



GRUPO POPULAR

Principles for Responsible Banking

Sustainability Report 2021

Banco Popular



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1. LETTER FROM THE EXECUTIVE PRESIDENT

GRI 102-50, GRI 102-54 SUSTAINABILITY REPORT 2021

GRI 102-14

As a sign of Grupo Popular's commitment to promoting the development of the region, I am pleased to share with you, our stakeholders, the third Sustainability Report corresponding to our management in 2021, prepared under the GRI Standards and in response to our contribution to the UNEP-FI Principles for Responsible Banking, the United Nations Global Compact and the Sustainable Development Goals (SDGs).

Beyond the economic results, you will also have the opportunity to learn about the main initiatives and impacts in social and environmental matters that we have been developing, in response to our sustainable vision as a responsible corporate citizen.

Although last year we continued to face important challenges due to the situation resulting from the health crisis, Grupo Popular and its subsidiaries definitely worked with a vision of the future and on strong foundations. This allowed us to move forward and achieve our goals, leading the financial services industry and contributing directly to the reactivation of the Dominican economy.

In this sense, we continue to accelerate our digital transformation efforts in all of our subsidiaries, supported by a robust technological infrastructure, always responding to the needs of our customers, shareholders, suppliers and collaborators.

In addition, we continue to promote sustainable business through the green finance portfolio of our main subsidiary, Banco Popular, and support for renewable energy generation, a sector where we are the main financier of photovoltaic, wind and biomass parks.

Regarding our policy of prevention and care for employees and their families, as a consequence of COVID-19, we executed the established in the National Vaccination Plan, with the installation of vaccination centers in our facilities, as well as other preventive measures to guarantee the well-being of our people. Who, thanks to their hard work and talent, are responsible for the excellent results obtained during the past financial year, both by this parent company and by its subsidiaries, allowing for healthy and sustained growth.

Our collaborators, executives and support staff are professionals characterized by their high degree of resilience; they form teams guided by moral values and ethical principles based on our values-based culture and the strength of our corporate governance.

Many of these achievements would not have been possible without the joint work of the different initiatives and public-private alliances in which we collaborate. We want to thank all those who make this possible. We invite you to learn more about our achievements, goals and challenges as an organization, both now and looking towards the future.

We remain firm in our commitment to move forward, working for the benefit of the progress and well-being of our nation, and thus achieve in 2022 and the years to come, a better present and a promising future of continuous promotion of sustainability in business.



Manuel E. Jiménez F.

*Executive President
Grupo Popular*

2. About this Report

GRI 102-50, GRI 102-54

Grupo Popular is committed with communicating to its stakeholders the entity's environmental, social, economic and corporate governance performance through this second sustainability report. The information in this report corresponds to the period between January 1 and December 31, 2020, covering the operations of all of the Group's subsidiaries in the Dominican Republic and Panama, and extends, in greater depth, to the following companies:

- Banco Popular Dominicano (BPD)
- Administradora de Fondo de Pensiones Popular (AFP)
- Fundación Popular Inc.

In the cases where Grupo Popular is mentioned, the nine subsidiaries are included.

This report has been prepared in accordance with the GRI Standards: Core option, and includes the contents of the Financial Services Sector Disclosure. It also responds to the commitment made by Banco Popular Dominicano in 2019 to the Principles of Responsible Banking of the UN Environment Programme Finance Initiative (UNEP-FI), to the Principles of the UN Global Compact and presents the organization's contribution to the achievement of the Sustainable Development Goals (SDGs)

GRI 102-53

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2.1 Stakeholders and Relationships

Principle 4.1, GRI 102-42

Grupo Popular is aware of the importance of taking into consideration the interests, expectations and perspectives of its stakeholders in order to maintain sustainable operations and responsible financing that promote and guarantee the trust and loyalty of its customers, shareholders, suppliers, staff, regulators, associations and society.

We identified and selected these seven stakeholders based on the Principles of the UN Global Compact and our internal Corporate Governance premises, which guarantee that all of the Group's actions take into consideration the possible direct or indirect impacts that we may generate.

This way, we have defined the following foundations for each group, which allows us to adequately address and direct the involvement of our stakeholders.

Shareholders	<ul style="list-style-type: none"> • Ensure to defend and protect their interests.
Clients/ Customers	<ul style="list-style-type: none"> • Treat clients and customers with the principles of fair treatment, equality, transparency and responsibility, taking care of their interests as if they were our own, guaranteeing equal treatment between clients of similar conditions.
Workforce	<ul style="list-style-type: none"> • Guarantee respect and compliance with the highest standards in labour and social security matters, build dignified and fair relationships, and promote professional development in a suitable physical, professional and ethical environment.
Suppliers	<ul style="list-style-type: none"> • Extend good governance practices to suppliers, establish contracting rules that guarantee, among others, fair, equal, transparent and responsible treatment.
Regulators	<ul style="list-style-type: none"> • Maintain a relationship with regulators based on constant information, cooperation, compromise and transparency.
Society	<ul style="list-style-type: none"> • Apply the corporate social responsibility criteria and responsible investment provided in the Principles of Governance.
Associations	<ul style="list-style-type: none"> • Collaborate with unions and associations to achieve objectives together.

Additionally, we promote meeting spaces with our stakeholders in order to establish continuous and transparent dialogues that allow us to understand and identify the key concerns of each actor, as well as to know their expectations, throughout new trends and global risks. Therefore, we have different communication channels that ensure the inclusion of all interested parties:

Stakeholder	Communication Channel	Topics and key concerns
Clients/ Customers	<ul style="list-style-type: none"> - Hiring of products and services - Physical and virtual correspondence - Customer Satisfaction Survey - "Voice of the customer" - Social media - Corporate annual report - Focus groups - Case study analysis - Popular App, AFP App, Internet Banking and web pages 	<ul style="list-style-type: none"> - Implementation of innovative processes to make life easier for users. - Financial solutions adapted to the needs and conditions of clients. - Transparency in the communication of products and services.
Workforce - Staff and their families	<ul style="list-style-type: none"> - Work environment evaluations - Newsletters - Internal communications - Corporate annual report - Popular Volunteers - Corporate values delegates 	<ul style="list-style-type: none"> - Promote a decent quality of life, a stable job, with possibilities for personal, professional and family development. - Respect and comply with the highest standards in labor and social security matters, to achieve dignified and fair labor relations that promote professional development in a suitable physical, professional and ethical environment.
Society	<ul style="list-style-type: none"> - Social Media - Social and environmental projects and programs - Newsletters - Corporate annual report - Surveys - Collaboration agreements - Global Compact Progress Report 	<ul style="list-style-type: none"> - Increase the social, cultural and economic heritage of the country. - Contribute to the development and progress of the Dominican nation.
Regulators	<ul style="list-style-type: none"> - Periodic regulator reports - Governance reports - Corporate annual reports 	<ul style="list-style-type: none"> - Compliance with applicable regulations. - Maintain a relationship with regulators based on constant

		<p>information, transparency, cooperation, commitment and responsibility.</p> <ul style="list-style-type: none"> - Adopt the corresponding internal guidelines to guarantee prudent management, capable of preventing regulatory breaches
Shareholders	<ul style="list-style-type: none"> - Shareholders General Meeting. - "Círculo de accionistas" (shareholders web page) - Corporate annual report - Dialogues 	<ul style="list-style-type: none"> - Growth and profitability superior to the banking system with low risk. - Recognize, promote and protect equality among shareholders.
Suppliers	<ul style="list-style-type: none"> - Contractual relationships - Inspection visits and supplier evaluation - Supplier audits, compliance with the code of ethics. - Suppliers web page - Corporate annual report - Activities and Meetings 	<ul style="list-style-type: none"> - Act with high quality standards. - Establish fair, equitable, transparent and responsible supplier contracting rules.
Associations	<ul style="list-style-type: none"> - Group discussions / roundtable - Institutional Agreements. 	<ul style="list-style-type: none"> - Contribute to the development and progress of Dominican tourism. - Contribute to the growth of the financial sector in Dominican Republic.

On the other hand, and as a means to guarantee engagement with stakeholders in compliance with the Principles of Responsible Banking, we have identified and linked the stakeholders according to their relevance, contribution and impact on each Principle:

UNEP-FI Principle	Relevant Stakeholder
Principle 1: Alignment	<ul style="list-style-type: none"> - Associations - Shareholders - Regulators
Principle 2: Impact and target setting	<ul style="list-style-type: none"> - All
Principle 3: Clients and customers	<ul style="list-style-type: none"> - Clients/ Customers - Suppliers - Workforce
Principle 4: Stakeholders	<ul style="list-style-type: none"> - All
Principle 5: Governance and culture	<ul style="list-style-type: none"> - Shareholder - Workforce
Principio 6. Transparency and accountability	<ul style="list-style-type: none"> - Shareholder

Hence, we have taken it upon ourselves to work with our stakeholders in the medium term (2 to 3 years) in order to improve, mitigate and prevent the possible negative impacts of the entity.

2.2 Materiality Assessment

GRI 102-46, Principle 2.1

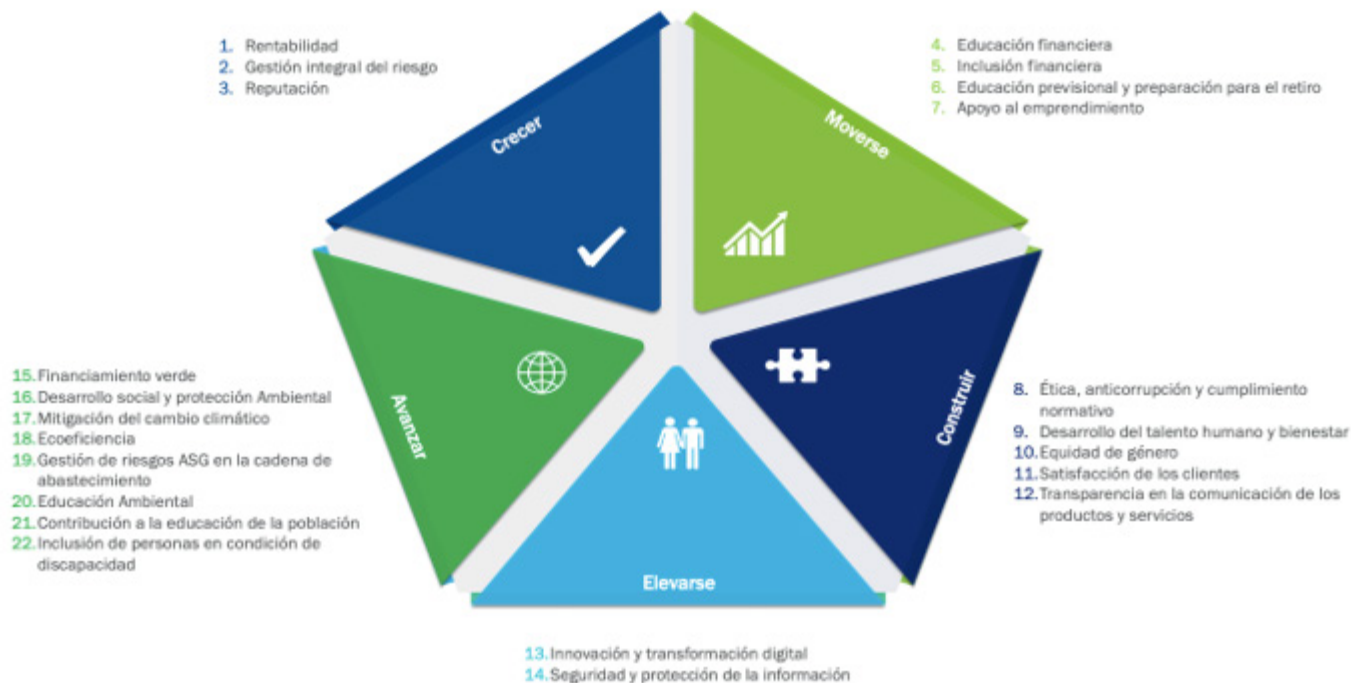
In order to identify the main impacts, both positive and negative, current and potential, as well as the risks and opportunities of Grupo Popular. During 2019, we carried out our first materiality analysis exercise, which allowed us to identify, evaluate and prioritize environmental, social, economic and corporate governance issues that can have a significant impact on the sustainability of our businesses and stakeholders.

This exercise was achieved with the support of BSD Consulting, an ELEVATE company, and consisted of three phases in which the principles were applied to define the content of the Global Reporting Initiative:



The result of this materiality exercise made it possible to identify and establish a management and monitoring framework for the most relevant areas, with the greatest impact and criticality for both the business and the stakeholders, taking into consideration, among others, the regional context where the Group operates, current and emerging global trends, challenges and risks, as well as the probability of an event materializing.

Based on this, Grupo Popular has been committed, since 2019, to annually report the performance and management of the main impact areas, framed in five categories:



GROW

1. Cost Effectiveness
2. Risk Management
3. Reputation
4. Financial Education
5. Financial Inclusion
6. Pension Education and Retirement Preparation.
7. Entrepreneurship Support

BUILD

8. Ethics, Anti-corruption and Regulatory Compliance
9. Human Talent and Well-being
10. Gender Equality
11. Customer Satisfaction

12. Transparency in the communication of products and services

ELEVATE

13. Innovation and Digital Transformation
14. Information Security and Protection

ADVANCE

15. Climate Change Mitigation
16. Social Development and Environmental Protection
17. Climate Change Mitigation
18. Eco-efficiency
19. Environmental, Social and Government (ESG) Risk management in the supply chain
20. Environmental Education
21. Contribution to the education of the population

22. Disability Inclusion

For more information on the materiality definition process, refer to the 2020 Sustainability Report.

This report is structured based on these five areas and uses the materiality defined in 2019 as a reference.

In 2022 we have planned an update of this materiality analysis for our next reporting exercise.

3. 2021 Highlights

Launch of the "Academia Finanzas con Propósito", the first active web platform in financial education in the Dominican Republic	Seal of Good Inclusive Practices for People with Disabilities "RD Incluye" 2021, awarded by the National Council on Disability (CONADIS) and the United Nations Development Program (UNDP).	Digital Autogestión 2021, with the best market conditions, achieving more than RD\$10,000 million.	Fara Impulsa was carried off on digital platforms.
96% overall customer satisfaction with our branches. Growth of more than 25 percentage points, a reflection of the commitment and continuity of service.	Redesign of the Shifts and Appointments in the Popular App and expansion of digital services and self-service	33% increase in the number of courses or trainings our teams took thanks to our online learning platforms.	Graduation of the first group of 22 specialist nurses in Neonatal Maternal Health, as part of the project promoted by the Fundación Popular in HUMNSA.
Entry of Fundación Popular to the Community of Practice on Public-Private Articulation for Climate Action in Latin America (ArticulaC).	Ratification of the Agreement for Specialized Training in CSR and Sustainability between Fundación Popular and PUCMM	Second carbon footprint study showing a reduction in our carbon footprint of 40%, with respect to the emissions accounted for in the year 2015.	Renewal of the commitment of the Dominican private sector to reduce greenhouse gas emissions and develop actions to facilitate adaptation to climate change, through the "Business Coordination for Climate Action (AEAC)" initiative.
During the year 2021, Fiduciaria Popular had its best year in terms of operating income, improving the operating margin from 2.9% to 29.3%, doubling the volume of assets under management and it was the year in which the most new deals were signed (65).	The profit goal was exceeded by 137%, we were the multiple bank with the highest gross profit.	Sabre Awards for the best campaign in the Caribbean for the Institutional Campaign "El Lado Positivo"	Stevie Award for the best communications and public relations campaign for the "El Lado Positivo" Institutional Campaign.
Award for the best Coronavirus Communication Campaign, in the category of Responsible Communication, of the Ibero-American Co-Responsible Awards for the Institutional Campaign "El Lado Positivo".	Gold Success Factor Award, from the ADECC Commercial Communication Association and the Success Factor Magazine.	Best PUCMM Corporate Communication Campaign Award for the Institutional Campaign "El Lado Positivo".	We are once again an organization Certified as carbon-neutral.

Financial income presented a surplus of 10 million in relation to the budget due to the efficient management of the investment portfolio of the Pension Fund Administrator.	AFP had an increase of 8.19% in the sending of account statements via email, represented by savings in shipping and printing management and paper savings totaling RD\$1.1MM.		
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4. Profile of Grupo Popular's Subsidiaries

GRI 102-1, GRI 102-5, Principle 1.1.

Grupo Popular S.A. is an economic and financial entity governed by the General Law of Commercial Companies and Individual Limited Liability Companies, through which we carry out investment operations and, especially:

We promote, develop and invest our own funds in shares in commercial, national or foreign companies .

We form subsidiaries, we carry out mergers, transformations or other community of interests with other commercial companies.

We subscribe, acquire or transmit by any title, actions and obligations.





We invest funds in the acquisition of all kinds of movable and immovable property.





We promote the creation, establishment and operation of commercial and industrial companies and we participate in their capital.


We carry out investments or commercial, industrial, agricultural and livestock activities and of any other nature permitted by law.

GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7, Principle 1.1.

Grupo Popular is made up of nine subsidiaries that allow us to offer a wide range of financial solutions, services and products in accordance with the needs of our clients:

Subsidiary	Description	Products and services
Banco Popular Dominicano (BPD) 	It is the main private equity financial institution in the Dominican Republic and the largest subsidiary of the Group. It was founded in 1963 and is one of the banks best valued by clients in the Dominican Republic.	BPD has a wide range of financial services and products adapted to the needs of each of our personal banking, SME banking and corporate and institutional banking segments.
Administradora de Fondos de Pensiones Popular (AFP) 	Through this subsidiary, pioneer of the provisional market, we seek to guarantee our clients pension plans through the optimization of resources, excellence in services and professionalism in the management of economic well-being for the elderly and their relatives..	Designs and administers Pension Plans in accordance with the Dominican Social Security System.
Inversiones Popular 	Through Investments, they are in charge of advising and distributing investment products from the Stock Market. Through this subsidiary, we have structured and placed important private bond issues in the market through the stock exchange of the Dominican Republic..	Inversiones Popular offers brokerage services for issued securities, placement of new securities issues and structuring of private bond issues on the market.
Administradora de Fondos de Inversiones Popular (AFI) 	AFI offers the best investment fund offers to our clients according to their financial needs and risk profile.	This subsidiary has a portfolio of investment funds in fixed income, equities, real estate investment funds and business development.

<p>Fiduciaria Popular</p> 	<p>Fiduciaria Popular has a highly profitable growth, giving our clients options to manage their assets safely. In addition, it is the first fiduciary authorized by the Superintendency of Securities to issue Public Offering Trusts.</p>	<p>Fiduciaria Popular offers a full portfolio of products such as real estate development, successor planning, cultural, philanthropic and educational trusts.</p>
<p>Popular Bank Ltd.</p> 	<p>Popular Bank is our banking subsidiary based in Panama City that offers innovative financial solutions, allowing the satisfaction of the needs of Dominican clients abroad.</p>	<p>Popular Bank offers innovative financial solutions to meet the needs of customers in the personal banking and business banking segments and maintains access to financing in dollars to facilitate international trade.</p>
<p>Servicios Digitales Popular</p> 	<p>Through this subsidiary, we lead the design and implementation of comprehensive business solutions, based on digital technology, through the brands AZUL y AVANCE.</p>	<p>With AZUL, we affiliate businesses so that they can accept payments with cards and mobile wallets, through innovative secure payment solutions, accompanied by an excellent service. Servicios Digitales Popular also includes within its portfolio the commercial brand AVANCE, which is responsible for facilitating capital advances to businesses that accept card payments.</p>
<p>Infocentro</p> 	<p>Infocentro is the provider of services related to information technology and communications to our business customers. Thanks to the management of this subsidiary, we are a prominent member of the Association of Contact Centers of the Dominican Republic.</p>	<p>We provide customer service for our business clients.</p>

<p>Asetesa Venta de Inmuebles</p> 	<p>It offers the possibility of acquiring real estate throughout the national territory, with a diversity of properties that are adapted to the needs of our clients through this subsidiary.</p>	<p>Asetesa is a real estate portal with a wide variety of properties for sale, including houses, apartments, villas and plots</p>
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In addition to our subsidiaries, we have **Fundación Popular**, Grupo's Popular corporate foundation, which is responsible for the social agenda and lays the foundations for the policies, premises and sustainability commitments. Likewise, it strengthens other foundations and social organizations in the Dominican Republic, which promote sustainable initiatives in favor of the human, social, economic and environmental growth of the nation.

