

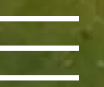
# Respecting the ecosystem

Our journey does not end in our clients' homes. We are also aware of the critical moment facing humanity in terms of the health of our ecosystems. We must remain on high alert and make the transition to economic models that are more sustainable, not only from the economic, but also the social and environmental perspectives.

By means of the commitment that we have taken on at the Foundation of achieving a more sustainable future, making environmental sustainability a strategic priority, the BBVAMF Group seeks to extend and improve

its value offering, promoting actions that have a positive effect on the environment through a green corporate culture and inclusive green finance.

This year we wanted to highlight some of the initiatives that reflect our commitment to a more sustainable future. We have made the necessary resources available to our clients so that they can put in place new technologies and measures that help them to mitigate for and adapt to the effects of climate change and to transform their businesses in search of greater harmony with our environment.





## Crediverde Adaptation

In Bancamía (Colombia), with the support of UN Environment, as part of the *Microfinance for Ecosystem-based Adaptation* (MEbA) program, we designed and launched this product. It consists of a line of credit that provides vulnerable, rural and peri-urban populations with financial products and services that enable them to invest in activities relating to the sustainability of ecosystems. This means they can upgrade their productive units and increase their incomes, together with their resilience to the effects of climate change.

This is the case, for example, of Sandra Mendoza, head of the family and a smallholding entrepreneur who owns a coffee smallholding. With the support of a line of

credit, she has started introducing renewable energies, obtaining lighting cost-free and energy to cook from the biogas obtained from her pigs' manure. This means that fewer trees have been felled and the air quality is higher.

In 2021, with the aim of driving the economic recovery, Bancamía reactivated its green products and services offering, reinforcing its training programs around green finances and managing climate risk with maps that warn of extreme climate conditions.

With this product, by the end of the year we had helped over 1,270 clients with more than USD 900,000 to implement measures to mitigate and adapt to climate change, measures such as drip irrigation, organic farming production and using greenhouses, among others.

## My Crops, Protected

Climate change is one of the main reasons causing farming producers in different parts of the world to suffer partial or total crop losses. This has affected their productive development and welfare, above all of those who are in a situation of economic, social and environmental vulnerability.

Bancamía, working with MAPFRE Seguros and Finagro (Agricultural Financing Fund), has made the "My Crops, Protected" insurance policy available to its clients, for this reason, to protect Colombian farmers. This policy looks to protect the crops of microentrepreneurs from natural risks deriving from climate change. Droughts, floods, heavy rain, fire, and hail, among

others, can affect them to the degree that it deepens the vulnerability in which many farmers live.



With the support of Finagro, microentrepreneurs who take out this insurance can access a subsidy worth between 70% and 90% of the cost of the premium, depending on the type of producer.

“My Crops, Protected” is initially targeting coffee crops, banana, maize and potato, but will be extended to a further 17 activities, with cover in 900 municipalities across the whole of Colombia. The cost of the insurance varies according to the crop type and location. MAPFRE has provided Bancamía with a digital tool that provides an online consultation service with Finagro. This tool, that is easy for the producer to use, validates a series of technical variables, which then generates a quote that the producer who is interested in taking out the insurance policy can assess.

### ADOPEM ecoloan

In Dominican Republic, Banco Adopem has also launched a financial product that is tailored to the needs of small farmers who seek to improve their productive activities by making them more sustainable.

This allows them to put into action good farming practices, new technologies and more environmentally friendly models, thus mitigating and increasing their adaptation to adverse climate change effects with measures that have been adapted to the particular ecosystem of their smallholdings. Notable among these measures are organic farming, conservation farming, efficient irrigation systems and reducing chemical products to conserve biodiversity.

This product has been widely embraced and is being extended to new farming production areas. At the close of 2021 over 1,000 clients had signed up, who between them had received over USD 700,000. The number of clients increased by 33% over the year, while the financial resources made available were up by 57% from 2020.

### Carbon footprint

With a view to making efficient use of the natural resources employed, and with the commitment of reducing the impact this generates on the environment, following the GHG Protocol guidance, we have managed the measuring of the carbon footprint of our activities as a Group.

Carbon footprint - Breakdown		
	Resource	2021 results
Consumption	Water (m <sup>3</sup> )	104,413
	Paper (kg)	212,380
	Electricity (kWh)	8,611,044
Consumption per capita	Water (m <sup>3</sup> )	12
	Paper (kg)	26
	Electricity (kWh)	1,070
TnCo <sub>2</sub> eq emissions	Scope 1	139
	Scope 2 (located based)	2,624
	Scope 2 (market based)	2,610
	Scope 3	119
<b>Total</b>		<b>2,869.9</b>
<b>Total per employee</b>		<b>0.36</b>

The carbon footprint calculation entails:

- **Scope 1:** Direct emissions from activities by BBVAMF Group institutions.
- **Scope 2:** Indirect emissions generated by power stations to supply energy to BBVAMF Group institutions.
- **Scope 3:** Other indirect emissions resulting from activities occurring in sources that do not belong to, nor are controlled by, Group institutions, e.g. air travel.



By rolling out eco-efficiency programs and incorporating digital transformation into our processes, we are endeavoring to make efficient use of natural resources.

In 2021, and for the second year in a row, we succeeded in neutralizing the emissions generated in our central office in Madrid, to offset all our carbon dioxide-equivalent (CO<sub>2</sub>eq) emissions. This was achieved by buying carbon credits certified by the Verified Carbon Standard through certified environmental enhancement projects.

### **Bancamía Sustainable office pilot**

To mitigate the emissions generated, eco-efficiency initiatives have been developed to reduce them and, as a result, shrink our carbon footprint. To this end, work has begun to:

- ✓ Monitor electricity consumption performance in the branch office and management network, and to prepare action plans in those offices with excessive consumption.
- ✓ Implement clean technologies (efficiency and renewable energy) that enable rational energy use such as, for example, swapping out lighting for LED bulbs, and installing motion detectors.

A pilot office in Colombia, the Molinos branch office, which is powered by solar energy, started operating in 2021. The success of this has led to plans to extend this project into 2022 in the Arauca and Centro Medellín offices, with the following targets:

OFFICE	SELF-SUFFICIENCY	REDUCTION IN ENERGY CONSUMPTION (kWh – year)	PROJECTED SAVING (25 years)	CO <sub>2</sub> eq AVOIDED (Tonnes / year)	RETURN ON INVESTMENT (years)
<b>Molinos</b>	100%	7,260	COP 212 MM	3	6
<b>Arauca</b>	100%	29,952	COP 901 MM	11	<1
<b>Medellín</b>	57%	11,819	COP 669 MM	8	2

This monitoring procedure and the action plans are taking place in the context of permanently training and creating awareness among all colleagues, using campaigns to encourage good environmental habits and rational energy use. This will all contribute to a service that is increasingly environmentally friendly.