

08



Exhibits

Materiality analysis

Learn about **BBVA México's 2023 dual materiality determination process, its contribution to the United Nations' Agenda 2030 and the progress made in implementing the Principles for Responsible Banking.** Also, consult the GRI Content Index and the SASB Index.

Materiality analysis GRI 3-1, 3-2, 3-3

BBVA México recognizes the importance of keeping its materiality analysis updated to reflect changes in the context and stakeholder expectations.

In 2023, BBVA México adopted the concept of dual materiality to deepen its commitment to sustainability and risk and impact management. This exercise allowed us to identify the most significant issues for BBVA México and its stakeholders, evaluating the risks associated with material issues based on the impact they could have on the organization in the creation of economic value, as well as the potential impact in terms of scale, scope, probability and remediability for stakeholders.

The dual materiality analysis was performed in accordance with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and International Financial Reporting Standards (IFRS) frameworks.

An analysis was conducted based on external sources, trends, standards and frameworks, an analysis of Grupo BBVA's sustainability management, and a review of the

level of relevance and performance of peer organizations, following these steps:

Definition of scope and objectives: the materiality update was based on the previous year's exercise. Additionally, sources such as regulatory frameworks, international industry standards, rating agencies, press and internal information of the organization (IReNE) were consulted to identify preliminary issues.

Analysis of the external context: extensive market research and analysis of sustainability trends was conducted, ESG trends in the sector were considered based on 14 selected opinion leaders, and a comparative evaluation was conducted with 10 relevant peers in BBVA México by means of a benchmark.

Identification of IROs: based on the documentary review, potential and actual impacts, risks and opportunities (IROs) were identified from a financial and impact perspective, so that they could be subsequently classified and prioritized into different topics.

Analysis and prioritization of issues (impact): the most relevant issues for the bank were analyzed and prioritized.

In the first instance, internal and external stakeholders were involved in two exercises. On the one hand, the application of a survey that was answered by 11 employees with the purpose of evaluating the issues from an impact perspective (how the Bank impacts the environment and the company). On the other hand, the review of IReNEs applied throughout the year to clients and suppliers, extracting information on the impacts of ESG issues evaluated from another perspective.

Analysis and prioritization of issues (financial): subsequently, an evaluation was carried out in accordance with the capital methodology of EFRAG¹⁹ to identify the issues that could be most relevant from a financial perspective (risks that affect the Bank from a monetary perspective). The Head of Responsible Business and Sustainability of BBVA México participated in this evaluation by means of a survey. Weightings have been assigned to each of the sources and scores. The higher the score, the more significant.

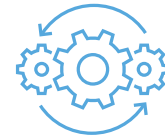
¹⁹ European Sustainability Reporting Guidelines, Double materiality conceptual guidelines for standard-setting: <https://www.efrag.org/Assets/Download?assetUrl=/sites/webpublishing/SiteAssets/Appendix%202.6%20-%20WP%20on%20draft%20ESRG%201.pdf&AspxAutoDetectCookieSupport=1>

Capitals pursuant to European Financial Reporting Advisory Group (EFRAG)



Financial

Funds available within the organization for use in the production of goods or provision of services.



Industrial/manufacturing

Manufactured physical objects that are available to an organization for use in the production of goods or the provision of services.



Natural

Renewable and non-renewable environmental resources and processes that provide the goods and services that sustain prosperity.



Intellectual

Intangible assets based on the organization's knowledge as intellectual property or organizational capital.



Human

Competencies, skills and experience of people, and their motivations to innovate, manage and collaborate.