We are the largest group of financial services companies in the Dominican Republic, as well as the pioneer in innovation issues in the country.

Principle 1.1. GRI 102-2, GRI 102-6, GRI 102-4

We provide financial services in the Dominican Republic and Panama, to individuals, small and medium-sized companies and at a business and institutional level. Our operations of all subsidiaries are developed in the Dominican Republic and, through Popular Bank Ltd., we are present in Panama City. We have offices in the Santo Domingo metropolitan area, in the North Zone of the country, in the Southeast Interior of the country and in Panama City.

GRI 102-12

Grupo Popular and its subsidiaries actively participate in different external initiatives, committees and working groups in which issues relevant to the Organization's stakeholders are addressed, including:

United Nations Global Compact 2008	UNEP-Fi Principles for Responsible Banking 2019	COP Observer Status 2019
RedEAmerica Assembly 2015	Global Reporting Initiative 2019	

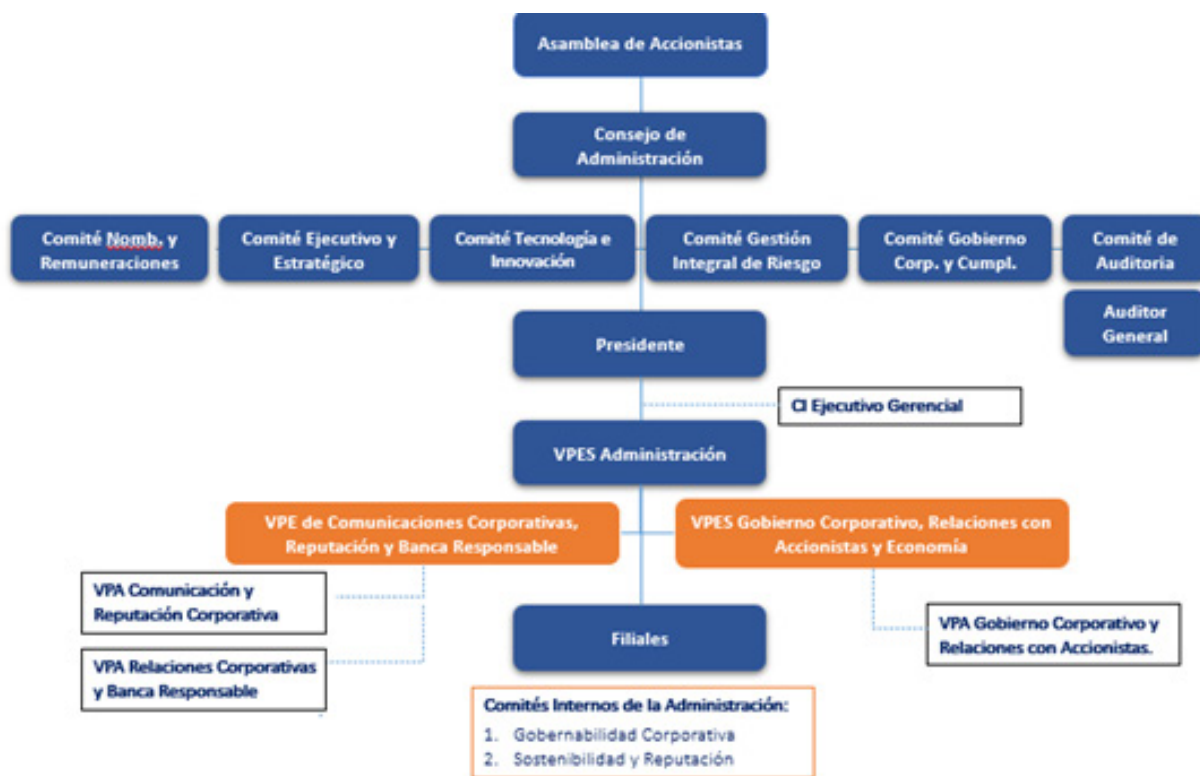
GRI 102-16

We are committed to the good conduct of our organization and have based our actions and decisions on a management model that positively impacts the strategies, processes and people we reach. For this reason, our mission, vision and values respond to our essence and commitment to act responsibly and across all of our subsidiaries.

Mission We work to be an efficient provider of financial, personal and business services in the local and international market. We focus on fulfilling our social function, guaranteeing the satisfaction of our clients, employees, shareholders and related parties, always staying at the forefront of technology in accordance with the highest ethical principles.				
Vision To be the predominant financial services group for the Dominican Republic, with profitable growth, constant innovation and the satisfaction of the needs of our clients, shareholders and employees.				
Values All decisions made within Grupo Popular are based on values, a management model that positively impacts the strategies, processes and people we touch.				
Respect	Integrity	Team work	Innovation	Client satisfaction

GRI 102-18

Grupo Popular's governance structure is made up of a Board of Directors, an Executive President, an Audit Committee, presidents, vice presidents and managers. Specifically, Senior Management is made up of one (1) President and three (3) Executive Vice Presidents.



Some of the main objectives of the Grupo Popular Council support committees are:

- **Audit Committee:** guarantees that all activities and operations are carried out in accordance with the laws, resolutions and other applicable regulations; supervises compliance with the resolutions adopted by the General Shareholders' Meetings and the Board of Directors; verifies the correct application of policies and procedures; safeguards the integrity of the financial statements; submits to the Board of Directors the proposals for the selection, appointment and replacement of the firm of the company's External Auditors, among others.
- **Comprehensive Risk Management Committee:** it demands information and analysis of the different risks assumed by the

company and supervises and establishes the framework policies within the scope of its powers for the subsidiaries belonging to the Group. Likewise, it supervises the quality of both credit and investment portfolios and compliance with internal and regulatory risk limits, recommends contingency plans and knows the measures adopted to prevent cases of money laundering and financing of terrorism.

- **Appointments and Remuneration Committee:** supports the Board in the appointment, remuneration, re-election and dismissal of the Members of the Board of Directors and the entity's senior management. It also advises the Board on the annual evaluation of the performance of the Chairman of the Board, formalizes the policies on succession plans for the members

of the Board, senior management and key positions within the organization, among others.

- **Executive and Strategic Committee:** facilitates and speeds up decision-making in the face of legislative or regulatory changes and in the face of new market trends and their impact on business, among others.
- **Corporate Governance and Compliance Committee:** supervises the observance of the regulatory aspects that regulate the company and its Declaration of Principles, advises the Board on good corporate governance practices, and evaluates the performance of the Board Committees, reports conflict situations of interests presented by the members of the board, their relatives or

associates, among others.

- **Technology and Innovation Committee:** responsible for supporting Senior Management in the process of transforming the institution towards digital banking, promoting initiatives that allow us to maintain high levels of innovation and technological efficiency, and acting as an advisory and coordination body in strategic issues related to the use of information technology.

At senior management level:

- **Grupo Popular’s Internal Corporate Governance Committee:** Its purpose is to develop, recommend and monitor the application of the Principles of Good Corporate Governance, as well as to supervise the exposure to compliance risks of Grupo Popular and its subsidiaries.

- **Grupo Popular’s Internal Sustainability and Reputation Committee:** it is a strategic management tool, whose objective is to promote and give cohesion to the objectives set in terms of economic, social and environmental sustainability, with a defined link with our business initiatives and measurable in terms of impact, to create a balance between Banco Popular Dominicano, the other subsidiary companies of Grupo Popular, Fundación Popular and the aspirations of our stakeholders and society in general.

Principle 5.3.

For its part, for Banco Popular, the governance structure is composed as follows:



Comités Internos de la Administración

- | | |
|---|--|
| 1. Comité Interno de Activos y Pasivos (ALCO) | 10. Comité Interno Presupuesto |
| 2. Comité Interno de Compras | 11. Comité Interno Normas y Procedimientos |
| 3. Comité Interno de Conducta Ética | 12. Comité Interno Normalización |
| 4. Comité de Crédito Interno | 13. Comité Interno de Mercadeo y Relaciones Públicas |
| 5. Comité Interno Eventos Críticos | 14. Comité Interno de Tasas y Tarifas |
| 6. Comité Interno Gobernabilidad Corporativa | 15. Comité Interno Tecnología |
| 7. Comité Interno de PLAFT | 16. Comité Interno Operaciones y Seguridad |
| 8. Comité Interno Higiene y Seguridad | 17. Comité Interno Riesgo |
| 9. Comité Interno Inversiones | 18. Comité Interno Ciberseguridad |

*This governance structure is also responsible for guaranteeing compliance with the Principles of Responsible Banking.

The Board of Directors has formed different committees with the purpose of serving as support to the Board in aspects related to the functions of its competence, as well as in decision-making on

economic, environmental and social issues:

Committee	Objective	Attributions
Executive and Strategic Committee	Streamline and facilitate decision-making in the face of legislative or regulatory changes	<ul style="list-style-type: none"> - Analyze the most important business opportunities and the continuation or not of business lines. - Analyze the macroeconomic trends and conditions and their impact on the Group's business lines.
Comprehensive / Integral Risk Management Committee	It establishes the strategic nature of the different risks assumed by Grupo Popular S.A. and its subsidiaries and supervises compliance with the tolerance and appetite limits for internal and regulatory risks.	<ul style="list-style-type: none"> - Define and review the policies that will regulate risk management for Grupo Popular S.A., and each of its subsidiaries. - Define the acceptable limits for the different types of risks assumed by the Group: credit risk, market risk, liquidity risk, operational risk, information technology risk, information security risk, legal, regulatory, reputational risk and risk of laundering of assets and financing of terrorism. - Supervise risk levels, focusing mainly on the so-called critical areas: credit risk, market risk, liquidity risk, operational risk, information technology risk, information security, legal, regulatory, reputational

		<p>risk, and money laundering risk. assets and financing of terrorism.</p> <ul style="list-style-type: none"> - Know the issues related to reputational risks in corporate governance matters, as well as review, <u>take into account</u>, analyze the proposals and comments made by shareholders or other interest groups in matters of corporate governance. - Analyze and report the observations and recommendations made by regulatory bodies. - Know and approve the compliance program based on risks of Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction and the training program of the subsidiaries and propose it to the Council for approval.
Corporate Governance and Compliance Committee	In charge of overseeing the observance of the normative aspects that regulate the company and its declaration of Principles, as well as advising the Board on good corporate governance practices.	
Technology and Innovation Committee	It supports Senior Management in the institution's transformation process towards digital banking and acts as an advisory and coordinating body on strategic issues related to the use of information technology.	<ul style="list-style-type: none"> - Know and monitor the Digital Banking strategy of the Group and its subsidiaries. - Know and follow up on technological projects. - Monitor and evaluate existing and future technological trends that may affect the strategic business plans of Grupo Popular S.A., and its subsidiaries.

Board of Directors

The Board is responsible for establishing the remuneration policy for its members, based on the recommendations of the Appointments and Remuneration Committee. Within this framework, fixed or variable compensation can be established, taking or not taking into account attendance to the meetings of the Council and its Committees, as well as the reimbursement of travel,

transportation, hotel and meal expenses for those members who do not reside in the place in which the respective meeting should be held.

In accordance with the Bylaws, the total amount of the annual remuneration of the members of the Board of Directors for their services may not exceed one percent (1%) of the net profits of the company, after covering the legal reserve. For more information on Board remuneration, see the Annual Corporate Governance Report.

Employees

We have a Compensation policy designed with the objective of complying with labor laws and guaranteeing the attraction and retention of the best talent in the market, ensuring salary levels of external competitiveness and internal equity. This policy has a fixed salary component and variable compensation schemes to guide compliance with the company's strategic planning and greater efficiency and quality in performance.

The tools used for the administration of the Compensation Policy are the following:

- Korn Ferry Valuation Methodology (HAY)
- Salary scales
- Salary and benefits surveys
- Variable compensation methodology

Sustainability Governance

Principle 5.1. GRI 102-20

In 2021, the Sustainability and Reputation Committee was established, this is currently the highest body responsible for the organization's risk management processes in social and environmental matters. This committee reports to the Corporate Governance and Compliance Committee.

This Committee guarantees compliance with the Principles of

Responsible Banking and implements the necessary policies, structures and procedures to manage the Bank's most important issues. Specifically, the Committee tends to:



The Sustainability and Reputation Committee meets quarterly. Since it was created in 2021, two sessions were held, one in July and one in November. This Committee is made up of:

- VPE Corporate Communications, Reputation and Responsible Banking - President
- Executive President Grupo Popular - Member
- Executive President Banco Popular Dominicano - Member
- VPES Human Management, Cultural Transformation, Credit Administration and Compliance - Member
- VPES Corporate Governance, Shareholder Relations and Economy - Member
- Senior Executive Vice President Technology and Operations - Member
- Senior Executive Vice President of National and International Business - Member
- Executive Vice President of Personal Businesses and

Branches - Member

- Executive Vice President Human Management, Cultural Transformation and Systems and Processes - Member
- Vice President Engineering and Maintenance Area - Member
- Corporate Relations and Responsible Banking - Coordinator

The sessions held in 2021 aimed to:

- Disclose the details of the institutional agreement between Banco Popular Dominicano and the United Nations Environment Finance Initiative (UNEP FI), which responds to the challenges in terms of environmental sustainability faced by the financial sector globally.
- Announce Grupo Popular's Sustainability strategy.
- Announce the Reputation strategy of Banco Popular Dominicano.
- Present the 2022 work plan of the VPA Corporate Relations and Responsible Banking.
- Present the 2022 work plan of Fundación Popular, Inc.
- Present the proposal for new personal loan products with sustainable characteristics.
- Announce the change in the reputational model for Banco Popular Dominicano.

Finally, it is important to mention that Fundación Popular is the subsidiary that supports the formulation of economic, social and environmental sustainability policies, thus leading multiple initiatives in favor of sustainable growth in the Dominican Republic.

5. Grupo Popular's Sustainable Vision

Principle 1.2.

At Grupo Popular, we are aware that the role of the private sector is

fundamental for the achievement of the goals outlined in the 2030 Agenda, for which we are committed to promoting the sustainable development of the Dominican Republic.

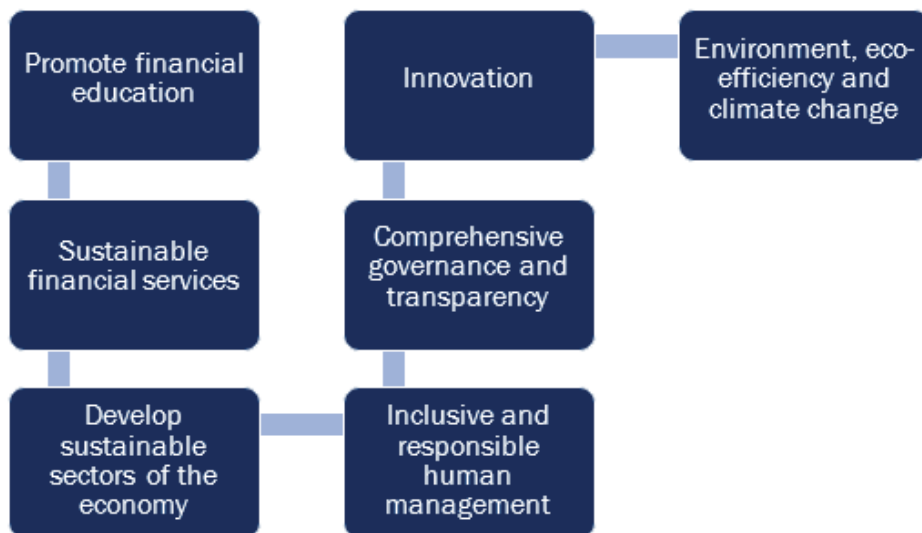
We recognize the importance of our role as a financing entity for the socioeconomic growth of the region and we understand that the economic model should not be isolated from the construction and promotion of a sustainable environment.

Therefore, in 2019 we created the Sustainable Vision of Grupo Popular, which not only seeks to respond to the main challenges of the region, but also seeks to contribute to the Sustainable Development Goals (SDG), in order to align the actions of the entity to the global agenda and increase positive impacts in the social, economic and environmental spheres.

Our vision is to work to make people's dreams come true in a sustainable environment.

The Sustainable Vision of Grupo Popular was created in order to align the financial business with long-term social and environmental objectives that are transversal to the entire value chain of the organization. The sustainability vision clarifies the direction in which an organization needs to move in a sustainable matter. To that end, we look forward to positioning ourselves as leaders of the social and environmental agenda of the Dominican business community, making visible our commitment to the sustainability and the fight against climate change. Specifically, we seek:

Principle 2.2.



So then, our Sustainable Vision has allowed us to identify, build and translate five commitments to 2030 in terms of sustainability, aligned with the 2030 Agenda, the Paris Climate Agreement, and the National Adaptation Plan for Climate Change in the Dominican Republic 2015-2030 PNACC.

In addition to our commitment to manage the impacts of our operation, and taking into account the materiality analysis carried out by Grupo, we have established five specific goals for 2030. These are associated with the commitments of Grupo Popular's Sustainable Vision and aligned with the most relevant issues for the entity and stakeholders, as well as the most critical risks and business opportunities.

These objectives are complemented, in addition, with the projection

Commitment	2030 Goal	Alignment
Become a certified zero emissions organization	To plant more than one (1) million trees per year	SDG 13 Paris Agreement
Be the largest producer of photovoltaic energy in the Dominican Republic	To generate 4.6 mega watts / year	SDG7 Paris Agreement
Be the leader in renewable energy financing	To be the largest provider of green financial products and services	SDG7 Paris Agreement
Contribute to the financial education of Dominicans	To educate 150,000 Dominicans	SDG 8
Contribute to the sustainable education of the social and business sector of the Dominican Republic	To achieve sustainable education for 500 people	SDG 4

of Grupo Popular in each of the areas of impact or material issues, which can be consulted at the end of each section, called "Where are we going". In it, we acquire short, medium and long commitments.

Principle 2.3.

Along the same lines, we have implemented programs, processes, initiatives and actions in order to achieve the established goals and monitor their progress on an annual basis:

2030 Goal	How are we going to achieve it?
To plant more than one (1) million trees per year	Through Plan Sierra , the main reforestation initiative in the country, we carry out exhaustive annual tree planting days. To this end, we also have several institutional allies such as the Ministerio de Medioambiente, Jardín Botánico de Santiago, Fondo de Agua Santo Domingo, Fundasep, Nodo Redamérica, Federación de Campesinos para el Progreso y Guakía Ambiente.
To generate 4.6 mega watts / year	We have a plan to install solar panels in the offices and parking lots of the entity that make up our bidirectional photovoltaic system , which means that the bank consumes a part of its production of clean energy and injects into the system what it does not consume, to the benefit of Dominican homes and businesses.
To be the largest provider of green financial products and services	Through the Hazte ECO package, made up of loans with preferential conditions for the purchase of hybrid and electric vehicles and solar panels.
To educate 150,000 Dominicans	We have the Finanzas con Propósito program, which facilitates financial education, banking and social inclusion of people through talks, workshops, courses, among others.
To achieve sustainable education for 500 people	Through the Cátedra de Responsabilidad Social Empresarial y Sostenibilidad "Alejandro E. Grullón E" , which seeks to build and promote the necessary knowledge and tools to create sustainable and socially responsible models of action.

