



# 2024 CORPORATE **SUSTAINABILITY** REPORT





## A MESSAGE FROM OUR CEO

In 2024, Popular made significant strides in our sustainability journey, guided by our purpose of “Putting people at the center of progress.” We focused on creating value for our clients, employees, communities, and shareholders, while promoting a more prosperous and sustainable future through our priorities of protecting the environment, providing opportunities, and promoting trust. Our Corporate Sustainability Report highlights the business, social, and environmental progress that we have made and reaffirms our commitment to being accountable and transparent.

### Provide Opportunity

Helping our employees grow and develop professionally is one of our top priorities as an organization. Our goal is to foster a workplace where employees feel valued, engaged, and empowered to succeed. According to the results of last year’s engagement survey, 81% of employees would recommend Popular as an excellent employer and support our high-performance culture where all employees have the opportunity to thrive.

As the largest financial institution in Puerto Rico, we pride ourselves on providing accessible, affordable, and simple financial solutions that make it possible for customers to reach their goals. In 2024, we focused on making banking more convenient as well. We streamlined our lending process for small and mid-size commercial customers, expediting access to capital. We also piloted a fully digital personal loan origination platform for a faster and safer application process and launched *Emprende con Popular*, an online resource to help entrepreneurs navigate products and services to continue growing their businesses.

Lastly, Fundación Banco Popular, our corporate foundation in Puerto Rico and a key component of our community investment, celebrated its 45th anniversary. Since its inception in 1979, Fundación Banco Popular has invested approximately \$70 million to support programs by partner organizations that promote excellence in education and community development. We are proud of the Fundación’s impact on the social and economic well-being of Puerto Rico and remain committed to being a catalyst for progress within our communities.





## Protect the Environment

Our experience operating in regions vulnerable to the impacts of climate change has taught us the importance of strong risk management and adaptability to ensure long-term value. Throughout our 131-year history, we have navigated numerous climatic events, and we remain committed to maintaining resilient operations that our stakeholders can count on.

Our work this year included publishing our first Task Force for Climate-related Disclosures (TCFD) Index, included in this report, to demonstrate progress made around our Climate Risk Program. A better understanding of climate risks and opportunities will help us remain a reliable partner to clients and communities.

Operating sustainably is both a responsibility and an opportunity to lead by example and strive for positive change. In 2024, our environmental strategy enabled us to:

- ▶ continue transitioning to cleaner energy sources and maximizing on-site generation installations where feasible; and
- ▶ leverage multiple initiatives to increase energy efficiency while ensuring reliability.

## Promote Trust

Our commitment to sustainable growth through sound and responsible business practices is timelier than ever. We continue to strengthen our risk management processes and advance our Cyber Security Program. At the same time, we have made significant progress in developing the Enterprise and Data Analytics Division and its mission to guard Popular's data security, reliability, and quality. We continue to navigate the evolving landscape and remain vigilant and focused on balancing stakeholder interests while protecting the Corporation's stability and long-term value.

## A Look at Our Journey

As I reflect on the past six years since we formally established our Sustainability Program, I am proud of the progress we have made. By doing what is right for our employees, customers, and communities, we have generated lasting impact and value while achieving sustainable growth. I am immensely grateful to our employees for their commitment and dedication to advancing these important initiatives. I am honored to have led this company through such a transformative period, and I feel confident that we will continue being a driving force for progress and positive change in the communities that we serve.

Sincerely,

**Ignacio Alvarez**

Chief Executive Officer  
Popular, Inc.



# 2024 HIGHLIGHTS



NAMED  
**“BANK OF THE YEAR”**  
 IN PUERTO RICO  
 BY THE BANKER.

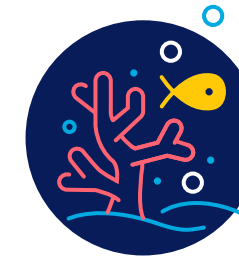


**\$10.8 MILLION**  
**TOTAL SOCIAL INVESTMENT**  
 THROUGH OUR  
 FOUNDATIONS



**64 BRANCHES AND**  
**6 CORPORATE**  
**BUILDINGS WITH**  
**PHOTOVOLTAIC**  
**SYSTEMS**

**AFFORDABLE HOUSING LOANS:**  
**OVER \$234 MILLION** in PR and USVI and over **\$181 MILLION** across NY, NJ and South FL



**\$476,000** ALLOCATED TO **ENVIRONMENTAL INITIATIVES** in Puerto Rico aimed at reforestation, biodiversity, and renewable energy

FOCUSED ON  
**“PUTTING PEOPLE AT THE CENTER OF PROGRESS.”**



POPULAR OPERATED A TOTAL OF **66 BRANCHES** LOCATED IN **LOW-TO-MODERATE INCOME** AREAS ACROSS PR, VI, AND MAINLAND U.S.



FINANCED OVER **\$70 MILLION** IN SBA LOANS.

**\$58.3 MILLION** IN **COMPENSATION INVESTMENTS** including merit increases, annual incentive payouts, and the Non-Executive Equity Incentive Program



**81% OF** EMPLOYEES RECOMMENDED POPULAR AS A **GREAT PLACE TO WORK.**



EMPLOYEE **VOLUNTARY CONTRIBUTION** to our foundations:  
**71%** Puerto Rico  
**69%** mainland U.S.



**MORE THAN 113,000** CERTIFIED BANK ON ACCOUNTS WITH **OVER \$511 MILLION** IN BALANCES across Puerto Rico, the Virgin Islands, and mainland United States

OUR **FINANCIAL LITERACY EFFORTS** IMPACTED OVER **200,000 PARTICIPANTS.**

LOCAL AND REGIONAL **PROCUREMENT SPENDING:**  
**83%** Puerto Rico and the Virgin Islands  
**48%** mainland U.S.



# ABOUT POPULAR

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- ▶ [Popular's Profile](#)
- ▶ [Our Approach](#)
- ▶ [Stakeholder Engagement](#)



# ABOUT THIS REPORT

Popular's vision is to provide excellent customer experience by offering financial solutions that meet our clients' needs in a simple way. This report illustrates how we bring this vision to life through our business, corporate citizenship activities, and performance. In preparing our Corporate Sustainability Report, we have referenced several disclosure frameworks. In this year's report, we reference the following sustainability reporting frameworks: Global Reporting Initiative ("GRI") Standards, relevant Sustainability Accounting Standards Board ("SASB") Standards, and the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. This report should be reviewed alongside the Popular, Inc. 2024 Annual Report and the 2025 Proxy Statement, which provide additional facts, figures and analyses about our operations.

While this Corporate Sustainability Report provides an overview of our approach to managing a range of sustainability topics, additional corporate information can be found on our corporate websites [www.popular.com](http://www.popular.com) and [www.popularbank.com](http://www.popularbank.com) and on the Fundación Banco Popular's website [www.fundacionbancopopular.org](http://www.fundacionbancopopular.org).

This report contains information about our sustainability efforts. These efforts involve certain risks and uncertainties, such as changes in our business, the standards by which achievement is measured, and our ability to accurately report particular information. Furthermore, the actual conduct of our activities, including the development, implementation or continuation of any program, policy or initiative discussed or forecasted in this report, may differ materially in the future. The standards by which sustainability efforts and related matters are measured, including standards and metrics used in preparing this report, continue to develop and evolve and in certain areas are based on assumptions believed to be reasonable at the time of the preparation of this report and should not be considered guarantees. These standards and assumptions could change over time. Certain information in this report regarding the Corporation comes from third party sources and operations outside of our control. In addition, statements made about the Corporation, its business or efforts may not apply to all our business units. The statements and information contained in this report speak only as of the date of this report. We assume no responsibility to update the information contained in this report or to continue to report any information.

## Cautionary Note Regarding Forward-Looking Statements

This report contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 about Popular, Inc. (the "Corporation," "Popular," "we," "us," "our"), including, without limitation, statements about Popular's business, financial condition, results of operations, plans, objectives and future performance. These statements are not guarantees of future performance, are based on management's current expectations and, by their nature, involve risks, uncertainties, estimates and assumptions. Various factors, some of which are beyond the Corporation's control, could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate," "believe," "continues," "expect," "estimate," "intend," "project" and similar expressions and future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may" or similar expressions, as well as variations or negatives of these words, are generally intended to identify forward looking statements. You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes to differ materially from current expectations.

More information on the risks and uncertainties that could affect the Corporation's future results, financial condition, plans and objectives is included in our most recent Annual Report on **Form 10-K** and in subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. Our filings are available on the Corporation's website ([www.popular.com](http://www.popular.com)) and on the Securities and Exchange Commission website ([www.sec.gov](http://www.sec.gov)). As a result of these and other factors, we may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. The forward-looking statements contained in this report reflect our views as of the date hereof. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



# POPULAR'S PROFILE

Popular, Inc. (NASDAQ: BPOP) is a diversified, publicly owned financial holding company. It is the leading financial institution by both assets and deposits in Puerto Rico and ranks among the top fifty U.S. bank holding companies by assets.

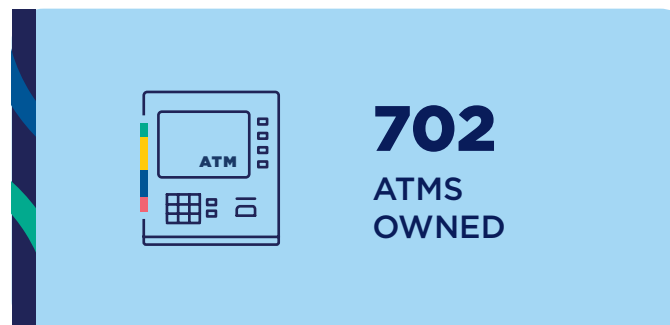
The institution's operations include:

## Banco Popular de Puerto Rico

Founded in 1893, Banco Popular de Puerto Rico (BPPR), Popular's principal subsidiary, provides retail, mortgage, and commercial banking services in Puerto Rico and in the U.S. and British Virgin Islands, as well as auto and equipment leasing and financing in Puerto Rico. Popular also offers investment banking, broker-dealer, and insurance services through specialized subsidiaries.

## Popular Bank

Popular Bank, Popular's New York-chartered banking subsidiary with branches in New York, New Jersey, and Florida provides retail, mortgage, and commercial banking services.



## Primary Legal Entities and Business

### Segments Primary Legal Entity

- Popular, Inc.

### Principal Subsidiaries

- Banco Popular de Puerto Rico
- Popular Bank
- Popular Insurance
- Popular Auto<sup>1</sup>
- Popular Securities

### Principal Business Segments

- Retail Banking
- Commercial Banking
- Individual Credit

## 2024 Financials

Popular, Inc.'s 2024 financial information is available in our 2024 Annual Report. Please visit the **Investor Relations** section of our website to access a copy of our **2024 Annual Report**.

<sup>1</sup> On May 1, 2025, Popular Auto was merged into Banco Popular de Puerto Rico.



# OUR APPROACH

As a financial services company operating in various geographical markets, Popular manages a broad range of sustainability efforts. This report focuses on those areas that we identify as most relevant to our business and of greatest interest to our stakeholders. Our sustainability priorities help define how we deliver responsible growth and contribute to our local economies. They also reflect our values and allow us to hold ourselves accountable for our progress as we create new business opportunities and success stories with our employees, clients and communities.

## Defining Our Purpose

Popular strives to **put people at the center of progress** using our core service offerings and responsible business practices to elevate the **social and economic well-being** of everyone we interact with.



### Provide Opportunity

Improve the social and economic well-being of our customers, employees, and communities through fair practices and growth opportunities in all aspects of the business.

Priority topics:

- ▶ Accessible Banking
- ▶ Economic Development
- ▶ Talent Development and Culture
- ▶ Employee Wellness and Engagement



### Protect the Environment

Build a future rooted in preparedness and resilience, strengthening our response to climatic events and promoting long-term sustainability.

Priority topics:

- ▶ Climate Change Mitigation and Resilience
- ▶ Sustainable Finance
- ▶ Climate Risk



### Promote Trust

Employ governance best practices and manage risk across the organization.

Priority topics:

- ▶ Security and Privacy
- ▶ Corporate Governance



# STAKEHOLDER ENGAGEMENT

For Popular, stakeholder engagement is an essential process for the strategic planning of our sustainability priorities. This process allows us to increase our understanding and awareness, evaluate possible collaborations and strategic relationships, and evolve our sustainability framework. We recognize that the engagement process varies by geography, type, and function, and we always seek to hold meaningful dialogue grounded in our values and strive to put our stakeholders at the center of progress.

STAKEHOLDER	HOW WE ENGAGE	TOPICS
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>▶ Investor calls and visits</li> <li>▶ Quarterly earnings calls</li> <li>▶ Annual shareholder meeting</li> </ul>	<ul style="list-style-type: none"> <li>▶ Corporate governance</li> <li>▶ Strategy</li> <li>▶ Financial performance</li> <li>▶ Risk management</li> <li>▶ Executive compensation</li> <li>▶ Corporate sustainability</li> <li>▶ Human capital management</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>▶ Branch network</li> <li>▶ Digital banking</li> <li>▶ Customer contact center</li> <li>▶ Sponsored events</li> <li>▶ Social media</li> <li>▶ Educational campaigns</li> </ul>	<ul style="list-style-type: none"> <li>▶ Access to products and services</li> <li>▶ Financial literacy</li> <li>▶ Security and privacy</li> <li>▶ Economic development</li> <li>▶ Environmental resilience</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>▶ Forums and network events</li> <li>▶ Calls</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cyber security and data privacy</li> <li>▶ Economic development</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>▶ Engagement survey</li> <li>▶ Employee resource groups (open to all)</li> <li>▶ Corporate academies</li> <li>▶ Events</li> <li>▶ Popular Connect (townhall meetings)</li> <li>▶ Intranet (internal communications website)</li> <li>▶ Social commitment app</li> </ul>	<ul style="list-style-type: none"> <li>▶ Company strategy and financial performance</li> <li>▶ Talent development and company culture</li> <li>▶ Wellness and engagement</li> <li>▶ Disaster relief</li> <li>▶ Volunteerism</li> </ul>
<b>Communities and Non-profit Organizations</b>	<ul style="list-style-type: none"> <li>▶ Volunteerism</li> <li>▶ Disaster relief efforts</li> <li>▶ Grantmaking</li> </ul>	<ul style="list-style-type: none"> <li>▶ Education</li> <li>▶ Economic development</li> <li>▶ Disaster relief</li> <li>▶ Environmental resilience</li> </ul>



# PROVIDE OPPORTUNITY

## In this section

### ▶ **Accessible Banking**

Popular's Presence

Accessible Products and Services

Helping Our Customers Bank Conveniently

Affordable Housing

Financial Education

Supporting Entrepreneurship

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Talent Development and Culture

Employee Wellness and Engagement

Volunteerism

### ▶ **Investing in Our Communities**



# ACCESSIBLE BANKING

Financial inclusion is a key aspect of social and economic development. It can help individuals and businesses improve their financial well-being, increase their resilience, and create opportunities for growth and innovation.

Popular has a long-standing commitment to promoting financial inclusion across its markets. We offer a wide range of products and services that cater to the diverse needs and preferences of our customers, from low-cost transactional accounts to affordable lending and insurance solutions to business development and impact investing programs. We also provide financial education through various channels and platforms to help our customers make informed and responsible financial decisions.

We believe that by fostering a more accessible financial system, we can contribute to the social and economic progress and the well-being of the communities we serve.



## Popular's Presence

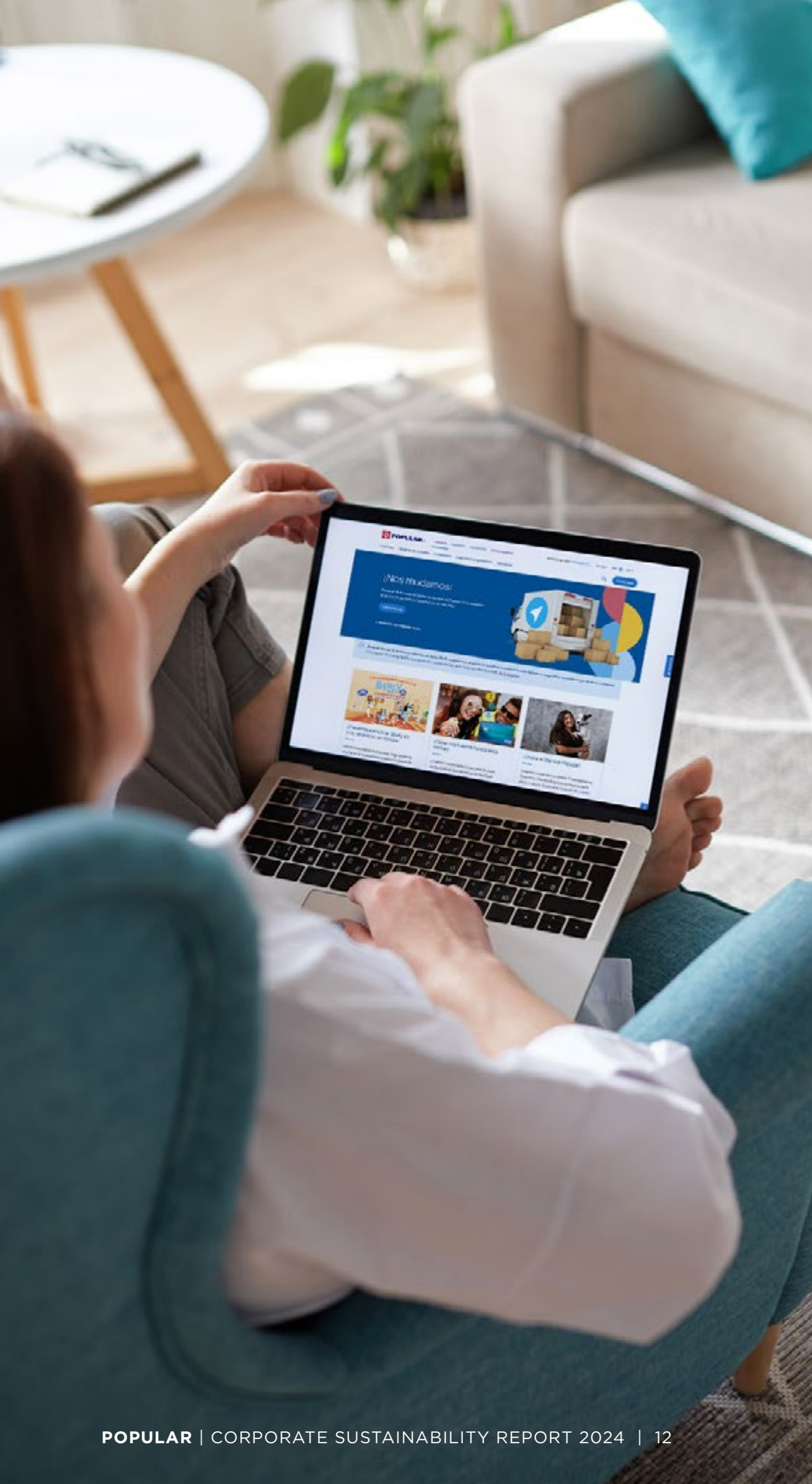
Access to financial services requires being able to reach safe and accessible financial institutions.

We are proud to be the bank with the **most extensive branch network in Puerto Rico**, with branch presence in 76 of the island's 78 municipalities.

In the mainland U.S., we are part of New York State's Banking Development District Program ("BDD"), with a total of 6 branches located in underserved communities, promoting community development and revitalization through access to financial services and financial literacy activities facilitated by our colleagues' volunteer efforts.

REGION	BRANCHES	% OF BRANCHES IN LOW-TO-MODERATE INCOME AREAS
Puerto Rico	153	29%
Mainland United States	40	45%
Virgin Islands	9	33%





## Accessible Products and Services

Through our broad product and service offerings and omnichannel experience, we empower our customers to achieve their financial goals and address their financial needs throughout the different stages of life.

### Accessible Products

#### SAVINGS AND CHECKING

- ▶ [Acceso Popular](#)
- ▶ [Popular Checking](#)
- ▶ [Acceso Universitario](#)
- ▶ [Academia](#)
- ▶ [Cuenta Popular](#)
- ▶ [Popular Access](#)
- ▶ [E-account](#)
- ▶ [U-Save](#)
- ▶ [Popular Everyday Checking](#)
- ▶ [Popular Easy Access Checking](#)

#### CREDIT

- ▶ [CrediSavings](#)
- ▶ [Starting Connection](#)
- ▶ [Credit Builder](#)
- ▶ [Max Cash Secured Card](#)
- ▶ [Secured Card](#)

#### INSURANCE

- ▶ [Pluscare](#)
- ▶ [Parametric Microinsurance](#)

### Certified Bank On Accounts Portfolio

- ▶ **Banco Popular de Puerto Rico (BPPR)'s Cuenta Popular:** 79,771 accounts and \$415 million in balances
- ▶ **BPPR Virgin Islands' Popular Checking:** 9,789 accounts and \$66 million in balances
- ▶ **Popular Bank's Easy Access Checking:** 23,491 accounts and \$30 million in balances

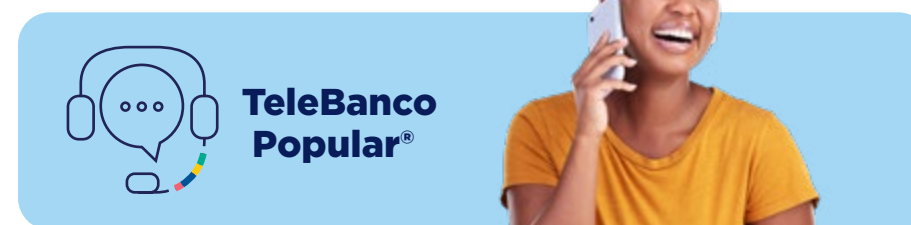
Popular is committed to serving our customers through various traditional and digital channels, providing financial solutions in an accessible and convenient manner that caters to the specific preferences and needs of our customers.