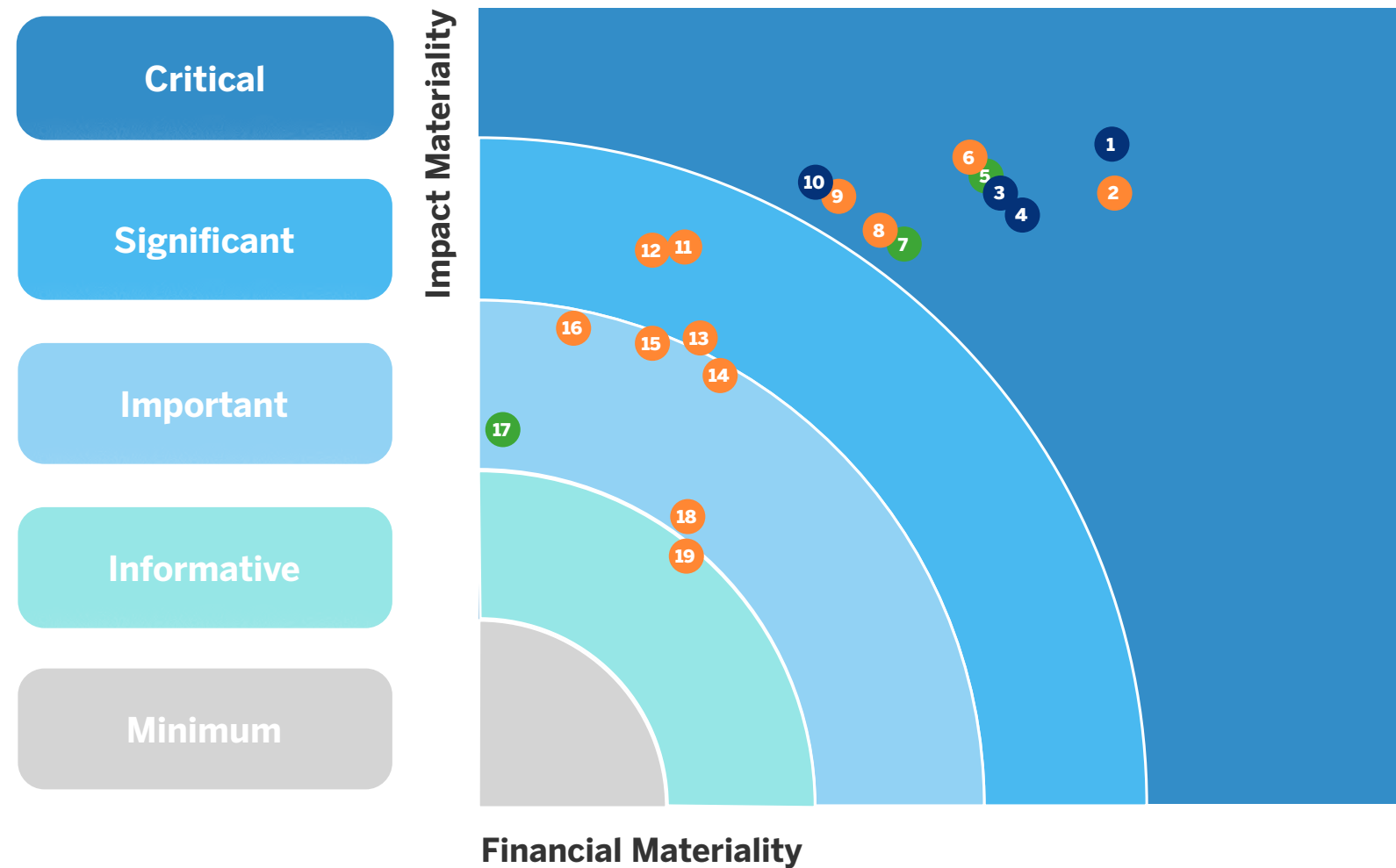


Social and relational

Shared rules, common values and behaviors; relationships with key stakeholders; intangibles associated with the brand and reputation.

Double materiality matrix, BBVA México 2023

The result of this exercise was a **new dual materiality matrix with 10 critical material topics, three significant, five important and one informative.**