All programs have a monitoring and evaluation system in place, which can be consulted in greater detail in the sections: grow, move, build, rise and advance. These systems have allowed us to record the following advances:

Principle 2.4, Principle 6.1.

Commitment	2030 Goal	How are we doing in 2021?
Become a certified zero emissions organization	To plant more than one (1) million trees per year	837,463 trees planted
Be the largest producer of photovoltaic energy in the Dominican Republic	To generate 4.6 mega watts / year	3.5 mW (Mega-Watts) of installed capacity
Be the leader in renewable energy financing	To be the largest provider of green financial products and services	We are the leaders in financing renewables thanks to our <i>Hazte Eco</i> loan package for retail banking. For wholesale banking, we have products such as financing of renewable energy parks, leasing for solar panels and fleets of hybrid and electric vehicles
Contribute to the financial education of Dominicans	To educate 150,000 Dominicans	89,597 people
Contribute to the sustainable education of the social and business sector of the Dominican Republic	To achieve sustainable education for 500 people	1,068 people trained

During the past year, once again, we certified ourselves internationally as a carbon neutral organization, being the only Dominican banking certified as carbon neutrality.

Principle 1.2.

Sustainable Development Goals - ODS

At Banco Popular Dominicano, our initiatives in social responsibility and sustainability are correlated with the SDGs as follows:

Sustainable Development Goal	Contribution
SDG 1	Through bank subagents, we promote and ensure economic services, including microfinance, for the economically less favored population.
SDG 2	Through the alliance with Sanar una Nación, whose mission is to provide medicines, fortified food and medical supplies to the most vulnerable population of the Dominican Republic, we seek to end hunger, achieve food security, improve nutrition and promote sustainable agriculture.
SDG 3	In response to the crisis caused by COVID-19, we contributed to the main maternity centers in the country to reduce the spread of the virus and donated medical equipment. On the other hand, we have participated in Sanar una Nación and we have been helping the <i>Proyecto de Apoyo a la Reducción de la Mortalidad Materno Infantil</i> for more than 5 years.
SDG 4	Banco Popular offers <i>Excelencia Popular</i> , the largest scholarship program in the financial system, which encourages creativity, promotes financial education and contributes to the professional development of Dominicans, especially young people.
SDG 5	We work with organizations that combat violence against women, such as the Patronato de Ayuda a Casos de Mujeres Abtratadas (PACAM), and we ensure that both working hours and remuneration within the entity are equitable, in addition to having zero tolerance for discrimination.
SDG 6	We work with FUNDASEP to improve health conditions, promoting education in the proper use of water resources and supporting the construction and improvement of aqueducts in the most vulnerable provinces in the south of the country.
SDG 7	Through the Hazte Eco program, we offer environmentally friendly products that seek, among others, to increase the purchase of solar panels, more efficient appliances, hybrid and electric vehicles.
SDG 8	We are recognized as the best company to work for in the country, as we promote continuous training with programs that enhance the professional development of our employees. Similarly, we have multiple initiatives to support university entrepreneurship, among which <i>Impulsate Popular</i> and <i>Challenge Popular</i> stand out. On the other hand, and in order to promote decent work, we offer our employees the <i>Centro de Bienestar Popular</i> in order to promote a balance between mind and body.

SDG 9	Innovation and digital transformation are core values to us, when developing resilient infrastructure, as well as promoting inclusive and sustainable industrialization. We have worked hand in hand with innovation and infrastructure for the financing of wind farms and the installation of solar panels and chargers for electric vehicles in our branches.
SDG 10	We are promoters of the social inclusion of Dominicans: we provide adapted spaces for people with disabilities and we offer them employment opportunities. Similarly, we promote financial inclusion through <i>Subagente Popular</i> , which brings our banking services to specific communities.
SDG 11	We offer green financial products in order to contribute to a more sustainable city. Similarly, and as a sign of our commitment to guarantee sustainable development, we have installed solar panels in all our offices. Likewise, we provide bicycle parking areas and sponsor a bicycle lane in the capital to encourage sustainable mobility habits.
SDG 13	In our efforts to combat climate change, we hold large annual tree planting days. We have also adapted the model of our offices to self-supply energy with solar panels, and we make efficient use of resources. Thanks to this, we have managed to achieve the <i>Carbono Neutral</i> certification.
SDG 15	We contribute, among others, to the sowing of Plan Sierra, the main national reforestation initiative.
SDG 16	We have robust corporate governance and internal regulatory instruments that allow us to be an effective, responsible and transparent institution at all levels. We have also implemented a system that includes, among others, policies against money laundering and initiatives to promote ethics and prevent corruption in our operations.
SDG 17	We have strengthened our ties with different business associations such as CONEP, ANJE, FINJUS, ECORED, EDUCA, Sanar una Nación, among others.

Principles of Responsible Banking UNEP - FI

In compliance with the commitment acquired in September 2019 by Banco Popular Dominicano, we have strengthened our business practice and social and environmental commitment around the Principles of Responsible Banking, reaffirming the Bank's interest in aligning its business model to the SDGs and the Paris Agreement. Similarly, we have aligned our second sustainability report in order to comply with all the UNEP-Fi principles.

We are the first Dominican and insular Caribbean bank to join this international coalition.

Los 6 Principios de Banca Responsable de las Naciones Unidas

> Conoce más en unepfi.org



6.

6.1. Profitability

Principle 2.1

<p>GRI 103-1</p> <p>Why is this topic important?</p>	<p>For the shareholders and investors that make up the Grupo Popular company, it is important that the subsidiaries generate the expected financial returns and that they have the necessary financial health to meet the commitments made with the different stakeholders and continue offering financial products and services. This way client can realize their dreams, in addition to contributing to the sustainable development of the Dominican Republic.</p> <p>Impacts:</p> <ul style="list-style-type: none"> • Financial sustainability of the business and for customers • Economic development • Availability of resources for financing <p>It is for this reason, which the efforts of Grupo Popular and its subsidiaries aim at maximizing profitability, guaranteeing customer satisfaction at all times. The different subsidiaries that make up Grupo Popular seek to implement strategies in their business model to attract new clients and achieve economic performance that will keep us in the market and position us as leaders in the country's financial sector.</p> <ul style="list-style-type: none"> • In order to guarantee the profitability and economic performance of the subsidiaries, Grupo Popular, within its corporate governance, has the Board of Directors as the highest body for supervision, control and administration of the company, in charge of ensuring compliance with legal provisions and current administrative
<p>GRI 103-2</p> <p>How do we manage it?</p>	<p>It is for this reason that the efforts of Grupo Popular and its subsidiaries are aimed at maximizing profitability, guaranteeing customer satisfaction at all times. The different subsidiaries that make up Grupo Popular seek to implement strategies in their business model to attract new clients and achieve economic performance that will keep us in the market and position us as leaders in the country's financial sector.</p>
<p>GRI 103-3</p> <p>How do we evaluate it?</p>	<p>In order to guarantee the profitability and economic performance of the subsidiaries, Grupo Popular, within its corporate governance, has the Board of Directors as the highest body for supervision, control and administration of the company, in charge of ensuring compliance with legal provisions and current administrative.</p>

The Board of Directors has internal support committees made up of senior executives, who monitor the execution and compliance with the guidelines for comprehensive risk management defined by the Board of Directors:

- Investment Committee and Alco Committee: evaluates the concentration of capital, as well as liquidity and solvency indicators.
- Budget Committee: validates projections, profitability, compliance with financial objectives and strategic guidelines
- Similarly, the Executive and Strategic Committee, by delegation of the Board of Directors, in its powers to expedite and facilitate the adoption of decisions before legislative or regulatory changes, has attributions that allow economic decisions of the subsidiaries of Grupo Popular as it is knowing and approving the operating budget of the company and its subsidiaries; acquire goods of any nature; contract credits that are necessary for the Company's business; authorize the sale of goods of any nature; know and approve the annual budget of the Company; analyze the most important business opportunities and the continuation or not of the lines of business; develop new business lines; as well as perform any other function that is designated by the Board of Directors.
- Finally, from the Executive Vice Presidency of Finance and Controllershship of Banco Popular, the different economic indicators of the subsidiaries are consolidated, which are evaluated and decisions are made that affect the economic performance of Grupo Popular.

Economic value generated (VEG)	2019	2020	2021
Income (*)	68,930,983	71,971,082	74,562,419
Operational costs	3,466,013	3,507,202	4,429,552
Employee wages and benefits	16,460,099	16,458,707	17,017,851
Payments to capital providers	20,943,090	21,749,937	15,408,224

Government Payments	5,206,401	4,361,661	5,384,491
Investments in the community	257,235	284,627	327,415
VEG-VED	22,598,145	25,608,948	31,994,886

(*) Revenues exclude revenues not related to the operation except for the sale of assets.

GRI 201-1

Grupo Popular - figures expressed in millions of \$RD

Thanks to the economic recovery experienced in 2021 and the work of all the subsidiaries, Grupo Popular had a very positive performance, achieving revenues of RD\$74,562 million. At the end of 2021, the total consolidated assets of Grupo Popular and its subsidiaries reached a value of RD\$708,503 million, experiencing a growth of 8% compared to 2020. Likewise, total consolidated deposits rose to RD\$530,774 million, achieving an increase of 8.0%. Finally, the activities carried out by the local and international subsidiary companies made it possible for Grupo Popular, S.A. to present net profits of RD\$16,104 million as of December 31, 2021.

Banco Popular - figures expressed in millions of \$RD

	2019	2020	2021
Total assets	478,161	556,855	606,918
Net loan portfolio	315,026	340,143	368,376
Total deposits	381,605	436,670	474,793
Overdue and delinquent portfolio index	1.10%	1.19%	0.70%
Heritage	54,418	63,975	77,544
Net profits	9,577	9,567	13,585
Net portfolio growth	2019	2020	2021
commercial credits	23.226	25.633	23.185
consumer loans	8.730	-2.247	2.373
Mortgage credits	3.117	1.731	4.195

In 2021, Banco Popular achieved growth in its total assets by 9.0% versus the previous period, highlighting a growth in the loan portfolio of 8.7%, mainly in commercial loans. In the same way, the deposit portfolio grew by 8.7%.

Likewise, the financial organization closed the year 2021 with the healthiest credit portfolio in the Dominican financial system and with the lowest risk index, closing with a balance in the non-performing portfolio over total portfolio at 0.70%, while the coverage index of past due portfolio ended the year at 435.69%. Meanwhile, the solvency level was 16.71%, which exceeds the limit required by the authorities of the system.

AFP Popular - figures expressed in millions of \$RD

At the end of 2021, we reaffirm our leadership in the pension

Category / year	2019	2020	2021
Managed pension fund	194,930	226,507	262,959
Pension fund profitability	10.95%	10.45%	11.45%
Number of affiliates	1,232,621	1,282,025	1,354,061
Market share	35.05%	35.09%	34.71%
Net profits	2,079	1,578	1,629

sector. We are positioned in the first place of affiliates, contributors and managed fund, which reinforces our leadership trajectory in the pension market. Likewise, we can highlight the performance achieved during 2021 in the funds we manage for our clients.

The net return for the year was 11.45% for the Managed Fund, higher than that obtained in the last three years and the average return for the last five (5) years is 10.24%, consistent with our long-term investment strategy, which corresponds to the nature of pension funds.

Inversiones Popular- figures expressed in millions of \$RD

Category / year	2019	2020	2021
brokerage accounts	18,033	19,302	20,808
Volume traded in markets *	425,753	472,981	519,189
Primary and secondary *	283.5	343.2	423

During 2021, Inversiones Popular presented an increase in net profits of 23.25% compared to 2020. The volume traded increased by 46,208 million for an increase of 9.78%. With regard to brokerage accounts, the number of current accounts grew by 7.8%.

AFI Popular- figures expressed in millions of \$RD

	2019	2020	2021
Managed heritage	7.072	9,214	9,214
Investment funds	10%	6%	6%
Risk rating of financial investments	Recurring Payment FIC AA- fa M3 FIC Capitalized AA- fa M3 Real Estate FIC BBBfa (N) Multi-Asset FIC A- fa (N) M5 Socs Development FIC BBBfa (N) *(N) means less than 1095 days	FIC Recurring Payment AA-fa M3 Capitalized FIC AA-fa M3 FIC Real Estate Dollars BBBfa FIC Development Companies BBBfa (N) *(N) means less than 1095 days	

During the year 2021, the assets under management of AFI Popular increased by RD\$1,042 million, which represents an increase of 12.2%, because of the placement of participation quotas of the Closed Fund for the Development of Popular Societies.

Fiduciaria Popular- figures expressed in millions of \$RD

	2019	2020	2021
Managed autonomous estates	202	211	282
Managed equity amount	RD\$16,200	RD\$19,596	RD\$39,351
Market share	25.70%	29%	32% (est.)
Net profits*	16	19,4	35.3

During 2021, a large number of real estate development trusts were activated that had been signed at the end of 2019 and during 2020 but that, due to the effect of the pandemic, were put on hold until the market reactivated.

The growth in assets under management was due to the signing of the Larimar 1 Public Offering Trust, with assets of USD 188 million, and the increase in real estate development trusts.

In addition, we had a growth in profits that originated from the growth of the business and from progress since 2019 in a plan to increase rates and improve the operational efficiency of the business.

Popular Bank - figures expressed in millions of \$USD

	2019	2020	2021
Total assets	1,421	1,384	1,418
Net loan portfolio	850	784	860
Total deposits	1,127	1,071	1,094
Past due portfolio index	0.20%	0.121%	0.09%
Total equity	282	304	316
Net profits	24,4	17	19.1

By the end of 2021, total assets of US\$1,418 million represent 4.5% higher than the projected objective for the period, maintaining excellent levels of portfolio quality with a past due portfolio ratio of 0.09%.

In addition, customer deposits total US\$1,093 million, distributed in US\$685 million in term deposits (62%) and US\$409 million in current and savings accounts (38%). The equity of US\$316 million exceeds the equity of the previous year by 4% (US\$12 million) and presents a solid liquidity position with an index of 47.58%, much higher than the 30% required by regulation.

Likewise, the solvency ratio reached of 25.14% is also higher than the 8% required by Panamanian regulations and demonstrates a solid solvency position of capital funds.

Finally, we obtained an operating margin of 29.38%, a significant increase compared to 2020, the year in which this indicator was 2.99%.

Servicios Digitales- figures expressed in millions of \$RD

Trademark Avance	2019	2020	2021
# of disbursements for working capital	2,765	2,016	2,759
Amount of advances	2,812	2,304	3,214
Trademark Azul	2019	2020	2021
Billing by merchants	RD\$202,318	RD\$193,505	RD\$276,212
Number of transactions	86.3	72	96

In 2021, we managed to recover from the impact on commercial activity caused by the pandemic, and we obtained a performance close to what was achieved in 2019, before the spread of COVID-19. The billing of this subsidiary increased by 43% over the previous

year, with a total of 37,000 terminals and more than RD\$96 million of transactions processed in 2021.

Initiatives that drove Profitability in 2021

Banco Popular - Proyecto + Eficiencia (More Efficiency):

In order to reduce operating expenses, we continue with the implementation of the More Efficiency Project, made up of initiatives that help reduce expenses, either by renegotiating contracts, canceling unnecessary services, eliminating duplication of processes and automating processes through digital solutions.

Our goal was to achieve savings in operating expenses of RD\$425 million, which we have significantly exceeded with savings captured of RD\$702 million.

Fiduciaria Popular - SIFI WEB

In 2021, we will complete the design and testing phase for the production launch of a web application for customer self-service, which will be under development in the first half of 2022.

Fiduciaria Popular - Tax improvements to the system

In order to increase the controls for the payment of taxes within the established terms, tax improvements were implemented to our system, reducing the operational risk for the payment of taxes of the trusts outside the established terms.

Inversiones Popular - Presence in social networks

In 2021 we seek to increase our presence in digital media, through different actions we managed to attract 7,400 new loyal followers to the account, managing to position the Stock Exchange as one of the first 5 companies dedicated to education in the Stock Market.

AFP Popular - Zero Paper

In 2021, we developed an initiative to reduce the use of paper in the execution of internal processes and automate 90% of internal document flows; with this implementation, we obtained a 47% decrease in paper use, representing a total of 20,805 in print savings.

Servicios Digitales - Expansion of the DCC service in integrated terminals

In 2021 we seek to provide merchants with integrated terminals of the dynamic currency conversion product in their terminals. Thanks to this, we achieved additional income representing 9.0% of the total income from dynamic currency conversion.

Servicios Digitales - Digital Signature Dominican Capital Advance

We worked to make the contract signing process more efficient, achieving that 48% of disbursements are signed digitally. Previously, the contract signing process took around 78 hours and with the implementation of this tool we have managed to reduce the time to 16 hours, making the process more efficient and optimizing time more than 4 times.

Fulfillment of goals and challenges

Principle 2.4.

Goal 2020	Compliance 2021	How?
Banco Popular Maintain a market share of 31%	Achieved	31.31%, positioning ourselves as the multiple bank with the highest market share in loan portfolio.
Banco Popular Achieve an efficiency goal equal to or less than 61.06%	Achieved	We obtained 57.65%.
Popular Bank Increase regional transactions.	Achieved	The establishment and consolidation of new relationships was achieved, expanding the base of counterparties for the placement of short-term assets and investment in instruments.
Popular Bank Increase in treasury operations as a vehicle for diversification, as well as in other products.	Achieved	The strategy of maximizing the return on excess liquidity was implemented through the treasury desk, achieving the diversification of high-quality liquid assets.
Popular Bank Increase internet banking transactions, simultaneously adjusting the rates of our non-digital channels.	Achieved	The new internet banking platform is already implemented, providing service improvements and reaching a growing number of customers.
AFI Placing new issues through the Fund for the Development of Companies and the Pesos Real Estate Fund.	Partially achieved	It was partially achieved; the placements of the Pesos Real Estate Fund were moved to the year 2022. The economic situation affected the fund industry, especially in the second half, affecting scheduled placements.
AFI Return on Equity (ROE) greater than 17%.	Achieved	An ROE of 23.17% was achieved.
AFP Popular Increase the number of affiliates by more than 3% compared to the end of 2020.	Achieved	At the end of 2021, AFP Popular achieved an increase of 5.4% compared to 2020.

AFP Popular Increase the number of contributors by more than 4%.	Achieved	At the end of 2021, AFP Popular achieved an increase of 12.2% compared to 2020.
AFP Popular Achieve an increase in managed funds by more than 13% compared to the end of 2020.	Achieved	At the end of 2021, AFP Popular achieved a 16.1% increase in funds compared to 2020.
AFP Popular Maintain an efficiency ratio (Expenses/Managed Funds) equal to or less than 0.53%.	Partially achieved	At the end of 2021, AFP Popular managed to maintain an efficiency ratio of 0.64%, presenting an improvement compared to 2020 by 0.04%.
AFP Popular Return on Equity (ROE) greater than 29%.	Achieved	At the end of 2021, AFP Popular reached an ROE of 29%, higher by 2% compared to 27% in 2020.
AFP Popular Active participation at the level of Stakeholders of the System, so that the impact of the reform of the Law does not reduce the managed Funds and impact its sustainability and growth.	Achieved	AFP Popular actively participated directly and via the union in the proposals for initiatives to modify the law and its complementary regulations; as well as the sustainability of the system. Additionally, a document was prepared with 25 proposals for improvements to Law 87-01 to achieve MORE AND BETTER PENSIONS.
Servicios Digitales Popular Increase net margin to 53 basis points.	Achieved	The net margin stood at 53 basis points at the end of 2021.
Servicios Digitales Popular Increase the average acceptance of the DCC product to 30%.	Achieved	The acceptance of the DCC service reached 30%.
Servicios Digitales Popular Increase the sale of alternative products (such as e-commerce, payment links, among others) managing to maintain recurring operating income above 20% of the total operating income of the company.	Achieved	Invoicing in e-commerce services increased by 92% compared to 2020, corresponding mostly to e-commerce services and payment links. The number of alternative products increased by 23% compared to 2020.

