

SUSTAINABILITY POLICY

Sustainability as a Strategic Priority

The fight against climate change is one of the greatest disruptions in history, with extraordinary economic consequences to which all players in our environment (governments, regulators, businesses, consumers and the whole of society) have to adapt.

Climate change and the transition to a low-carbon economy have significant implications for the value chains of most productive sectors, and may require significant investment in many industries. However, technological advances around energy efficiency, renewable energy, efficient mobility and the circular economy are a source of new opportunities for all.

On the other hand, clients, markets and society as a whole not only expect large companies to create value, but also to contribute positively to society. In particular, they are expected to ensure that their operations' boost to economic development is inclusive.

Garanti BBVA International (GBI) is aware of the outstanding role of banking in this transition to a more sustainable world through its financial activity. GBI's parent entities, Garanti BBVA and BBVA have adhered to the Principles for Responsible Banking promoted by the United Nations (UN), and is willing to play a relevant role, as demanded by society, and assist its clients in their transition to that sustainable future.

GBI has set sustainability as a strategic priority following the steps of its parents. Accordingly, GBI will ensure that its activity is carried out in accordance with a set of values, principles, criteria and attitudes aimed at achieving sustained value for shareholders, employees, customers and for the society as a whole, and will promote the implementation and development of ethical principles based on integrity and transparency.

With a view to shaping this aspiration clearly and precisely, this Policy aims to set forth GBI's vision and general principles with regard to sustainability.

Sustainable Development

GBI has set sustainability as a priority, taking inspiration from the Sustainable Development Goals (the "SDGs") adopted by the United Nations, and from other supranational agencies that promote sustainable development as a global benchmark with a focus on climate change and inclusive, sustainable social development.

This Policy, which was approved by GBI's Managing Board, defines and sets out the general principles, and the main management and control objectives and guidelines to be followed by GBI in sustainable development.

As per United Nations' definition, GBI understands sustainable development as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. Sustainable development has emerged as the guiding principle for long-term global development, seeking to achieve, in a balanced way, economic development, social development and environmental protection.

GBI faces the challenge of sustainable development from a holistic perspective and in line with our purpose of "to bring the age of opportunity to everyone," we aim to generate a positive

impact through the activities of our clients, our own activity, as well as our relationship and commitments to society.

This Policy will serve as a frame of reference when establishing and developing local or sectoral corporate governance policies and systems within GBI, which will be consistent and in line with it.

When applying this Policy, consideration shall be taken of the nature, scale and complexity of the risks inherent in the business model and the operations carried out, as well as any applicable local and sectoral regulations.

General Principles

GBI will follow the following general principles of action with regard to sustainability:

- It will fully implement all the rules and principles it will progressively commit to, in order to support sustainable development.
- It will support clients in their transition to sustainable business models, acting as a leverage that enhances such behaviors or actions.
- It will incorporate progressively sustainability into the day-to-day activities of its business and operations.
- It will incorporate progressively climate change opportunities and risks into its strategy, processes and risk management, It will ensure to consider the direct and indirect environmental and social impact generated by its operations, in particular as refers to the climate, will progressively align its lending activity with the objectives of the Paris Agreement and the Principles for Responsible Banking promoted by the United Nations.
- It will follow its parents' practices and guidelines in setting renewable energy consumption targets and reducing carbon emissions in the performance of its own activities.

The Bank will also pursue its sustainability goals on the basis of the following general principles, which are already applied in its various management policies:

- Integrity
- Prudent risk management
- Transparency
- Achieving a profitable and sustainable long-term business
- Creating long-term value for all stakeholders
- Compliance with applicable laws at any given time

Sustainability Focal Points

GBI's sustainability efforts will have two main focal points: (i) climate change and increasing climate awareness, and (ii) inclusive and sustainable social development.

GBI will also set priorities in both areas by taking inspiration from the United Nations' 2030 Agenda for Sustainable Development.

GBI's priorities in these areas will initially be as follows:

- With respect to climate change and increasing climate awareness:
 - Energy efficiency
 - Circular economy
 - Reduction of carbon emissions
- With regard to inclusive and sustainable social development:
 - Human rights and avoidance of child labor in conducting its business
 - Inclusivity and equal opportunities to individuals regardless of gender, race, religion and political opinion
 - Appropriate product and service responsibility towards customers

Sustainability Goals

GBI considers sustainability in its day-to-day operations and internal processes as well as in relation to its clients.

As such, devising and executing the sustainability strategy is an organization-wide effort, and all departments must include it progressively in their strategy agenda and work dynamics.

In line with the main sustainability focal points of action described in the previous section, GBI set specific sustainability goals,:

- To promote the development of sustainable solutions: Identify opportunities, develop sustainable products and offer advice to individual and business clients.
- To integrate sustainability risk into its processes: Integrate risks associated with climate change (physical or transition) into GBI's risk management processes.
- To establish a single agenda with stakeholders: Promote transparency about our commitments and performance, protect our direct impact and foster the active involvement with all our stakeholders to promote sustainability in the financial sector.
- To develop new skills in sustainability: Leverage the Bank's data and technology capacities to foster the development of the sustainability strategy within the organization, and to promote related training for employees.

These goals materialize in various lines of work, to be executed by the areas, under the oversight of the local workstream managers, including but not limited to the business lines and Risk Management. These departments also acquire knowledge in the field of sustainability so as to offer advice to clients and support the development of new sustainability value propositions, integration of climate risks into risk management, drawing up a public sustainability agenda and setting sustainability standards.