

Environmental and Social Review Summary (“ESRS”)

Banco Bilbao Vizcaya Argentaria Colombia S.A. – Sustainable Subordinated Bond /15132-01 – Colombia

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) assessment of the proposed transaction consisted of reviewing documentation, such as the BBVA Group’s General Sustainability Policy, Banco Bilbao Vizcaya Argentaria Colombia S.A.’s (“Banco BBVA”, “BBVA Colombia” or the “Bank”) General SGAS Policy, and the Bank’s loan portfolio. Additionally, conversations were held with BBVA Colombia’s Sustainability and Environmental and Social Risk Management teams.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction has been classified as FI-2 according to IIC’s Sustainability Policy, as the E&S risks and impacts associated with the subprojects to be financed are considered moderate. The sub-loans will be used to finance subprojects from the green portfolio, which includes categories such as sustainable construction, circular economy, energy efficiency, renewable energy (solar and biomass), sustainable transport, sustainable agriculture, among others. Additionally, will be used to finance subprojects from the social portfolio, which includes various categories mainly focused on the SME and microenterprise segments. All subprojects will comply with the eligibility criteria of the Subordinated Sustainable Bond. The Bank will not finance subprojects classified as category A (high risk) according to IDB Invest’s definition, nor those involving activities included in IDB Invest’s exclusion list.

The issuance is considered Paris Agreement aligned based on an analysis conducted following the IDB Group Paris Alignment Implementation Approach.

- 3. Environmental and Social Risks and Impacts.** The main E&S risks of the transaction are associated to BBVA Colombia’s capacity to identify and manage the risks related with its financing activities, particularly in the green portfolio subprojects. Such risks may include the following environmental and social issues: workers’ health and safety, water management, land degradation, waste generation, amongst others. The E&S risks and impacts associated with the subprojects are considered to have a moderate level.
- 4. Mitigation Measures.** BBVA Colombia has implemented an Environmental and Social Management System (“ESMS”) that complies with the requirements established in IDB Invest’s Sustainability Policy. The ESMS includes an E&S Policy, an exclusion list, E&S risk categorization and assessment procedures, as well as procedures to mitigate and monitor E&S risks. BBVA Colombia’s ESMS is compliant with local E&S regulations including Colombia’s Green Taxonomy, as well as with BBVA Group’s Standard for the Financing of Sustainable Activities. Moreover, the ESMS is aligned to IFC’s Performance Standards and the Equator Principles. In addition, BBVA Colombia has Human Resources policies which is consistent with the requirements under the International Finance Corporation (“IFC”) Performance Standard 2.

5. Environmental and Social Action Plan (“ESAP”):

Activity	Description	Compliance Indicator	Deadline
Strengthen the assessment of labor risks in the supply chain for solar energy subprojects	Develop and implement a procedure to assess labor risks in the supply chain of solar panels in solar energy subproject	Approved procedure	3 months after disbursement

- 6. Contact Information** For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary** tab), or IDB Invest using the email divulgacionpublica@iadb.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.