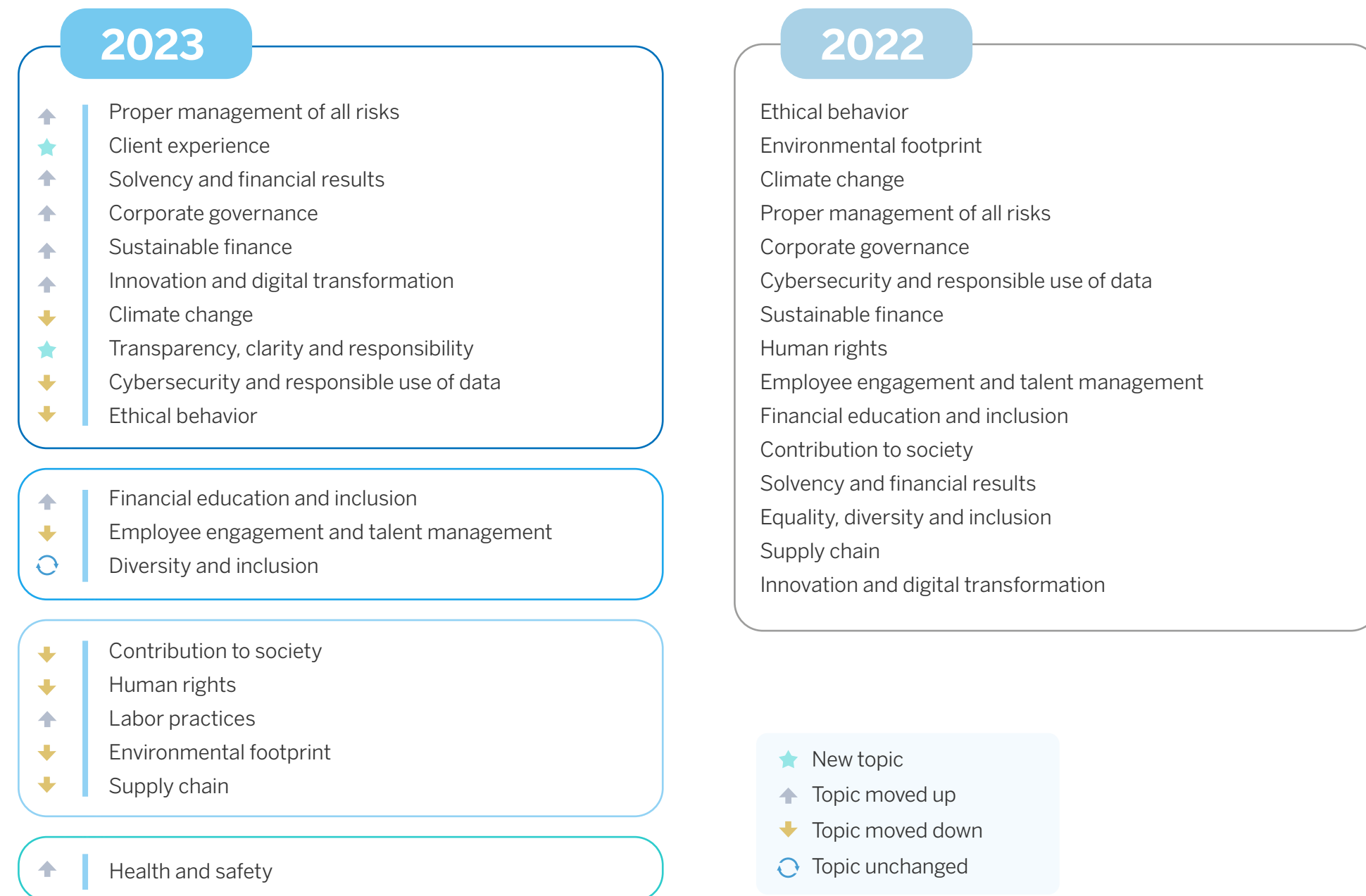


- 1 | Proper management of all risks
 - 2 | Client experience
 - 3 | Solvency and financial results
 - 4 | Corporate governance
 - 5 | Sustainable finance
 - 6 | Innovation and digital transformation
 - 7 | Climate change
 - 8 | Transparency, clarity and responsibility
 - 9 | Cybersecurity and responsible use of data
 - 10 | Ethical behavior
-
- 11 | Financial education and inclusion
 - 12 | Employee engagement and talent management
 - 13 | Diversity and inclusion
-
- 14 | Contribution to society
 - 15 | Human rights
 - 16 | Labor practices
 - 17 | Environmental footprint
 - 18 | Supply chain
-
- 19 | Health and safety

● Environmental ● Social ● Corporate Governance

2023 Materiality vs 2022 Materiality

The following table reflects the **changes in BBVA México's material issues** with respect to the previous analysis.



Management of material issues

Current and potential positive and negative impacts on the economy, the environment and people, including impacts on human rights, were assessed during the determination of materiality, through the consideration of the results of an impact analysis exercise conducted by Grupo BBVA and BBVA México in 2022, in the framework of compliance with the implementation requirements of the Principles for Responsible Banking*.

BBVA México has been involved in the management of sustainability impacts through the implementation of the Sustainability Policy and the Grupo BBVA's sustainability strategy. This is executed through work teams focused on sustainability. Each is responsible for implementing and managing sustainability actions in its area (compliance, talent and culture, reporting and finance, climate and social action, communication, among others). These work teams report their progress and results to the Local Sustainability Office through their own objectives, goals and/or indicators.

Note: BBVA México's 2022 Annual Report featured only the top 15 material issues, excluding the complete list of evaluated and prioritized material issues. In this assessment, Labor Practices and Health and Safety were evaluated and ranked lower in the prioritization results, leading to their exclusion from the top 15 list of material issues.

* Materiality "from the inside out" also known as "impact materiality": the UNEP-FI tool -Portfolio Impact Analysis Tool for Banks- has been used as a base source for both Consumer Banking and Institutional Banking.