Where are we going in profitability?

Subsidiary	Goal	Time Frame
Grupo Popular	Maintain ROE above 14.40%	Short term (1 year)
Grupo Popular	Maintain ROI above 15.86%	Short term (1 year)
Banco Popular	Keep the efficiency ratio below 58.7%	Short term (1 year)
Banco Popular	Achieve an ROA greater than 2.3%	Short term (1 year)
Banco Popular	Achieve an ROE greater than 17.4%	Short term (1 year)
Banco Popular	Maintain portfolio market share above 31%	Short term (1 year)
Banco Popular	Maintain the solvency ratio above 12%	Short term (1 year)
Popular Bank	Intensify the penetration and "cross-selling" of fiduciary products in the value proposition to our current clients:	Short term (1 year)
AFI Popular	Place at least RD\$1,000 million from the Pesos Popular Real Estate Income Closed Investment Fund before the end of 2022.	Short term (1 year)
AFI Popular	By 2022, achieve authorization by the regulator of an open investment fund	Short term (1 year)
Fiduciaria Popular	Maintain the operating margin in the face of the greatest competition in rates that has occurred in the market	Short term (1 year)
Fiduciaria Popular	Maintain market share in the face of greater competition in rates from other market players.	Short term (1 year)
Inversiones Popular	By 2022 we will have enabled the consultation of account statements for 100% of customers with balances available through the website	Short term (1 year)

Inversiones Popular	By 2022 we will have increased by 8% the number of brokerage accounts opened at the Stock Market	Short term (1 year)
Inversiones Popular	By 2022 we will have increased fee income by 40%	Short term (1 year)
AFP Popular	Achieve an increase in managed funds by more than 10.0% in relation to the end of 2021.	Short term (1 year)
AFP Popular	Achieve an efficiency ratio (Expenses/Managed Funds) equal to or less than 0.6%.	Short term (1 year)
AFP Popular	Return on Equity (ROE) greater than 25%.	Short term (1 year)
AFP Popular	Increase the number of affiliates by more than 4% compared to the end of 2021.	Short term (1 year)
AFP Popular	Increase the number of contributors by more than 6%.	Short term (1 year)
AFP Popular	Active participation at the level of Stakeholders of the System, so that the impact of the reform of the Law does not reduce the managed Funds and impact its sustainability and growth.	Medium term (3 to 5 years)
Servicios Digitales	Implementation of the Tap on Phone product and affiliations of this product that contribute to increasing the number of locations by 3.0%.	Short term (1 year)
Servicios Digitales	10% of AZUL affiliates actively use the AZUL APP.	Short term (1 year)
Servicios Digitales	Increase the average acceptance of the DCC product to 39%	Medium term (3 to 5 years)

6.2 Risk Management

Principle 2.1 GRI 103-1

Why is this important? Regardless of what business and economic sector to which it belongs, corporations are exposed to different risks that can affect operations, economic performance and, therefore, their long-term sustainability.

We are aware that we are not oblivious to the effect that exposure to different risks may have on subsidiaries.

Impacts:

- Financial sustainability of the organization
- Protection of client's capital
- Keep a good reputation and the confidence of stakeholders

GRI 103-2

How do we manage it?

For more information see Sustainability Report 2019 and Comprehensive Risk Management Report 2021.

Grupo Popular, through Banco Popular, assumes risk management inherent to the financial intermediation activity. In this sense, we have structured a risk management framework that allows us to identify, characterize and measure the impact and probability of risks and adopt the appropriate measures, as well as implement the necessary controls to mitigate and eliminate their impact.

Risk management at Banco Popular aims at preserving and strengthening our assets and the Popular brand, while protecting depositors' savings, maintaining asset quality, ensuring adequate levels of liquidity, minimizing the adverse effects of market risks, and controlling operational risks. This includes money laundering, financing of terrorism and the proliferation of weapons of mass destruction, technological risk, cyber risk and third party risk, as well as the emerging risks such as reputational, moral and compliance to which the entity is exposed.

The pillars on which risk management is based on are:

- Alignment of the business strategy and the risk appetite defined by the Board of Directors
- Integration of risk management with the organization's processes and decision-making
- A risk culture present throughout the organization
- Independence of the risk monitoring function.
- Continuous monitoring and timely communication of risks
- Personnel suitable for comprehensive risk management
- Continuous innovation focused on better practices

GRI 103-3

How do we evaluate it? The Comprehensive Risk Management Committee of the Board of Directors defines and monitors risk strategy and the general risk acceptance criteria. This committee, made up of members of the Board of Directors, supervises exposure to assumed risks by establishing general policies, a comprehensive risk management framework, a risk appetite and tolerance limits.

In addition, we have a model of three lines of defense for risk management:

First: It identifies, evaluates, measures, controls and reports all the risks related to the activities it carries out.

Second: It provides the framework to ensure proper risk management and performs an objective supervision and monitoring of these risks, against the risk profile and appetite approved by the Board of Directors.

Third: Ensures that the first and second lines carry out effective risk management and control.

	2019	2020	2021
Gross portfolio exposure	RD\$321,784 million, considering capital and interest.	RD\$350,628 million, considering capital and interest.	RD\$379,992 million, considering capital and interest.
Provisions constituted and risk index	RD\$6,759 million of constituted provisions with a risk index of 1.64% (considering capital, interest and contingency).	RD\$10,486 million of constituted provisions with a risk index of 2.43% (considering capital, interest and contingency).	RD\$11,615 million of constituted provisions with a risk index of 2.43% (considering capital, interest and contingency).
Overdue portfolio and provision coverage percentage	The overdue portfolio closed with 1.10% with a provision coverage constituted of 192%.	The overdue portfolio closed with 1.19% with a provision coverage constituted of 252%.	The overdue portfolio closed with 0.70% with a provision coverage constituted of 436%.

Principle 3.1. Principle 3.2.

In order to promote responsible relationships with our clients, we have implemented processes and procedures that allow us to evaluate credit application to find the best alternative, product and service to offer according to the needs and purposes of the required credit.

First, we ask clients to provide financial information, as well as all the permits required to carry out the project, such as land use, public works, impact on the environment, among others.

We also have a list of exclusion or prohibited credits, in which all the operations or sectors for which we have no risk appetite are detailed. This document is contained within the Credit Administration Policy, published on our Intranet, so that all our employees can consult it.

Credit Risk

During 2021, the Bank showed an increase of 9.2% compared to the previous year in its assets sensitive to interest rates, mainly driven by the growth of the loan portfolio and the investment portfolio, while its liabilities sensitive to interest rates increased by 7.3%

driven by the increase in public deposits.

However, the risk associated with price variations in the market decreased, reflecting the environment of low interest rates and little volatility that characterized 2021, as a result of the measures implemented by the monetary authorities during 2020 and 2021 to face the economic situation caused by COVID-19. As a result, the capital requirement for market risk was placed at 0.97%, 37 basis points lower than its closing level for 2020.

Liquidity Risks

	2019	2020	2021
Liquidity ratios	<p>Liquidity ratios in national currency stood at 322% for the 0-30 day and 0-90 day bands.</p> <p>In foreign currency, they were placed at 266.9% from 0-30 days and at 292.6% from 0-90 days.</p>	<p>Liquidity ratios in national currency stood at 248% and 245% for the bands of 0-30 days and 0-90 days.</p> <p>In foreign currency, they were placed at 412% for 0-30 days and 338% for 0-90 days.</p>	<p>Liquidity ratios in national currency stood at 332% and 350% for the bands of 0-30 days and 0-90 days.</p> <p>In foreign currency, they were placed at 255% for 0-30 days and 176% for 0-90 days.</p>

During 2020, Banco Popular maintained comfortable liquidity in both currencies, which allowed it to meet its commitments in a timely manner, increase its loan and investment portfolios, actively participating in the primary and secondary securities market. This is evidenced by the high liquidity ratios, which remained at levels well above the regulatory limits and defined internal parameters in domestic and foreign currencies.

Operational Risks

	2019	2020	2021
Cumulative gross operational loss as a percentage of gross revenue	0.76%	0.50%	0.81%

As of December 31, 2021, there is an increase in gross operating losses of 62% compared to 2020, however, they remain within the defined risk appetite.

During 2021, the Bank continued to strengthen operational risk management, and, consequently, 99.7% of residual operational risks are at medium and low impact levels.



Money laundering, terrorism financing and the proliferation of weapons of mass destruction Risks (LAFT-PADM)

As a result of the implementation of mitigation measures, identification of

new controls and improvements to existing controls, 76.75% of LAFT-PADM events are at the medium and low impact levels in their residual level at the end of 2021.

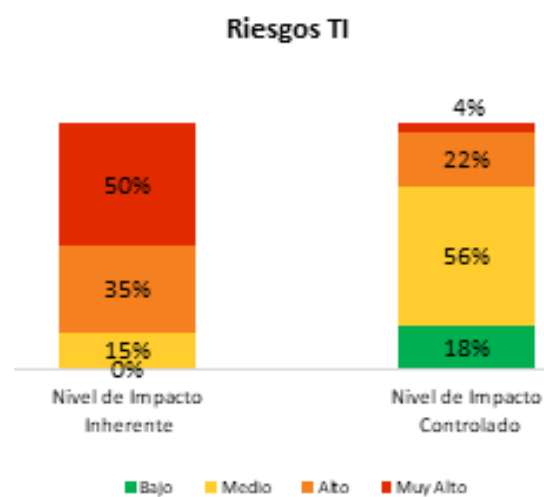
Cyber and Information Security Risk

Year 2021, represented a great challenge in terms of cybersecurity, since the global economic recovery has reconfigured the way in which organizations operate, being increasingly distributed and leveraging remote communication and teleworking technologies. Likewise, digital transformation has accelerated the adoption

of new service channels and new functionalities, significantly increasing cyber risks and threats for consumers.

Taking international standards and good practices in cybersecurity as a reference, Banco Popular has focused its efforts on identifying risks and implementing controls to protect all sensitive information that is processed, stored and transmitted through the different processes business critical, giving special attention to the assurance of the entire technological infrastructure that supports said operation. In the same way, countless efforts have been focused on making the detection, prioritization and remediation processes of technological vulnerabilities more efficient, as well as the monitoring, detection, investigation and management of cybersecurity incidents through the security operations center, significantly reducing the probability that attackers can compromise the confidentiality, integrity and availability of information.

Information Technology (IT) Risks



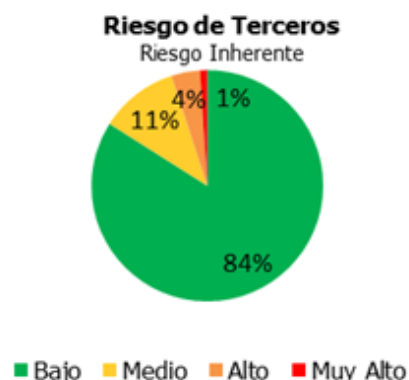
During 2021, the information technology risk matrix continued to be strengthened by reviewing technological risks, using COBIT5 as a framework. Controls were defined and fine-tuned, achieving a significant improvement in the risk profile.

Consequently, at the end of 2021, 74% of the 136 technological risks identified are at the medium and low residual impact levels.

Third Party Risks

During 2021, the identification and remediation of risks related to other additional groups of third parties began. The contractual clauses designed to mitigate the identified risks were strengthened and a pilot was started for the redesigned supplier monitoring process based on the improvements applied to the supply process and third-party risk management.

Likewise, the use of reports and alerts, which are subject to periodic monitoring, was incorporated into the evaluation and monitoring process of suppliers and third parties.



Emerging Risks

During 2021, the moral hazard, compliance and reputational risk matrices were strengthened. Likewise, the methodology for strategic risk management was formalized, together with its respective risk matrix, which details the risks and controls identified with their level of inherent and controlled risk.

Continuous monitoring of the measurement indicators and tolerance limits for reputational, moral, compliance and strategic risks was maintained, in order to ensure compliance with the defined risk appetite.

Model Risk

As part of the risk strategy defined for 2021, the model risk management framework was formalized, complementing the existing model monitoring and validation program and establishing the criteria for governance, creation of an inventory, development, management and follow-up of the internal models used in decision

making. Likewise, a new tool was implemented that allows the automation of the generation and follow-up process of the most relevant indicators of the monitoring and validation process.

Initiatives that promoted risk management in 2021

Continuous monitoring of risks in the context of COVID-19, with special emphasis on the management of the loan portfolio, as the institution's main asset, and on liquidity, as an essential element for business continuity.

Implementation of new measurement methodologies complementary to those established in current regulations, improvements to the risk management framework and policies, and updating of the matrices for the different risk categories.

Adaptation and strengthening of technological risk management, third-party risk and cyber risk, to support the transition towards an increasingly digital banking.

Review of the operational risk and internal control methodology to evolve towards anticipatory management of operational risks and operational efficiency.

Design and formalization of a framework that establishes the guidelines for model risk management.

Fulfillment of goals and challenges

Principle 2.4.

Goal 2020	Compliance 2021	How?
We will strengthen the risk culture and continue to permeate risk appetite throughout the organization.	Achieved	Awareness campaigns were carried out for employees, officers, members of the Board of Directors, as well as suppliers and customers.
We seek to refine and deepen the analysis of the risks and mitigation strategies associated with the current economic situation with a view to protecting the assets and equity of the entity.	Achieved	Risks were kept under control and equity was strengthened.
We are committed to continuing with the definition and implementation of complementary methodologies for the measurement	Achieved	New methodologies were implemented and others were strengthened, especially in liquidity, emerging, technological, third party and model risks.
and monitoring of credit, market and liquidity risks, emerging risks, technological risks and third-party risks.		
We will expand the model monitoring and validation program, including new analyzes and models to be monitored.	Achieved	The model risk management framework was formalized, an inventory of models was built and a technological tool for monitoring and validation was implemented.
We seek to optimize credit portfolio management processes through the implementation of new tools and strategies.	Achieved	In the process of concluding with the implementation of newly calibrated rating models as well as a new technological platform.
We will optimize the business continuity program to increase the institution's resilience and keep contingency plans updated.	Achieved	All continuity and contingency plans were reviewed and are tested annually.
Implement the model risk management framework.	Achieved	The model risk management framework was formalized, an inventory of models was built and a technological tool for monitoring and validation was implemented.
As signatory members of the UNEP-FI Principles for Responsible Banking, we have committed to conducting environmental, social and governance (ESG) risk analysis and measuring the impact of investment and financing on the environment and society.	Not Achieved	We have established this goal in the long term, in the coming years we will continue working to develop ESG risk analysis.

Where are we going in 2022 with risk management?

Subsidiary	Goal	Time Frame
BPD	Strengthen the integration of risk management in the organizational culture.	Short term (1 year)
BPD	Continue with the definition and implementation of complementary methodologies for the measurement and monitoring of market and liquidity risks, emerging risks, operational risk and internal control, as well as updating existing methodologies.	Short term (1 year)
BPD	Strengthen the management of potential events of the risk of money laundering, financing of terrorism and the proliferation of weapons of mass destruction, with the implementation of the new methodology for assigning the level of customer risk and the design of new indicators for monitor potential event management framework.	Short term (1 year)
BPD	Strengthen policies and processes for cyber risk management, incorporating new information security monitoring tools and indicators to prevent and monitor possible risk events.	Short term (1 year)
BPD	Continue developing analytical capabilities, emphasizing those that allow the implementation of more advanced methodologies and machine learning.	Short term (1 year)
Grupo Popular	Strengthen comprehensive risk management, through the definition and monitoring of risk indicators in a consolidated manner.	Short term (1 year)

6.3. Reputation

GRI 103-1

Why is this important? Corporate reputation has become important due to the impact of the perceptions of interest groups about companies, since it is through their behaviors and attitudes that they support or disapprove of organizations.

In this sense, reputation is an intangible asset of high value for Grupo Popular, which, when measured and managed, increases business profits, enhances growth and minimizes exposure to risks in crisis situations.

Reputation can be affected in various ways, so it is essential for the entity to understand how the different sources of reputational risk will affect it, so that appropriate measures and controls can be used to manage the risks involved. The final objective is the protection of reputation capital, which, although it cannot be measured in quantitative terms, allows the Bank to be perceived by the market as a safe and reliable institution.

Impacts:

- Protection of the reputation as an intangible asset of the Group.

GRI 103-2

How do we manage it? We have a Reputational Risk Management Policy that establishes those responsible for managing this risk and how it will be measured and managed.

In addition, we carry out annual reputation studies whose results have allowed us to identify areas for improvement and design action plans with the aim of closing the gap between the perception of our stakeholders and the mission and vision that we have as

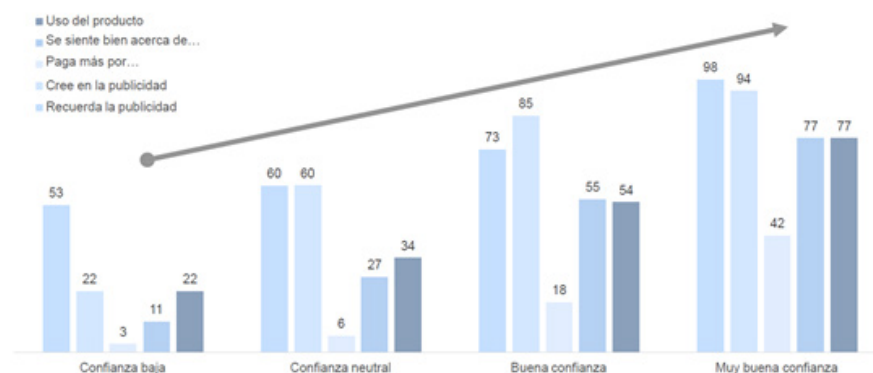
an organization. For these purposes we used the RepTrak® Pulse model from the Reputation Institute. This year we have migrated to the IPSOS Shapley Value model, which evaluates 5 thematic dimensions (Company, Product, Community/CSR, Ethics and Others), made up of a set of 20 attributes for Banco Popular and its two direct competitors, and also evaluates 4 categories of elements (Familiarity, Favorability, Trust and Effective Support) that make up a comprehensive reputation model.

GRI 103-3

How do we evaluate it? The main indicators of this reputational model are monitored by the Operational Risk Area and submitted to the Comprehensive Risk Management Committee of the Board of Directors.

Similarly, the score obtained through the reputation study allows us to evaluate our performance on the subject.

During 2021, we changed our reputation model. We went from RepTrak to IPSOS. This new methodology uses a comprehensive model, which analyzes a series of potential reputation metrics and identifies 5 main factors: knowledge, familiarity, favorability, trust and effective support. However, for the reputation index, the trust factor is taken as the only number.



Likewise, this model analyzes different trust indicators based on attributes that are then grouped into dimensions. The model evaluates 5 rational dimensions (Company, Product, Community/ CSR, Ethics and Others.) made up of a set of 20 attributes for Banco Popular and several of its direct competitors. Analysis of these indicators creates a roadmap for developing key messages and helps guide strategic and tactical plans.

