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**The bank is moving ahead with its comprehensive Corporate Social Responsibility strategy**

## **BBVA, the first Spanish bank to adopt the “Equator Principles” for social and environmental criteria**

- **BBVA has joined a select group of international banks that have signed up to these principles promoted by the World Bank**
- **Following these international principles involves assessing the social and environmental impact of large-scale project finance before granting the financing**

**BBVA today announced that it was signing up to the “Equator Principles”, a set of social and environmental guidelines promoted by the International Finance Corporation, a World Bank organization, which governs how adopting banks must act in granting large-scale project finance, with particular attention to emerging countries. BBVA is thus moving forward with its comprehensive Corporate Social Responsibility strategy and the progressive expansion of its business, with an innovative, global vision.**

“Adoption of the Equator Principles is a very important step in BBVA's commitment to harmoniously reconciling the economic, social and environmental aspects of its business, thus advancing towards a sustainable model of development”, according to Francisco González, chairman of BBVA.

The Equator Principles, which are adopted voluntarily, have so far been accepted by 22 major international financial institutions, which BBVA has now joined.

These institutions are as follows: ABN AMRO, Bank of America, Barclays, CIBC, Citigroup, Crédit Lyonnais, Credit Suisse, Dexia, Dresdner, EKF, HSBC, HVB, ING, KBC, MCC, Mizuho, Rabbobank, Royal Bank of Canada, Standard Charter, Royal Bank of Scotland, West LB and Westpac.

By adopting these principles, BBVA undertakes not to directly finance projects worth more than \$50 million that do not fulfill the social and environmental standards established by the International Finance Corporation.

In order to do this, it must put all these kinds of projects through an environmental and social assessment process before granting any financing. Once financing has been granted, BBVA undertakes to monitor compliance with those standards.

BBVA is one of the most important international players in financing these kinds of projects. In 2003, it came third worldwide in Dealogic's classification of leading project finance banks, with \$2,124.14 million of financing and a 3.36% share of the world market.

### **BBVA: commitment to sustainable development**

The social and environmental standards that must be taken into account are:

- Categorizing the risk of a project in accordance with social and environmental impact criteria in three categories: "A" High Risk, "B" Medium Risk and "C" Low Risk.
- Social and environmental assessment of projects classified as "A" or "B". The study must deal with the social and environmental aspects of the project to the bank's satisfaction.
- Drawing up an Environmental Management Plan for all Class A projects and those Class B projects for which the bank deems it advisable. The Plan must take into account the conclusions of the socio-environmental assessment and propose migration plans, monitoring and management of social and environmental risks.
- A plan to monitor social and environmental aspects. Financing contracts must include clauses regarding compliance with social and environmental standards and the Environmental Management Plan.

The socio-environmental assessment necessary in each project includes questions such as the following:

- Sustainable development and use of renewable natural resources.
- Protection of health, cultural diversity and biodiversity, including endangered species and sensitive ecosystems.
- Particularly important risks.
- Health and safety systems.
- Systems to prevent fires and safety risks.
- Socioeconomic impacts.

- Land acquisition and usage systems.
- Involuntary population resettlement.
- Impact on indigenous communities and people.
- Cumulative impact on previous and future projects.
- Participation of affected sectors in designing and implementing the project.
- Weighing up alternatives that are preferable in social and environmental terms.
- Efficiency in production, transport and consumption of energy.
- Prevention and control of pollution and optimizing waste management.

By adopting the Equator Principles, BBVA is reaffirming its commitment to being at the forefront internationally in the financial sector concerning Corporate Social Responsibility, in line with its firm desire to align itself with the needs of all of its targets – customers, shareholders, employees and suppliers - and the societies in which it carries out its business.

For more information see: [www.equator-principles.com](http://www.equator-principles.com)