## Accessible Services\*



- ▶ **Access Accounts Securely**
  - 2-step verification
  - Mi Banco Alerts
- ▶ **Manage Cards**
  - Lock and unlock debit card
  - Request a new debit card or report your lost or stolen card
  - Activate your new credit card, request a replacement or PIN, add an authorized user, or report your lost or stolen card
- ▶ **Make Payments**
  - Complete payments instantly to over 5,000 merchants
- ▶ **Mobile Easy Deposit**
  - Deposit checks 24/7 using your cell phone
- ▶ **Transfer**
  - Transfer money between accounts
  - ATH Móvil - transfer and pay through Mi Banco in Puerto Rico
  - Zelle® in Popular Bank
- ▶ **Retiro Móvil**
  - Withdraw cash at one of our ATMs, without having to use debit card
- ▶ **Open an E-account**
- ▶ **Apply for a Credit Card**
- ▶ **Request Documents**
  - Submit a request to receive documents related to your deposit accounts and auto loan



Our bilingual call center is available 7 days a week, 24 hours a day, 365 days a year.

- ▶ **Check Balances**
- ▶ **Manage Cards**
  - Activate debit card, assign or change pin
  - Cancel credit or debit cards
- ▶ **Make Transfers and Payments**
- ▶ **Apply for Credit Cards, Loans, and Reserve Lines of Credit**
- ▶ **Receive Guidance on Opening Accounts**
- ▶ **Obtain Information on Products and Services**
- ▶ **Teletypewriter Service for the Hearing-Impaired**
  - Customers can communicate with TeleBanco Popular® via teletypewriter (TTY/TDD) for information about accounts and services



- ▶ **Reading Service**
  - Our Bank Consultants and TeleBanco Popular® representatives are available to read and explain the documents and forms required to open or apply for products or services, or to assist with the completion of certain transactions.
- ▶ **Sign Language Interpreting Service**
  - American Sign Language (ASL) interpreters are available at our branches by appointment, free of charge.
- ▶ **Voice Guidance ATMs Throughout the Island**
  - ATM voice guidance provides audible information and instructions for users with visual impairment.

\* Certain services available exclusively through Banco Popular de Puerto Rico.





## Helping Our Customers Bank Conveniently

Beginning in 2022, Popular embarked on a **Transformation** focused on our company results, customer opportunities, and enterprise culture with the objective of delivering sustainable and profitable growth. The **Customer-Centric Growth** and the **Front-to-Back Customer Journeys and Solutions workstreams** have made significant strides to provide a simple, accessible, and convenient banking experience for our customers such as:

### ▶ **New services through BPPR's Mi Banco**

Launched a new functionality through popular.com and Mi Banco, enabling customers registered in Mi Banco to obtain deposit accounts and auto loan certifications digitally and free of charge.

### ▶ **Enhanced the digital capabilities of Popular Bank**

Launched a **new account opening functionality** for Popular Bank's Everyday Checking, Popular Savings and Certificates of Deposit and introduced **Zelle** for personal banking customers.

### ▶ **Enhanced personal loan and credit card experience**

In 2024, BPPR launched a pilot program for a fully digital **personal loan origination platform**, resulting in a more secure, simple, and expeditious application process that allows customers to make more informed credit decisions. Customers can apply for and receive loan disbursements from the comfort of their homes on the same day. Customers can also explore different offers available to them and simulate different scenarios without impacting their credit score.

### ▶ **Simplified commercial loan process**

To facilitate credit access to small and medium businesses, Popular **streamlined the lending process** for certain simple commercial loans, significantly reducing the time from application to funding.



To help our elderly customers learn more about our digital services, Popular held virtual chats about **Mi Banco's capabilities**, including making payments, transferring money between accounts, and activating security alerts to protect against fraud, among other services.



## Affordable Housing

### Puerto Rico and the U.S. Virgin Islands



Financed over  
**1,140**  
affordable rental  
housing units



with more than  
**\$234**  
**MILLION**  
in loans in 2024.

### New York, New Jersey, and South Florida



Financed  
**2,685**  
affordable  
housing units



with over  
**\$181**  
**MILLION**  
in loans in 2024.

We provide comprehensive financing solutions, including funding for the construction, acquisition, rehabilitation, and refinancing of multifamily residential rental projects. Most of these housing units are designated for low- and moderate-income individuals and require federal and local subsidies for their construction and operation. By supporting the development and maintenance of affordable housing projects, our financing solutions seek to ensure that this fundamental human need is met for all. These initiatives benefit a diverse range of individuals, including economically disadvantaged families, senior citizens, homeless individuals, and those affected by illness or disability, by providing access to safe, decent, and affordable housing. Popular remains steadfast in its commitment to fostering inclusive communities and enhancing the quality of life for all individuals through our dedicated support of affordable housing initiatives.

To assist homebuyers in the process of acquiring affordable housing, we participate in a wide range of programs, including:

- ▶ Government-sponsored enterprises Fannie Mae and Freddie Mac Programs
- ▶ Veterans Administration's Home Loan Program
- ▶ USDA's Rural Housing Services Program
- ▶ Federal Home Loan Bank of New York's Homebuyer Dream Program
- ▶ Puerto Rico's Housing Finance Authority Homebuyer Assistance Program



### Home Mortgage Disclosure Act Originated and Purchased Loans

PROGRAM	NUMBER	AMOUNT
<b>Federal Housing Administration (FHA)</b>	2,117	\$369 million
<b>Veterans Affairs</b>	317	\$76 million
<b>USDA Rural Housing Service</b>	463	\$68 million
<b>Puerto Rico's Housing Finance Authority Homebuyer Assistance Program</b>	313	\$30 million



## Financial Education

Popular’s financial education program, **Finanzas en Tus Manos**, transforms and helps improve the financial well-being of our clients and the communities we serve.

Finanzas en Tus Manos offers in-person and online workshops with a comprehensive selection of topics designed to accompany individuals through different financial life stages and provide support to key agents in advancing economic and social development, such as community leaders and entrepreneurs. Our focus is reaching children, teenagers, and young adults as they begin their financial journeys, yet we maintain a robust offering of workshops tailored to address the needs of adults, seniors, and retirees.

**In 2024, the program reached more than 10,000 participants.**

The program continues to foster meaningful connections and long-term engagement from participants, with many returning for additional workshops.

Led by our **network of volunteer employees** who serve as educators, the workshops were held in 48 of the 78 municipalities in Puerto Rico, as well as in several locations in the mainland U.S. and the Virgin Islands.



Finanzas en Tus Manos network of volunteer employees training.

**We are proud to have developed and published our Educator’s Guide, which was created to assist K-12 teachers in integrating financial education into the classroom. This resource provides educators with essential tools and guidance to effectively teach financial literacy, empowering students of all ages with the knowledge and skills necessary to manage their finances.**



## Supporting Entrepreneurship

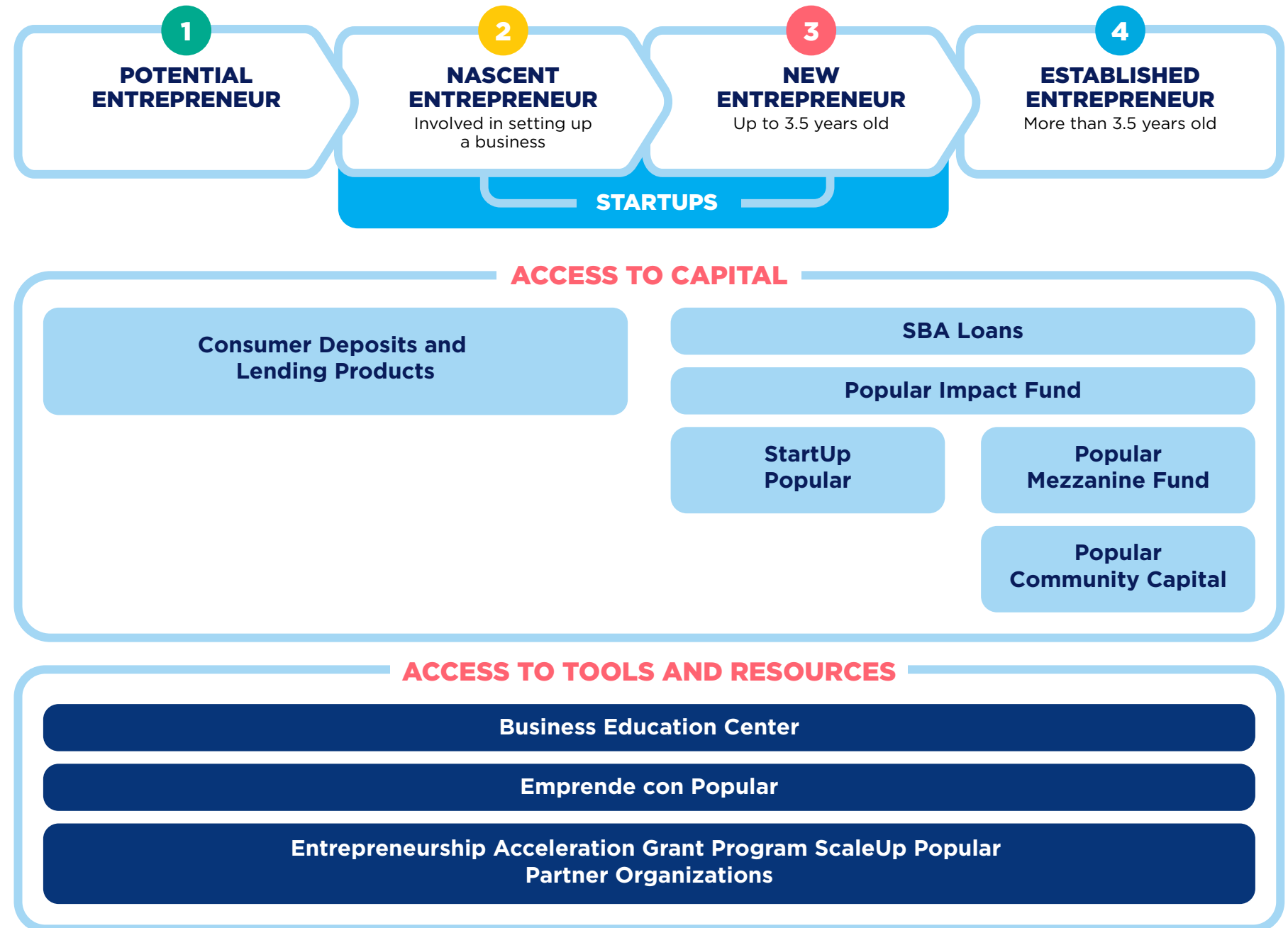
### Our Commitment to Our People

At Popular, we recognize the crucial role entrepreneurship plays in driving economic growth, job creation, and community development. Through our products, services, tailored support programs, and strategic partnerships, we provide entrepreneurs with the resources and opportunities to help them build, scale, and sustain successful businesses of all sizes.

### Understanding the Local Entrepreneurial Ecosystem

To effectively support Puerto Rico's entrepreneurial community and accurately address its needs, we need a deeper, comprehensive understanding of the challenges and opportunities local businesses face. To bridge the gap in the available data, Popular has funded Puerto Rico's participation and supported the University of Puerto Rico's leadership of the **Global Entrepreneurship Monitor (GEM)**<sup>2</sup> study since 2021. This study gathers valuable insights and comprehensive data on the local entrepreneurship ecosystem through surveys conducted with local residents and industry experts. The study and its results have played a crucial role in guiding our strategy and support of entrepreneurs, enabling us to prioritize facilitating access to (i) capital and (ii) tools and resources.

## POPULAR'S ENTREPRENEURSHIP SUPPORT



<sup>2</sup> For more information about the Global Entrepreneurship Monitor, visit [www.gemconsortium.org](http://www.gemconsortium.org)

## Access to Capital

As identified in the Global Entrepreneurship Monitor study, access to capital is a major area of opportunity for catalyzing entrepreneurial activity in Puerto Rico, especially for startups and businesses in the early stages of development. In response, Popular offers and has developed targeted solutions to help entrepreneurs of all sizes secure the necessary financing to launch and scale their businesses.

### SMALL BUSINESS ADMINISTRATION (“SBA”) LOANS

**\$70.3 MILLION IN 456 SBA LOANS IN 2024<sup>3</sup>**

### STARTUP POPULAR

StartUp Popular is a unique program that helps support new businesses that have been operating for two years or less through three main components:

- ▶ **Financial Impact:** Offering financing for businesses, including loans up to \$50,000 with attractive terms and conditions
- ▶ **Mentorship:** Providing business coaching to entrepreneurs on topics such as social media management, marketing, finance, and human resources
- ▶ **Networking:** Connecting entrepreneurs with potential colleagues, mentors, and business opportunities

**OVER \$1 MILLION IN 29 LOANS IN 2024**

### Tropical Vices

Tropical Vices, a Puerto Rico-based business that specializes in promoting **self-love through jewelry**, participated in StartUp Popular. With our funding, they were able to purchase equipment to accelerate production, furnish their workspace, and expand their inventory. Through business coaching and networking, they established sophisticated processes and developed growth strategies for the company.

### POPULAR IMPACT FUND

Aware of a rising need for capital in Puerto Rico’s startup ecosystem, in 2022, Popular launched the Popular Impact Fund with an **initial allocation of \$15 million**. This first-of-its-kind fund in Puerto Rico seeks to support companies that (i) develop strategic technologies for the financial services sector; or (ii) generate a positive impact in our communities. We proudly invest capital and other non-financial resources in companies that are actively seeking and creating solutions to some of today’s most pressing social and environmental challenges. By December 2024, the Popular Impact Fund had allocated **\$9.3 million across 12 companies and 2 technology funds**.

### Ecolectro

Ecolectro, founded in 2015 by Isabela native Gabriel Rodríguez Calero, aims to make **hydrogen production** more affordable, accessible, and sustainable by eliminating the reliance on costly materials and harmful chemicals. Its **patented electrolyzers** achieve over 70% efficiency by using eco-friendly, recyclable materials, which significantly reduces production costs. Ecolectro is positioned to play a crucial role in the transition to a clean energy future.

### MBQ Pharma

MBQ Pharma, a clinical-stage biopharmaceutical company based in Puerto Rico, focuses on developing **innovative treatments for high unmet medical needs**, such as cancer, autoimmune diseases, and chronic fibrotic syndromes. Its lead compound, MBQ-167, is a **first-in-class dual inhibitor** that targets key drivers of cancer metastasis and resistance to treatment. MBQ Pharma is the first local company to receive FDA approval for Phase 1 clinical trials.

### POPULAR COMMUNITY CAPITAL

Popular Community Capital, LLC (Popular Community Capital) is a Banco Popular de Puerto Rico subsidiary, created and certified in 2015 as a Community Development Entity by the U.S. Treasury Department’s Community Development Financial Institutions Fund (CDFI Fund). Its mission is to **provide capital with flexible rates and terms** to businesses or projects located in, or that will directly benefit, **low-income communities**, primarily in areas where Popular has a presence.

The **New Markets Tax Credit Program** has allowed Popular Community Capital to finance projects and companies that face a financing gap, limited access to market-rate capital, or have exhausted other sources of subsidy. In 2024, it received a **\$40 million allocation** from the CDFI Fund, aiming to support low-income communities in Puerto Rico, Florida, New York, and the U.S. Virgin Islands by addressing high poverty rates, a lack of quality jobs, poor healthcare access, and youth service needs.

This is Popular Community Capital’s third New Markets Tax Credit allocation, totaling **\$160 million since 2015**. So far, Popular Community Capital has **supported 25 projects** with a total investment of **\$330 million**, resulting in over **1,120 jobs created** in distressed communities.

### POPULAR MEZZANINE FUND

The Popular Mezzanine Fund is a public welfare investment fund created pursuant to the provisions of the Puerto Rico Private Equity Funds Act. The fund contributes to the economic development of Puerto Rico and aims to **facilitate job creation** by, among other things, financing and investing in eligible businesses and development projects with limited or no access to traditional senior bank financing. At the core of the Popular Mezzanine Fund’s mandate is to help meet the credit needs of local businesses, enabling Popular to offer a variety of funding structures to support projects that have an impact on low-and moderate-income neighborhoods.

<sup>3</sup> Fiscal Year ending 9/30/2024.

## Access to Tools and Resources

Popular is equally committed to facilitating and creating access to tools and resources for entrepreneurs. Providing access to educational tools, networking opportunities, coaching, and other resources can be crucial for businesses that may lack the expertise, access, or financial means to obtain these diverse forms of support, which can have a meaningful impact on their success.

## EMPRENDE CON POPULAR

In 2024, we proudly launched **Emprende con Popular**, a comprehensive online resource platform, designed to compile and help entrepreneurs find the products, services, and resources to drive business growth at all stages of the entrepreneurial journey – from aspiring individuals exploring their first business idea to already-established business owners looking to scale.

The platform guides users through a robust directory of solutions available at Popular, connects them with our broad network of partner organizations dedicated to entrepreneurship, and offers a detailed guide to starting and managing a business successfully. This guide covers key topics, such as business planning, legal structures, operational requirements in Puerto Rico, taxes, financing options, and more.

## ECHAR PA' LANTE

Committed to addressing the main gaps in Puerto Rico's entrepreneurial ecosystem, in 2012, Popular created Echar Pa' Lante to build an actively collaborative community and foster an environment of learning and development for local entrepreneurs. This year, we transformed the initiative into a **separate non-profit organization**, providing seed investment to allow the new, independent entity to evolve further and broaden its impact. Echar Pa' Lante's mission is to integrate multisectoral efforts to accelerate a culture of globally competitive entrepreneurship, innovation, resilience, and sustainability, thereby **propelling prosperity** in Puerto Rico. The result of creating the new entity has been an even more effective multisector alliance, which

has become a driving force able to build programs that stimulate entrepreneurship and innovation at the school, college, and community levels.

## ENTREPRENEURSHIP ACCELERATION GRANT PROGRAM

The Entrepreneurship Acceleration Grant Program provides funding to non-profit organizations focused on assisting business owners at different stages of the business life cycle through the program's two components:

- ▶ **ScaleUp Popular:** Supports organizations that target established businesses with 3.5 years of operation or more, that are financially stable, and ready to scale their operations.
- ▶ **Pre-acceleration:** Funds organizations that tend to new businesses with less than 3.5 years of operation, which have different needs of education and coaching than ScaleUp participants.

In addition to funding non-profit organizations, the program accelerates entrepreneurship through:

- ▶ Facilitating seed capital to partner organizations so that they can direct it to participating entrepreneurs.
- ▶ Promoting community building among program partners.
- ▶ Integrating our business lines with the entrepreneurship programs.
- ▶ Measuring the long-term impact of the program through robust and common key performance indicators.

In 2024, the program awarded **\$1.3 million** in grants to **11 partner organizations** and over **\$300,000** in seed capital, generating a positive impact on **430 businesses** across Puerto Rico.



## PIKETÚ

Piketú, founded by Mizael Sánchez Mercado, is a Puerto Rican company revolutionizing hot sauces with natural, preservative-free ingredients sourced locally. The company began its operations in a home kitchen, selling its products in urban markets. Today, it is preparing to relocate to a new facility, with its products now available online and in well-known local stores.

Thanks to ScaleUp Popular, Picketú has received strategic support, expert advice, and made valuable connections to enhance its business. As recipient of the ScaleUp award at **EnterPRize 2023**, Picketú was awarded **\$20,000 in seed capital**, which enabled the company to cover operational expenses and register its brand.

“Success in business goes beyond profits; it’s about **relationships** and the **support** we receive. ScaleUp Popular has been key in taking Picketú to the next level.”

Mizael Sánchez Mercado, Founder of Picketú



## ASOCIACIÓN PESQUERA DE CULEBRA

Currently, Puerto Rico imports most of its food, a challenge that becomes even more dire and pressing for Culebra, a small outlying island in the archipelago, which must transport a portion of these imports by boat. This dependence not only makes food inaccessibly expensive but also threatens **food security**, leaving the local community vulnerable to **supply chain disruptions**, especially in the face of extreme climatic events. To help strengthen local production, economic resilience, and food accessibility, Popular has funded the Asociación Pesquera de Culebra and, through it, the development of Culebra's fishing industry.