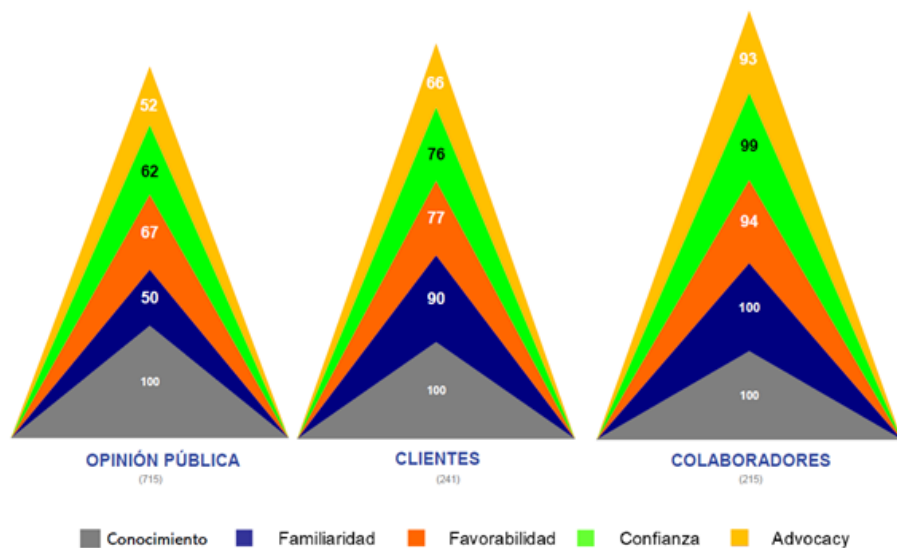
241 clients surveyed. Finally, among the collaborators, 99% of the 215 participants expressed confidence in the institution.



During 2021, our strategies were adapted and focused on the different interests of our target audiences.

Thus, in this first measurement for the public opinion segment, a sample of 715 people surveyed, 62% indicated that they trust Banco Popular. Likewise, within the client segment, 76% of these expressed that they feel trust in the institution with a sample of

IPSOS Reputation Model	2021
IPSOS measurement score Banco Popular Public Opinion	62%
IPSOS measurement score Banco Popular Clients	77%
IPSOS measurement score Banco Popular Collaborators	99%



Initiatives that promoted reputation in 2021

Boosting Positivism

During 2021, we worked on recovering the impacts produced by the previous year as a result of the pandemic. For this reason, the communicational approach of 2021 was focused on carrying messages of positivism. An example of this is our institutional campaign **El Lado Positivo**, which managed to connect with the different stakeholders, the vast majority of whom gave it a very good rating.

This year our communicational strategy was based on the following aspects:

- Economic reactivation, promoting entrepreneurship, digital transformation and innovation.
- Leading a more human communication, loaded with positive messages and hope.

- Creation of valuable content on cybersecurity.
- Financial education.
- Relevant corporate information.

Among the actions that we carried out this year, we highlight **"Dominicana Creativa"**, an event that aimed to promote and boost the orange economy of the Dominican Republic, benefiting different small and medium-sized entrepreneurs from the Dominican creative industries by making Dominican creative talent known.



Sé parte del especial **"Dominicana Creativa"** y explora el potencial del talento creativo nacional.

La economía naranja es un recurso inagotable de posibilidades para el desarrollo sostenible.

Disfruta de la transmisión mañana miércoles 8 de diciembre a las 7:00 p.m., a través de CDN, Teleantillas y www.popularenlinea.com, y a las 9:00 p.m. en Color Visión.



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Sustainable Finance Forum

On the other hand, in 2021 the second Sustainable Finance Forum “Improve your Savings and Planning Capacity” was held with the aim of helping participants to be consistent with their savings, and to invest and plan financially. Also, it was revealed how finances can help take care of the environment and the planet. More than 4,600 people registered and were able to participate in this second edition of the forum.

Fulfillment of goals and challenges

Principle 2.4.

Goals 2020	Compliance 2021	Why?
Strengthen the bank's reputation in public opinion, especially in population segments C, D (low-income population).	Partially achieved	It was possible to strengthen the reputation in public opinion in general, however, in segments C and D, Banco Popular is perceived as an elitist institution.
Increase employee loyalty and sense of belonging, as well as attracting talent.	Partially achieved	In the last reputation study carried out this year, employees expressed 99% that they trust the institution. However, in the last year there has been a significant migration of employees to other companies.
Implement a permanent digital alert system that preserves the reputation in social networks and other digital areas.	Achieved	Using automated tools to constantly monitor social media and other digital environments, we have been able to identify comments and trends that could affect our online reputation, allowing us to take action to preserve it.
Identify the factors that can trigger a reputational risk, determining the most appropriate mitigation actions with the Operational Risk Area. Feed the reputational risk matrix and improve management efficiency facilitating decision-making in moments of crisis and ensure legal compliance, internal regulations, image, transparency, among others.	Achieved	It was achieved through compliance with the Reputational Risk Management policy where each person responsible for reputation management was responsible for administering, measuring and managing possible and existing risks.

Where are we going in terms of reputation?

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Increase communication management on cybersecurity by 10% for the next year, carrying out educational campaigns in our institutional media.	Short term (1 year)
Banco Popular Dominicano	Increase by 5% the level of trust towards the institution, in public opinion.	Short term (1 year)
Banco Popular Dominicano	Increase communication management by 15% on environmental issues and initiatives to mitigate the impact of climate change.	Short term (1 year)
Banco Popular Dominicano	Promote 15% of financial education and inclusion initiatives in the different publics of interest.	Short term (1 year)
AFI Popular	For the next year, increase by 10% the management of communication on investment funds and financial instruments.	Short term (1 year)
AFP Popular	For the next year, increase by 10% the management of communication on pension funds.	Short term (1 year)
Banco Popular Dominicano	For the next year, increase by 5% the perception of being a socially responsible company within public opinion.	Short term (1 year)

7.

7.1. Financial Education

Principle 2.1., ODS 4, ODS 8, ODS 10, ODS 17

GRI 103-1

Why is this important? Financial education is both a strategic priority of the Group and a crosscutting element in our subsidiaries, which embodies our commitment to promote and foster financial knowledge, skills and capabilities in all of our stakeholders, focused on improving financial decision making and in the establishment of

healthy habits in the management of resources.

Impacts:

- Accessibility to the financial sector.
- Creation of savings and investment capacity
- Greater scope for quality education
- Tools, guides and calculators for savings calculations, loans, investment, retirement, emergency fund and education available to different audiences.

GRI 103-2

How do we manage it? Through our programs, we seek to increase the levels of financial education of the population in order to increase social inclusion of different groups, promoting in them a savings culture and higher levels of integration in the formal financial system. This is key to the sustainability of the nation's future. To achieve this, our financial education initiatives target various segments.

To achieve this, our financial education initiatives are aimed at various segments. Through the Finances with a Popular Purpose program, we give financial education talks to companies, educational institutions, non-governmental organizations and clients nationwide.

Additionally, this year we launched the finance academy with purpose, an innovative web platform with educational content on personal, family and business finances created to extend financial education to the entire population and thereby increase financial inclusion in the country.

Specifically, for the SME segment, we have a robust platform under the Impulsa Popular umbrella, which through its different pillars covers the needs of this segment. We have a training program

through national allies with the offer of modules, workshops and diplomas that will help them boost their businesses to a higher level. In addition, a web portal that offers clients tools and content of interest to the sector.

In addition, we have a new Online Consulting service, a platform that allows SMEs to approach and connect with experts who offer business consulting services, virtually. Finally, we also have an innovative Franchise Program that has the advice of expert consultants and the availability of a portfolio of specialized products and services to support the creation of new franchise companies.

GRI 103-3

How do we evaluate it? To evaluate the effectiveness of the Finanzas con Propósito program, we carry out evaluations on the financial changes of the participants. Platform users who complete the training will obtain a certificate that will guarantee the acquisition of their knowledge on the subject, through exams.

To evaluate the performance of the initiatives and programs focused on supporting SMEs, the number of participants in the courses, workshops and the Impulsa Forum is measured; In addition, the visits and users who use our web portal, as well as the number of clients who receive advice through our specialized consultants and the increase in franchised business units in the country. In the same way, we measure the performance of the clients who participate in them through the products and services they have with the institution.

Committed to financial education in the Dominican Republic, we have the Finanzas con Propósito Program, in order to facilitate financial education and banking and social inclusion for thousands of people. Through this program, which is part of Banco Popular'

s portfolio of socially responsible products and services, we offer talks to companies and educational centers.

During 2021, we held 117 talks where we managed to benefit 12,400 people.

Some relevant information about this program:

- 86,910 people have participated in the talk show from 2014 to date
- We have held 1,256 talks and workshops from 2014 to 2021
- 2.5% of the participants in the virtual talks increased their savings balance
- 1.3% reduction in delinquency indicators
- The Emergency Fund account has a portfolio of RD\$18,596,107.25

Through AFI Popular and Inversiones Popular, we carry out the “Master Class” youth education program, where we give talks about the stock market and investment funds in order to promote financial training and inclusion.

45 young people benefited from the “Master Class” youth education programs in 2021.

Additionally, we carried out the Workshop “Ahorrar nos hace bien” where through 3 sessions we benefited 265 children by giving them focused training, in the interest of strengthening the values, the capacities of the community around the preservation of our natural resources, and the promotion of the savings culture in the macro sense.

Initiatives the promoted financial education in 2021

Second Sustainable Finance Forum and launch of the Finanzas

con Propósito Academy.

In order to educate and sensitize the Dominican population, this year we held the second Finance Forum, a virtual event of Banco Popular, in which international experts addressed financial education and good sustainable management of personal and business finances from different perspectives, influencing more than 4,600 people.

We impacted more than 4,600 people through the second Sustainable Finance Forum.

The event highlighted the good management of sustainable personal and business finances as an essential part of achieving sustainable development and improving the quality of life of Dominicans.

Within the framework of this event, we launched the Finanzas con Propósito Academy, an innovative web platform with educational content on personal, family and business finances created to extend financial education to the entire population and thereby increase financial inclusion in the country.

- 1,092 academy registrations since launch (Between November and December 2021).
 - 39,600 views since launch.
 - The academy has 5 courses available and the one of greatest interest is “Credit Card, its purpose of use and benefit” taught by our financial coach Teresa Sánchez.
 - The academy has 5 calculators and 8 guides for better planning, as well as articles and educational capsules that provide information for better planning and financial organization.
- Virtual Financial Education Talks

Through different virtual talks on financial education, we accompany families, companies and institutions in the proper planning and management of their personal finances.

In 2021 we held 11 virtual talks, we managed to impact 511 participants.

SME Business Strengthening Program

This program aims to train and help Dominican SMEs to boost their growth and development. More than 17 training activities were carried out and the Impulsa Popular online training program was launched through ImpulsaPopular.com

More than 2,148 entrepreneurs trained in 2021, both in person and online.

Impulsa Forum

The seventh edition of the Impulsa Business Forum 2021 was held with the theme: Digital vision: transform your business in the face of the opportunities of the new environment, dedicated to small and medium-sized entrepreneurs in the country. The first digital version of the Impulsa Forum included the presentation of national and international experts in digital transformation, as well as local personalities who presented topics related to virtuality.

In 2021, a total of 3,864 SME clients were connected through Zoom.

Fulfillment of goals and challenges

Principle 2.4.

Goal 2020	Compliance 2021	How?
We seek to direct our efforts to launch the first free financial education educational platform, in order to offer the Dominican population, SMEs and micro-enterprises continuous learning about finances, in order to promote more profitable and sustainable businesses.	Achieved	Launch of the Finanzas con Propósito platform.

Where are we headed in terms of Financial Education?

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Train 10,000 people	Short term (1 year)
Banco Popular Dominicano	1000 people registered in Finanzas con Propósito Academy.	Short term (1 year)
Banco Popular Dominicano	Include financial education in the national education system (50% of polytechnics nationwide).	Mid-term (3 to 5 years)
Banco Popular Dominicano	Achieve that 90% of scholarship recipients acquire certification in personal finance.	Mid-term (3 to 5 years)

7.2. Financial Inclusion

Principio 2.1. ODS 1, ODS 8, ODS 10, ODS 17

GRI 103-1

Why is it important? Financial inclusion enables the achievement of Grupo Popular's business objectives as it seeks to expand the client base (banking, pensioners and investors). Similarly, with financial inclusion, we cover one of the basic human needs such as access to financial products and services that include credit, savings, insurance, the payment system and pensions; elements that provide the beneficiary with a sustainable and dignified life.

Impacts:

- Better quality of life
- Promotion of equal opportunities

GRI 103-2

How do we manage it? We have Subagente Popular, a financial inclusion channel that allows banking transactions in hardware stores, pharmacies, grocery stores, among others; that Banco Popular has made available to achieve access to financial services throughout the country in a way that is close, efficient and easy to use.

During 2021, work was done to adapt offices throughout the country so that they would have the structures and signage that facilitate access for people with disabilities, such as boxes with adjusted heights, access ramps, adapted bathrooms, marked parking lots or training in sign language for staff providing the service.

GRI 103-3

How do we evaluate it? To measure the impact of the programs and initiatives developed in financial inclusion, the number of new customers, bank sub-agents, branches and users affiliated with Internet Banking and electronic wallets are taken into account.

FS-13

Aware of the commitment we have with the Dominican population to bring and facilitate transactions, especially to the population with little or no access to banking; **during 2021, we have 618 access points to meet the needs in economically disadvantaged areas.**

Indicator	2019	2020	2021
Total number of places where financial institutions are available to disadvantaged population or economically disadvantaged areas.	241 subagents	479 subagents	618 subagents

This represents an increase of 238 access points in economically disfavored areas.

On the other hand, although we have not reached the number prior to COVID 19, thanks to the economic reactivation, we managed to increase the number of banking sub-agents affiliated with the network to 161.

Banking subagents network	2019	2020	2021
Number of banking subagents affiliated to the network	348	109	161
Total number of banking subagents	2,378	2,512	2,645

We can also highlight that during 2021 we had **135,725 new clients at Banco Popular**, which represents a significant increase compared to 2020 (88,654) and exceeds the number of 2019 (127,988).

We also take into account the following indicators that allow us to measure financial inclusion in the Dominican Republic through our mobile wallet services, through which customers can send cash, make payments and / or purchases in a secure way, make deposits and withdrawals, recharge minutes to their phones, check balances, pay bills and services, among others.

Mobile Wallet Services Affiliates	2019	2020	2021
Number of affiliates to the mobile wallet services (TPPV clients, <i>AlticePeso</i> by Altice)	153.682	153.687	153,687
Number of affiliates to the mobile wallet services (TPPV e- <i>fectivoMovil</i> by Claro)	24.413	24.419	24,419

Insertion of young people into the financial sector

Grupo Popular is aware of the difficulties that young people may face when accessing the financial system for the first time. For this reason, we have created specific programs and services to meet the needs of this segment.

During 2021, 269,943 young Dominicans joined some type of product or service offered by Banco Popular, a superior number than the two previous years thanks to the reactivation of the economy.

Indicator	2019	2020	2021
<i>Cuenta Digital Libre</i>	47.009	17.449	64,543
<i>Cuenta de Ahorro Planner Joven</i>	37	39	32
<i>Préstamo 0km Joven</i>	26.138	283	851
<i>Tarjeta de crédito Orbit</i>	29.950	9.050	9,808

Finally, we also underline the increase in the indicators related to remittances.

Leads generated by remittance receivers and payers	2019	2020	2021
Number of transactions	440.712	285,471	548 mil
Total amount of remittances	USD\$: 120,092,582.10	USD\$: 88,100,475.81	US\$: 173MM

Initiatives that promoted financial inclusion in 2021

In 2021, we developed the **de Inclusión Popular para Todos** program, which aimed to improve the quality of service and experience, promoting an inclusive culture within the institution to promote equal treatment, progressively reduce barriers to access to products and services, and provide customers with disabilities memorable and excellent service. Within the framework of this program we obtained the following results:

- Sign Language Workshop for 10 employees
- Adaptation of 2 offices
- Obtaining 15 RD Includes Seals for good inclusive practices
- Inclusion of the Service Guide for Customers and Collaborators with Disabilities in the Annual Service Quality Certification

Where are we headed in financial inclusion?

Subsidiary	Goal	Time frame
Banco Popular Dominicano	Achieve the inclusion of 100 women victims of violence in financial services and products	Mid-term (3 to 5 years)

7.3 Pension Education and Retirement Preparation

ODS 4, ODS 8, ODS 17

GRI 103-1

Why is this important? Pensions have been involved in a process of expansion over the last few years in the Dominican Republic. However, the issue still generates uncertainty, not only because the capacity of the system to guarantee sufficient income for pensioners is questioned, but also because there is a general lack of knowledge about the system and the importance of pension savings.

Impacts:

- Improvement of the quality of life of pensioners
- Capacity building

GRI 103-2

How do we manage it? We have educational programs focused on highlighting the importance of pension savings and learning about the best practices of the world's pension systems. We aim to democratize knowledge about the Dominican pension system and laying the foundations to build capacities and skills in pension

education and preparation for retirement in the different users.

GRI 103-3

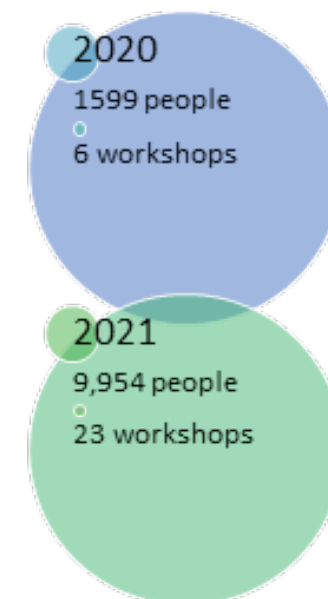
How do we evaluate it? We monitor the main indicators of the programs and initiatives that we carry out in pension education and preparation for retirement. Constant monitoring allows us to better understand in which areas we must continue working and adjust the focus in each of the programs.

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AFP Popular has the Plan your Future program, through which we offer courses, talks and conferences on financial planning at the request of client companies for their employees. In these courses, held in each of the client companies, employees are explained about the benefits of the pension system, the benefits of saving for retirement and the use of good habits in managing money upon retirement. In 2021 we considerably increased the number of beneficiaries of this program and the workshops we carry out.

In the same way, we carry out workshops on the management of the Social Security Treasury Module (**TSS**), aimed at directors and executives of the Human Resources and Finance areas of client companies, whose topics address the pension system and the management of social security treasury.

Finally, we carry out diploma courses, in alliance with the National School of the Judiciary



and the OMG Institute, aimed at judges of the Public Ministry to deepen knowledge about the best practices of the pension system in the Dominican Republic and worldwide, with international and national experts. in the matter.

Number of beneficiaries in education and training on the pension system.

Indicator	2019	2020	2021
TSS y Suir Plus Workshops			
Participants	2.288	2.706	3,258
Courses	96	46	52
Diplomado del Ministerio Publico			
Participants	34	38	44

Due to the fact that the workshops were virtual and in convenient hours, we managed to have a greater number of people benefited. For pension education and retirement preparation services, digitization has made it easier for more people to connect to benefit talks and, at the same time, companies have reactivated.

Number of clients who have received pension education and retirement preparation services.

Indicator	2019	2020	2021
Number of employees benefited from conferences in their companies.	4.356	4.129	24,943
Number of people benefited from conferences about the preparation for retirement.	2.100	1.490	34,102
Total	6,456	5,119	59,045

On the other hand, we carry out virtual emotional well-being webinars where productivity and well-being are worked on, taking into account the professional and personal aspects, as a result of the effects of the pandemic. In 2021 they have been very well received and we managed to develop 10 webinars impacting 6,827 people.

