatives to promote the fight against climate change and, in general, the protection of the environment.
  - Support to vulnerable groups: through initiatives aimed at improving their living conditions and reducing economic and social inequality in the societies in which they have a presence.
  - Science, knowledge and culture: promoting an open and inclusive knowledge by supporting research, science and culture.
  - Promotion of initiatives to raise awareness about the importance of corporate social responsibility as a key element for the development of a responsible business activity.
  - Support in emergency situations: aimed at providing relief in the aftermath of natural disasters, economic and/or political crises or health emergencies, among others.
- **Measurement of impact and transparency:** the Bank will measure and publish the social impact of its community investment wherever it understands that they can have a more relevant impact, following international reference standards, such as the framework of the Sustainable Development Goals of the United Nations 2030 Agenda.

## 4.2. Provisions regarding areas of activity

#### □ *Environment and Inclusive and sustainable social development*

The Bank has singled out sustainability as one of its top priorities in order to “support clients in the transition to a sustainable future.” Garanti BBVA is aware of the prominent role of banking in this transition towards a more sustainable world through its financial activity and is determined to play a relevant role, as demanded by society and its stakeholders.

Thus, Garanti BBVA incorporates sustainability into the day-to-day running of its business and into everything it does, both in the relationship with its customers and clients and in its internal processes, focusing on the fight against climate change and inclusive and sustainable social development as the main two key areas, and has established a number of priority areas in both areas, drawing inspiration from the 2030 Agenda for Sustainable Development of the United Nations.

#### □ *Fiscal responsibility*

Garanti BBVA carries out its activity by adequately complying with its tax obligations and avoiding any practice that entails the illicit avoidance of its tax payments or that has a detrimental impact on the public treasury.

To this end, as part of its internal body of regulations and standards, the bank has defined a series of principles in the field of taxation and fiscal strategy, which, among other issues, prioritize the promotion of integrity, transparency and prudence in the Bank's tax-related practices.

#### □ *Prevention of illegal conduct and corruption*

As part of its internal body of regulations and standards, the Bank has defined a Code of Conduct, establishing that Garanti BBVA will promote compliance with legal obligations and prevent conducts that are contrary to internal regulations and policies or may have a detrimental impact on Garanti BBVA's equity, image or reputation.

Likewise, Garanti BBVA has set up a broad internal regulatory framework to prevent and identify illegal conduct, including, but not limited to, an Anti-corruption Policy and a number of specific policies addressing the main activities likely to give rise to corruption-related risks.

#### *Commitment to Human Rights*

Garanti BBVA will ensure compliance with all applicable laws and respect for internationally recognized human rights in all its interactions with employees, customers, shareholders, suppliers and, in general, with the communities where it may conduct its business and activities.

Garanti BBVA has a commitment to human rights which aims to guarantee respect for the dignity of all people and the rights inherent to all human beings, and which are an indispensable requirement of its actions.

This commitment is defined taking into consideration the stakeholders with whom Garanti BBVA engages: employees, customers, shareholders, suppliers or society, in line with the three pillars of the United Nations Guiding Principles for Business and Human Rights:

- the state' duty to protect human rights
- the corporate responsibility to respect human rights; and
- Access to remedy for victims of business-related abuses

In order to comply with the aforementioned United Nations Guiding Principles, and in order to prevent, mitigate and remedy potential impacts on human rights, BBVA Group performs due diligence processes aimed at strengthening its ability to detect and assess human rights risks. Within this context, Garanti BBVA may also undergo human rights due diligence processes and it will establish the pertinent action and improvement plans deemed appropriate based on the result of these processes.

#### □ *Involvement in international initiatives*



Garanti BBVA supports and participates in the initiatives it considers most relevant based on the bank's strategy and its priority areas of action, and which promote the positive contribution of the financial sector in our society to bring about the change required to ensure a better future and create opportunities for all, both today and for future generations.

Garanti BBVA is committed to the main international initiatives in the area of responsible banking and corporate social responsibility, such as the United Nations Global Compact, the United Nations Principles for Responsible Banking or the United Nations Women's Empowerment Principles, among others. The full list of commitments is published on Garanti BBVA's corporate website.

## 5. Policy governance and oversight model

### 5.1. Approval, responsibility over the Policy and governance model

This Policy was presented to the bank's Responsible Business and Sustainability Committee for review, pursuant to which it was approved by the Board of Directors of Garanti BBVA on 08/07/2021, and came into force at the time of approval.

The policy was transposed from BBVA Group's General Corporate Social Responsibility Policy and adapted to Garanti BBVA by the *Investment Banking and Finance Department* specifically by its Responsible Business function with the collaboration of the *Corporate and Marketing Communications Unit* and *Compliance Unit*. The *Head of Corporate and Investment Banking* will be responsible, at the executive level, for this Policy and for its submission for approval, will know its degree of application, will promote the actions required to ensure that whoever is subject to this policy is aware of its contents and, where appropriate, will promote its implementation at the corresponding subsidiaries within Garanti BBVA.

The *Corporate and Investment Banking Area*, through its Responsible Business function will be responsible for publicizing the Principles, updating the Principles as required or deemed appropriate based on the pertinent legal regulatory developments or best national or international practices on the matter, and providing guidance to the different executive areas to ensure they are incorporated into the Bank's day-to-day operations and the internal norms and standards that regulate them, thus promoting their execution and adoption by the businesses, as well as their observance in any interactions with the different stakeholders.

### 5.2. Oversight and control

The Board of Directors, as the Bank's highest supervisory body, will oversee the Policy's implementation directly or through the Responsible Business and Sustainability Committee, on the basis of periodic or ad-hoc reports received from the *Head of the Investment Banking & Finance Unit*, or the *Responsible Business Manager*, or from the different areas of the Bank that will incorporate the Principles into their day-to-day business and operations

At a minimum once a year, or in the event of any event requiring changes to this Policy, the *Corporate and Investment Banking Area* will revise and submit to the Bank's corporate bodies any updates and modifications deemed necessary or appropriate at any time.

Control over the degree of compliance with both this Policy and its development will be carried out in accordance with the Bank's control model, aimed at appropriate risk management and set up on the basis

of three lines of defense, independent of each other. All areas will add any aspects required to achieve the principles and goals set in this Policy to their regulations and procedures. Existing processes will be adjusted to include the controls needed to guarantee correct management, in accordance with the mitigation and control frameworks defined by the specialists and the roles and responsibilities of the parties to the process, as per the Bank's control model.

Monitoring and reporting of risk and control aspects will follow the governance system under the Bank's general risk management and control model and the applicable risk-specific policies.