Through our support and close relationship with the local leadership, Villa Pesquera has become a space for **community development**, **education** about marine careers and environmental protection, and **entrepreneurship**. We have helped equip fishermen with the necessary tools to ensure compliance with local regulations while also fostering a cooperative model that promotes fair pricing, keeps seafood affordable for the community and secures more stable incomes for the

local fishermen. Additionally, our funding has allowed the installation of five **Fish Aggregating Devices (FADs)**, which attract pelagic fish to specific areas, making the catch more efficient while reducing the environmental impact of extensive fishing. Safety has also been a priority, with investments in security equipment that protect fishermen at sea and alert the Coast Guard in case of emergencies.

Our investment in the Asociación Pesquera de Culebra is not just about infrastructure – it is about creating **lasting opportunities** and promoting **economic sustainability**.

By empowering local fishermen with the equipment, resources, and knowledge necessary, Popular is promoting the transformation of fishing in Culebra into a self-sustaining, small-scale industry that supports both entrepreneurs and the wider community.

Asociación Pesquera de Culebra encourages the **responsible fishing** of healthy, underutilized species, increasing food diversity and resilience while protecting the marine ecosystem.

- ▶ Common octopus (*O. vulgaris*)
- ▶ Queen triggerfish (*B. vetula*)
- ▶ Red lionfish (*P. volitans*)
- ▶ Wahoo (*A. solandri*)
- ▶ White grunt (*H. plumieri*)
- ▶ Mahi-mahi (*C. hippurus*)
- ▶ Queen snapper (*E. oculatus*)
- ▶ Mackerel (*S. caballa*)
- ▶ Pluma porgy (*C. pennatula*)
- ▶ Diamond squid (*T. rhombus*)


# OUR PEOPLE


## Our Milestones

### Talent Development and Culture

**CONTINUED EMBEDDING  
"PUTTING PEOPLE AT THE CENTER OF PROGRESS."**

Launched the **EXECUTIVE DEVELOPMENT PROGRAM** based on the new cultural framework.

  
Integrated **VALUES AND BEHAVIORS** into the performance management process.

  
Engaged with **303 PARTICIPANTS** in our ACCELERATED DEVELOPMENT PROGRAMS and other initiatives, encouraging continued learning and providing opportunities for upskilling.

Invested **\$13.7 MILLION** through MERIT SALARY INCREASES to reward **7,612 EMPLOYEES** for their performance.

**18%↑** unique patients at our ON-SITE HEALTH AND WELLNESS CENTER  
**40.5%↑** in blood donation participation

Harnessing our talent by providing resources TO ALL EMPLOYEES, such as **LINKEDIN LEARNING AND GOFLUENT.**

**44%** (8%↑ vs. 2023) **INTERNAL MOBILITY** RATE FOR ALL HIRING ACTIONS

MAINTAINED A STABLE **TURNOVER RATE AT 8.6%.**

### Employee Wellness and Engagement

Enhanced the **savings and investment** plans to support retirement savings by enabling earlier eligibility and increasing automatic enrollment rates. **Participation remains strong at 98%.**

**18%↑** unique patients at our ON-SITE HEALTH AND WELLNESS CENTER  
**40.5%↑** in blood donation participation

MAINTAINED A STABLE **TURNOVER RATE AT 8.6%.**

## Our Workforce Profile

### 9,405 INDIVIDUALS<sup>4</sup>

- ▶ 8,392 in Puerto Rico
- ▶ 801 in the Continental United States
- ▶ 164 in the U.S. and British Virgin Islands (VI)
- ▶ 48 in Latin America

#### Gender Distribution

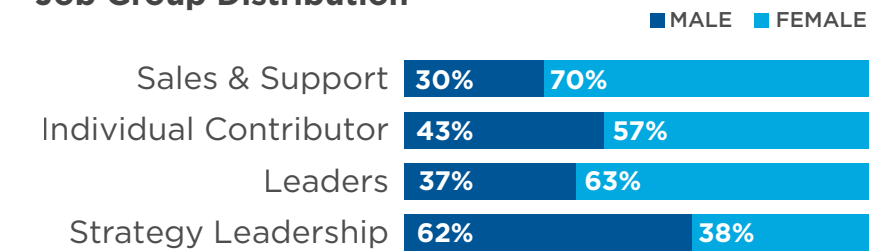
**64.4% FEMALE**      **35.6% MALE**



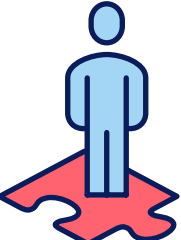
#### Employee Type Distribution

**94.8% FULL-TIME**      **4.9% PART-TIME**      **0.3% SEASONAL**

#### Job Group Distribution



#### Average Employee at Popular

 **AGE: 41.6 YEARS**  
**TENURE: 11.1 YEARS**  
**TIME IN CURRENT POSITION: 4.6 YEARS**

<sup>4</sup> As of December 31<sup>st</sup>, 2024

# Talent Development and Culture

## Transforming Our Culture

In 2024, we focused on embedding the renewed corporate purpose of **“Putting People at the Center of Progress”** and our cultural framework’s **values and behaviors** into our procedures, systems, and employee experience.

### OUR VALUES



#### Passion for People

Means creating the best experience and entrusting our colleagues to do the same. We use our passion to set us apart and guide the way we serve customers and communities.



#### Own Every Moment

Means always being proactive, empowered, and prepared. We are accountable for our actions which is important when delivering excellence with integrity.



#### Succeed Together

Means being one team, made stronger by diverse perspectives. We value and develop meaningful relationships, communicating and collaborating to inspire each other towards a common goal.



#### Build the Future

Means looking ahead with optimism and purpose. We drive change, innovate, and overcome challenges to create a better tomorrow.

To drive meaningful **cultural transformation**, Popular implemented new initiatives designed to equip employees at all levels and regions with the knowledge, tools, and mindset needed to embrace and sustain this change.

These initiatives include the following:

### TARGETED CHANGE MANAGEMENT SESSIONS ON CULTURAL TRANSFORMATION

This year, we expanded our efforts and conducted targeted change management sessions with leadership in the mainland U.S., Virgin Islands, and Latin American regions to assess the current state of our cultural transformation, identify their specific needs, and gather ideas to enhance engagement.

### INTEGRATING VALUES INTO PERFORMANCE MANAGEMENT

To embed our new culture framework into our processes, we integrated values and behaviors into the performance management process. Along with individual and team goals, employees will be evaluated by how well they model our behaviors. Managers and supervisors were equipped with tools to support them with the changes and are encouraged to complete a mid-year self-assessment on how they integrated the new values and behaviors into their roles and objectives.

### DRIVING CHANGE THROUGH CULTURE CHAMPIONS

Our Culture Champions Network serves as the driving force behind our cultural transformation. Acting as ambassadors, they foster employee engagement with our purpose, strengthen our collective commitment to our new core values, and inspire employees at all levels of the organization to embrace the change. Throughout the year, they gathered to share insights about our progress, strategize on initiatives, and learn about the people side of change management.

### RECOGNIZING BEHAVIORS THROUGH OUR CULTURE BADGES

Popular rolled out new **Culture Badges**. These allow our employees to thank, congratulate, or recognize their colleagues for exemplifying our core values, serving as a simple, yet meaningful way to reinforce positive behaviors and adoption of the cultural framework. The badges are awarded through our internal channels, making the recognition visible to the employee’s manager and the organization at large. So far, a total of **23,305 badges have been awarded**, showcasing strong enthusiasm and engagement across teams.

### PROMOTING INCLUSION THROUGH CULTURE

Our value **Succeeding Together** means being one team, made stronger by diverse perspectives. Our Employee Resource Groups (ERGs), open to all employees, embody this value, building meaningful relationships through open communication and collaboration to inspire each other toward a common goal. We have five ERGs:

- ▶ **Popular NoW**  
(Network of Women) in Puerto Rico
- ▶ **Popular PoW**  
(Power of Women) in mainland U.S.
- ▶ **Popular Pride**
- ▶ **Popular Embrace**  
(Functional Diversity Awareness)
- ▶ **Popular B+AAP**  
(Black and African American Professionals)



## Building Tomorrow's Workforce

At Popular, we are deeply committed to investing in and developing young talent through our wide-ranging student programs and strategic event sponsorships. With many students and young professionals leaving Puerto Rico in search of better opportunities, we strive to **create meaningful career paths** that encourage them to stay and build their futures on the island. Given that **retaining local talent** is essential in strengthening and **securing a more prosperous future** for the local economy, this is a crucial goal.

### STUDENTS AT POPULAR

In 2024, we successfully recruited a total of **137 students** to our variety of student programs. These programs invite college students at various stages of their education to immerse themselves in **real-world banking experiences**. Interns are entrusted with meaningful projects, developing critical skills in analytics, strategy, and leadership, while exploring future career opportunities within Popular. We believe that, by fostering these relationships and providing students with valuable growth opportunities, we **empower students** to contribute to the growth of a stronger, more **skilled workforce**.

#### 137 TOTAL STUDENTS

- 65 STUDENTS PARTICIPATED IN OUR SUMMER INTERNSHIPS
- 58 STUDENTS PARTICIPATED IN OUR SEMESTER INTERNSHIPS
- 14 STUDENTS COMPLETED THEIR COLLEGE PRACTICES



### Summer Internships

We offer the following Summer Internship programs:

- ▶ **Data Analytics:** Students process, validate, and visualize data to solve business problems. They participate in workshops, coaching sessions and complete a project, where they can put their analytical skills into practice.
- ▶ **Process Improvement:** Using methodologies such as Lean Six Sigma, students analyze, optimize, and improve the efficiency of business processes, working on real projects to implement solutions that optimize workflows, and reduce operational costs.
- ▶ **Technology and Innovation:** Students assist in software development, coding, and utilize tools to create innovative solutions.
- ▶ **Business and Corporate Functions:** Students engage in key areas of the business and support units, contributing to the organization's strategy, efficiency, and profitability through practical work experiences.



- ▶ **Hackathons:** Popular, in collaboration with Microsoft Puerto Rico, launched a summer internship for college students aimed at providing participants with knowledge and tools to develop solutions using generative artificial intelligence.



## Accelerating Learning and Development Opportunities

Popular is steadfast in empowering its employees to advance their careers and invest in their self-improvement, while driving better business outcomes and customer satisfaction.

### ACCELERATED LEARNING PROGRAMS

Our Accelerated Learning Programs are designed to help all regular employees, including full and part-time, **develop new skills and broaden their career opportunities** within the organization, while addressing the Corporation's specific needs. We equip our employees to meet both personal and organizational goals. The Accelerated Learning Programs focus on the following areas:

- ▶ **Agile Track:** Improve our ways of working, foster a desired culture, and deliver the best employee experience.
- ▶ **Tech Track:** Modernize our technology to enable greater agility, innovation, and best-in-class performance.
- ▶ **Data, Human-Centered Design, and Product Tracks:** Enhance value to our customers' lives through personalized, data-driven, seamless experiences.
- ▶ **Efficiency Track:** Concentrate on strongest opportunity areas to achieve sustainable and profitable growth.



### MANAGEMENT DEVELOPMENT PROGRAMS

#### Associate Trainee Rotational Program

The Associate Trainee Rotational Program is a 3-year leadership development program designed to cultivate high-potential, recent college graduates into future leaders of the organization. Participants complete 3 year-long rotations across key functions, acquiring skills and gaining hands-on experience in strategic projects, operations, and business lines. They receive close mentorship from their managers and follow a structured learning path, catered to their career track. As a key investment in young talent, the program provides a strong foundation for long-term career growth and leadership within the organization.

#### Branch Management Trainee Program

With a focus on internal candidates, the Branch Management Trainee Program is designed for those who aspire to build a retail branch management career, strengthening the organization's leadership pipeline. Within a 12-month period, participants complete different job rotations and receive training to gain the knowledge and experience necessary to perform supervisory roles in our branches.



#### Executive Development Program

In 2024, we kicked off the Executive Development Program, a custom designed program for Popular's Group and Division Managers (Leadership Council), based on our new culture framework (Purpose, Values and Behaviors). It is focused on providing the skills necessary for our executive leaders to fully live and model these behaviors in our organizations.

#### Coaching Executives to Excel

Our Executive Coaching Program continued to support the development of our leaders, providing them with the guidance and skills needed to excel. These efforts have been pivotal in maintaining a strong leadership team capable of driving our organization's success.



## LEARNING FOR ALL AT POPULAR

Our corporate learning initiatives in 2024 focused on linking more employees to learning resources, integrating our new culture, and ensuring our employees have **equal access to our learning resources**.

With a total **learning investment of \$2.3 million**, we prioritized our employees in the pursuit of growth.

### Celebrating Education on Learning Day!

This year, we celebrated Learning Day for the first time, encouraging our employees to take the time to learn something new. We engaged with over **2,850 employees** to highlight the available learning resources, which increased user activity significantly compared to the same period in 2023.

### Providing On-Demand Learning Through LinkedIn Learning Platform

The LinkedIn Learning Platform has proven an essential tool in facilitating **flexible upskilling** for our employees. The platform's capabilities allow employees to start and advance their **self-development journeys** in their areas of interest, at their own pace, and within their busy schedules, creating individualized training plans for participants.

**OVER 800 NEW EMPLOYEES ACTIVATED THEIR ACCOUNTS**

**BRINGING THE TOTAL TO 6,544 INTERNAL USERS IN 2024**

Over **2,370 employees** have set a **Career Goal**, a feature which allows employees to explore and navigate career paths by personalizing the learner experience. Since it launched in 2023, employees have completed over **300,000 videos** towards that goal.

### Language Academy

To help employees enhance their language skills, we offer a personal learning program with **goFLUENT Language Learning**, including on-demand assessments, virtual classes, and extensive business language resources. This year, we reached

**46% OF EMPLOYEES WITH THEIR GOFLUENT ACCOUNTS ACTIVATED**

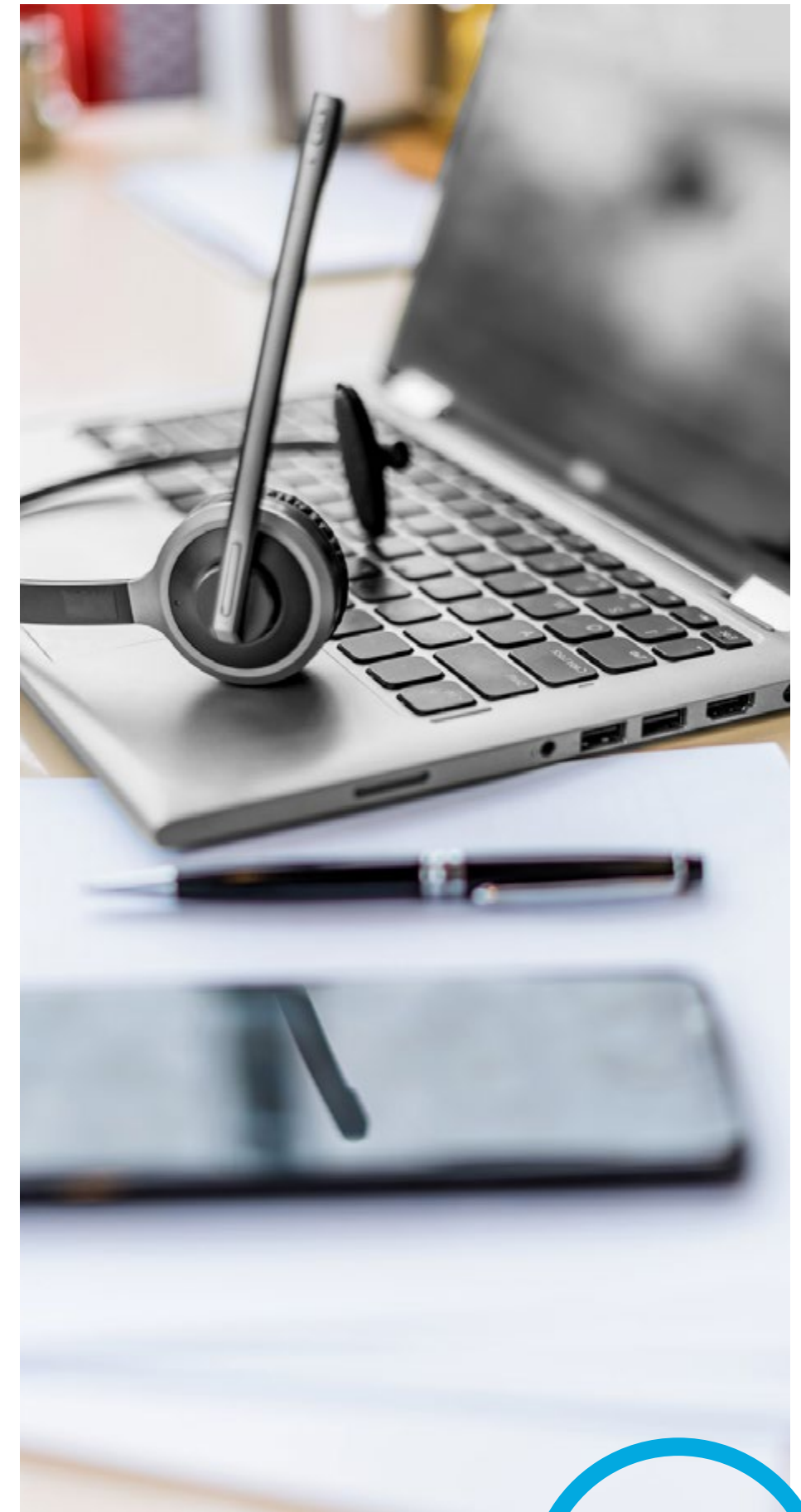
**OVER 700 VOLUNTARILY TAKING A LANGUAGE PROFICIENCY TEST**

As compared to 2023, **38% more activities** were completed on the platform, indicating increased engagement, interest in language proficiency learning, and platform adoption among our employees.

### Becoming More Efficient with Regulatory and Compliance Training

Following each regulatory and compliance training session, we request participants to complete a survey in order to collect feedback. This feedback is then utilized to implement improvements and enhance the quality of our programs.

In 2024, we redesigned our regulatory and compliance training by applying new design practices, which **saved 96 minutes in training** without sacrificing training efficiency. This initiative was successful with **86% of employees surveyed** stating they believe they are prepared to implement the knowledge gained in the training.



## Our Partnerships and Collaborations

Our partnerships and collaborations highlight our deep-rooted commitment to education and professional development, providing valuable resources and opportunities to employees and non-employees. These initiatives not only bolster our organization's growth but also promote long-term prosperity in the communities we serve.

### TECH-RESKILLING PROGRAM WITH HOLBERTON CODING SCHOOL

Our tech-reskilling internal mobility initiative in partnership with the Holberton Coding School enables our employees to transition into technology roles within the organization. A year into the partnership, participants successfully finished the program and secured positions as Automation Engineer Associates within the Technology Services Division. This achievement showcases the program's effectiveness and reaffirms our commitment to investing in in-house talent and providing career growth opportunities for our people.



### THE PROCESS EXCELLENCE ACCELERATED PROGRAM WITH THE UNIVERSITY OF MICHIGAN

Aimed at delivering **Lean Six Sigma Green Belt** and **Black Belt training and certifications** in process improvement to selected employees, this partnership has enabled us to certify over **30 employees** as Lean Six Sigma practitioners by December 2024.

### SALESFORCE ACCELERATED PROGRAM WITH IRONHACK

This initiative designed for applicants with programming experience offered a 12-week bootcamp program to work on a hands-on project and a comprehensive introduction to Salesforce, a customer relationship management cloud-based platform.

### GUIDING YOUTH AROUND CAREER OPPORTUNITIES AT FUTURO CONPR EVENT

In 2024, we proudly sponsored the Futuro ConPR event, an initiative created by the organization ConPRmetidos in collaboration with the Puerto Rico Department of Economic Development, that guides, educates, and inspires young people about **current and future career opportunities** on the island. The initiative facilitates access to the information and tools necessary for students to further their academic and professional journeys, aiming to contribute to the island's economic development and expansion.

### FUTURE BANKERS ACADEMY

Our South Florida region hosted a 2-week Future Bankers Academy in collaboration with the **Center for Financial Training**, aimed at nurturing the next generation of banking professionals. By investing in the education and growth of future bankers, we are not only ensuring a robust talent pipeline but also fostering a culture of continuous learning and development within the industry.

### PROMOTING COLLABORATION ACROSS SECTORS TO EQUIP INDIVIDUALS IN 21<sup>ST</sup> CENTURY SKILLS

We joined a strategic session held by the Puerto Rico Department of Economic Development's 21<sup>st</sup> Century Techforce initiative, where we discussed how non-profits, academia, government, and the private sector can collaborate to train individuals with 21<sup>st</sup> century skills and assist young generations in planning their career paths.

### Internal Mobility

As part of our ongoing commitment to career development, we prioritize filling available positions within the Corporation by offering opportunities to our current employees. This focus resulted in a significant increase in our internal mobility rate, which rose from 36% in 2023 to **44%** in 2024, marking the steepest rise in the last five years. In total, we achieved **873 internal movements**, surpassing the 630 internal movements in 2023.