Initiatives that promoted provisional education and preparation for retirement in 2021

Yo Aprendo Pensiones con AFP Popular

In 2021, an educational community called "I Learn Pensions" was created, developed by the OMG Institute and AFP Popular, where the public can be trained online on the Dominican Social Security System in pension matters.

The objective of this web space is to offer clear, precise and quality information so that users can be trained in pensions with structured data in an easy way about the labor retirement systems worldwide, and in a detailed way what is related to the System. Dominican Pension System based on Individual Capitalization, governed by Law 87-01 and its Complementary Regulations.

The technological tool was launched in June 2021 and we have made various invitations to different segments of Dominican society so that they can enter and be certified. This tool allows the person to learn the subject from how a social security system was born in the world, until reaching our current system and obtaining a certificate of participation by passing each module with a syllabus.

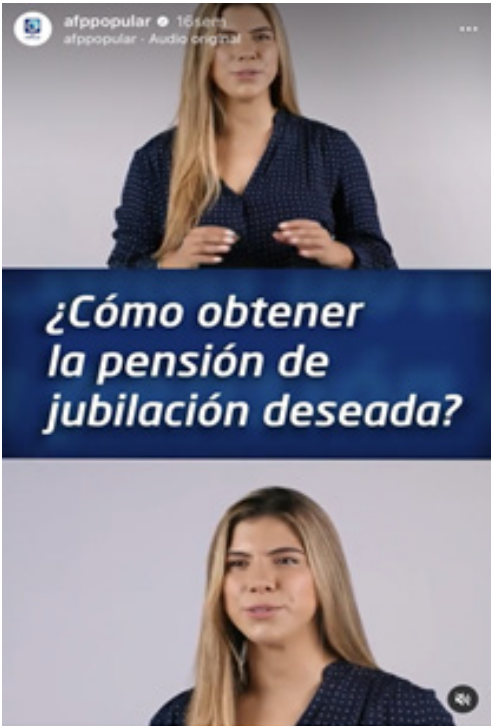
700 people have taken the course

Link:

www.aprendopensiones.edu.do

Mini Video Capsules for social media

The aim was to promote understanding of the actions of AFP Popular and its impact on the system, and thus narrow the knowledge gap of the young public about retirement from work and what pension planning implies through mini visual educational capsules on the different social networks, with young talent and in plain language for easy public understanding. These capsules were based on answers to questions identified in market research that showed the need to arouse the interest of this segment of the population so that they can empower themselves with their retirement pension fund.



We achieved 60,000 reproductions of the video capsules.

Human and community development

Within the framework of Social Responsibility for Human and Community Development of AFP Popular, we were able to sign an

agreement with the United Nations Population Fund, UNFPA, for the benefit of the National Council for the Aging Person, CONAPE, to install a care model that reduces the gaps identified in the centers for the elderly, thus guaranteeing a model of comprehensive and quality care in the areas of health, nutrition, habitability and general well-being (rights and care). The foregoing through the conditioning of the infrastructures, the training of the responsible personnel that provides the services in the centers, the awareness of rights and care and the installation of an information system that allows the making of adequate decisions. In 2021, the household evaluation survey was carried out throughout the national geography, selecting three households with the most sensitive vulnerability conditions for a first phase that will be developed in 2022 and will continue in 2023 with the strengthening of the registration system. corporate and quality surveillance and the continuous inclusion of the older adult population.

Fulfillment of goals and challenges

Principle 2.4.

Goal 2020	Compliance 2021	How?
Impact 15% more people with respect to the previous year through the different channels that we have for pension education.	Achieved	With the different channels we reached 41% more people than last year in education

Where are we going with provisional education and preparation for retirement

Subsidiary	Goal	Time Frame
AFP Popular	Increase the level of pension education by 15% by 2022 through talks and training on the pension system in client companies and the general public.	Short Term (1 year)
AFP Popular	By December 2022, impact 5,000 university and college students, prior to their entry into working life, through talks and training on the pension system.	Short Term (1 year)

7.4 Entrepreneurship Support

Principio 2.1. ODS 8, ODS 17

GRI 103-1

Why is this important? The diversification of the product portfolio in our subsidiaries is key to business continuity, being a financial entity, we must adapt to the challenges and needs of current and potential customers, with innovation and expansion of products being a fundamental aspect to meet market demands. For this reason, we aim to support startups and SMEs in achieving their goals.

Impacts:

- Boost and growth of the local economy
- Promotion of innovation and creative thinking

GRI 103-2

How do we manage it? Banco Popular with the program Impulsate Popular seeks to encourage young entrepreneurs in the growth of their innovative projects, allowing them to access capital to strengthen and grow their business plans.

We also have the SME Business Strengthening program, which covers the training needs of this segment, with workshops and diplomas that help them boost their businesses to a higher level.

GRI 103-3

How do we evaluate it? To evaluate the performance of initiatives and programs focused on supporting entrepreneurship, the number of participants in the courses is measured. Regarding Impulsate Popular, we monitor the winning companies of the program, providing them with advice for 6 months. Throughout this time, performance is measured and the disbursement of the prize

money occurs according to the fulfillment of the established goals.

During 2021, in the Impulsate Popular program we had 103 registered projects, of which three winners obtained access to a total of 3.3 million Dominican pesos as seed capital and one year of advice and monitoring of the venture. Additionally, we benefited three participants through special mentions for a total amount of 900,000 RD.

We also carry out courses in entrepreneurship in order to build skills in young people and ideation workshops to encourage innovation and the creation of ideas.

3 diploma courses benefiting 150 young people and 12 ideation workshops benefiting 129 participants

Initiatives that promoted support for entrepreneurship in 2021
Challenge Popular

The Challenge Popular is a co-creation program that aimed to encourage creative thinking in young university students. Within this framework, 50 students from different universities, in 10 teams, generated 10 ideas for financial solutions for remote customer service.

There were 3 winning teams and a special mention receiving prizes between RD\$150,000 and RD\$100,000. Students from INTEC, ITLA, PUCMM, UASD, UNIBE and UTESA universities were the winners in this fifth version.

Where are we headed in support for entrepreneurship?

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Position ourselves as the Bank of Entrepreneurship, making an impact through our platforms of 30 projects.	Short term (1 year)

8.

8.1 Ethics, Anti-corruption and Regulatory Compliance

Principle 2.1.ODS 16 GRI 103-1

Why is this important? We understand that ethical behavior and regulatory compliance should be the basis of any company's actions, since any violation of regulation or inappropriate behavior could trigger social, regulatory, reputational and economic impacts that could significantly affect business continuity.

Therefore, the implementation of systems and controls to prevent fraud, bribery and corruption, money laundering, financing of terrorism and the proliferation of weapons of mass destruction, allow us to establish lasting and transparent relationships and guarantee the sustainable operation of all Grupo Popular companies.

Impacts:

- Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction
- Prevention of Bribery and other Corrupt Practices
- Capacity building of employees and business partners

GRI 103-2

How do we manage it?

For more information, see Sustainability Report 2019. Through the Board of Directors we supervise, control and manage Grupo's operations, and ensure compliance with legal provisions in accordance with the principles and practices of Corporate

Governance.

We have policies and principles that guide the actions of each of the members of the organization:

- Principles of Corporate Governance
- Code of Ethical Conduct
- Policy on Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction
- Banco Popular Dominicano Policy on Prevention of Bribery and other Corrupt Practices

GRI 103-3

How do we evaluate it? We have the Annual Report of Corporate Governance, where we detail how the entity adheres to and complies with the corporate governance rules. In it, we share and communicate the principles, structure, rules, external and internal practices on which the action system is based with the Group's shareholders and stakeholders.

The Group has a Code of Ethics and we have two figures to ensure ethics and regulatory compliance throughout the entity:

- An Ethical Conduct Committee
- The Division of Ethical Conduct

Through the Legal Area and Regulatory Compliance, Grupo supervises monitors and guarantees regulatory compliance in its operations. Likewise, the organ supervises the alignment with the rules established by the Monetary and Financial Administration and, in particular, with the Instructions on the Management of Regulatory Compliance in Financial Intermediation Entities of the Superintendence of Banks. It must also be aligned with the recommendations for the compliance structures established by the

Basel Committee on Banking Supervision.

Committed to promoting and guaranteeing ethical and integral actions at all times, we have established 10 cross wide and functional Corporate Governance Principles for all the subsidiaries that lay the foundation for each of the operations:



Principle 5.2

In the same way, the Group has a Code of Ethics that offers guidance and guidelines on how our employees should act in certain situations. Through this, we explicitly prohibit board members, executives and employees from incurring in any conduct that could give rise to the appearance or suspicion of inappropriate and illegal activities.

Grupo Popular has made an ethics hotline available to employees, suppliers and/or third parties as a means of communication for reporting irregular conduct that compromises the values and duties of the Group.

Under this line, we have two figures to ensure ethics and regulatory compliance throughout the entity. In the first place, we have established an Ethical Conduct Committee whose objective is to

know, evaluate and decide on the violations of the Code of Ethics carried out by our officials and employees of Grupo Popular and its Subsidiaries. Secondly, there is the Ethical Conduct Division whose purpose is to guarantee the effective implementation of the Code of Ethics, coordinating the investigations that allow clarifying the facts that involve the personnel.

Regarding regulatory compliance, we have an Internal Corporate Governance Committee which monitors the regulatory compliance issues of the Group and its subsidiaries. Additionally, we have a Regulatory Compliance Policy through which regulatory compliance is guaranteed and seeks to minimize contingencies related to possible breaches of applicable rules and regulations. Thus, the Group complies with the provisions of Law 155-17 against money laundering and Law 267-08 on the financing of terrorism.

GRI 205-2

Grupo Popular is committed to communicating the anti-corruption policies and procedures to the people involved in its operations. During 2021, we carried out anti-corruption training and education as shown below:

Communication on anti-corruption policies and procedures		
Target audience	Total number of people	Percentage
Members of the governing body	15	100%
Employees	6,377	93%
Business partners	985	13%
Total	7.669	

Training on anti-corruption policies and procedures *		
Target audience	Total number of people	Percentage
Members of the governing body	15	100%
Employees of the centralized areas	2.951	93%
Employees of the business areas	3.426	
Total	6.392	

Prevention of asset laundering and financing of terrorism

Likewise, we have a risk-based money laundering and terrorist financing prevention program, which responds to compliance with the best practices and regulations at the national and international level. Within this program, we have structured an Asset Laundering Prevention Plan, in which we include training for all members and officers of Grupo.

For its part, the compliance area is responsible for designing and implementing the strategies and controls necessary to guarantee the prevention of money laundering and financing of terrorism. It does so, with a risk-based approach and focused on customers, products, channels and higher risk jurisdictions, above all.

As a result of our management and aware of the importance of the subject, during 2021 we had more than 100 workshops reaching more than 7,000 people:

	2019	2020	2021
Number of trainings and workshops held in asset laundering prevention	48	100	102

Target audience	2019	2020	2021
Managers and assistant managers of the business area	1.121	1.109	863
Cashier staff and representatives	2.478	2.662	2,563
Centralized personnel and subsidiaries	NA	3.978	3,917
Subsidiary personnel (additional PLAF training)	9	83	153
Compliance officer	1	1	7*
Members of the Board	15	15	48**

*Corresponds to the compliance officers of the followingsubsidiaries: BPD, PBP, AFP, IPSA, Fiduciaria, AFI and SDP

** Considering the members of the Boards of all subsidiaries

Grupo Popular carries out an exercise of accountability and transparency regarding regulatory, anti-corruption and ethical compliance, which is materialized in the Annual Corporate Governance Report.

This includes the Organization's performance in adhering to and complying with the corporate governance rules, as well as the principles, structure, rules, external and internal practices, among others. For more information, see the report on our web.

Initiatives that leveraged ethics, anti-corruption, and regulatory

compliance in 2021

Bribery Risk Matrix

In order to mitigate and control the risks associated with bribery and corruption, in 2021 we implemented our bribery matrix. Thanks to the controls implemented and the mitigation measures, a risk profile is maintained below the tolerance limits established in Banco Popular, leaving the controlled risks with a medium and low impact level.

Improvements in the transactional monitoring process

In 2021 we implemented a more efficient and automated alert monitoring process through a dashboard.

Additionally, we strengthened the transactional monitoring methodology of Fiduciaria Popular's clients, achieving efficiency in the client monitoring processes by reviewing the parameters.

Fulfillment of goals and challenges

Principle 2.4.

Challenge 2019	Fulfillment 2020	How did we do it?
Give continuity to the existing training plans, ensuring permanent updating to the staff on new typologies and trends in crime and fraud.	Accomplished	Dissemination of capsules, articles and informative tips on new typologies and topics of interest
Maintain an effective transmission of knowledge, seeking agility with fewer resources, relying on new virtual formats.	Accomplished	Training by digital means at all levels of the entity.
Promote the awareness of non-regulated entities (external clients and suppliers) about the responsibilities involved in being related to our institution, in terms of the prevention of asset laundering, financing of terrorism and proliferation of weapons of mass destruction, bribery and corruption.	Accomplished	Training was carried out for external lawyers related to Due Diligence processes and bank sub-agents on PLAFT issues.
Strengthen targeted training under the new corruption schemes resulting from the crisis.	Accomplished	We offered seminars focused on the challenges and risks associated with COVID-19 in terms of LAFT, red flags and best practices for PLAFT.
Consolidate the Fraud, Bribery and Corruption Training Plan.	Accomplished	The training program included content on fraud, bribery and corruption.

Where are we heading in 2021 in ethics, anti-corruption and regulatory compliance

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Expand the Training plan related to Bribery Prevention.	Short Term (1 year)
Banco Popular Dominicano	Continue consolidating the policies and procedures related to the Bribery Prevention Program.	Short Term (1 year)

8.2 Development of Human Talent and Well-being

ODS 4, ODS 8

GRI 103-1

Why is this issue important? Our collaborators are fundamental when it comes to achieving the expected performance of the different subsidiaries of Grupo Popular. For this reason, their well-being and development are part of our concern as an organization.

Grupo Popular invests in the development and well-being of its workers. To achieve this, we offer a work environment based on respect and trust, and promote a culture based on values. We are proud to belong to one of the most admired and the best companies to work for in the country.

Impacts:

- Comprehensive staff development, in professional and personal aspects.
- Career development within the same organization.
- Work/life balance,
- Increased commitment and loyalty of employees with the organization.
- Satisfied collaborators with a positive work environment that allows them to develop within the organization.

GRI 103-2

How do we manage it?

Through training and the promotion of wellness activities for our employees, we generate added value to the business through robust processes that guarantee the attraction, development

and retention of the best talent. In addition, we provide a good work environment, favoring an organizational culture based on leadership, participation and innovation, pillars that leverage Grupo Popular's corporate strategy.

Our human management plans for Grupo Popular employees are characterized by optimal talent management, which emphasizes development opportunities, adequate training and a positive organizational environment. This becomes evident through initiatives that guarantee and promote the development of talent and care about the well-being of each of the collaborators and their families.

GRI 103-3

How do we evaluate it? The Human Management area consolidates statistics and metrics on the programs and initiatives that are implemented for the benefit of Grupo Popular personnel. This area also assesses the work environment and needs in terms of human capital skills.

Our Talent

GRI 102-8, GRI 102-7

In 2021, we have a total of 7,954 employees in all our subsidiaries in the five regions where we have offices, both under permanent and temporary employment contracts. This represents a slight decrease compared to the previous year due to the fact that the Group has been developing multiple initiatives to make it a more efficient organization. It should be noted that these efficiency measures have not involved staff layoffs, rather the redirection of resources through the re-skilling of employees in new functions and methodologies.

Gender / type of contract	2019			2020			2021
	Permanent	Temporary	Total	Permanent	Temporary	Total	
Female	5,001	75	5,166	5,008	70	5,078	4,722
Male	3,427	54	3,481	3,282	43	3,325	3,110
Total	8,518	129	8,647	8,285	113	8,398	7,832



Our Contribution to Talent

Our wellness and human management strategy is based on five (5) pillars that seek the full development of our employees: professional, social, physical, financial and emotional.

GRI 404-1

Through the Learning Center of Grupo Popular, we teach all courses based on the demands of new knowledge, as well as the development and acquisition of skills and competencies.

In 2021 we continued with the migration of face-to-face training to virtual mode, as well as the creation of new training workshops, where we were able to ensure the sustainability of the development of professional and personal skills, keeping our programs updated:

Subsidiary	2019	2020	2021
Banco Popular Dominicano	7,488	7,329	6,875
Infocentro Popular	552	468	466
AFP Popular	262	255	242
Servicios digitales Popular	151	144	152
Popular Bank	62	65	67
Inversiones Popular	52	55	65
Fiduciaria Popular	39	41	45
Avance Capital Dominicana	20	20	18
AFI Popular	14	14	15
Grupo Popular (Fundación Popular)	7	7	9
Total	8,647	8,398	7,954

Total number of employees per region			
Region	2019	2020	2021
Santo Domingo (RD)	6,585	6,440	6,079
Zona Norte (RD)	1,217	572	1087
Zona Este (RD)	602	1,142	560
Zona Sur (RD)	190	179	161
Panamá	53	65	67

During 2021 we maintained our commitment to provide Dominicans with opportunities for their labor insertion and economic reactivation. For this reason and in response to the needs of the Group, we created 98 new jobs and hired 831 people:

Benefits for our Employees

We offer our employees various benefits that help us to be competitive, seek their motivation and satisfaction:





This year, we achieved an extraordinary performance in the “Number of courses” indicator thanks to the increased use of online learning platforms, as well as courses migrated from face-to-face to virtual format, allowing us to keep our teams trained and updated with the necessary skills to be able to perform their duties, contributing to their development as a professional.

Formation	2019	2020	2021
Number of employees	8,594	7,707	7,358
Amount of courses	10,443	18,426	26,324
Average of hours per employee	108.3 hours	66.4 hours	65.5 hours

Additionally, we have a Retiree service program with the following benefit plan:

- Life insurance
- Health insurance
- Loans
- Additional benefits for those who retire with more than 25 years of work.
- Assignment of temporary tasks and projects
- Social and recreational activities

GRI 404-3

As part of the commitment to continuous improvement, our human talent management processes include periodic performance evaluations of Grupo Popular employees. At Grupo Popular we have a performance evaluation program, which seeks to measure both the particular objectives per position and the factors or competencies linked to our organizational culture, namely: productivity, quality of results, independence, relationship management, contributions to the management, continuous learning and customer satisfaction.

Percentage of employees who received performance evaluation.	2019	2020	2021
	96%	95%	95%

The grade point average was 110, obtaining results that exceed expectations.

GRI 401-3

On the other hand, we are aware that the well-being of our collaborators must be accompanied by the well-being of their families. It is for this reason that Grupo Popular has various programs focused on supporting the development of their

families. In addition to respecting the parental and maternity leave law, we provide an additional 6 days for the parents of a newborn.

Indicator	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Number of employees who have taken parental leave	276	132	150	98	246	110
Number of employees who returned to work in 2020 after terminating parental leave	274	132	117	96	234	109
Number of employees who have returned to work after termination of parental leave and who were still employed 12 months after returning to work	261	115	139	94	230	101
Return to work and retention rate of employees who took parental leave	99.27%	100%	78%	97.96%	95.12%	99.09%

Initiatives that promoted the development of human talent and well-being in 2021

Discovery Junior Pilot Launch

With the objective of developing the leadership of the middle level of the company, in 2021 we integrated assistant managers and analysts to the Discovery program. The objective of this program and pilot is to generate closeness and trust among program participants, creating opportunities for the exchange of experiences and opinions. Thanks to this initiative, we achieved a greater reach and dissemination of the program, reaching other levels of the organization.

