



## DIVERSITY, EQUITY AND INCLUSION POLICY

Responsible Units: The Our People and  
Strategic Sourcing &  
Procurement Divisions

Data Classification

Level: 4 – Public

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## DIVERSITY, EQUITY AND INCLUSION POLICY

### I. POLICY PURPOSE

Popular, Inc. and its subsidiaries ("Popular" or the "Company") recognize that diversity, equity, and inclusion ("DEI") are central to their Corporate Values. Diversity propels innovation and business success, promotes a broader service range, and allows for varying points of view which provide a larger pool of ideas and experiences from which organizations can benefit to meet business strategy needs and the needs of customers more effectively. Equity pursues fairness and impartiality. Inclusion aims to integrate and embrace all individuals, regardless of their characteristics, similarities or differences, it is about giving equal access and opportunities to all.

This Policy is intended to enhance Popular's long-standing commitment to foster a diverse, equitable and inclusive culture, while complying with the requirements and standards of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies of 2015 and Title VII of the Civil Rights Act.

It is the policy of Popular to create, foster and maintain a diverse workforce and an equitable and inclusive workplace that values similarities and differences amongst individuals, so that all can reach their potential and maximize their contributions to our stakeholders, including our customers and the communities we serve. Along with Popular's existing policies and guidelines which promote equal opportunities for underrepresented individuals and communities, among others, and prohibit discrimination and harassment – including the Code of Ethics, Code of Ethics for Popular Suppliers, and Corporate Guidelines on Equal Employment Opportunity, and Discrimination and Harassment -- this Policy seeks to broaden the inclusion, employment and development opportunities of underrepresented communities in the workplace, as well as the utilization of diverse suppliers.

Nothing in this Policy shall mean that Popular may unlawfully discriminate against, or establish quotas or preferences for, job applicants, employees or suppliers. Popular shall comply with applicable laws, including providing equal opportunities for all employees.

### II. DEFINITIONS

As used in this Policy:

"Popular" or "Company" means Popular, Inc. and all its subsidiaries.

"Board of Directors" means the Board of Directors of Popular, Inc.

"Underrepresented communities" refers, where applicable, to individuals whose representation in the workforce has been historically low, primarily because of their race, ethnicity, disability, gender or sexual orientation or identity.

"Diversity" refers to the similarities and differences that every employee and supplier brings to Popular, including through the presence of underrepresented communities into Popular's employment population and diverse suppliers within Popular.



"Equity" means the consistent, systematic, fair, just and impartial treatment, access and opportunities for all employees, including underrepresented communities in Popular's workforce, and of diverse suppliers within Popular.

"Inclusion" means the process to create and maintain a positive environment that values individual similarities and differences, so that all, including underrepresented communities in Popular's workforce and diverse suppliers within Popular, can reach their potential and maximize their contributions to Popular while honoring their authentic selves.

"Diverse supplier" means a qualified corporation, entity or provider that is at least 51% owned, controlled and/or operated by women or diverse racial or ethnic groups. "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means actively involved in the day-to-day management.

### III. CONTENT

#### A. LEGAL REFERENCES

The following are some of the most important laws and regulations concerning diversity standards:

- Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
- Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies of 2015
- Title VII of the Civil Rights Act of 1964

#### B. POLICY PRINCIPLES

The principles or standards described below reiterate Popular's commitment to DEI, focused on three main areas: attracting, retaining, and developing a diverse employment population; fostering and procuring a work environment where employees are treated equitably and with respect, and their similarities and differences are valued; and seeking, creating, and maintaining mutually beneficial business relationships with diverse suppliers.

#### Our Purpose

Our DEI objectives are to respect, listen and learn from different viewpoints, opinions, thoughts and ideas, and embrace our sense of belonging. This requires an open-minded trust relationship amongst our employees, customers, and communities. We should leverage from a diverse and inclusive workforce that values equity and inclusion to achieve outstanding business results.

#### Corporate Commitment to DEI

- Promote the incorporation of DEI considerations in Popular's strategic plans.
- Implement and monitor a Policy and strategy that comprise all Popular's DEI efforts and initiatives.
- Oversee DEI strategies and related initiatives from the Board of Directors' Talent and Compensation Committee.





- Senior Management level support to all corporate efforts and initiatives to foster DEI at all levels of the Company and through all business activities.
- Make efforts to attract underrepresented communities to Popular's hiring pool.
- Assure that all employees are provided with equal employment opportunities and with a work environment free from unlawful discrimination.
- Seek, encourage, and maintain business relationships with diverse suppliers.
- Provide corporate DEI training to promote awareness and educate Popular's Board of Directors, senior management and employees on these subjects and their benefits to Popular and its stakeholders.