- PR: 46%** (8%↑ vs. 2023)
- U.S.: 33%** (8%↑ vs. 2023)
- VI: 27%** (15%↑ vs. 2023)

## Recognizing and Rewarding Excellence

At Popular, we recognize and reward our employees' hard work and excellence. Our compensation programs and performance management cycle are designed to ensure that employees are valued for their contributions and incentivized to drive continued success.

### COMPENSATION INVESTMENTS

#### Merit Increase

In 2024, the organization awarded **\$13.7 million to 7,612 employees** through our merit increase process, aimed to recognize and reward performance and achievements.

#### Annual Incentive Payout

In 2024, **3,587 employees** received a total payout of **\$40.9 million** to reward employees for their performance during the previous year.

#### Non-Executive Equity Incentive Program

Designed to motivate and retain the organization's key, critical, and High Potential (HiPo) talent in the leader and individual contributor job groups, selected employees were awarded **10% to 15% of their salary** through time-vested restricted shares of common stock. In 2024, the program benefited **218 recipients** with a total investment of **\$3.7 million**.

#### Performance Management Cycle

The performance management cycle is designed to recognize, reinforce, and reward actions that lead to desired outcomes throughout the year. It invites employees and their leaders to **collaborate in goal setting and progress** for the year, allowing for structured career development conversations. In 2024, 99.16% of our employees received a performance appraisal.

This year, in line with our commitment to reward behavior that aligns to our institutional values, we also replaced the evaluation of an employee's organizational competencies to behaviors linked with our values.

## Employee Wellness and Engagement

### Measuring the Employee Experience

Throughout the year, we engage with our employees through various initiatives and surveys to gauge their experience and ensure everyone is heard. With a **record participation rate of 73%** in the Annual Engagement and Experience Survey, **81%** of employees recommended Popular as a **great place to work**, comparing favorably against the global financial industry and Fortune 500 benchmarks. The strong participation rate underscores our employees' trust and commitment to driving continuous improvement at Popular.

Furthermore, this year, we continued developing tailored plans in collaboration with the division managers of those divisions with lower experience scores. These plans aim to address specific challenges and foster a more engaged workforce and better work experience within these teams.

### Employee Wellness

Popular is committed to supporting our employees' physical and mental well-being through our range of health and wellness initiatives. We believe that a healthy, engaged workforce is key to our long-term success and in fostering a positive work environment.

### FINANCIAL WELL-BEING

To prepare for a secure financial future, Popular offers employees a **401(k) savings and investment plan** accompanied by educational initiatives tied to personal finance. We match **\$0.50 for every dollar** contributed to their 401(k) account, up to 8% of their salary, totaling a **\$21.4 million match** in 2024.

This year, we implemented changes to the plans to help participants save sooner through earlier eligibility and save more by increasing automatic enrollment rates and annual payroll contribution rates.



### ON-SITE HEALTH AND WELLNESS CENTER

Each year, thousands of employees in Puerto Rico and the Virgin Islands receive medical consultations, annual preventive exams, nutritional assessments, and psychological support at the On-Site Health and Wellness Center. In 2024, the on-site facility provided care to **6,820 patients**, including employees, dependents, and retirees, marking an **18% increase** compared to 2023, and recorded **14,626 total visits**. There were also **3,465 annual preventive exams** conducted at the On-Site Health and Wellness Center, reflecting an **8% rise** from the previous year.

METRIC	2024
Patients	6,820
Total Visits	14,626
Annual Preventive Exams	3,465

Additionally, to reach our employees outside the metropolitan region in Puerto Rico, we continued the **Wellness on Wheels** program, hosting **33 visits** and engaging **542 participants**.





### BLOOD DONATION CAMPAIGN

Launched with the aim of contributing to community health, the blood donation campaign exceeded our expectations. We achieved an impressive participation:

**330 DONORS**  
(40.5%↑ VS. 2023)

**563 PATIENTS**  
IMPACTED

### MENTAL HEALTH

We recognize that mental health is crucial to overall well-being and success. Our commitment focuses on constructing an environment where employees are valued and cared for and providing psychological support programs and targeted initiatives throughout the year to enhance our dedication to emotional wellness.

#### Employee Assistance Program

The Employee Assistance Program offers **professional psychological support** to employees and their eligible family members across Puerto Rico, the Virgin Islands, Latin America, and the mainland United States and ensures that they have access to eight free sessions per year. These confidential services are intended to address both personal and work-related challenges.

In 2024, we improved access to mental health care by enabling **online booking** for psychological consultations and organizing over 50 sessions with professionals across Popular's regions, providing valuable mental health information and guidance.

#### Popular Wellness Reminder Hour Mental Health Campaign

In October 2024, we successfully initiated the Popular Wellness Reminder Hour, designed to motivate employees to allocate intentional periods within their daily schedule to **focus on their emotional well-being**. As part of the campaign, we published videos in collaboration with renowned influencers in the areas of psychiatry, wellness coaching, and culinary medicine.

There was also a special year-long initiative focused on **sleep hygiene**, particularly the importance of a good night's rest and its effect on our health and well-being.

### HEALTH AND PHARMACY INSURANCE

The health and pharmacy plans include an extensive variety of providers and services, offering coverage to employees, spouses, dependents, domestic partners, and retirees. Colleagues who complete their Annual Preventative Exam are eligible for a **discount on their contribution**.

Employees that chose to enroll in our health and pharmacy plans in 2024:

- 95% IN PUERTO RICO**
- 97% IN THE VIRGIN ISLANDS**
- 75% IN THE UNITED STATES**

### FITNESS AND SPORTS PROGRAMS

Our Fitness and Sports Programs provide employees with opportunities to prioritize their health, sustain a balanced lifestyle, and connect with colleagues, helping them fit these activities into their busy schedules. In 2024, we received over **30,000 overall gym visits** and expanded our fitness program to add **new fitness classes**, reaching more employees and catering to diverse interests and schedules.

We actively promote employee engagement through sports as well, with 698 employees participating in our sports leagues in 2024.

- ▶ Bowling
- ▶ Volleyball
- ▶ Running
- ▶ Soccer
- ▶ Basketball
- ▶ Softball



**TIME OFF**

Paid time off is essential for the mental health and overall well-being of our colleagues. At Popular, annual leaves encompass time off for vacation, illness, personal matters, community service, new parents, bereavement, and domestic violence, among others that may impact colleagues outside of work.

Our leave and time-off benefits include the following:

- ▶ Vacation Leave
- ▶ Sick Leave
- ▶ Personal Time Off
- ▶ Community Time Off
- ▶ Health and Wellness Day
- ▶ Parental Leave
- ▶ Parental Bonding Time Leave
- ▶ Family and Medical Leave
- ▶ Special Leave for Violence Situations and Other Related Matters
- ▶ Sports Leave
- ▶ Bereavement Leave

**Community Time Off**

Popular is deeply committed to supporting its communities, offering paid time off for all regular employees to provide community service to a non-profit entity or in a community, whether with other colleagues or individually.

Please refer to the [Volunteerism](#) section for more information.

**Special Leave for Violence Situations and Other Related Matters**

Popular supports victims of gender-based violence and provides a **leave of absence** for eligible employees to manage situations related to gender or domestic violence.



**Parental Leave and Bonding Time Leave**

Employees who are pregnant may enjoy a parental leave of **8 weeks with 100% of their salary**. Additionally, all regular employees are eligible to take **8 consecutive weeks with pay as bonding time** and may be taken within the first 3 months after the child's birth. Birth mothers may take the bonding time leave consecutively after their parental leave ends, totaling **16 weeks**.

PARENTAL LEAVE METRICS BY GENDER	2024	2023 <sup>5</sup>
<b>Total number of employees that took parental leave</b>	Women: 116 Men: 79	Women: 141 Men: 73
<b>Total number of employees that returned to work in the reporting period after parental leave ended</b>	Women: 112 Men: 79	Women: 139 Men: 73
<b>Return to work rate and Retention rate<sup>6</sup> of employees that took parental leave</b>	Return to Work Rate Women: 97% Men: 100%  Retention Rate Women: 95% Men: 94%	Return to Work Rate Women: 99% Men: 100%  Retention Rate Women: 88% Men: 97%

<sup>5</sup> Parental Leave data for 2023 is restated. The reporting period applied for the total number of employees that took parental leave and those that returned to work once the parental leave ended was modified to exclude December. This adjustment permits a more accurate comparison in relation to the return to work and retention rate metrics reported.

<sup>6</sup> Employees that were still employed 12 months after their return to work.

## Commitment to Health and Safety at Work

Popular is committed to protecting the health and safety of our people. Our Safety and Health Policy ensures that effective practices and programs are established and sets safety as a responsibility of all employees.

The Corporate Real Estate Division and Our People Division work in collaboration to ensure a safe and healthy working environment for our colleagues through the implementation of robust processes and sound protocols.

The **Corporate Real Estate Division** is tasked with:

- ▶ Providing training on occupational health and safety rules, programs, practices, and requirements;
- ▶ Ensuring compliance with occupational health and safety regulations and related procedures; and
- ▶ Implementing Popular's safety and security programs and protocols.

The **Our People Division** is responsible for managing:

- ▶ Illness and Injury recordkeeping;
- ▶ Worker's compensation cases; and
- ▶ Wellness Programs.

Corporate Real Estate also collaborates with our branches and suppliers to ensure Popular's facilities provide a safe workplace. Corporate Real Estate conducts **site inspections** throughout the year to identify workplace hazards such as slip/fall hazards and property damage. When a potential risk is identified, a resolution plan is promptly implemented to reduce or remove the risk.

Popular actively **promotes employee participation**. Employees are encouraged to promptly report any unsafe or unhealthy workplace conditions through our whistleblowing reporting system, **EthicsPoint**, without fear of retaliation. Additionally, various employee groups such as Floor Wardens, Security Officers, and Health Coordinators actively engage in safety and security matters.



### FLOOR WARDENS

In 2024, we increased the number of **Floor Wardens**, ensuring that each facility in Puerto Rico has at least two colleagues prepared to **assist during an emergency evacuation**. Floor Wardens are periodically trained on how to properly evacuate a building during an emergency and are provided with resources to further educate their floor colleagues on how to respond during emergency situations. **Evacuation drills** are periodically performed as required by the International Fire Code.



### HEALTH COORDINATORS

To further improve the health and safety of our colleagues, Our People Division leads the **Health Coordinators Program**. The Health Coordinators Program consists of employees who **provide first aid care** in their respective work areas and collaborate in our health and well-being initiatives. Employees go through a **five-day first responders training** curriculum preparing them in first aid, cardiopulmonary resuscitation, automatic external defibrillator, and other procedures to assist in case of **medical emergencies**.

The program has been successful and important in maintaining the health and safety of our colleagues in Puerto Rico, leading to its expansion to the Virgin Islands. This year, training was conducted in all local areas of the Virgin Islands, increasing the number of health coordinators and ensuring complete representation across the islands. In Puerto Rico, we continued to focus on training more individuals from specific units that lacked a health coordinator, totaling **407 health coordinators**.



### SECURITY OFFICERS

Additionally, branches have an employee designated as their **Security Officer**. This employee is **trained in several security procedures** including protocols for managing robberies, dealing with aggressive clients, and responding to threatening calls.

Furthermore, all employees are trained on active shooter response, domestic violence at work, and workplace stalking and sexual harassment prevention and reporting. Additional specific programs and training are in place for employees involved in other hazardous activities. These programs include Pandemic Continuity Plan, Hazard Communication Program, Personal Protection Equipment, Powered Industrial Trucks, Aerial Lift, and Bloodborne Pathogens.





## Volunteerism

At Popular, we foster a culture of volunteerism among our employees and encourage them to make a lasting impact in the communities we serve. Beyond places where we do business, these communities are home to our employees and our customers.

Our corporate philanthropic foundations have strong ties with local non-profit organizations allowing them to deeply understand the challenges our communities face and the support that they need. Through these relationships, our corporate foundations play a significant role in identifying opportunities where our colleagues can make a meaningful and lasting impact.

### The Lizzette Reyes Bueiz Employee Programs

For more than 30 years, Lizzette Reyes Bueiz, characterized by her generosity, selflessness, and sincere commitment to serve our communities, represented our purpose of putting people at the center of progress.

Lizzette led the **Voluntary Contribution and Volunteering Programs** starting in 2008. Because of her leadership and unique qualities, she **achieved the highest level of employee volunteering** in Popular.

Though Lizzette is no longer physically with us, **her legacy continues**. In honor of this great colleague, and to celebrate the 45<sup>th</sup> anniversary of the Fundación Banco Popular, in 2024, the Employee Participation Programs were recognized as the Lizzette Reyes Bueiz Employee Programs.



### Voluntary Contribution

A significant way in which Popular colleagues create positive impact in our communities is by making voluntary monetary contributions to our corporate foundations through their **bi-weekly payroll deductions**, both in the mainland U.S. and Puerto Rico. To amplify the impact of our employees' contributions, Popular matches **\$1.50 for every \$1.00 donated** by our colleagues. These contributions go directly to fund grants to non-profit partners in the communities where we live and work. In 2024:

#### FUNDACIÓN BANCO POPULAR

**71% OF EMPLOYEES MADE VOLUNTARY CONTRIBUTIONS**

#### POPULAR FOUNDATION

**69% OF EMPLOYEES MADE VOLUNTARY CONTRIBUTIONS**



## Volunteer Program

Our passion for people drives employee community participation beyond financial contributions. Through the Volunteer Program, our colleagues offer their time, talents, and energy to improve the quality of life of people and causes in need.

### PUERTO RICO

**8 PAID HOURS** provided to volunteer with nonprofit organizations

### MAINLAND U.S.

**16 PAID HOURS** provided to volunteer with nonprofit organizations

We take pride in promoting volunteering opportunities for our colleagues through engaging and interactive strategies.



### Embracing Our Communities Month

During October of each year, Popular leads the *Embracing Our Communities* campaign, a corporation-wide initiative that activates teams across all divisions to engage together in a volunteer experience.

**In 2024, our colleagues from Colombia and Costa Rica joined the initiative.**

### Mi Compromiso Social App

In 2022, we launched an internal application that allows our colleagues to browse through volunteer opportunities, quickly register, and add them to their schedule. Since then, **the number of volunteering opportunities available to our colleagues has grown by 91%.**

To support outreach and engagement, each Division in Popular has an **employee liaison** with our Volunteer Program to identify and involve their teams in volunteering activities. In 2024, our colleagues

Participated in more than **376 VOLUNTEER PROJECTS**

Contributed over **10,785 VOLUNTEER HOURS**

### Liaison Employees

Popular encourages employees to contribute with their time, counsel, and expertise to the development of our corporate foundations' nonprofit partners, specifically those supported with a grant. Each of the corporate foundations, including Fundación Banco Popular and Popular Foundation, secures a liaison employee for each of its nonprofit partners. Liaison employees actively participate in our partner organizations' work by promoting their activities and achievements within Popular, some are part of their Board of Directors, and also support them in the application process for Fundación Banco Popular's and Popular Foundation's Grant Programs.



# INVESTING IN OUR COMMUNITIES

We take pride in being a reliable and proactive partner in support of our communities' social and economic progress. The Social Commitment Division leads Popular's initiatives in corporate philanthropy and social impact, which include both of our Puerto Rico and U.S. corporate foundations.

## Our Corporate Foundations

In 2024, we celebrated Fundación Banco Popular's **45<sup>th</sup> anniversary**, a remarkable trajectory focused on placing communities in Puerto Rico at the center of progress. Such is the mission and legacy of a dream set in motion in **1979** with the creation of Popular's philanthropic arm, which would later extend to our community partners in the U.S. mainland with the establishment of the Popular Foundation in 2004.

As a milestone year for our corporate foundations, we are proud of the great impact accomplished thus far.

The philanthropic work of Fundación Banco Popular is distinguished by investing early and first in **innovative** solutions designed by partner organizations to **promote excellence** in education and community development.



## Fundación Banco Popular

### STRATEGIC GRANTMAKING

The **Social Investment Program** has invested approximately **\$70 million** since 1979 in support of education and community development projects driven by non-profit organizations in Puerto Rico.

In 2024, **74 non-profit organizations** in the focus areas of education, community development and musical talent development received grants. The program made a difference in the lives of over **20,000 participants** who take part in projects run by our partner organizations annually.

### STUDENT SUPPORT

Since 1991, Fundación Banco Popular has invested over **\$8.9 million** supporting students' higher education goals through several initiatives.

#### Rafael Carrión, Jr. Scholarship

A scholarship that helps the children of Popular employees and retirees access opportunities for educational excellence. In 2024, **285 students** received **\$468,750 in scholarships**.

#### Rafael Carrión, Jr. Award for Academic Excellence

Created in partnership with the College Board to distinguish the academic success of students from high schools in Puerto Rico since 2005. In 2024, **102 students** were recognized with this award of **\$1,000**.

#### Endowed Scholarships

A total of **7 endowment scholarship funds** in universities in the U.S. and Puerto Rico.



### DEVELOPING IMPACT ECOSYSTEMS

For more than 25 years, we have been betting on the **transformative power of music**, leading the development of accessible and exceptional programs for Puerto Rican children and youth. Our educational model is unique in Puerto Rico because it outlines a path for a student to **develop throughout their life** — from the first contact with a musical instrument to becoming a professional who lives off music. Additionally, we provide opportunities for access to musical instruments, performance experiences with established artists, business training, and financial assistance to graduates to continue their university studies and record their first musical production.

One of our model's proprietary direct service programs, **Aceleración Musical**, held its **7<sup>th</sup> edition** as a **residential summer internship** for talented students between the ages of 13 and 18. A total of **65 students** participated in the week-long program specializing in performance, music business, entrepreneurship, and technology.

Through the **Revive La Música** initiative, **375 instruments** were donated to **30 public schools and non-profit organizations** with promising music education programs impacting the lives of **5,880 students**.

## MODELS OF EXCELLENCE

Fundación Banco Popular spearheaded the foundation of two independent private institutions that offer accessible schooling of the highest quality, each with a proprietary service model.

### Casa de Niños Popular

In 2016, the Casa de Niños Popular was created as a unique **Montessori educational project** that seeks excellence, the dignified remuneration of its staff and the integration of economically disadvantaged children from neighboring communities.

The objective is to model and transmit knowledge and skills that stimulate the integral formation of the child; and to offer a varied curriculum that enriches the cognitive, linguistic, social-emotional and motor development of the children.

*“My daughter graduated from Casa de Niños in 2024 and is currently thriving in her academic and personal journey thanks to the excellent education she received at the school. Without hesitation I would fully recommend to any Popular employee who has a child to enroll them in Casa de Niños Popular.”*

Francisco Chévere, Popular employee



### Kai Casa de Arte y Tecnología

Since 2022, Fundación Banco Popular continues to support Kai Casa de Arte y Tecnología, a **vocational school for adults and arts program for youth**. Through these programs, Kai intends to create successful academic opportunities and sustainable employment for youth and adults, fostering a sense of commitment and productivity.

### Popular Foundation

With presence in the mainland U.S., Popular Foundation focuses on the areas of education, community economic development, and financial literacy. 2024 marked the 20<sup>th</sup> anniversary of the foundation, which has invested a total of **\$4.8 million since 2004** for the social and economic well-being of the communities it serves.

The Popular Foundation's 2024 key achievements include:

#### **\$410,353 IN GRANTS TO 42 NONPROFIT ORGANIZATIONS**

in Florida, Illinois, Minnesota, New York and New Jersey.

#### **A RECORD NUMBER OF 17 NEW GRANTS WERE APPROVED**

with 2 from Minnesota and the remaining 15 from New York, New Jersey, and Connecticut.

Since 2013, Popular Bank employees have offered **financial literacy skills and their experience** to inspire students participating in regional partner organization Junior Achievement events.





To view the full extent of Fundación's programs and initiatives, access its [Historic Report and Annual Overview 2024](#).