20 people were part of this pilot, including departmental managers, departmental deputy managers, leaders, etc.

Train the trainer John Maxwell: Team of facilitators Dominican Transforms

At Banco Popular Dominicano, we designed the deployment structure and coordinated the training of facilitators for the "Dominicana se Transforma" program, an initiative led by the John Maxwell leadership foundation, which seeks to identify the relevant values of the country and promote them through of dialogue in small teams called transformation tables. We joined this initiative with the aim that our staff live the experience of transformation tables over the next 2 years.

We have a team of facilitators ready to start the deployment of the transformation tables starting this year.

154 people were trained

New Virtual Continuing Education Programs.

With the aim of keeping our collaborators up-to-date on skills that add value to the performance of their functions and contribute to their professional development, in 2021 we created new virtual continuous training programs, achieving more trained personnel and strengthening the commitment and satisfaction of employees. collaborators.

535 employees benefited from virtual programs

COVID19 Vaccination

Within the framework of the National Vaccination Plan, we enabled 3 vaccination points for the Group's employees and their families, in order for them to receive the three doses of vaccines against COVID 19, between Sinovac, Pfizer and Astrazeneca.

6,138 vaccinated among employees and their families

Completion of the automated survey on Working Environment

The introduction of a new automated system (digital / virtual) for measuring Work Environment / Management and Leadership in the group was carried out, which includes new management variables such as: physical and emotional well-being, purpose, continuous improvement, recognition, vision and integration.

We managed to reach 100% of the institution with this new automation

Innovation rooms

At Banco Popular Dominicano, we created rooms for the exchange of ideas and innovation on the Innova platform, for members of the Lean Degrees program, so that they can socialize and fine-tune efficiency ideas effectively. In this way, we managed to connect the innovation and efficiency teams, benefiting 112 people.

Training of Internal Mentors

This program aims to prepare a group of managers from the High Potential program to form part of a network of internal mentors who, with their experience and training, can contribute to the development of other members of the organization. As part of this program, we achieved a network of internal mentors made up of 15 managers.

UNEP-FI Communication

Since our adherence to the Principles of Responsible Banking, we have held different meetings in order to communicate the new strategy to our collaborators. We have done this through internal communication channels such as bulletin boards and emails.

COVID-19 measures

In 2021, we carried out different measures to continue counteracting the effects of the Pandemic. Among them we highlight:

- Coordination of tests: 4,549 people benefited
- Follow-up of COVID-19 helpline: 3,955 people affected
- Psychological assistance: 201 people benefited
- Specialized consultations via telemedicine: 338 people benefited
- Development of physical, emotional and mental well-being activities: We carried out Comprehensive Well-being initiatives virtually throughout the organization, achieving 29,165 man-hours of support, translated into 37,120 interactions.
- Physicians Specialists in Pneumology: Assistance to employees with specialist physicians for COVID-19 treatment and follow-up.
- Communicational awareness program on COVID-19 inviting employees not to lower their guard and to continue with COVID-19 measures

Fulfillment of Goals and Challenges *Principle 2.4.*

Goal 2020	Compliance 2021	How?
We will implement a schedule of talks aimed at management and deputy managers to provide training on the SDGs and their application.	Partially achieved	This year, a priority was the communication campaign on specific SDGs, which covered gender equity, reconciliation of work and personal life, access to work and equal pay, prevention and intervention in cases of domestic violence and violence against women, among others. others, by sending publications through the mail and electronic bulletin boards, intranet and traditional bulletin boards. In 2022, conferences on the SDGs in general will be coordinated.

Where are we headed in human development and well-being

Subsidiary	Goal	Time frame
Banco Popular Dominicano	Formalize guidelines and policies for flexible work modality.	Mid-term (3 to 5 years)
Banco Popular Dominicano	Initiate Deployment Program for <i>Dominicana se Transforma</i> , managing to reach 50% of Grupo Popular's collaborators.	Mid-term (3 to 5 years)
Banco Popular Dominicano	Office 365 - Collaborative Culture, reaching 50% of Banco Popular employees.	Mid-term (3 to 5 years)
Banco Popular Dominicano	Deployment of a program of training conferences on the SDGs and their application at the managerial and deputy manager levels, reaching 80% of the collaborators.	Mid-term (3 to 5 years)

8.3 Gender Equality

ODS 5, ODS 8 GRI 103-1

Why is this issue important? Organizations can play an important role in promoting diversity and equal opportunities in their workforce and eliminating gender gaps. Although at Grupo Popular we do not have a gender equity policy, all of our human management practices reflect the organization's commitment to promoting diversity and equal opportunities. This is evidenced in the composition of our workforce, in tolerance towards the sexual preferences of collaborators and the personnel selection processes, through promotions and remuneration, which are free from discrimination, guaranteeing that gender is not an issue.

Impacts:

- Promotion of inclusion and equal opportunities.
- Diversity in the workforce.
- Construction of confidence and commitment of the workers.

GRI 103-2

How do we manage it?

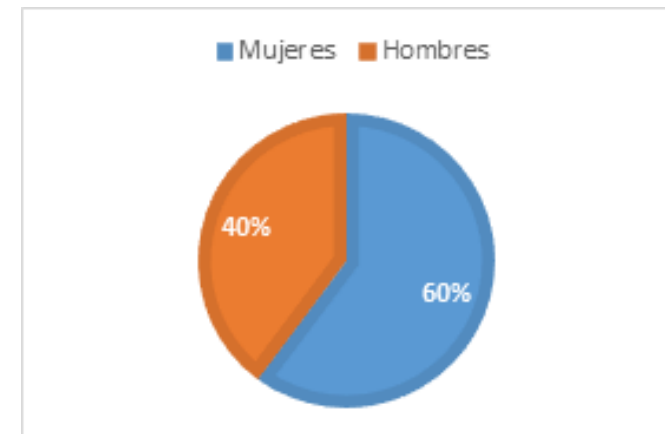
Our hiring policies ensure that both working hours and remuneration are equitable, based on performance and level of responsibility. We do not allow any discriminatory treatment based on sex, race, beliefs or opinions.

We express our anti-discrimination ideas in the hiring, promotion, training and dismissal of employees through equal opportunities policies or programs, as well as controls and monitoring of results through the Performance System. We publish the composition of the members of the Board of Directors, as well as the list of its officers in the Annual Report for Grupo Popular and other affiliated companies.

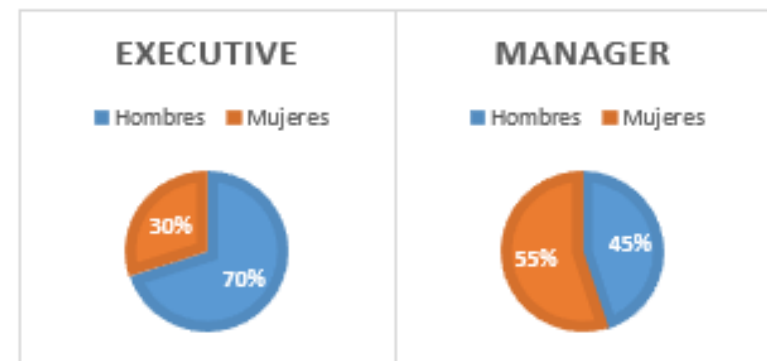
We do not allow any type of discrimination. This is reflected not only in the acceptance of any type of sexual preference by employees, but we also guarantee that preference is not a limiting condition for professional development.

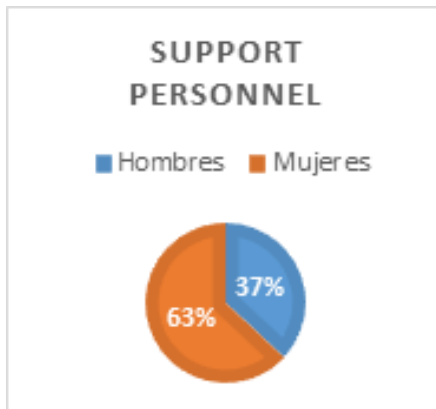
GRI 103-3

How do we evaluate it? In our organization, the selection, remuneration, promotions, and recognition processes are based on the competencies of the people, where historically the composition of our staff has consistently maintained gender balance.



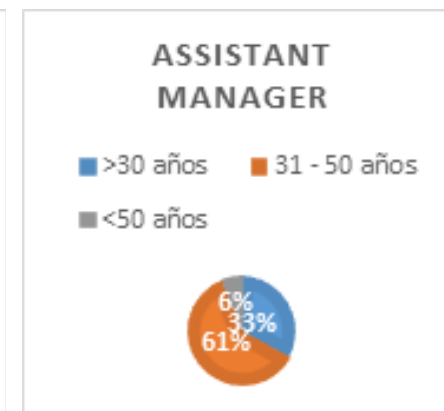
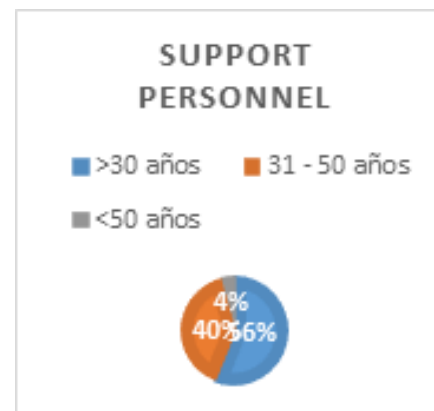
At Grupo Popular we are committed to promote gender equity within our staff. During 2021 we maintained a healthy balance between men and women in the organization.





Category	2019			2020			2021		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executive	21	46	67	22	48	70	21	50	71
Manager	585	474	1,059	585	462	1,047	600	491	1091
Support Personnel	3,668	2,201	5,869	3,572	2,108	5,680	3,236	1,913	5149
Assistant Manager	892	707	1,599	894	707	1,601	928	715	1643
Total	5,166	3,428	8,594	5,073	3,325	8,398	4,747	3,140	7954

Category	2019				2020				2021			
	>30 years	31 - 50 years	<50 years	Total	>30 years	31 - 50 years	<50 years	Total	>30 years	31 - 50 years	<50 years	Total
Executive	0	34	33	67	0	36	34	70	0	36	35	71
Manager	111	796	152	1,059	65	817	165	1,047	118	823	150	1091
Support Personnel	3,675	1,997	197	5,869	3,042	2,431	207	5,680	2,887	2,071	191	5149
Assistant Manager	537	977	85	1,599	441	1,066	94	1,601	543	1,003	97	1643
Total	4,323	3,804	467	8,594	3,548	4,350	500	8,398	3,548	3,933	473	7,954



Initiatives that promoted gender equality in 2021

Seal of Gender Equality and Self-diagnosis

In 2021 we signed the Commitment Letter to obtain the Gender Equality Seal, this in order to start the process to obtain a certification that endorses our commitment to gender equality.

The first step to obtain this certification is the organizational self-assessment phase, for which a survey was sent to all Banco Popular personnel to find out their opinion regarding different issues related to gender equality.

Internal Communication Campaigns

We developed various campaigns in order to raise awareness and familiarize staff with the equality seal initiative and the issues it covers: gender equity, reconciliation of work and personal life, access to work and salary equality, prevention and intervention in cases domestic violence and violence against women, among others, by sending publications through the mail and electronic murals, intranet and traditional murals.

Fulfillment of Goals and Challenges *Principle 2.4.*

Goal 2020	Compliance 2021	How?
Specify adherence to the Gender Equality Seal.	Achieved	We are in the self-diagnosis phase, to later define an action plan, in accordance with the requirements requested to obtain the certification.
Adjust policies and practices linked to gender equality.	Partially Achieved	As part of the self-diagnosis process to obtain the Gender Equality Seal, the related policies have been reviewed; As part of the actions of the action plan, we will be working on the place adjustments.

Where are we headed in Gender Equality?

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Obtaining the UNDP Equality Seal.	Short Term (1 year)
Banco Popular Dominicano	Raise awareness among staff in terms of gender equality, reaching 50% of the workforce.	Mid-term (3 to 5 years)

8.4. Customer Satisfaction

Principle 2.1. GRI 103-1

GRI 103-1

Why is this issue important? Customers are the engine of our organization. It is for this reason that we strive to provide a personalized service, with the highest quality standards and

customer satisfaction. Due to the nature of our business, at Grupo Popular it is our goal to be recognized for the quality of our service. For this, we offer a memorable experience, ensuring that the service models are aligned with our FAST standards and attributes (easy, pleasant, simple and transparent) and adapted to new digital environments.

Impacts:

- Quality of service and customer experience
- Digital transformation.

GRI 103-2

How do we manage it?

For more information, see the Sustainability Report 2019. Our management aims to guarantee total customer satisfaction through three main approaches:

- Voz del cliente, which we use to drive the service strategy.
- Monitoring of the satisfaction and experience of our clients in each point of contact or service channel.
- Service culture and guidelines that reinforce our service standards through staff training, weekly alignment meetings, recognitions and incentives.

Within Banco Popular, the Service Quality and Customer Experience Area is in charge of individually managing the concerns, complaints, suggestions and congratulations that arrive through the different channels. Once received, the information obtained is classified into the different segments: business banking and personal banking. Requests are evaluated and dealt with individually, providing a response to each specific requirement. If there are several requests, complaints and/or claims focused on a particular process, service or product, consolidated improvements are implemented, seeking to

optimize the efficiency and experience of the customer's journey.

GRI 103-3

How do we evaluate it? Every year we measure satisfaction with our service, both by our external and internal customers, as well as compliance with our service standards and FAST attributes. During 2020, around 19,000 surveys were carried out to measure the internal and external service of the different units. The results of these measurements are part of a certification program used as the basis for the awards and incentives scheme. It also serves as a starting point for the service quality management plans of each of the units that provide a service to our clients, both internal and external.

GRI 103-2

In order to provide and guarantee a better customer experience, we have a Service Culture unit whose purpose is to lead and manage all programs related to strengthening the service culture.

Under this line, we hold weekly meetings in order to align the more than 7,000 collaborators of the institution with the main news related to the organization and the guidelines and service standards. In the same way, we keep the staff updated with the established service plan. This year we carried out more than 120 trainings benefiting more than 2,800 employees.

To ensure that our collaborators put into practice all the guidelines, rules, good practices and others, we have incorporated an annual mandatory service certification system that must be completed by all members of the entity.

On the other hand, we evaluate different indicators that allow us to monitor the experience of our clients and their satisfaction.

The desertion rate is one of them, which measures the proportion of clients who left the Bank with respect to the number of active clients. During 2021, we registered that 9.9% of clients deserted our services. Due to the fact that the pandemic has caused the loss of employment and reduction of sources of income for a part of our client population, this had a slight impact on this index, which increased compared to 2020 (7.7%).

Regarding the measurements of customer satisfaction and ease of doing business, in 2021 we managed to improve our indicators. This improvement has been the product of strengthening and updating our service and attention protocols, as well as the implementation of self-service facilities that improve the experience of our clients when making requests via digital channels.

In this sense, we continue to develop initiatives to adapt to the new environment, the new service guidelines and protocols demanded, and move customers to a more digital experience.

Customer Satisfaction Survey		
	2020	2021
Score obtained Top Two Box	79%	85%
Very satisfied customers score	50%	61%
Ease of doing business measurement		
Customer Easy Score	52	63

Initiatives that boosted customer satisfaction in 2021

Portal My Popular Idea

In 2021, at Banco Popular Dominicano, through the Service Quality and Customer Experience area, we created the My Popular Idea portal, which aims to implement a space for collaboration with

customers and the general public, so that they can contribute their opinions and suggestions related to the improvement of the Bank's products, services and channels.

Since its implementation, and even without massive promotion to customers, we have received 27 ideas that contribute to improving the experience of our products, services and channels.

Expansion of the Support Model and attention to customers with problems in digital channels

We expanded our customer service and support model to provide alternatives and offer first-contact assistance to customers who have problems or require support with digital channels, without the need to migrate to branches. With this, we achieved an increase in the level of customer satisfaction in a general sense from 87% to 90%, highlighting the user experience.

+ 1 million customers affiliated with channels + 300,000 calls answered

Customer Care Management Unit

We form a unit dedicated to ensuring compliance with response times (Service Level Agreements - SLAs), personalized attention, solution management, orientation and support for clients, with claims and complaints. We work based on a differentiated service strategy according to the segment and level of customer involvement.

Through this initiative, we achieved an 11% increase in the level of satisfaction of customers managed by the unit, versus customers

who make claims without additional management.

11,167 claims cases managed

Redesign Shifts and Appointments by the Popular App

We carried out the redesign of the shifts and appointments of the Popular application, we made the adaptation of the facility to improve the browsing and use experience, achieving a more agile and simple interaction. 94% of surveyed customers indicate that the facility saves them time when visiting branches and 88% indicate feeling very satisfied and satisfied with the experience.

More than 380,000 shifts and appointments created this year

Extension of claims by the Popular App

We expanded and adapted the application to facilitate the creation of claims through the Popular App and thus facilitate this experience for our customers without the need to visit a branch. 76% of customers indicated that the functionality is easy to use and we currently have 29 types of claims in this way.

32% of the bank's claims are made via the Popular App, with an increase of 19 percentage points in this modality versus claims by branches. (From 13% to 32%).

Placement of sunblind in offices

We placed 20 sunblinds in our offices to make it more comfortable for our clients to wait in the outside queues due to the required social distancing protocol.

Fulfillment of goals and challenges

Principle 2.4.

Goal for 2020	Compliance 2021	How?
Expand the Queue Management Program to 60 branches.	Achieved	All office openings are implemented under this modality.
Achieve 15% of shifts issued in branches with the Queue Management Program correspond to the shifts and appointments facility.	Partially Achieved	We achieved more than 380,000 shifts and appointments created this year, which corresponds to 10%. We will continue working to increase this number.
Achieve 20% of the complaints received are made by the App Popular application.	Achieved	Our customers have quickly adopted the facility and currently 32% of claims are made via the Popular App.
Achieve that 20% of the complaints received can be offered a solution at the first contact.	Partially Achieved	Around 15,000 claims cases resolved in the first contact, which corresponds to 10%, by 2022 we will be implementing other selection criteria, to increase this number of cases handled.
Transform the way of measuring the satisfaction of our external clients, ensuring that most of the surveys are carried out electronically.	Achieved	76% of surveys in 2021 were electronic.

Where are we headed in customer satisfaction?

Subsidiary	Goal	Time frame
Banco Popular Dominicano	Expand the scope of the Customer Care Unit, granting differentiated assistance to a greater number of customers, constituting it in the Customer Protector unit, incorporating and considering additional criteria to offer personalized and differentiated attention, thereby guaranteeing compliance with the times and promise of service to customers who file claims.	Short term (1 year)
Banco Popular Dominicano	Maintain satisfaction levels above 80% (Top Two Box Score TB2- Very satisfied and satisfied customers) for Banco Popular.	Short term (1 year)
Banco Popular Dominicano	Maintain satisfaction levels above 80% (Top Two Box Score T2B - Very satisfied and satisfied customers) in digital channels.	Short term (1 year)
Banco Popular Dominicano	Increase the number of claims made by the Popular App to 35%.	Short term (1 year)

8.5. Transparency in the Communication of Products and Services

Principle 2.1. GRI 103-1

Why is this issue important? At Grupo Popular we understand that in order to achieve a long-term relationship with our clients, communication, transparency and our responsibility to protect their interests are key to provide services that best adapt to their needs.

Therefore, transparency in the communication of the products and services we offer is essential for business continuity and the trust of our stakeholders.