### Our People

- Promote a diverse workforce and an equitable and inclusive workplace consistent with our DEI strategy, including by conducting efforts to attract underrepresented communities to Popular's hiring pool.
- Ensure equal employment opportunities for all current and prospective employees, as well as for job applicants.
- Carry out all employment actions, including recruitment, selection, professional development, training, compensation, promotions, transfers, discipline, and terminations, in accordance with the principles set forth in this Policy, while ensuring a work environment free from unlawful discrimination and harassment.
- Respect the dignity and diversity of all employees.
- Foster a collaborative work environment in which all employees participate and contribute.
- Ensure fair compensation practices and that employees are rewarded based on objective criteria, including among others, individual performance, Division/Business results and organization results.
- Regularly review and modify, as necessary, existing employment policies, procedures and guidelines to assure that they foster equality within the employment population and development opportunities of underrepresented communities.
- Provide employees with the opportunity to network, identify and address common interests, and decide how they can be shared with, or supported by, others through Employee Resource Groups ("ERGs") and other initiatives.
- Regularly evaluate and assess workforce DEI efforts through qualitative and quantitative metrics, including those contained in the annual EEO-1 Reports or Affirmative Action Plans.

### Procurement

- Carry out efforts and initiatives to promote and foster business relationships with diverse suppliers.
- Maintain procurement and business practices that seek and promote business relationships with diverse suppliers.
- Provide a fair and equal opportunity amongst prospective suppliers and encourage diverse suppliers to compete to become part of Popular's pool of suppliers.
- Create and enhance liaisons with external organizations which may assist Popular in identifying diverse suppliers.
- Regularly evaluate through qualitative and quantitative metrics the Company's supply and use of diverse suppliers.



## Customers

- Provide fair and equal access to products and services to customers.
- Assess the Company's external messaging and image to include representation of the diverse communities that we serve.
- Assess service and sales training to include DEI topics to promote awareness and educate employees to improve the customer experience.

## Self – Assessment and Monitoring

- Perform a self-assessment to identify the composition of employees and suppliers, and monitor progress through our DEI metrics, among others.
- Establish methods to regularly assess the Company's employment and procurement procedures and practices to assure that they are aligned with Popular's DEI strategy.
- Regularly monitor and evaluate the performance and results of Popular's DEI strategy.

### **C. DIVERSITY OFFICER**

The Our People Division Manager serves as the Corporate Diversity Officer with the following duties and responsibilities:

- Develop, implement, and monitor a diversity strategy that comprises all DEI efforts and initiatives of Popular in compliance with this Policy.
- Create and implement DEI procedures necessary to comply with this Policy and related strategy.
- Develop metrics to assess implementation progress regarding the Company's DEI strategy.
- Regularly review progress against the Company's DEI strategy.
- Share best DEI practices across the Company.
- Delegate to the different units or officers of the Company duties or responsibilities, as necessary.
- Provide annual progress reports concerning the Company's DEI efforts to the Board of Directors' Talent and Compensation Committee.
- Oversee a DEI Council, which consists of senior managers and liaisons representing different business groups.
- Perform any other related duty or responsibility as assigned from time to time.

### **D. SCOPE, EXPECTED BEHAVIOR AND TRAINING**

This Policy applies to all Popular employees, and each one of them is expected to read, understand, and comply with the standards set forth in this Policy. All Popular employees have the responsibility to always treat others with dignity and respect, and to exhibit conduct that reflects equity and inclusion during work, at work functions, and at all other company-sponsored and participative events. Employees must also complete DEI awareness training as required by management.





#### E. SANCTIONS

Violations to this Policy may result in disciplinary actions, up to and including termination of employment or relationship with Popular. These sanctions may apply not only to those who expressly violate the Policy, but also to those who know of, but fail to report, violations of this Policy and those who retaliate against those who report such violations.

#### F. NON-COMPLIANCE NOTIFICATIONS

Any known or suspected violation of this Policy or any related policy, guideline, procedure, law or regulation must be reported immediately to the Our People Division or through EthicsPoint at [www.popular.com/ethicspoint-en](http://www.popular.com/ethicspoint-en) (English), [www.popular.com/ethicspoint](http://www.popular.com/ethicspoint) (Spanish), or by calling 1-866-737-6813 from Puerto Rico, the United States or the U.S. Virgin Islands; 1-833-416-6777 from Puerto Rico; 1-833-439-1392 from the British Virgin Islands; 01-800-519-0915 from Colombia; and 0-800-032-0114 from Costa Rica. Popular does not permit retaliation of any kind for good faith reports of violations or misconduct of others.

#### IV. DELEGATION OF AUTHORITY/RESPONSIBILITIES

Board of Directors. The Board of Directors is charged with the responsibility to approve this Policy and has designated its Talent and Compensation Committee with the responsibility to oversee compliance with this Policy.

Board of Directors' Talent and Compensation Committee. This Committee has been designated by the Board of Directors with the responsibility to oversee compliance with this Policy, as well as DEI strategy and related initiatives.

Corporate Diversity Officer. The Corporate Diversity Officer is principally responsible for developing, implementing, monitoring, and enforcing Popular's DEI strategy. Other duties are described above in Section III(C).

Strategic Sourcing & Procurement Division. The Strategic Sourcing & Procurement Division is principally responsible for assuring compliance with this Policy as it relates to suppliers in the markets where Popular operates.

Our People Division. The Our People Division is principally responsible for assuring compliance with this Policy as it relates to employment matters related to DEI, investigating actual or suspected violations to this Policy, and recommending measures to address or remedy any such situation.

Corporate Ethics Officer. The Corporate Ethics Officer is responsible for receiving reports of possible violations of this Policy and advising on the recommended measures to address or remedy any such situation.