# PROTECT THE ENVIRONMENT

## In this section

- ▶ **Climate Mitigation and Resilience**

  - Sustainable Operations

- ▶ **Risk Management**

  - Business Resilience

  - Climate Risk

- ▶ **Sustainable Finance**

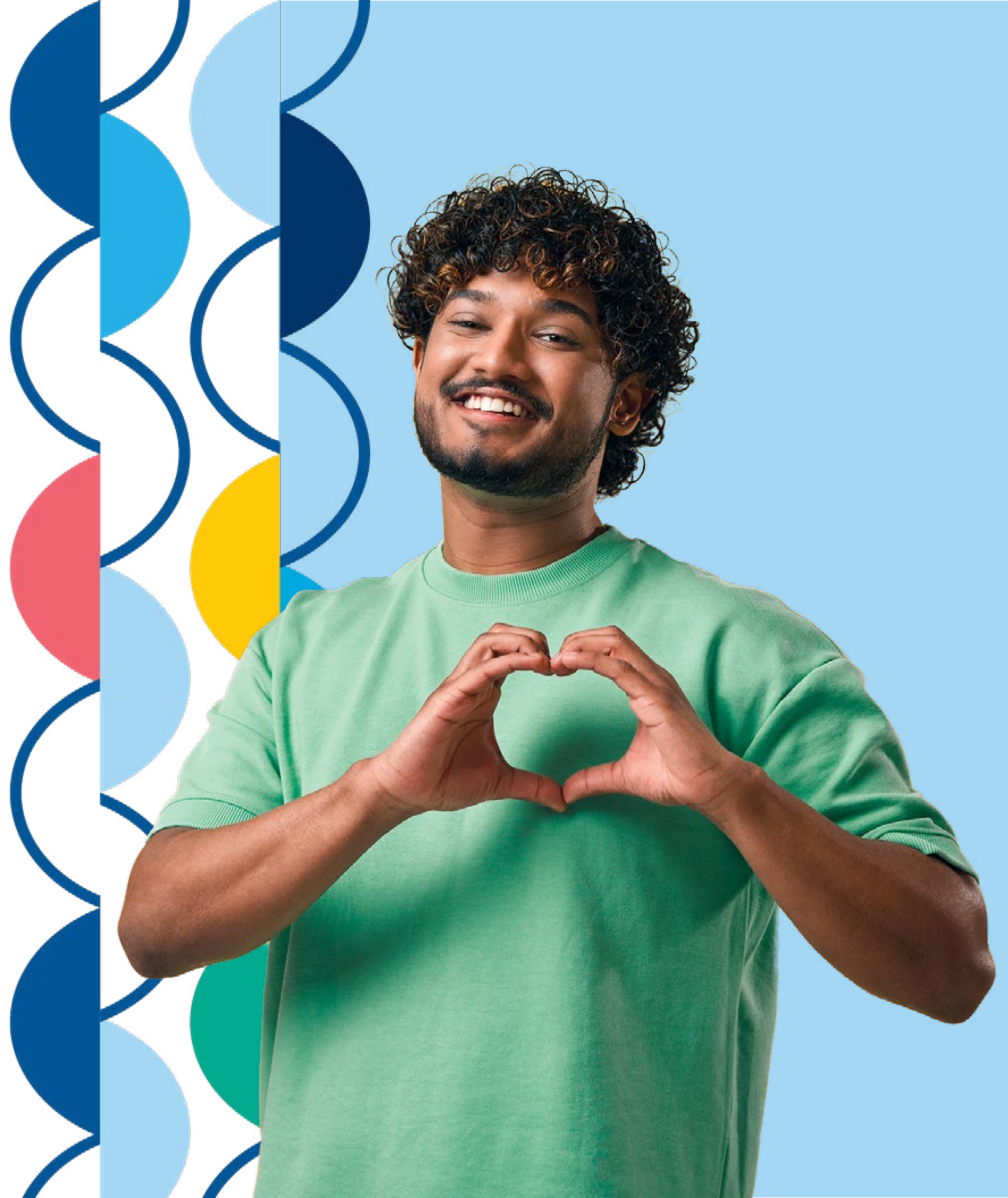
  - Integrating Environmental and Social Considerations in the Commercial Credit Process

  - Environmental Policy

  - Insurance

  - Financing Solutions for a Brighter Future

- ▶ **Bolstering Community Resilience**





As a corporation that operates with a significant physical footprint, we recognize our role in **protecting and adapting our operations** to a changing world. In the 131 years since our foundation, Popular has gained experience facing multiple types of climatic events.

Popular was founded less than two months after a slow-moving category 3 hurricane made landfall in Puerto Rico. Hurricane Roque struck Puerto Rico in 1893 and would be the first natural event to pose a physical risk for Popular. In the face of this challenge, Popular opened its doors, and since then, we have encountered additional hurricanes over the years, some of them including Hugo in 1989, Georges in 1998, Irma and María in 2017, and Fiona in 2022.

These experiences have not only tested our operational capacity but have also **strengthened our commitment to sustainable practices** and to foster resilient communities. By learning from each event, we have developed robust strategies and enhanced our preparedness, ensuring that we continue to serve our stakeholders effectively.

## CLIMATE MITIGATION AND RESILIENCE

### Sustainable Operations

#### Our Environmental Management Strategy

We continue to strengthen our presence and remain mindful of the direct environmental impact of our operations and branch network, ensuring that our facilities and operations provide business continuity, offer a safe working environment, and deliver reliable services when our stakeholders need them most.

Our standards for the construction of new buildings and branch renovations emphasize energy efficiency and reliability, water conservation, and responsible resource management.

We reduce our operational impact with initiatives that include:

- ▶ Transitioning to LED lighting
- ▶ More efficient cooling systems
- ▶ Photovoltaic energy systems
- ▶ Combined Heat and Power (CHP) generation facilities
- ▶ Electric vehicle charging stations
- ▶ Rainwater harvesting systems
- ▶ Waste management and recycling programs



## Energy Management

Direct experience with climatic events has taught us the importance of ensuring reliable and accessible energy. We take pride in being the bank our communities can always count on, even in the most challenging moments.

Prioritizing **on-site energy generation** is a critical component of our environmental management strategy and how we deliver consistent service to our stakeholders.

We continue to make progress in moving towards **cleaner energy sources** and maximize on-site generation installations, as it becomes feasible. As of 2024, 64 branches within our network had **solar roof-top installations**. Six of our corporate buildings also leverage on-site solar generation to support how we power our operations. As we nearly reach the extent of our facilities that can benefit from on-site solar generation, we continue to explore alternatives that drive us towards cleaner and more dependable use of energy sources.

Two of our corporate buildings also source power from the use of **natural gas** through **on-site Combined Heat and Power generation** facilities. Integrating this technology on-site allows us to further away from the dependency on more polluting energy sources and allows us to continue operations when the local electric utility grid faces sudden outages.

## Sustainable Buildings

At Popular, we place careful consideration in the design of our buildings, ensuring that we not only **reduce the environmental impact** of our operations but also **strengthen our climate readiness**. Our approach focuses on increasing cleaner energy sources and energy efficiency, creating healthy work environments that promote innovation and collaboration, and supporting our customers with reliable services.

In 2024, our Corporate Real Estate team continued to focus on prioritizing this mission through several key initiatives.

- ▶ **LED Lamping and Smart Sensors:** We continue to replace traditional lighting with LED lights, which require less energy to provide the same light intensity. In addition, we have installed smart lighting sensors that automatically adjust the light intensity according to the time of day and space needs, ensuring optimal energy.
- ▶ **Priority for Natural Light in the Design of New Spaces:** An element in our strategy is to maximize the use of natural sunlight in designs. By incorporating large windows, skylights, and facades that allow natural light to pass through, we reduce the use of electric energy and create energy-efficient spaces.
- ▶ **Efficient Cooling Systems:** With the installation of more efficient chillers, equipped with magnetic compressors, we reduced the energy load of our buildings. This improvement optimizes the performance of the air conditioning systems, minimizing energy consumption.
- ▶ **Combined Heat and Power Generation:** This high-efficiency system uses natural gas to simultaneously generate electricity and heat. The generated electricity meets the energy needs of the facility, while the residual heat is used to cool water and indoor spaces.

- ▶ **Electric Vehicle Charging Stations:** In line with promoting electric mobility, we have installed devices designed to supply electric power to hybrid and electric vehicles.
- ▶ **Reutilization of Workstations and Furniture:** Instead of solely opting for new workstations, the use of refurbished stations and existing furniture was prioritized in the remodeling of spaces. This approach not only reduces the amount of waste generated but also contributes to resource savings by avoiding the manufacture of new products. The refurbished workstations were carefully selected to ensure their functionality and quality.
- ▶ **Selection of Sustainable Materials:** In the renovation of spaces, carpeting and other materials committed to sustainability have been prioritized highlighting suppliers that guarantee the materials were manufactured with environmentally friendly processes.

In 2024, the Corporate Real Estate team led the **renovation and retrofitting** process for **34 branches** in Popular.



## SUSTAINABILITY AT THE FOREFRONT OF OUR EXPANSION

Our corporate offices aim to serve as inspiring workplaces while exemplifying sustainable design and construction. Keeping sustainability at the center, the expansion of our headquarters in San Juan, Puerto Rico translates our vision of having sustainable buildings that reduce environmental impact and promote innovation and collaboration.

In 2024, we continued with the expansion of our **Popular Center District**, which will include two new buildings, Muñoz Rivera 200 and Popular Plaza. These buildings feature state-of-the-art facilities designed to foster collaboration and well-being, while also prioritizing sustainable building practices.

The **Muñoz Rivera 200** building adds more than a dozen additional **electric vehicle charging stations**, accessible through the building's parking lot, a drive-thru bank, a supermarket, and a wellness center for employees. The design emphasizes **indoor air quality**, utilizing finishes and assemblies that meet or exceed VOC and hazardous emissions standards. Additionally, the building is equipped with a **photovoltaic system**. Its energy performance is expected to exceed the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) 90.12016 Standard for energy efficiency. The building also focuses on **conscious material selection**, incorporating recycled materials with environmental product declarations.



**Popular Plaza** proposes a major urban intervention in Hato Rey. It will offer 250,000 square feet of office space, complemented by a 121-room hotel with restaurant, bar, and pool areas, as well as other commercial spaces and cafes. The building will also be home to Popular's **Recruitment and Development Lab Center** for Popular.

The orientation of the building positions the longest sides to high sun exposure. Its geometry allows **increased natural light** in spaces which lowers electrical lighting requirements. The design also prioritized the use of GL-01 Glass Type and additional energy efficiency measures, which also projects to exceed the ASHRAE 90.12016 Standard for energy efficiency.





### A Closer Look at Water Management and Conservation

Both projects use similar strategies for managing runoff water and **reducing water consumption**. These strategies work in harmony and are tied to each other.

To develop proper water management practices, we incorporated a **rainwater collection system** in the design of both buildings. This system seeks to minimize stormwater runoff by capturing rainwater that may fall on the roofs and surfaces of the structures, reducing the impact of water runoff related to the new projects. It also seeks to **minimize the consumption of potable water** required for the use and operation of the facilities. In turn, this prevents additional volume of water from discharging into the municipal stormwater management system or running through adjacent communities.

The capacity of both rainwater cisterns was calculated to function in tandem, considering the distinct requirements of the two projects. This calculation took into account the differences in usage and the available catchment area for each project. Both buildings have been designed with **efficient bathroom and plumbing fixtures** to minimize the consumption of potable water. The rainwater cistern for each building has the capacity to supply 100% of the non-potable water needed for sanitary fixtures and irrigation, and supply for three days of drought or climatic event.

The **landscaping design** considers plants that can mostly flourish with the natural rainfall received in the area, and the additional irrigation system is connected to the rainwater cisterns leveraging natural rain cycle and further minimizing potable water consumption. The interconnectivity between buildings for efficient use of resources makes this design unique in the area and a model for future developments.

The **Plaza Building** seeks to comply with the guidelines of the United States Green Building Council (USGBC) or commonly known as **Leadership in Energy and Environmental Design (LEED)**. Expected to open by 2027, these buildings will connect with Popular's existing facilities and create a vibrant and **sustainable urban center** that puts people at the center of progress.

### POPULAR URBAN HUB

The Popular Urban HUB, located at Popular Center, boasts a **rainwater collection and storage system** that has transformed water management in the area over the last decade. This system has been instrumental in **mitigating surface runoff**, a common challenge in urban areas where water lacks natural drainage pathways and often results in urban flooding or ends up in bodies of water. In this case, runoff water from Hato Rey tends to end up in the **Caño Martín Peña**, a neighboring water canal that runs from the San Juan Bay to the San José and Los Corozos lagoons, due to the natural slope of the area.

The Caño Martín Peña has historically been **prone to flooding** due to the narrowing of the canal and the accumulation of debris and waste. These floods from uncontrolled runoff negatively impact surrounding communities, affecting the ecosystem and residents' quality of life.

Rainwater collection in these highly urbanized areas helps **alleviate the impact**, which is why this rainwater collection system not only helps the community near the channel but also serves as a model for other institutions and communities.

### Features of the Rainwater Collection System at Popular Urban HUB

The design of Popular Urban HUB incorporates various green infrastructures aimed at efficient rainwater management:

- ▶ **Bioswales and Wetlands:** Drainage ditches with vegetation filter contaminants and facilitate water infiltration into the soil.
- ▶ **Green Roofs and Walls:** Vegetated surfaces absorb rainwater, reducing runoff and improving air quality.
- ▶ **Storage Tanks:** Cisterns collect rainwater for later use in garden irrigation and maintenance of green areas, promoting the reuse of this resource.
- ▶ **Retention Ponds:** Water bodies were designed to temporarily store excess rainwater, gradually releasing it and preventing sudden flooding.

## RESOURCE MANAGEMENT AND WASTE REDUCTION

As we improve our resource management and implement **waste reduction strategies**, we aim to minimize our environmental impact and increase the efficiency of our operations.

Our approach to waste management follows a hierarchy prioritizing strategies from most to least environmentally impactful, and makes sure to involve all of our stakeholders.



## RECYCLING EFFORTS

### 1,130 TONS OF OFFICE PAPER SHREDED AND RECYCLED

The hybrid work model implemented in Puerto Rico and a digitalization initiative in Popular Bank influenced how we approach office paper. By implementing initiatives that prioritize **reduction**, the amount of office paper sent for recycling decreased.

### 340,200 POUNDS OF PAPERBOARD PACKAGING MATERIALS RECYCLED

### 275 POUNDS OF ELECTRONIC WASTE RECYCLED

We have a permanent electronic waste collection site that diverts non-functional electronic work equipment from landfills and is also accessible to employees and customers who wish to use it.

## EMPLOYEE UNIFORMS

In Popular, our employees dress in uniforms made from **recycled PET textiles**. Fabrics made from recycled materials **prevent** the use of virgin raw material for the manufacturing of new garments. Implemented since 2023, this shift in the type of fabric used avoids additional polluting processes associated with the extraction of finite resources.

## DIGITAL BANKING

We offer a variety of digital banking solutions to our customers, which help to **reduce** paper usage.

By providing accessible digital banking solutions through **online and mobile platforms**, we reduce the necessity for customers to physically visit our branches for routine banking needs and reduce the impact on the environment by limiting the need for additional environmental resources. This enables customers to engage in environmentally friendly practices while simultaneously completing **self-service transactions**. In 2024, we continued to roll out solutions as part of our Transformation that expand and enhance the digital banking experience for our customers.



# RISK MANAGEMENT

## Business Resilience

Business resilience and contingency planning are key components of our operations. Popular's **Business Continuity Policy and Program** is designed to limit disruptions to essential operations, systems, and customer services and minimize the potential losses related to any natural disaster, technology disruption, loss of associates, third party issues, or other crisis events. The program establishes the necessary components to plan, respond, and recover from these situations, and it follows the Federal Financial Institutions Examination Council (FFIEC) guidelines, as well as leading industry standards from the National Institute of Standards and Technology (NIST) and the International Organization for Standardization (ISO).

The Board of Directors Risk Management Committee and the Operational Risk Management Committee oversee the **Business Continuity Policy** and associated programs.

Our **Crisis Management Team** ensures efficient evaluation, response, and communication of significant events that could impact our assets or our customers. Because of this preparation and governance, we have been able to respond quickly and minimize the impact on our customers and operations during natural disasters, pandemic crises, and other technical events. Our planning includes alternate sites, communications, providers, and remote work strategies.

Our **Corporate Insurance Program** provides risk transfer strategies to minimize the loss caused by significant events. As climate, cyber, and other emerging risks and related regulations arise, we continue to evaluate and enhance our internal business resilience strategies to minimize the impact on our customers and shareholders.

## Climate Risk

We recognize the growing influence of climate change on business and society at large. We understand that a changing environment presents potential economic, regulatory, societal, and ecological impacts in the form of risks and opportunities for our business and our stakeholders. As a member of the financial sector, we have a role to play in fostering resilient communities.

Our experience operating in regions that are exposed to extreme weather events and natural disasters such as hurricanes, floods, storms, and droughts, urge us to prioritize assessing the potential risks to our business activities and those of our clients as part of our climate risk management.

Popular believes it is important to understand how a changing environment will impact how we operate and how we continue to ensure long-term value. To further this effort, in 2024, we continued to make progress in the development of our **Climate Risk Program** guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

### Our Approach

Our climate governance structure continues to evolve as we advance with our Climate Risk Program and our understanding of the climate-related risks for Popular.

Our Board of Directors holds the ultimate responsibility for overseeing the Corporation's approach to climate-related risks and opportunities. Two Board committees play a role in executing the Board's oversight of the corporate sustainability strategy as a whole and the bank's climate risk efforts specifically - the Corporate Governance and Nominating Committee (CGNC) and the Risk Management Committee (RMC), respectively.



The **Corporate Governance and Nominating Committee** oversees the Corporation’s strategy, initiatives, practices, policies, and reporting related to corporate sustainability matters.

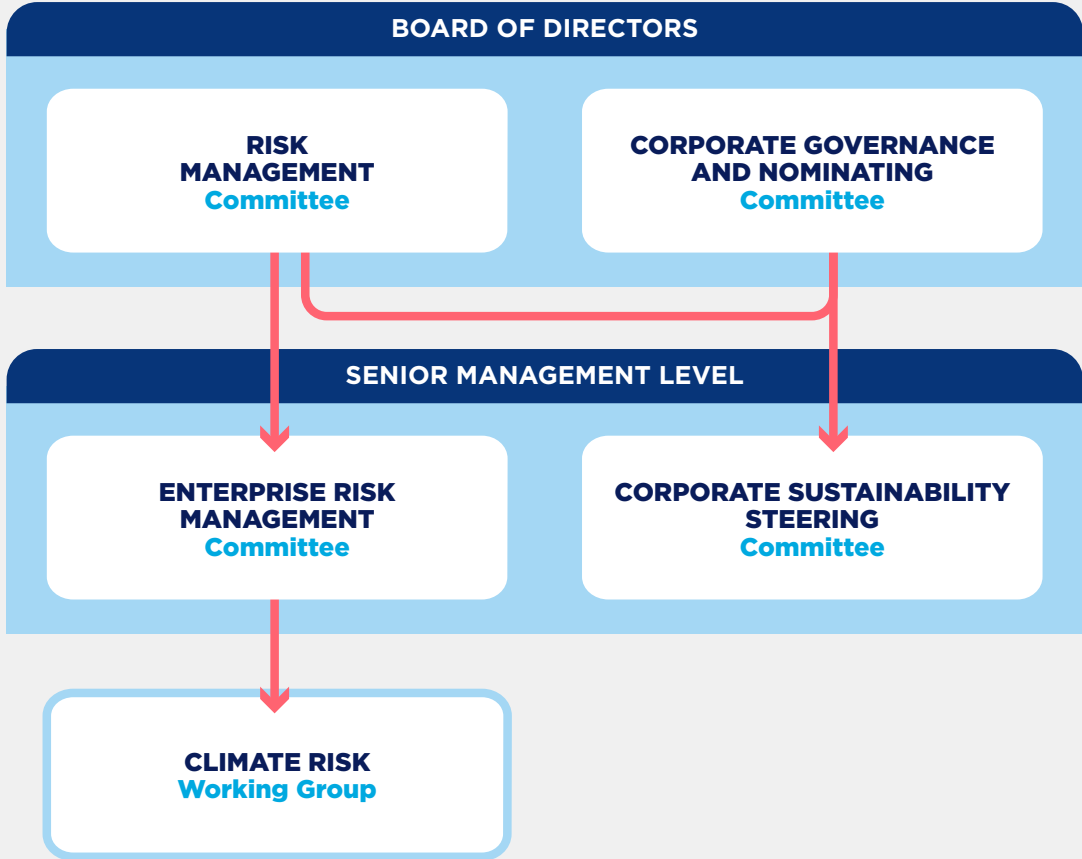
The **Risk Management Committee** is responsible for Popular’s enterprise-wide risk management program, practices and framework, and for the monitoring, reviewing and approval of the policies and procedures that measure, limit and manage Popular’s main risks.

Risk topics include, but are not limited to, credit, market, interest rate, liquidity, operational, technology, cyber and information security, compliance, legal, climate, reputational, including social, and strategic risks, as management or the Committee may deem appropriate from time to time.

