



# 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 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 (“Dodd-Frank”) and the Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies of 2015 (“Final Interagency Policy Statement”).

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, advancement and development of underrepresented communities in the workplace, as well as the utilization of diverse suppliers.

### II. DEFINITIONS

As used in this Policy:

“Popular” or “Company” means Popular, Inc. and all of 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, gender or sexual orientation.

“Diversity” means the presence of underrepresented communities into Popular’s employment population and of diverse suppliers within Popular.

“Equity” means the fair participation of 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.

“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

#### **B. POLICY PRINCIPLES**

The principles or standards described below reiterate Popular’s commitment to diversity, equity and inclusion, 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.

#### Corporate Commitment to Diversity, Equity and Inclusion

- Promote the incorporation of diversity, equity and inclusion considerations in Popular’s strategic plans.
- Implement and monitor a Policy and strategy that comprise all of Popular’s diversity, equity and inclusion efforts and initiatives.
- Oversee diversity, equity and inclusion 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 diversity, equity and inclusion at all levels of the Company and through all business activities.
- Foster the hiring, retention, promotion and development of a diverse employment population, which includes underrepresented communities.
- Assure a work environment free from discrimination against underrepresented communities.
- Seek, encourage and maintain business relationships with diverse suppliers.
- Provide corporate diversity, equity and inclusion 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.



## Personnel Profile and Employment Practices

- Promote a diverse workforce and an equitable and inclusive workplace by fostering and monitoring the recruitment, selection, promotion and development of underrepresented communities through all levels of the Company.
- Ensure equal employment opportunities for all current and prospective employees, as well as for job applicants, integrating diversity, equity and inclusion considerations into the processes.
- Carry out all employment actions, including recruitment, selection, professional development, training, compensation, promotions, transfers, discipline and terminations, while ensuring a work environment free from discrimination against underrepresented communities and in accordance with Popular's diversity, equity and inclusion strategy.
- Regularly review and modify, as necessary, existing employment policies, procedures, guidelines or practices to assure that they foster equality within the employment population and advancement of underrepresented communities.
- Regularly evaluate and assess workforce diversity, equity and inclusion 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 and encourage diverse suppliers to compete for becoming 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 of services to customers to deliver essential services.
- Assess Company's external messaging and image to include representation of the diverse communities that we serve.
- Incorporate diversity, equity and inclusion in service and sales training to promote awareness and educate employees to improve the customer experience.

## Self – Assessment and Monitoring

- Perform a self-assessment to identify the composition of Popular's current employees and suppliers.
- Establish methods to regularly assess the Company's employment and procurement procedures and practices to assure they are aligned with Popular's diversity, equity and inclusion strategy.
- Regularly monitor and evaluate the performance and results of Popular's diversity, equity and inclusion 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 diversity, equity and inclusion efforts and initiatives of Popular in compliance with this Policy.
- Create and implement diversity, equity and inclusion procedures necessary to comply with this Policy and related strategy.
- Develop metrics to assess implementation progress regarding the Company's diversity, equity and inclusion strategy.
- Regularly review progress against the Company's diversity, equity and inclusion strategy.
- Share best diversity, equity and inclusion practices across the Company.
- Delegate to the different units or officers of the Company any of his/her duties or responsibilities, as necessary.
- Provide annual progress reports concerning the Company's diversity, equity and inclusion efforts to the Board of Directors' Talent and Compensation Committee.
- Oversee a Diversity, Equity and Inclusion 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 a responsibility to treat others with dignity and respect at all times, 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 diversity, equity and inclusion awareness training as required by management.

### **E. SANCTIONS**

Violations to this Policy may result in disciplinary action, 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 or the United States) or 866-737-6850, preceded by the country's long distance code, if elsewhere. 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 diversity, equity and inclusion strategy and related initiatives.

Corporate Diversity Officer. The Corporate Diversity Officer is principally responsible for developing, implementing, monitoring and enforcing Popular's diversity, equity and inclusion 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 diversity, equity and inclusion.

Corporate Ethics Officer. The Corporate Ethics Officer is responsible for receiving reports of possible violations of this Policy, investigating actual or suspected violations to this Policy, and recommending measures to address or remedy any such situation.