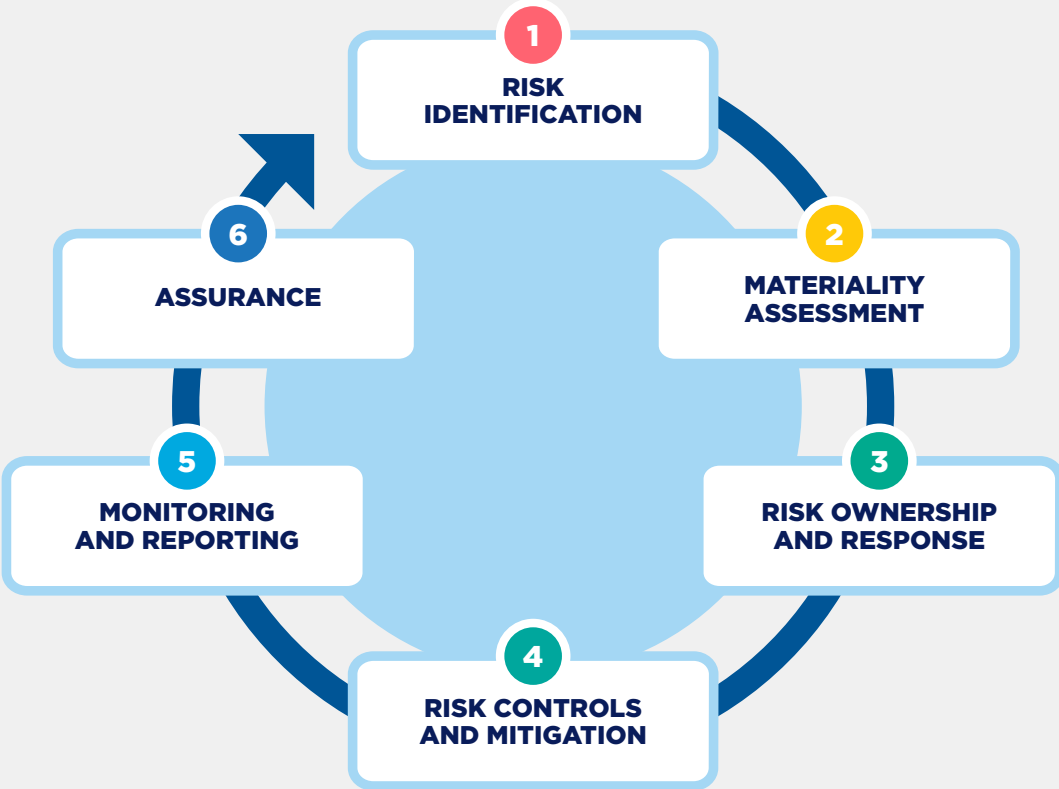
In 2024, we formalized the **Climate Risk Working Group** as part of the Enterprise Risk Management Committee (ERMC). The Climate Risk Working Group counsels the Corporation’s Climate Risk Program, which oversees the identification of responsible individual(s) for the management of risk at the first and second line of defense functions. The Climate Risk Working Group combines members of our Financial and Operational Risk Management, Corporate Sustainability, Corporate Real Estate, Credit Risk, Legal, and Finance teams, in addition to several Senior Management members. The Working Group meets four times during the year. The Climate Risk Unit reports to the ERMC as appropriate.

Our governance structure enhances **cross-functional work** and enables **day-to-day integration** of our climate and sustainability efforts across the Corporation.

The following diagram illustrates our climate risk governance:



We consider climate risk as part of our main risk taxonomy. As such, it is included in our Enterprise Risk Management Framework and the Corporation’s Risk Management Policy. Additionally, the RMC and the ERMC monitor the over seven types of risk, including credit, reputational, compliance, and other risks, which may be connected to both climate and environmental issues. Currently, our climate risk management process is in the initial phase of risk identification.



## Climate-Related Risks

We are focused on better understanding in what ways climate change represents risks and opportunities for Popular. Our governance structure allows us to coordinate across the organization more comprehensively to work towards that goal.

Most of our operations are in the Caribbean region which is characterized by a tropical climate. This means warm temperatures fairly constant throughout the year, warm oceans, and seasons that may be predominantly wet or dry. These characteristics set the conditions to experience acute events like hurricanes and storm surges, and the effects of climate change could lead to chronic events like sea level rise and heatwaves, which reflect the type of climate-related physical risks Popular faces.

Our susceptibility to physical risks, combined with our experience with past climatic events impact the strategies and practices our Corporate Real Estate team puts in place to address climate risks. A description of these practices can be found in the [Sustainable Operations](#) section.

In addition to strengthening our operations to ensure safe and reliable facilities, we place special emphasis on maintaining adequate business continuity and contingency plans in place as part of our risk management processes. Learn more in the [Business Resilience](#) section.

### Physical Risks

Risks related to the physical impacts of climate change

- ▶ May be acute (single events), like hurricanes or storm surges
- ▶ May be chronic (constant and persistent change over time), like sea level increase or frequency in heatwaves

### Transition Risks

Risks associated with the transition to a low carbon economy

- ▶ Include policy, legal, technology, market, and reputation risks.
- ▶ Some examples include new or updated policies and regulations, development of new technologies, or changes in consumer

During 2024, Popular completed an **initial risk identification exercise**. This risk identification exercise allowed us to assess the vulnerability to climate-related risks by business activity for our Commercial and Industrial, Commercial Real Estate, and Residential Real Estate portfolios.

Each portfolio was scored based on physical risks as well as the underlying transition risks that characterize each, that may span from regulatory, technology, legal, or market sentiment risks. Scores were also informed by the likelihood of these risks occurring in the short and long term.<sup>7</sup> Identifying the likelihood of these risks occurring in the short and long term enables a more comprehensive evaluation and facilitates the development of strategic opportunities in the future.

Our Commercial and Industrial portfolio is predominantly composed of service-oriented business activities and other highly regulated industries which have strong transition risk adaptation measures in place. On the other hand, our Commercial Real Estate and Residential Real Estate portfolios are largely composed of industries where potential shifts in regulation requiring less carbon intensive energy production or an accelerated transition to less carbon intensive activity may increase expenses of these business activities.

We do business in regions prone to extreme weather events, resulting in high vulnerability to physical risk across our portfolios. Our credit risk decisions processes include the consideration of mitigation and adaptation measures based on the potential risks identified. A key consideration during the credit evaluation process is adherence to the local construction code. In Puerto Rico, which represents 66% of our portfolio activity, the construction code integrates more stringent requirements which makes construction in Puerto Rico more resilient than that in other regions in the U.S. The construction code considers the susceptibility to elements such as hurricane wind speeds, flooding, and landslides based on location. Hence, compliance with this code serves as an adaptative mechanism to potential physical risks associated with climate. We also manage our portfolio risk through appropriate borrower-placed insurance.

While the vulnerability ratings of our portfolios do not reflect the full range of adaptation and mitigation measures we evaluate, our aim is to explore solutions to common challenges around availability and quality of data, such that we can strengthen future climate risk assessments. As we continue to deepen our understanding of the climate-related risks relevant to Popular, we leverage findings as a compass to identify new business opportunities, and to complement our decision-making and risk management processes.

<sup>7</sup> Short term defined as 1 year or less. Long term defined as 15 years or more.

# SUSTAINABLE FINANCE

At Popular, we are committed to creating meaningful change by financing businesses and projects that consciously work to create positive impact on the environment. Supporting these efforts is a strategic investment in the long-term sustainability of our communities, operations, and organization.

## Integrating Environmental and Social Considerations in the Commercial Credit Process

In 2021, Popular incorporated environmental and social considerations into the credit analysis and approval process, as outlined in our Commercial Credit Manuals.

The environmental and social considerations screening process allows Popular to assess, document, monitor, and mitigate environmental and social risks associated with certain commercial credit transactions. Our Commercial Credit Manuals include environmental and social screening parameters for transactions that meet certain criteria.

An initial screening identifies potential environmental and social risks that may include, but are not limited to:

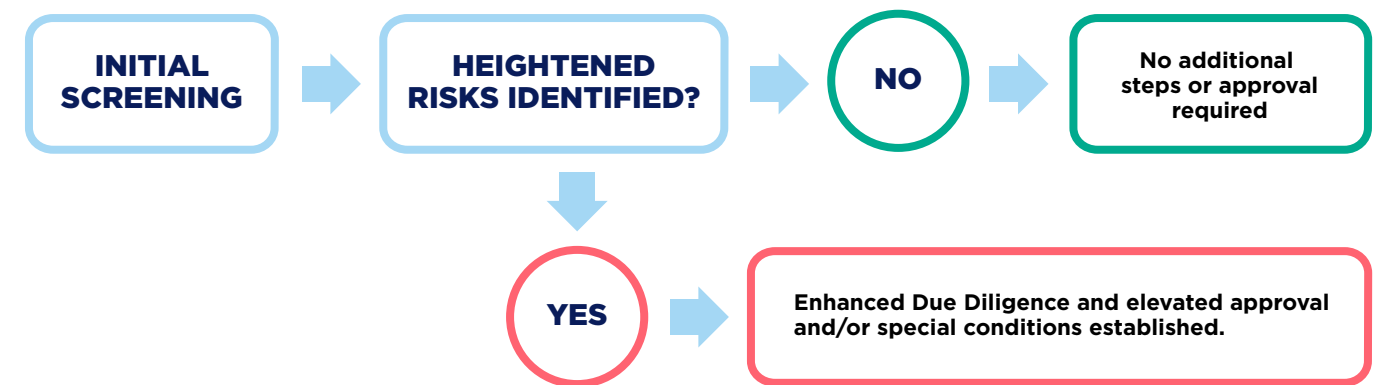
### Environmental Risks

- ▶ Projects located on the waterfront or near a natural reserve
- ▶ Projects that present actual or potential threat or adverse effects on local flora and fauna
- ▶ Projects on land deemed to have high ecological value
- ▶ Businesses operating in industries or activities that have potentially significant environmental impacts
- ▶ Projects that produce toxic waste

### Social Risks

- ▶ Labor, health, and safety
- ▶ Customer health and safety
- ▶ Public protests with respect to community impacts

An **Enhanced Due Diligence** process is required if a heightened environmental or social risk is identified during the initial screening. The execution of this process is cross-functional, where the business lines and credit units may partner with the Corporate Credit Risk Management Division, Legal Division and the Corporate Sustainability team for transactions that may require additional review. Transactions that undergo an Enhanced Due Diligence require additional approval and, in certain instances, are escalated to the Corporate Sustainability Committee for the approval of social and environmental considerations.



## Environmental and Social Risk Training

Making sure that we identify environmental and social risks in our commercial lending portfolios requires continuous learning. To strengthen foundational knowledge, in 2024, we continued deploying training sessions for our commercial lending officers, focusing on the key environmental and social criteria reviewed during the screening process.

## Environmental Policy

Transactions that meet additional criteria are also subject to our Environmental Policy, which outlines processes to be followed during loan underwriting to mitigate environmental damage that could impact collateral properties or clients' business income, potentially leading to loan defaults. This involves filling out a questionnaire, conducting site visits, and performing environmental site assessments to identify any potential issues based on the property's past and present uses.

## Insurance

### Weathering the Storm: Parametric Microinsurance for Natural Disasters

In 2023, Popular introduced a groundbreaking parametric microinsurance policy, designed to provide our clients with **swift financial support** in the wake of hurricane emergencies. This innovative policy ensures benefit payments based on **measurable events**, specifically wind speeds, rather than requiring assessments of damages. The insured location's wind speed triggers a payout in 10 days or less after customer attestation, facilitating a **prompt and efficient recovery** process for our clients. This policy is a testament to Popular's commitment to offering solutions that address the real-world challenges faced by our communities during natural disasters.

### Awareness Campaign

Being ready for hurricane season is very important, especially for people who live in places that are frequently vulnerable to this type of natural disaster. As part of our efforts to help clients with emergency preparedness, Popular established a hurricane awareness campaign in Puerto Rico, conducted through **community outreach and educational materials**, that aims to clarify the nuances of property insurance policies, emphasizing the distinctions between windstorm and flood insurance coverages. Our campaign emphasizes the importance of understanding policy limits and deductibles, as well as maintaining policies reflective of the current property replacement values.

## Financing Solutions for a Brighter Future

Popular takes pride in enabling financing opportunities that pave the way towards a more sustainable environment and society. Some examples we supported in 2024 to advance sustainable finance and expand access to renewable energy include:

### Bach & Stern and Star Solar

Banco Popular closed a transaction with a joint venture between Bach & Stern and Star Solar, both of which form part of VRM Penzini Capital renewables portfolio, for the development of **two roof-mounted photovoltaic projects** totaling 1MWdc at Plaza Los Palacios in Toa Alta, Puerto Rico. Bach & Stern is a renewable energy developer, while Star Solar specializes in solar system installation and maintenance.

This transaction underscores Banco Popular's commitment to renewable energy in Puerto Rico, contributing to the island's goals by **providing clean power and reducing carbon emissions**. The projects are expected to offset up to ~1,000 pounds of CO2 emissions annually, reducing the shopping center's carbon footprint.

By supporting these projects, Banco Popular **fosters economic growth** and reinforces its dedication to sustainability and responsible finance. Moreover, these initiatives serve as a model for other landlords, showcasing the benefits of integrating sustainable practices to reduce emissions and enhance environmental responsibility.



### Community Energy Resilience Initiative

We are proud of our participation in the strategic alliance between the **Global Energy Alliance for People and the Planet (GEAPP)** and the **Puerto Rico Community Foundation (FCPR)**. Through this partnership, we aim to enhance access to renewable energy financing via the **Community Energy Resilience Initiative (CERI)**. This initiative ensures that about **75 critical installations** in Puerto Rico, comprising both businesses and non-profit organizations, achieve energy resilience through renewable energy solutions.

The CERI initiative offers facilities that **deliver essential services**, including social services, communications, food, infrastructure, health, and transportation with hybrid financing. This model combines subsidies, donations, and loans, facilitated by investments from GEAPP, contributions from the Mellon Foundation, and financial support from Banco Popular de Puerto Rico.

Beneficiaries of this initiative receive the necessary financial capital to acquire solar energy and storage systems, thereby **maintaining the continuity** of their vital services during emergencies. This innovative financing approach underscores our commitment to sustainability and responsible finance, fostering economic growth and setting a benchmark for integrating sustainable practices to reduce emissions and enhance environmental responsibility.



## BOLSTERING COMMUNITY RESILIENCE

Protecting the communities where we operate means supporting the improvement of our natural environment. Through the **Corporate Donations' Environmental Program**, Popular partners with nonprofit organizations that implement projects focused on **reforestation, biodiversity, and renewable energy**.

By focusing on these strategic areas, we increase the necessary preparedness and resiliency and strengthen spaces critical to local economic development.

- ▶ **\$2.1 MILLION IN GRANTS SINCE THE PROGRAM LAUNCHED IN 2021**
- ▶ **\$476,000 TOTAL AMOUNT AWARDED IN 2024**
- ▶ **7 NONPROFIT PARTNERS IN 2024**

### Strengthening Coastal Resilience Through Mangrove Ecosystems

Mangrove ecosystems in Puerto Rico are invaluable natural resources that offer a multitude of ecological, economic, and social benefits. Their role in **protecting coastlines** from erosion, storms, and flooding make them an important protagonist in the protection of our infrastructure and communities.

The intricate root systems of mangroves stabilize the shoreline, reducing the impact of waves and currents. This is particularly crucial in the regions where we operate, where hurricanes and tropical storms can cause severe damage. The rich biodiversity found in mangrove forests contributes to the **overall health of coastal ecosystems** and **supports habitats** for fish which directly impacts the economic stability of local fishermen. The **tourism industry** also benefits from the biodiversity and scenic beauty of mangrove forests, attracting visitors interested in eco-tourism and bird watching.

Mangroves play a crucial role in **mitigating the damage** to infrastructure caused by natural disasters. By buffering the force of tidal surges and winds, they protect roads, buildings, and other assets, reducing repair and maintenance costs. This protective function is invaluable where we operate.

### Piñones State Forest

The Piñones State Forest is home to the most extensive natural system of mangroves in all of Puerto Rico, representing one-third of the remaining protected mangrove forests in the island. Located in the northern coastal plain of the municipality of Loíza with an extension of over 1500 acres, it is **habitat to a great diversity of marine and terrestrial life** including the brown pelican (*Pelecanus occidentales*) and leatherback sea turtle (*Dermochelys coriacea*), which is classified as an endangered species under the Endangered Species Act.

Within the coastal forest beaches, there are also bays, reefs, seagrass meadows, salt flats, islets, and sand dunes. The diverse features of this natural ecosystem not only make it invaluable for the resilience of its surrounding communities, but with its multiple trails, areas for recreation, and opportunities for leisure, this forest represents the workplace for community members who promote **responsible eco-tourism** through bike and kayak rentals.



### Corporación Piñones Se Integra (COPI)

Founded in 1999, COPI is a nonprofit organization based in Loíza, Puerto Rico, which promotes the integral development of the community's residents through projects focused on arts, culture, education, and the protection and conservation of Loíza's mangrove forest.

Since 2021, Popular supports COPI with its **flood mitigation project**, which seeks to reduce the harmful effects of climate change in the community. The project takes place in the Piñones State Forest, where COPI holds a co-management agreement with Puerto Rico's Department of Natural and Environmental Resources.

The project is comprised of four key aspects:

- ▶ **Ecological Restoration:** Maintaining the canals, lagoons, and forests of Piñones free of natural and human-caused debris
- ▶ **Reforestation:** Planting mangrove trees and maintaining production running through the tree nursery
- ▶ **Water Quality:** Monitoring water quality in canals, lagoons, and reforested zones through field visits, water testing and the assessment of mortality and survival rates of the planted trees
- ▶ **Job Creation:** Creating community jobs for the roles involved in maintaining this project

So far, Popular has contributed **\$250,000 in grants** to COPI, which as of 2024 has:

- ▶ Planted over **13,000 mangrove trees** in the field;
- ▶ Managed mangrove nurseries, producing over **15,000 trees**;
- ▶ Achieved **survival rates of 84%** for planted mangroves and **91%** for nursery mangroves; and
- ▶ Enabled up to **ten community jobs** for direct involvement in the project.

### Popular VI Community Fund

In 2022, Popular established the **Popular VI Community Fund** to offer the region a strategic framework for sustainably supporting nonprofit organizations. This initiative enables employees to contribute through payroll deduction and participate in the grants' Evaluation Committee. Since then, Popular has approved **\$260,000** in grants benefiting **21 nonprofit organizations** in the USVI and the BVI.

### Growing endangered corals while helping youth learn aquaculture skills

The **Coral Oceanic Restoration Education Foundation** engaged **12 students** in the island of St. John in practical marine conservation activities, offering scuba training and certification, as well as engaging them in coral restoration work. These students earned a lifetime SCUBA certification, providing them with valuable skills and qualifications for future careers in the marine sector.



# PROMOTE TRUST

## In this section

- ▶ [Corporate Governance](#)
- ▶ [Business Ethics](#)
- ▶ [Security and Privacy](#)
- ▶ [Compliance Program](#)
- ▶ [Responsible Sourcing](#)
- ▶ [Responsible Marketing](#)
- ▶ [Customer Satisfaction](#)
- ▶ [Human Rights](#)



# CORPORATE GOVERNANCE

## 2024 Corporate Governance Highlights

### Independent Board

- ▶ 11 of our 13 current directors are independent.
- ▶ Lead Independent Director with robust and well-defined responsibilities
- ▶ Regular executive sessions of independent directors
- ▶ 100% independent Board committees:
  - Audit Committee;
  - Corporate Governance and Nominating Committee;
  - Risk Management Committee; and
  - Talent and Compensation Committee

### Strong Governance

- ▶ Annual board, committee and individual director evaluations and self-assessments
- ▶ Independent third party retained, at least every three years to perform board evaluation
- ▶ Stock ownership guidelines for executive officers and non-employee directors
- ▶ Diverse board in terms of experience, skills, tenure, gender, race, ethnicity, and other demographics
- ▶ Prohibition on hedging and pledging of Popular, Inc.'s ("Popular" or the "Corporation") securities
- ▶ Four new directors in the last five years

### Robust Board Oversight

- ▶ Each director attended 89% or more meetings of the Board and the meetings of committees of the Board on which each such director served.
- ▶ Board oversees the Corporation's risk management program, including cyber and information security strategy and preparedness.
- ▶ Board also oversees the development and implementation of the Corporation's technology strategy and initiatives as well as Popular's corporate responsibility and sustainability matters.

### Shareholder Rights

- ▶ All members of the Board of Directors are elected on an annual basis.
- ▶ Majority voting in director elections
- ▶ No supermajority voting requirements for our shareholders
- ▶ Shareholders holding 20% or more of our outstanding common stock have the right to request a special meeting of shareholders.
- ▶ Board receives and discusses shareholder communications addressed to the Board.





# Corporate Sustainability Oversight

Our Board of Directors is actively engaged in the oversight of the Corporation’s corporate sustainability strategy and practices.

## BOARD OF DIRECTORS

The Board of Directors oversees the Corporation’s general corporate sustainability activities, priorities and strategies. To ensure the pursuit of the Corporation’s sustainability objectives and goals, the Board has delegated direct oversight responsibility for corporate sustainability-related matters to three of its committees.

### Corporate Governance and Nominating Committee

- Oversees Popular’s strategy, initiatives, practices and policies related to corporate sustainability matters in consultation and coordination with other committees of the Board.
- Receives reports and advises management on corporate sustainability matters, including but not limited to environmental sustainability, community and social impact activities, charitable contributions, philanthropy and other public policy and responsibility matters, that may impact the Corporation, its shareholders, employees, customers and the communities in which it operates.
- Approves any political contribution to be made by or on behalf of the Corporation.
- Reviews and oversees the Corporation’s reporting with respect to corporate sustainability matters.

### Risk Management Committee

- Oversees Popular’s risk management with respect to credit, market, interest rate, liquidity, operational, technology, cyber and information security, compliance, legal, climate, reputational, including social, and strategic risks.
- Oversees the Corporation’s information security program and risk management with respect to cybersecurity.
- Oversees the Corporation’s risk management with respect to environmental risks, including but not limited to, risks pertaining to climate change.

### Talent and Compensation Committee

- Reviews and advises management regarding the Corporation’s human capital strategies, practices, and initiatives, including corporate sustainability matters related to culture, talent acquisition and development and workforce engagement.

## MANAGEMENT

### Corporate Sustainability Steering Committee

- Establishes and defines Popular’s corporate sustainability efforts and work plan.
- Oversees the development, management and implementation of the Corporation’s corporate sustainability efforts, including, but not limited to the standards, strategies, policies and guidelines that address corporate sustainability matters.
- Provides feedback and guidance on the execution and implementation of Popular’s corporate sustainability work plan.
- Assesses and approves environmental and social considerations used in the evaluation of certain commercial loan applications in accordance with the applicable Commercial Credit Policy of BPPR and Popular Bank.
- Reviews and approves Popular’s corporate sustainability communications, disclosures and reporting plans.

# BUSINESS ETHICS

At Popular, we are proud of building and maintaining strong relationships with our customers, shareholders, and the communities we serve, as well as for doing business according to the highest ethical standards. Our Code of Ethics, values, and corporate policies and guidelines are instituted to ensure a safe workplace, minimize risk, and empower stakeholders to voice concerns about unethical behavior.

## Code of Ethics

Popular's Code of Ethics, available in both **English** and **Spanish**, reaffirms our high ethical standards and provides the general rules to be followed by our directors and employees to fulfill their duties in accordance with our ethical principles. Suppliers are also expected to follow and comply with the **Code of Ethics for Popular Suppliers**. Among other topics, the Code of Ethics covers conflicts of interest, anti-discrimination, anti-harassment and anti-retaliation provisions, sustainability, insider trading, sales practices, fair dealing, political activities, contributions and lobbying, privacy of information and protection of data, anti-bribery/anti-corruption, and other legal and compliance matters. The Code is reviewed annually by the Corporate Ethics Officer with input from several Popular units. It is subsequently discussed with the Corporate Governance Committee and approved by the Board of Directors. The effectiveness of Popular's overall ethics program is evaluated through periodic audits conducted by Popular's Audit Division.

Employees are expected to complete Code of Ethics training as part of their onboarding and biannually thereafter. Each year employees must also acknowledge their compliance with the Code of Ethics and disclose additional information to prevent a possible conflict of interest. We also reinforce ethical behavior through the annual performance review process. Each employee has an assigned objective related to their responsibility to uphold the highest ethical standards.

## Reporting Grievances or Concerns

The **Whistleblowing Program** allows for the submission, receipt, retention and treatment of complaints regarding accounting, auditing or financial reporting; Bank Secrecy Act ("BSA") and Anti-Money Laundering laws ("AML"); unfair, deceptive or abusive acts or practices against consumers (including sales practices); employment matters; procurement and purchasing practices; and actual or potential violations of other matters, policies, laws or regulations, including, but not limited to, fair lending, insider trading and anti-corruption. Our whistleblowing reporting system (**EthicsPoint**) allows our employees, suppliers, customers, investors and community to report situations or concerns associated with unethical or illegal conduct at Popular. Information about EthicsPoint may be found on Popular's website, through the organization's intranet and on visible posters in branches and offices. The system is available 24 hours a day, seven days a week and may be accessed via the Internet

or by toll-free phone numbers. The information provided through EthicsPoint is confidential and submissions may be made anonymously, unless the reporter elects otherwise. Reports received through EthicsPoint are routed to the appropriate internal, independent and unconflicted personnel such that an investigation into the matter is conducted. Also, records are maintained of any such reports and oversight is provided by senior managers, auditors, and/or the Board of Directors, as warranted and applicable.

## Reporting and Non-Retaliation

Popular values the help of those who identify actual or potential problems that need to be addressed and strongly encourages employees to raise concerns so that any corrective action is taken. Popular prohibits all forms of retaliation, harassment or discrimination against employees who raise good faith complaints or concerns regarding any illegal or protected activity, or who provide information or assist in investigations by law enforcement or regulatory agencies, or other government agencies.

## Political Activities, Contributions and Lobbying

Any political contribution by or on behalf of Popular must be made in compliance with all applicable federal, state, and local laws and regulations, and must follow Popular's Political Contributions Policy. Political contributions made by or on behalf of Popular must be approved in advance by Popular's Chief Executive Officer and Chief Legal Officer and reported to the Corporate Governance and Nominating Committee of the Board of Directors of Popular on an annual basis.

## Anti-Bribery and Anti-Corruption

At Popular we do not tolerate bribery, corruption, or improper payments of any kind in our business transactions. Our Code of Ethics provides guidance and outlines restrictions on gifts and other items of value and employees are expected to comply with our policy and follow related requirements and authorization procedures. Also, employees acknowledge compliance with the Anti-Bribery/Anti-Corruption Policy on an annual basis and take training on Anti-Bribery/Anti-Corruption as part of their onboarding and biannually thereafter. Moreover, on an annual basis, Popular units that may interact with Public Officials or Government Authorities are required to certify compliance with the Anti-Bribery/Anti-Corruption Policy and Guideline.

Periodic assessments are conducted to evaluate the nature and extent of the inherent risks relating to bribery and corruption to which the Corporation may be exposed, and the effectiveness of controls designed to mitigate those risks. Also, the Audit Division conducts testing for compliance with the Anti-Bribery/Anti-Corruption Policy and related procedures.

# SECURITY AND PRIVACY

Information security and fraud risks for large financial institutions such as Popular have increased significantly in recent years. This is the result of the proliferation of new technologies and channels available to employees and customers to conduct financial transactions, such as mobile banking and growing interconnectivity, efforts surrounding digitalization, remote work, the advent of artificial intelligence, and the increased sophistication and activities of organized crime, hackers, terrorists, nation-states, and other malicious actors.

To manage these risks, Popular applies a layered approach, through the combination of governance processes, having the right people, and selecting the proper technology, while using cyber insurance as a risk transference option.

## Customer Data Privacy

As a provider of financial services and products, Popular is committed to the protection of personal and financial information of our clients through responsible practices on information collection, use, processing, sharing, storage, and disposition, among others.

The Corporation's **Privacy Policy** establishes standards and guidelines to comply with the privacy requirements included in privacy and data protection laws and regulations, as applicable to Popular, including, but not limited to, the Gramm-Leach Bliley Act ("GLBA"), the Fair Credit Reporting Act ("FCRA") and their implementing regulations, the General Data Protection Regulation ("GDPR") and its U.S. state-law counterparts, including the California Consumer Privacy Act ("CCPA") as amended by the California Privacy Rights Act (collectively "CPRA"). The Corporation's **Information Security Policy** (the "InfoSec Policy") establishes requirements and responsibilities for protecting information assets, including customer's personal and financial information, and information-technology resources at Popular.

The oversight of Popular's **Privacy Program** is a responsibility shared between the Chief Information Security Officer, the Data Privacy Officer and the Regulatory and Financial



Compliance Division. The Privacy Program ensures scoped data is protected and privacy obligations are extended to third parties who have access to, process or retain scoped data. The Data Privacy Officer oversees the Corporation's Data Privacy Program and risk management framework for control, management, and privacy of client scoped data pursuant to existing and emerging state or federal laws or regulations related to Data Privacy. In addition, the Corporation has established procedures related to data classification, data inventories and documented data flows, while championing data awareness and training programs. Also, Popular has a formal privacy incident communication, notification, and handling procedure which is integrated with Popular's security incident response and escalation procedures, to be executed in the event of unauthorized disclosure or breach of scoped data.

Popular's Privacy Policy, which is publicly available, clearly describes how we collect, use, share, and retain customer information, and the choices our customers can make related to marketing, information sharing, and targeted advertising, in compliance with applicable laws and regulations.

We also offer our customers an online **Security Center** where they can learn about the **tools and measures that can be taken to protect against fraud**, such as adopting multi-factor authentication when accessing their accounts through online banking, activating alerts sent via email or text (SMS) for account or card activity, and on/off self-service functionality that allows customers to have their debit cards temporarily locked using Popular's mobile application. We also use a variety of **preventative and detective tools** to monitor, block, and provide alerts regarding suspicious activity, as well as to identify suspected advanced persistent threats.

Popular's **Fraud Prevention Program** is built upon various principles including strong governance, advanced fraud detection technologies, compliance with regulatory requirements, and continuous focus on customer experience. Among other fraud mitigation processes, fraud prevention and detection tools and strategies are leveraged to prevent and decline high risk debit and credit card transactions before they are approved and executed. Transactions are risk scored to indicate their level of risk considering the customer's typical transaction patterns, as well as fraud trends and observed tactics.

## Navigating the Digital Landscape

Because in the ordinary course of business we rely on electronic communications and information systems to conduct our operations and to store sensitive data, we are continuously evaluating and refining our security, fraud, and privacy programs to remain current in an environment with new and evolving threats. We protect information by implementing information security, fraud and privacy policies and programs that delineate roles, responsibilities and measures used to identify, assess, manage, and mitigate privacy, fraud, and information security risks. These also govern our response in the event of data breaches or service interruptions. Our independent Internal Audit Division regularly conducts exams of the lines of business and risk functions to ensure compliance with, among other topics, the InfoSec Policy and Privacy Policy, relevant standards, and applicable legal requirements. Additionally, we contract external firms to conduct **network and application penetration tests**, and as part of our financial statement reporting and in compliance with Sarbanes Oxley requirements, our external independent auditors also evaluate, among other things, our Information Technology General Controls.



## Managing Cybersecurity

Popular is committed to maintaining the security of our information as well as that of our customers and safeguarding it from unauthorized use, disclosure, or destruction. The Corporation's **Information Security Program** is led and overseen by the Corporate Security Group, through the Chief Information Security Officer. Popular's Cyber Security Division ("CSD") and its Chief Information Security Officer are charged with developing and overseeing compliance with the Information Security Program which is promulgated in the **Corporate InfoSec Policy** and the various information security guidelines and standards. The Program is designed to manage cyber security risk and provide guidance to management of any adjustments needed to maintain its risk posture within the approved risk appetite and tolerance levels and/or to acknowledge exceptions and develop plans to reach target levels.

Furthermore, the CSD oversees Popular's information security strategy and objectives, assesses the impact of security threats or incidents on Popular and our business lines and processes, and evaluates and determines the appropriateness and effectiveness of our Information Security Program to address the identified threats. The CSD is also responsible for reporting on cybersecurity matters to various management committees and provides the Board of Directors' Risk Management Committee ("RMC") with updates, at least quarterly, on the progress, initiatives, and other significant cybersecurity matters.

The RMC is responsible for overseeing the Corporation's Information Security Program and risk management with respect to cybersecurity. Popular's Information Security Program is presented annually to the Board of Directors for their approval, along with identified strategies and related roadmap to address the threat landscape and heightened risks. Furthermore, the CSD conducts various risk assessments, including annual assessments relative to compliance with GLBA and regulations such as the New York Department of Financial Services' Part 500 Cybersecurity regulation, the results of which are included in the Information Security Program report to the RMC. Popular continuously assesses the risks and changes in the cyber environment and adjusts its Information Security Program as appropriate.

The Information Security Program is based on standards and controls set by the **National Institute of Standards and Technology (NIST)** Framework for Improving Critical Infrastructure Cybersecurity (Cybersecurity Framework). We use the **Cyber Assessment Tool (CAT)**, a tool based on NIST standards and controls by the Federal Financial Institutions Examination Council, to measure the Corporation's cybersecurity preparedness and maturity levels. The CAT assessment results are integrated into the overall Information Security Program.



Our controls are designed to identify, protect, detect, respond to, and recover from information and cybersecurity incidents. In 2025, we will transition to the Cyber Risk Institute (CRI) Profile 2.0 framework (the “Profile 2.0”), following the announcement by the Federal Financial Institutions Examination Council of the sunset of the CAT in August 2025. The Profile 2.0 was produced through public-private collaboration, is an industry-backed, consolidated approach to assessing cybersecurity, resilience, and efficacy. The Profile 2.0 is an ever evolving and concise list of assessment questions curated based on the intersection of global regulations and cyber standards, such as the International Standards Organization (ISO) and the NIST Cybersecurity Framework. The Internal Auditing Division independently provides assurance regarding the effectiveness of the risk framework and reports directly to the Audit Committee of the Board.

As part of our **continuous risk evaluation process**, we assess how internal changes, new products, or technology deployments, as well as external events and the evolution of threats impact our information security controls and present the need for additional resources, technology, or processes. System enhancements and updates are also evaluated to minimize the introduction of new risks. Furthermore, we continually scan our digital infrastructure and conduct annual penetration tests to ensure vulnerabilities are identified and mitigated, following a risk-based approach. Additionally, application and vendor assessments are conducted for new products and providers and are updated and refreshed according to the assessed risk level.

Popular provides **training** on cybersecurity, data privacy, and customer data handling and use requirements to all Popular employees upon hiring and annually thereafter. We have also implemented training and awareness campaigns for our customers and employees on responding to and addressing threats as they continually evolve. In addition, monthly phishing **campaigns and simulations** occur for the entire employee base, with established escalation protocols for employees that fail such tests, to enhance awareness and responsiveness to possible threats. We conduct tabletop **incident response exercises** covering threats and events, such as ransomware or customer fraud and data breaches, at least annually with the participation of key employees and service providers, to enhance and validate existing playbooks and incident response plans. Additionally, we have implemented other proactive measures to ensure business resiliency and a prompt recovery if a disruption event were to occur.



At Popular, we maintain an **Incident Response Plan** which details the processes and procedures followed to identify and respond to Information Security and Cyber incidents, including escalation protocols, materiality determinations and requirements surrounding customer and regulatory notifications. These protocols are followed in coordination with law enforcement agencies, as may be required or applicable.

In addition to establishing a formal process to manage risk, our corporate culture is also critical to an effective risk management function. Through our Code of Ethics, the Corporation provides a framework for all our employees to conduct themselves with the highest integrity, including the protection of data and privacy of customer information.

For additional details related to privacy and cybersecurity, please refer to Part 1, Item 1C of our **2024 Form 10-K**.



# COMPLIANCE PROGRAM

Popular has established a compliance program dedicated to protecting its customers, maintaining integrity, and preserving its reputation. This program is designed to mitigate risks related to breaches of laws, regulations, and industry standards established by regulatory bodies. Compliance oversight is managed by the Financial Crimes Compliance Division and the Regulatory and Financial Compliance Division. These divisions ensure regulatory adherence through systematic oversight, regular risk assessments, and compliance reviews and audits. Any regulatory issues or financial crime risks are escalated via established procedures, with irregularities reported to senior management, the Board of Directors, and relevant authorities, as necessary.

## Financial Crimes Compliance Division

Popular is committed to maintaining its standing as a safe and strong financial institution with the goal of protecting Popular and the U.S. financial system from money laundering, sanctions evasion and terrorism financing. This is achieved through risk-based compliance programs for Anti-Money Laundering, Counter-Terrorism Financing and Sanctions. These programs have been designed in a manner consistent with governing principles and standards that are aligned with applicable legal and regulatory requirements in the U.S. and the jurisdictions where Popular operates.

# RESPONSIBLE SOURCING

At Popular, suppliers are considered an integral part of our operations. We are keenly aware of the economic and social implications of effectively managing our supplier base and we actively encourage them to uphold strong values and to positively impact the communities we serve.

As part of our **onboarding and vendor management practices**, rigorous due diligence is conducted to ensure supplier services meet Popular's requirements and comply with applicable laws and regulations. Supplier performance and risk mitigation capabilities are monitored to ensure that they operate within the highest ethical standards and our Code of Ethics for Popular Suppliers includes guidelines to assist our suppliers understand what is expected from them in terms of ethical behavior. The most recent update to our Code was in 2024, incorporating enhancements to the Anti-Bribery/Anti-Corruption and Privacy and Confidentiality sections, among other amendments.

Our procurement process ensures:

- ▶ The distribution of our **Code of Ethics for Popular Suppliers** to our suppliers.
- ▶ Compliance with **applicable laws and regulations** for services under contract.
- ▶ **Continuous training** to internal stakeholders on the risk implications when managing suppliers of critical services.
- ▶ Implementation and continuous improvement of our **Vendor Performance program** to support critical suppliers' service execution and requirements compliance.

## Supporting the Economic Development of our Communities

We believe in the power of impacting the communities we serve by investing locally through our supplier base. Our spending supports the economic growth of our communities, while helping us meet the needs of our customers. As business opportunities emerge during the year, we reach out to regional councils to invite their members to participate in our sourcing opportunities.



In 2024, our **local and regional procurement** spend was **83%** in Puerto Rico and the Virgin Islands and **48%** in the mainland U.S.

# RESPONSIBLE MARKETING

An essential element of our business is to support the social and economic well-being of our customers and the communities we serve. Therefore, all our marketing communications aim to convey information in a clear and transparent manner, complying with equitable, fair, and ethical practices in conformity with laws and regulations, including the **Fair Lending Act and Unfair Deceptive Abusive Acts Practices Act**, among others. Also, our advertising and promotional materials comply with typographical and readability requirements and do not include any harmful, illegal, immoral, irresponsible, or misleading content.

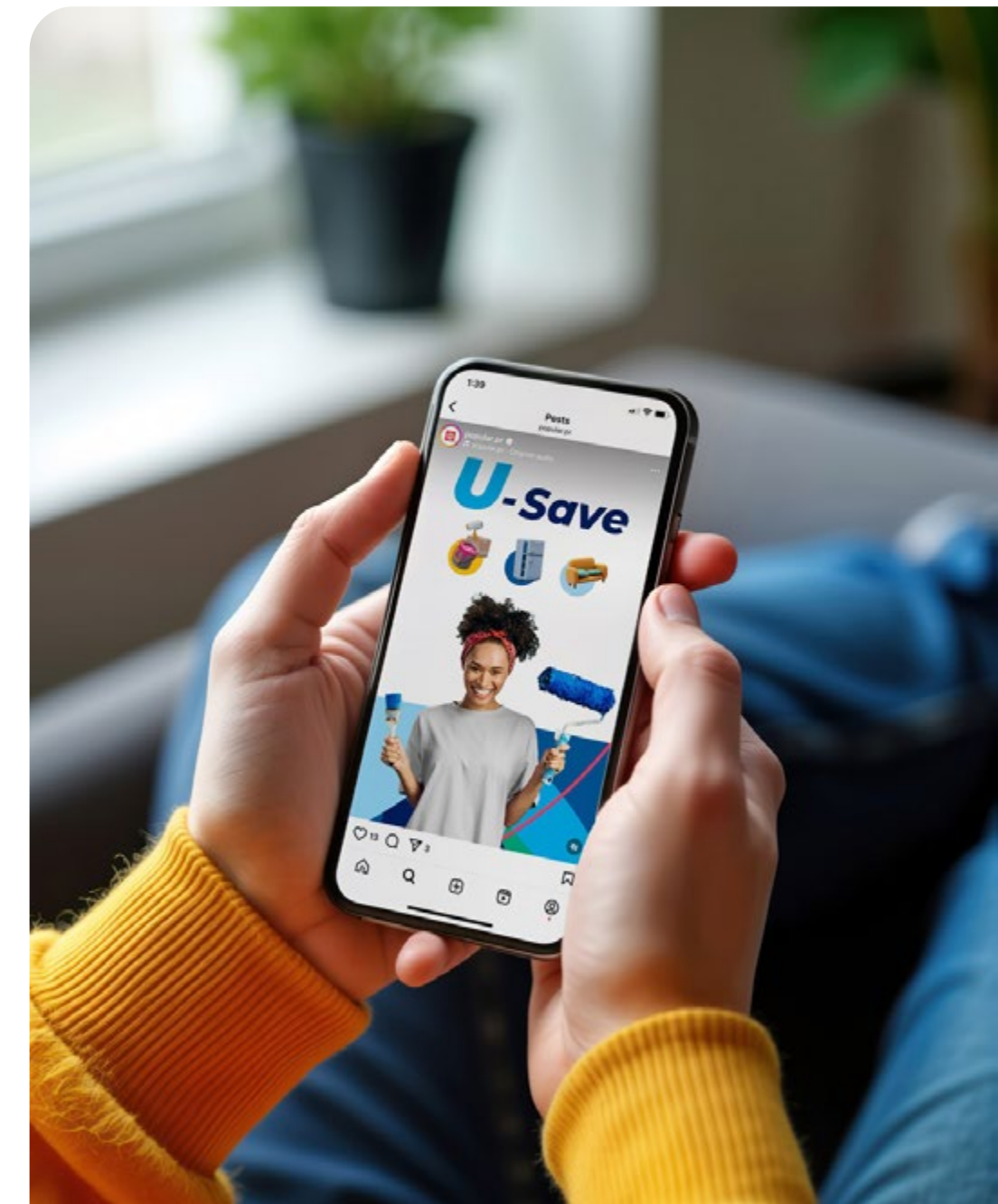
In order for current and potential customers to be able to make sound financial decisions and choose the products and services best suited for them, we provide access to information related to our offerings through digital platforms, such as social media, email, and our websites, as well as through traditional channels like branches and service centers.

We are committed to adhering to the following **Responsible Marketing Principles**:

- ▶ Communicating in an **accurate and truthful** way.
- ▶ Bringing the **highest standards and level of integrity** by following laws and regulations and evaluating content to avoid biases or other discriminatory practices, while being cautious of marketing and advertising to people under the age of 18.
- ▶ Working alongside the Compliance and Legal Divisions to review **promotional materials** prior to publication. These efforts are supported through ongoing training led by the Compliance Department, for all personnel involved in the development and marketing of products, services, and channels, thus promoting first-line accountability for **fair and responsible banking**.
- ▶ Incorporating procedures to comply with **policies and guidelines** to steer phases of a product offering process, such as pricing, eligibility, servicing, among others.
- ▶ Conducting **customer surveys** and participating in syndicated studies to **measure satisfaction** using a Net Promoter scale, further enhancing our customer service, as well as monitoring and optimizing marketing efforts.
- ▶ Performing **reviews and audits**, from a regulatory standpoint, to assess existing procedures, related policies, and marketing guidelines.
- ▶ Producing guidelines to ensure **transparency and consistency** in marketing processes, to help foster and improve long-term customer relationships and positive customer experience.
- ▶ Reviewing promotional materials and information to disclose the most **accurate data** to our customers and communities.

We practice the **responsible use of data** to develop marketing efforts with relevant content via the right channel at the right time, to improve customer experience by:

- ▶ Sharing Popular data with only partnered affiliates for everyday business or marketing purposes.
- ▶ Developing marketing efforts based on insights from our customers to ensure message relevancy.
- ▶ Following data privacy and security guidelines established by the Corporate Security Group.



# CUSTOMER SATISFACTION

## Complaints

We believe that when complaints are managed in an effective and constructive manner, they provide us with an opportunity to strengthen customer relations and identify opportunities for enhancements to our operations, products, and services.

Popular has adopted a corporate-wide **Complaints Management Policy** to ensure that regulatory and financial complaints are managed in an effective and efficient manner; that they are escalated to management and the Board as appropriate; and that any control gap or deficient practice identified as a result of our complaint analysis is addressed through corrective action and/or consumer remediation, as appropriate. Our Complaints Management Policy establishes clear responsibilities for units across the Corporation that receive, investigate, and reply to complaints, as well as for support units that collaborate in the complaints management process to ensure these are appropriately handled, aggregated and resolved.

Units that collaborate in the complaints management process include:

- ▶ Business and Support Units
- ▶ Corporate Audit
- ▶ Legal Division
- ▶ Regulatory and Financial Compliance
- ▶ Risk Management Committee responsible for complaint management oversight



The **Risk Management Committee** of the Board is responsible for complaint management oversight and periodically receives complaint trend reports, as appropriate.

We require employees to undergo **complaints awareness training** in order to further reinforce the importance of the prompt, efficient and accurate management of complaints across the Corporation. Complaint metrics are also used to identify emerging risks related to a business, product, or service, or to the adequacy of the complaints management process itself.

# HUMAN RIGHTS

Popular published its [Human Rights Position Statement](#) in 2023.

At Popular, we believe that all humans are entitled to fundamental rights and freedoms. We recognize that companies and the private sector have a key role to play in ensuring respect for human rights in their operations and the regions where they are present.

Guided by the principles set forth in the United Nations Universal Declaration of Human Rights and our belief that respect for human rights is a minimum standard for responsible business, Popular supports fundamental human rights, their protection and fulfillment, across all our lines of business and in all regions where we conduct business. In engaging with our employees, customers, suppliers and communities in our day-to-day business activities, our commitment is to support, engage and carry out fair and responsible business practices that avoid causing, contributing to, or being directly linked to adverse human rights impacts.

As an employer, Popular is committed to valuing, protecting, and treating our employees with dignity and respect, while aiming to ensure ethical, fair, equitable, inclusive, and safe workspaces that protect human rights and allow our people to thrive. Our promise of being a safe workplace for all is also embedded in our Code of Ethics.

# SUSTAINABILITY INDEX

This Index reflects our report referenced with Industry Standards issued by the **Sustainability Accounting Standards Board (SASB)**, the **Global Reporting Initiative (GRI)**, in addition to the **Task Force on Climate-Related Financial Disclosure (TCFD)** recommendations. Our disclosures under SASB standards are based on the two industries within the financial sector that are most closely aligned with our mix of businesses: Commercial Banks (CB) and Consumer Finance (CF). Unless otherwise noted, all data and descriptions are reported

for Popular, Inc. on a consolidated basis where applicable, and not just the businesses or segments relevant to the particular industry. We do not currently disclose all the metrics included in these standards but will continue to evaluate them in the future. Our commitment is to provide investors with useful, relevant, and meaningful sustainability information and we may evolve our disclosures on these standards over time. All reported data is as of and for the year ended December 31, 2024, unless otherwise noted.

## Sustainability Accounting Standards Board (SASB) Metrics Index

TOPIC	INDUSTRY	CODE	METRIC	RESPONSE
<b>Data Security</b>	CB, CF	FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	Refer to <b>pages 54-56</b> for a description of our Cyber Security practices and to Part 1, Item 1C of 2023 <b>Form 10-K</b> .
<b>Customer Privacy</b>	CF	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	For a description of the material legal proceedings of the Corporation during the fiscal year ended December 31, 2024, please refer to Note 23 (Commitments and Contingencies) of the Consolidated Financial Statements in the Corporation's Annual Report on <b>Form 10-K</b> for the year ended December 31, 2024.
<b>Financial Inclusion and Capacity Building</b>	CB	FN-CB-240a.1	Number and amount of loans outstanding qualified to programs designed to promote small business and community development	<p><b>BPPR</b></p> <p><b>Small Business</b> Originations: \$672.6 million Number of loans: 8,083</p> <p><b>Community Development Loans</b> Originations: \$107.5 million Number of loans: 37</p> <p><b>PB</b></p> <p><b>Small Business</b> Originations: \$83.7 million Number of loans: 219</p> <p><b>Community Development Loans</b> Originations: \$528.3 million Number of loans: 49</p>



TOPIC	INDUSTRY	CODE	METRIC	RESPONSE
<b>Financial Inclusion and Capacity Building</b>	CB	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Banco Popular and Popular Bank do not offer no-cost retail checking accounts. We do, however, offer various options of low-cost retail checking accounts. In 2022, Popular became the first financial institution in Puerto Rico to eliminate the charge for insufficient funds for returned transactions. We also eliminated overdraft fees on transactions of five dollars or less paid against insufficient funds, as well as the fees charged for maintaining overdrawn accounts. For more information on our Certified Bank On accounts: Cuenta Popular in PR, Popular Checking in VI and Popular Easy Access Checking in Popular Bank, please refer to <a href="#">page 12</a> .
	CB	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved communities	<b>Puerto Rico and VI:</b> 1,671 events with 219,369 participants (not unique) <b>US:</b> 164 events with 2,382 participants
<b>Incorporation of Environmental, Social and Governance Factors in Credit Analysis</b>	CB	FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	Refer to <a href="#">page 45</a> for our integration of environmental and social considerations in credit analysis.
<b>Business Ethics</b>	CB	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	For a description of the material legal proceedings of the Corporation during the fiscal year ended December 31, 2024, please refer to Note 23 (Commitments and Contingencies) of the Consolidated Financial Statements in the Corporation's Annual Report on <a href="#">Form 10-K</a> for the year ended December 31, 2024.
	CB	FN-CB-510a.2	Description of whistleblower policies and procedures	Please refer to Popular's <a href="#">Code of Ethics</a> which is reviewed annually by the corporation's Board of Directors.



TOPIC	INDUSTRY	CODE	METRIC	RESPONSE
<p><b>Systemic Risk Management</b></p>	<p>CB</p>	<p>FN-CB-550a.2</p>	<p>Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities</p>	<p>While the Corporation is not subject to the U.S. Dodd-Frank Act’s supervisory stress testing (“DFAST”), it has established an annual capital planning process following the comprehensive and integrated capital planning governance and stress testing framework previously required to comply with DFAST for similarly sized institutions. The key objective of the capital planning and stress test process is to determine the level of capital that Popular needs to absorb the impact of a hypothetical highly-stressed business scenario while continuing to provide credit in the markets it serves. The amount of capital that the Corporation and its banking subsidiaries require to operate is a function of 1) the risk profile of the Corporation, 2) its strategic focus, 3) its operating environment and 4) other factors that could materially affect capital adequacy. Our Board of Directors and our management believe that our operating capital targets are appropriate and prudent after undergoing a thorough assessment of Popular’s overall risk profile and capital position. Factors considered in our analysis include the results of our stress test, the capital distribution practices of our peers and the factors listed in the Federal Reserve Board of Governors’ Supervisory Letter 09-4 (“SR 09-4”).</p> <p>As of December 31, 2024, our capital levels remained strong and exceeded well-capitalized requirements. For additional information, please see our latest <b>Form 10-K</b> and <b>Form 10-Q</b> filings.</p>



TOPIC	INDUSTRY	CODE	METRIC	RESPONSE
SASB Commercial Banks Activity Metrics	CB	FN-CB-000.A	Number and value of checking and savings accounts by segment: (a) personal and (b) small business	<b>PR &amp; VI</b> <b>Personal Checking</b> Number of accounts: 1,628,278 Amount: \$7 billion <b>Personal Savings</b> Number of accounts: 836,260 Amount: \$9.9 billion <b>Small Business Checking</b> Number of accounts: 138,238 Amount: \$5.1 billion <b>Small Business Savings</b> Number of accounts: 13,930 Amount: \$542 million
	CB	FN-CB-000.A	Number and value of checking and savings accounts by segment: (a) personal and (b) small business	<b>US</b> <b>Personal Checking</b> Number of accounts: 64,140 Amount: \$556 million <b>Personal Savings</b> Number of accounts: 55,139 Amount: \$1.8 billion <b>Small Business Checking</b> Number of accounts: 7,810 Amount: \$323 million <b>Small Business Savings</b> Number of accounts: 7 Amount: \$33 million
	CB	FN-CB-000.B	Number and value of loans by segment: (a) personal, (b) small business, and (c) corporate	<b>Commercial &amp; Construction</b> \$19.9 billion <b>Individual</b> Consumer Loans and Leasing: \$9.1 billion Mortgage: \$8.1 billion



TOPIC	INDUSTRY	CODE	METRIC	RESPONSE
Selling Practices	CF	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection bureau (CFPB), (2) percentage with monetary or non-monetary relief	<p>According to the CFPB website, Popular received the following number of complaints:</p> <p>1a. <b>BPPR</b> 115 complaints</p> <p>1b. <b>PB</b> 30 complaints</p> <p>2a. <b>BPPR</b> A total of 97% were resolved with explanation, 3% of complaints resulted in monetary relief and no complaints resulted in non-monetary relief.</p> <p>2b. <b>PB</b> A total of 93% were resolved with explanation, while 3% of complaints resulted in monetary and non-monetary relief.</p>
	CF	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	For a description of the material legal proceedings of the Corporation during the fiscal year ended December 31, 2024, please refer to Note 23 (Commitments and Contingencies) of the Consolidated Financial Statements in the Corporation's Annual Report on <b>Form 10-K</b> for the year ended December 31, 2024.
SASB Consumer Finance Activity Metrics	CF	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	(1) Number of unique consumers with an active credit card account: 319,248 Popular, Inc. does not offer pre-paid debit card products.
	CF	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	(1) Number of credit card accounts: 513,247 Popular, Inc. does not offer pre-paid debit card products.



## Global Reporting Initiative (GRI) Metrics Index

TOPIC	METRIC	CODE	RESPONSE
<b>General Disclosures 2021</b>	Organizational details	GRI 2-1	Refer to <a href="#">page 7</a> of this report.
	Entities included in the organization's sustainability reporting	GRI 2-2	Refer to <a href="#">page 7</a> of this report.
	Reporting period, frequency and contact point	GRI 2-3	Reporting frequency is annually, and aligns to the corporation's financial reporting period. Contact point: <a href="mailto:corporatesustainability@popular.com">corporatesustainability@popular.com</a>
	Restatements of information	GRI 2-4	Refer to pages <a href="#">29</a> and <a href="#">38</a> of this report.
	External assurance	GRI 2-5	We did not seek external assurance for the contents of this report.
<b>Material Topics 2021</b>	Process to determine material topics	GRI 3-1	Material topics were identified based on engagement through internal stakeholder interviews and subject matter experts within the corporation, and external research which included trends, ESG raters and industry best practices.
	List of material topics	GRI 3-2	Refer to <a href="#">page 8</a> of this report.
	Management of material topics	GRI 3-3	Management of material topics is included in the relevant topic standards below.
<b>Procurement Practices</b>	Management approach	GRI 3-3	Refer to <a href="#">page 57</a> of this report.
	Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation	GRI 204-1a	Puerto Rico and the Virgin Islands: 83% United States (operating hub): 48%
	The organization's geographical definition of 'local'	GRI 204-1b	<b>Locally Based Business definition:</b> In Popular we define locally based business as suppliers that operate or have locations in our main operational regions: Puerto Rico, Virgin Islands and the United States. These suppliers operate in a reasonable proximity and are within the same country or/and territory. Our locally based suppliers may include multinational suppliers that have operations and a workforce in our main operating regions.
	The definition used for 'significant locations of operation'	GRI 204-1c	<b>Significant Operation Locations definition:</b> Significant operational locations are based on the business activities we perform, their impact and the supplier spend associated with such activities.
<b>Energy</b>	Management approach	GRI 3-3	Refer to our <b>Sustainable Operations</b> section on <a href="#">page 37</a> of this report.



TOPIC	METRIC	CODE	RESPONSE
Employment	Management approach	GRI 3-3	Refer to the <b>Our People</b> section beginning on <a href="#">page 21</a> of this report.
	Total number and rate of employee turnover during the reporting period by age group, gender and region	GRI 401-1b	<p><b>Annualized turnover rate: 8.6%</b>  <b>Annualized turnover rate by Region:</b>  PR: 7.7%  US: 14.5%  VI: 28.7%  LATAM: 8.9%</p> <p><b>Turnover by Gender:</b>  Female: 8.1%  Male: 9.6%</p> <p><b>Turnover by Age Group:</b>  Younger than 25: 21.7%  25-34: 1.3%  35-44: 5.0%  45-54: 4.2%  55-64: 8.1%  65 or older: 25.5%</p>
	Total number of employees that were entitled to parental leave, by gender	GRI 401-3a	Male: 3,270 employees Female: 5,948 employees
	Total number of employees that took parental leave, by gender	GRI 401-3b	Male: 79 employees Female: 116 employees
	Total number of employees who returned to work in the reporting period after parental leave ended, by gender	GRI 401-3c	Male: 79 employees Female: 112 employees
	Total number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	GRI 401-3d	Male: 73 employees Female: 141 employees
	Return to work and retention rates of employees that took parental leave, by gender	GRI 401-3e	Male: Return to Work: 100% Retention Rate: 94% Female: Return to Work: 97% Retention Rate: 95%



TOPIC	METRIC	CODE	RESPONSE
Training and Education	Management approach	GRI 3-3	Refer to our <b>Accelerating Learning and Development Opportunities</b> section on <a href="#">page 24</a> of this report.
	Average hours of training undertaken by employees, by gender and by employee category	GRI 404-1a	<p><b>By Gender:</b> Male: 22.7 hours Female: 23.4 hours</p> <p><b>By Employee Category (Job Group):</b> Strategy Leadership: 14.9 hours Leaders: 22.9 hours Individual Contributor: 20.1 hours Sales and Service: 24 hours</p>
	Type and scope of programs implemented and assistance provided to upgrade employee skills	GRI 404-2a	Refer to our <b>Accelerating Learning and Development Opportunities</b> section on <a href="#">page 24</a> of this report.
	Percentage of total employees by gender and employee category who received a regular performance and career development review	GRI 404-3a	<p><b>Overall:</b> 99.2%</p> <p><b>By Gender:</b> Male: 99.3% Female: 99.1%</p> <p><b>By Employee Category (Job Group):</b> Leaders: 99.7% Individual Contributor: 99.6% Sales and Service: 98.7%</p>
Diversity and Equal Opportunity	Percentage of individuals within the organization's governance bodies by gender	GRI 405-1a-i	Men: 69.2% Women: 30.8%
	Percentage of employees per employee category by gender and age group	GRI 405-1b	<p><b>By Gender:</b> Male: 36% Female: 64%</p> <p><b>Workforce Breakdown by Age Group:</b> Younger than 25: 4% 25-34: 29% 35-44: 27% 45-54: 24% 55-64: 14% 65 or older: 2%</p>



TOPIC	METRIC	CODE	RESPONSE
<b>Supplier Social Assessment</b>	Management approach	GRI 3-3	Refer to <a href="#">page 57</a> of this report.
<b>Marketing and Labeling</b>	Management approach	GRI 3-3	Refer to <a href="#">page 58</a> of this report.
<b>Customer Privacy</b>	Management approach	GRI 3-3	Refer to <a href="#">page 54</a> of this report.



## Task Force on Climate-Related Financial Disclosures (TCFD) Index

TOPIC	METRIC	RESPONSE
Governance	(a) Describe the board's oversight of climate-related risks and opportunities.	Refer to our <b>Climate Risk</b> section on <a href="#">pages 42-44</a> of this report.
	(b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate risks pose potential economic, societal, regulatory, and environmental impacts to our business and our customers. Consequently, Popular is evaluating and managing these risks across our operations. In 2024, we completed the initial phase of a risk management cycle for climate risks, beginning with a risk identification exercise. The findings from the climate risk analysis provide valuable insights into the vulnerabilities of the Bank's lending portfolios to physical and transition risks. Refer to the <b>Climate Risk</b> section on <a href="#">pages 42-44</a> for more details on our physical and transition risks.
	(b) Describe the impact of climate related risks and opportunities on the organization's business, strategy, and financial planning.	The implementation of the Corporation's Climate Risk Program is ongoing. We acknowledge the need to formalize an impact analysis concerning climate-related risks and opportunities that affect our organization's businesses, strategy, and financial planning. Considering the portfolio's vulnerability identified through the climate-risk analysis described below, we will continue to assess various opportunities to further manage climate-related risks as needed. Furthermore, the Corporate Real Estate and Corporate Sustainability teams have recognized and implemented measures pertaining to energy efficiency, environmental impacts, and social initiatives. Moreover, Popular's disaster recovery and business continuity strategies currently account for the effects of acute physical climate-related events. Please refer to the <b>Sustainable Finance</b> section on <a href="#">page 45</a> for more information.



TOPIC	METRIC	RESPONSE
Risk Management	(a) Describe the organization's processes for identifying and assessing climate-related risks.	<p>Popular incorporated climate risks as part of the Corporation's principal risks identified in the Risk Management Policy. Additionally, the RMC and the ERM monitor the other seven types of risk, including credit, reputational, compliance, and other risks, which may be connected to both climate and environmental issues.</p> <p>Our approach to managing climate risk is rooted in the enterprise risk management framework, as the other risk types. When designing the methodology for the risk identification exercise (initial phase of the enterprise risk management cycle) for climate risk, we took into consideration the requirements of our risk management frameworks and the TCFD framework.</p> <p>Popular's approach to the assessment of climate-related risks includes these overarching concepts:</p> <ul style="list-style-type: none"> <li>• Alignment with our Enterprise Risk Management framework</li> <li>• Alignment with regulations and strict risk management practices</li> <li>• Continually evolving based on internal and external changes</li> </ul>
	(b) Describe the organization's processes for managing climate-related risks.	<p>Climate-related risk management at Popular began in 2023. Following established risk management best practices, Popular has completed the initial phase of the risk assessment by concluding the first risk identification exercise for climate-related risks.</p> <p>Refer to <b>Climate Risk</b> section on <a href="#">pages 42-44</a> for more information on Popular's risk identification for climate-related risks.</p>
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>Climate risk is part of the Corporation's Risk Management Policy, following our enterprise-wide risk assessment framework. Our Risk Management Group is assessing how to integrate climate related factors within this framework and understanding business vulnerabilities.</p> <p>Our climate risk management process is currently in the initial phase of our risk assessment framework, as we completed the first risk identification exercise for climate-related risks. The vulnerability ratings provided by the risk identification tool offered an initial understanding of our portfolios' vulnerability, organized by business type. This will allow us to delve into additional risk assessments, enhance management processes, and explore the development of new products as needed. While the vulnerability ratings of our portfolios do not reflect the full range of adaptation and mitigation measures we evaluate, our aim is to explore solutions to common challenges around availability and quality of data, such that we can strengthen future climate risk assessments. As we continue to deepen our understanding of the climate-related risks relevant to Popular, we leverage findings as a compass to identify new business opportunities, and to complement our decision-making and risk management processes.</p> <p>Refer to <b>Climate Risk</b> section on <a href="#">pages 42-44</a> for additional information on risk identification.</p>





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