Impacts:

- Promotion of transparent and informed sales
- Customer satisfaction
- Promotion of access to information

GRI 103-2

How do we manage it? We are committed to complying with all regulatory requirements regarding information and transparency, and incorporating them into your internal policies. At a minimum, Grupo Popular undertakes that the practice of information complies with the following elements: i) precision; ii) clarity; iii) constancy, habits or periodicity (when applicable); and, iv) accessibility.

The Marketing and Communication Division addresses transparency in the communication of products and services through three lines of work:

- We simplify the language and the type of message we

incorporate in the informative pieces with the contents of the terms and conditions of use of the products and services offered. In this sense, we focus on making communications with a simple and appropriate language that can be understood by each of our clients.

- We provide situations where the client can self-serve through digital channels, dispensing with the banking agent, in a way that they understanding how the commissions and fees associated with the products apply.

- We rely on audiovisual tools for the instruction of products and services to different clients, using much more dynamic and didactic methodologies.

GRI 103-3

How do we evaluate it? We measure advertising campaigns from the Analytic Marketing Department as part of the assessment of customer reception.

We also have a corporate reputation study where customer perceptions regarding the offer of products and services are evaluated. The study measures whether the financial institution offers safe, reliable and quality financial products; and whether the organization ensures that it provides clients with clear, useful and complete information.

We have the following mechanisms to distribute the guidelines for the correct design and offer of financial services and products:

- Emails with Product Information
- Internal communication
- Meetings Business Areas
- Product Knowledge Base
- Segment and Training Manuals

- Mail Systems and Processes with Political Publications.

Initiatives that promoted transparency in the communication of products and services in 2021

During 2021 we developed a campaign focused on mortgage loans, to share information with our clients related to the benefits attached to this type of loan, such as life insurance or emergency repairs, always using simple language and simple communications



As a result of this campaign, we received 18,647 mortgage loan applications

Also, through the “te acompañamos” campaign, we launched different commercial actions related to personal and revolving loans, with offers and discounts in commercial establishments. Seeking to simplify

the message and communicate in a direct and simple way the different discounts we offer.

We achieved RD\$18,389 million in disbursements and 40 construction and real estate companies with discounts on legal expenses and a special appraisal rate at the end of 2021.



Where are we headed in transparency of products and services?

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Provide customers with guidance and tools to select the products that suit their needs, knowing the costs associated with their transaction or the fees they can pay related to their income.	Medium term (3 to 5 years)
Banco Popular Dominicano	Continue communications with plain language based on need, a way of speaking that customers understand from the point of view of their need to facilitate understanding and use.	Short term (1 year)
Banco Popular Dominicano	Know and manage all the commissions that may be applied according to the type of product purchased by the client.	Short term (1 year)

9.

9.1. Innovation and Digital Transformation

ODS 4 y ODS 17 GRI 103-1

Why is it important? Our vision is to set an example, transforming our value proposition through a strong ecosystem of innovation, agility and digital technologies, to provide a memorable experience for our clients.

In recent years, innovation and the migration of our clients to digital channels has become one of the priorities of our institution. To achieve this digital transformation, we work on the constant improvement of user experience on our digital channels; making the processes more efficient, transforming our policies and processes based in the strategic plan defined for this purpose.

Impacts:

- Ease of access to the financial system
- Safety and customer satisfaction
- Reduction of interactions and displacements

GRI 103-2

How do we manage it? During 2021 we had four main approaches led by the Digital Banking Area, in order to manage the Bank's digital transformation:

- Digital sales, through which we cross-sell and acquire new customers.

- Self-service, through which we take and move customers from the manual to a more virtual and digital one.
- Acceleration of innovation, through initiatives focused on creating an innovation center based on design thinking and innovation project management -Lean, Agile, Scrum, among others, in order to innovate and reduce time to market.
- Transformation of the service and commercial management model, supported by digital tools to offer a better service and achieve a more efficient remote service model.

GRI 103-3

How do we evaluate it?

All the innovation projects carried out in Grupo Popular's subsidiaries use a methodology to achieve better time and team management, as well as to deliver a product that is validated, approved and to the customer's satisfaction.

For their part, Banco Popular and AFP Popular have project management units, under the "Agile" methodology, whose main objective is to implement innovation projects by reducing the "time to market". At Banco Popular, work on optimizing process efficiency to satisfy customer demands is constant. For this reason, we continue to implement the Lean methodology and culture to achieve better time and team management.

As a result of our efforts to digitize traditional channels, during 2021 we reached 871,335 affiliations to digital channels (accumulated), distributed as follows:

Through these channels, in 2021 we achieved that 51% of new customers affiliated with a digital token.

On the other hand, we registered an increase compared to 2020 in the number of digital transactions and in the number of deposits and payments at ATMs, which demonstrates the growing trend on the use of virtual tools and economic reactivation. Additionally, we achieved 176,036 digital commercial deposits and a percentage of Digital Sales of 36%, both in Extra-credit and consumer loans, thanks to the implementation of digital sales tools and the promotion of these through marketing strategies, campaign management and offers to customers.

Finally, we highlight that the percentage of transactions carried out through digital channels remained at 86%, evidencing the digitization of our customers.

Initiatives that drove innovation and digital transformation in 2021

Digital Services

At Banco Popular Dominicano, with the aim of promoting digitization and reducing times and visits to branches, we implemented the following initiatives:

- Digital onboarding for customers: allows you to become a bank customer through the Popular App.
- Delivery of digital token with biometric authentication: allows users to self-serve, downloading their popular digital token, without having to go to a branch.
- Remote affiliation to the digital channel profile, with biometric authentication: allows customers to enroll in the channels, and have their access ready to make queries and transactions, without having to go to a branch.
- Digital delivery of credit cards: allows customers to have their credit cards available digitally, for immediate use through the popular wallet, without having to wait for the physical plastic to

- arrive.
- Digitization of debit cards in Wallet Popular and third-party Wallets (Garmin and Fitbit): allows debit cards to be used digitally, through the Popular Wallet and the Garmin and FitBit Wallets.
 - Split Popular: through this service, App users can charge other users enrolled in Split, just using their phone number or email, without having to enter an account number. Additionally, the amounts can be divided among several people in the same group.

We managed to reach 1 million users of the Popular App

Commercial Deposits

We enable our ATMs to allow business and personal customers to make deposits of large amounts of bills and coins, at ATMs.

Where are we going with innovation and digital transformation?

Principle 2.4.

Subsidiary	Goa	Time Frame
Banco Popular Dominicano	Continue the migration of transactions to digital channels, making 87% of the bank's transactions digital.	Short Term (1 year)
Banco Popular Dominicano	Continue reinforcing digitization and automation of end-to-end processes.	Medium Term (3 to 5 years)
Banco Popular Dominicano	Continue encouraging digital sales, with a 37% digital contribution for Extra Credit and Consumer Loans.	Short Term (1 year)
Banco Popular Dominicano	Transform customer service journeys to digital by accelerating the digital transformation of our services. In 2022, we will continue to impact the customer experience with 15 new Journeys identified.	Short Term (1 year)

9.2 Information Security and Protection

GRI 103-1

Why is it important? The information of customers, employees and subsidiaries is one of the main assets of the organization, which is why it is essential to implement all the controls and safeguards for its protection.

The global economic revival has reconfigured the way organizations operate, becoming more distributed and leveraging remote communication and teleworking technologies. Likewise, the digital transformation has accelerated the adoption of new service channels and new functionalities, significantly increasing cyber-risks and cyber-threats for consumers.

Impacts:

- Cybersecurity awareness for customers and employees.
- Protection of data and information of interest groups.
- Response to cybersecurity incidents of the Security Operations Center (SOC).

GRI 103-2

How do we manage it? Taking international standards and good practices in cybersecurity as a reference, Grupo Popular has focused its efforts on identifying cyber-risks and implementing controls to protect all sensitive information that is processed, stored and transmitted through the different critical business processes, paying special attention to the assurance of the entire technological infrastructure that supports said operation.

In the same way, we have implemented efforts to make the processes of detection, prioritization and remediation of technological vulnerabilities more efficient, as well as in the monitoring, detection, investigation and management of cybersecurity incidents through the security operations center (SOC). , for its acronym in English), significantly reducing the probability that the confidentiality, integrity and availability of our information can be compromised.

GRI 103-3

How do we evaluate it?

We are constantly identifying, reviewing and monitoring risks, in order to make adjustments and apply the necessary controls, which in turn give feed back to the information security risk matrix. Indicators of exposure are presented to the Internal Risk Operational Committee and to the Integral Risk Management Committee of the Board of Directors for their approval and decision-making.

We are aware that we must involve all areas of the Group in order to guarantee the security of the information to all our clients of the subsidiaries, for which we carry out training on the subject for our collaborators. In 2021, we trained 6,103 employees of Banco Popular, equivalent to 98%, and 977 people corresponding to the other subsidiaries, representing 99%.

On the other hand, we focused our efforts on strengthening the Security Operation Center's (SOC) cybersecurity incident detection and response capabilities. In 2021, we managed to monitor 2 million events per minute through this tool.

As a result of the management in this matter, during 2021, no cybersecurity incidents were reported that exceeded the

acceptance limits defined within the risk appetite of Grupo Popular.

Compliance with the Cyber Security Regulation and the information of the Central Bank of the Dominican Republic

We committed to comply with all cybersecurity provisions of the regulation and complete the evaluation process by the Central Bank of the Dominican Republic. In 2021, the Superintendence of Banks of the Dominican Republic validated all the compliance supports delivered by Banco Popular, Servicios Digitales Popular and Inversiones Popular through the "HEC" tool provided for this purpose, obtaining compliance from the regulatory entity.

Initiatives that promoted information security and protection in 2021

Compliance with the Cyber Security Regulation and the information of the Central Bank of the Dominican Republic

We committed to comply with all cybersecurity provisions of the regulation and complete the evaluation process by the Central Bank of the Dominican Republic. In 2021, the Superintendence of Banks of the Dominican Republic validated all the compliance supports delivered by Banco Popular, Servicios Digitales Popular and Inversiones Popular through the "HEC" tool provided for this purpose, obtaining compliance from the regulatory entity.

Fulfillment of goals and challenges

Principle 2.4.

Goal 2020	Compliance 2021	How?
We seek to maintain the current level of cyber risk mitigation, in order to protect the confidentiality, integrity and availability of the organization's information.	Achieved	No medium or high impact incident was detected or reported in the evaluated period.
We will carry out a safe adoption of cloud environments for the provision of technological services of the organization.	Achieved	Technologies based on cloud environments have been successfully adopted, without medium or high impact incidents to date.
We will work to implement new authentication mechanisms for clients and collaborators, in order to mitigate the risks of identity theft and fraud.	Achieved	Double factor authentication has been successfully adopted for all critical or sensitive access.
We will carry out innovative cybersecurity awareness campaigns for clients through Webcasts and social networks.	Achieved	During the evaluated period, multiple awareness campaigns were carried out through the different digital media, achieving a high awareness impact on our clients.

Where are we headed in terms of security and information protection

Subsidiary	Goal	Time Frame
Grupo Popular	Automate response in phishing attacks under 1 hour.	Short Term(1 year)
Grupo Popular	Focus on training the population of vulnerable clients in social engineering attacks by the different authorized means.	Short Term(1 year)

10.

10.1 Climate Change Mitigation

Principle 1.2. Principle 2.1. ODS 3, ODS 6, ODS 7, ODS 13, ODS 15, ODS 17

GRI 103-1

Why is it important? Dominican Republic has been highly exposed to the effects of climate change manifested in droughts, natural disasters and other extreme weather events that affected different economic sectors. Faced with this challenge, we recognize that addressing climate change is essential in creating a sustainable future.

Impacts:

- Mitigation of climate change
- Contribution to adaptation to climate change

GRI 103-2

How do we manage it? Organizations contribute to the mitigation and adaptation of climate change through the development of initiatives that reduce our environmental footprint and create conditions to act for the benefit of the sustainable development of the country. For this reason, we work on various initiatives to help offset our impact on the environment. Some of these are the generation of photovoltaic energy that feeds our facilities and mitigates our impact and that of our clients on the environment, the calculation of the greenhouse gas emissions generated and the support for reforestation initiatives in large forest reserves.

GRI 103-3

How do we evaluate it? The energy generated and not consumed through the charging station, is injected back into the national electricity system for the benefit of homes and companies in the country. The energy production of all Photovoltaic Solar Panel Systems installed by the organization is monitored by the banks Energy Management and Efficiency Center.

GRI 30-3

In alliance with Plan Sierra and Fondo Agua Yaque del Norte, in separate projects, we have managed to reforest different areas of the country planting **161,770 trees** in 2021.

In their adult stage, these trees will capture more than **51.7 thousand tons of CO₂**, retain more than 19 million kilograms of soil and store more than 485 million liters of water annually. Additionally, we completed our second carbon footprint study, which determined that in 2021 Popular's emissions were 11,343 tons of CO₂, (Direct 557, Indirect 10,629, Induced 157), which represents a **reduction in the carbon footprint of 40%**, with respect to the emissions accounted for in 2015, the base year of the corporate inventory of emissions. **We are, once again, a certified carbon-neutral organization.**

The company's carbon footprint, based on the 2015-2020 period, is 14,787 tCO₂eq, with a variation of less than $\pm 1\%$ of the emissions accounted for each year during said period. Projections indicate that the company's accumulated emissions by 2030 will be 202,149 tCO₂eq. This considers that the emissions remain within a 95% confidence interval.

GRI 305-1, GRI 305-2

Component	2019	2020	2021
GHG emissions Scope 1	5.762	2,496	557
GHG emissions Scope 2	13.039	13,207	10,629

For more information about our footprint and its calculation, you can access our Footprint Report.

GRI 305-5, Principle 2.3. Principle 2.4.

Component	2019	2020	2021
Reduction of GHG emissions as a direct consequence of CO ₂ reduction initiatives	<p>We have 54 offices and 30 covered parking areas with 11,934 solar panels installed in this network of photovoltaic offices. These are distributed in 22 provinces, equivalent to 42% of Banco Popular's offices. They allow us to produce 5.1 million kilowatts per hour (kWh) of clean energy and have an installed capacity of 3.4 mW (Mega Watts).</p> <p>These eco-efficient practices make it possible to supply most of the energy required by the network of branches and inject sustainable energy into the national system. It consolidates us as the first institution in the country with the greatest solar energy generation.</p>	<p>We continue to consolidate the organization as the first institution in the country with the largest photovoltaic solar energy generation capacity, with a total of 56 branches and 32 Installed Parking areas nationwide:</p> <ul style="list-style-type: none"> - 12,255 Solar panels - 3.5 mW (Mega-Watts) of Installed Capacity - 5,200 mWh / Year (MegaWatts-Hour) of Energy Production Annually - 3,300 Tons / CO₂ in Emissions Reduction per Year - Equivalent to the absorption of 333,600 trees per year - Equivalent to the energy consumed by 10,400 homes 	<p>Among the mitigation measures implemented by the BPD to reduce its carbon footprint include:</p> <ul style="list-style-type: none"> - Use of solar panels (3.51 MW of installed power that generate about 4.15 MWh - Use of LED lights, more efficient air conditioning. - 32 bicycle parking spaces in Santo Domingo - Recycling of solid waste and transfer to companies to be reintegrated into other production cycles (on average 71 tons per year). - Reforestation in different areas of the country (more than 320,000 trees planted).

Initiatives that promoted climate change mitigation in 2021

Support Plan Sierra in its management of training, increase of the forest layer, conservation and care of natural resources

In order to contribute to the recovery of the forest layer of the Sierra, and mitigate the volume of CO₂ emissions that we produce as a company, through the Popular Foundation, in alliance with Plan Sierra, this year 2021, we have managed to reforest some XX hectares, with the planting of 136,270 plants, contributing directly to the protection of the Mao sub-basins; Inoah; Amine; Beam; Guayubin; Maguaca; Chacuey.

Project for the Restoration of the Guanajuma and Gurabo Micro-Basins

We seek to implement actions that favor the restoration of degraded spaces in the upper part of the Guanajuma and Gurabo micro-basins, with the purpose of replenishing and conserving the natural assets of the area and at the same time improving ecosystem services, with a main focus on soil and water resources.

It is for the above that, in alliance with the Yaque del Norte Water Fund, in 2021 we have contributed with the planting of 25,000 plants for the restoration of the Guanajuma and Gurabo micro-basins.

The planting of these 25,000 plants will contribute to the following environmental benefits:

- Capture of more than 8,000 tons of CO₂
- Conservation of 75 million liters of water
- Retention of 3 million kg of soil

Support the Construction of Artificial Wetlands as a Wastewater Treatment Plant in Saltos de Jacagua

In order to contribute to the environmental sanitation of the Jacagua stream and therefore of the Yaque del Norte river, the construction of a “wetland” designed to serve a population of up to 150 people was carried out. The work is capable of processing an average volume of 250 m³ per day of wastewater, it consists of three septic chambers, a 224 m² wetland and more than 120 linear meters of pipes.

This initiative was carried out in conjunction with the Yaque del Norte Water Fund (FAYN), together with Plan Yaque, Popular Foundation, Santiago Free Zone Corporation (CZFS), the Ministry of Environment and Natural Resources, the Santiago Aqueduct and Sewerage Corporation (CORAASAN) and Saltadero Foundation.

Currently 10 families benefit from this project, but the “wetland” is designed to serve a population of up to 150 people.

Business Discussions and Roundtables for Climate Action

The Business Articulation Discussion Tables for Climate Action aim to raise awareness in the Dominican business sector about its role in the country's commitment to the United Nations Framework Convention on Climate Change to reduce its GHG emissions by 27% by 2030, as well as to achieve the Sustainable Development Goals.

From this 3rd version of the Business Coordination Tables for Climate Action:

- Inputs were generated for the country's position with a view to COP26, promoting a greater commitment from the business sector

with the Twenty-First Meeting of the Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change, held in December. 2015 in Paris.

- The commitment of the Dominican private sector to reduce greenhouse gas emissions and develop actions to facilitate adaptation to climate change was renewed.
- Some voluntary measures were agreed such as promoting the generation of energy from waste, sustainable mobility and the circular economy. Which also aim to preserve the upper river basins, build green homes, establish cooperatives with the communities for waste collection or create wastewater treatment plants.
- As an innovation and benefit, within the framework of the UNDP initiative “Climate Promise”, these commitments will be integrated into the platform www.empresassosteniblesrd.org, facilitating the future implementation of the National System for Monitoring, Reporting and Verification (MRV) of Emissions of greenhouse gases. In addition, companies will find in this web portal useful information and tools to strengthen their participation in national climate commitments.

These tables were held in conjunction with Fundación Popular, ECORED, CONEP, UNDP, the Ministry of the Environment and Natural Resources, the National Council for Climate Change and the Clean Development Mechanism (CNCCMDL), with the guidance of GreenEnergy.

Fulfillment of goals and challenges

Principle 2.4

Goal 2020	Compliance 2021	How?
Plant 150,000 trees in different areas of the country, thus contributing to the restoration of the forest cover of the Yaque del Norte and Ozama river basins.	Achieved	In alliance with Plan Sierra and Fondo Agua Yaque del Norte, we have managed to reforest different areas of the country with the planting of 161,770 trees planted during the year 2021.
Renew the declaration and commitment to the NDC in view of the reduction commitments assumed by the business sector at COP21 and the review of the country's NDCs for 2020.	Achieved	The Business Articulation Tables for Climate Action were held, but the socialization of results and the closing event for the renewal of the declaration took place in January 2022.

Where are we headed in terms of climate change mitigation?

Subsidiary	Goal	Time Frame
Grupo Popular	Plant more than 200,000 trees in different areas of the country, thus contributing to the restoration of the forest cover of various hydrographic basins, and especially that of the Yaque del Norte and Ozama rivers.	Short term (1 year)
Grupo Popular	Construction of 2 artificial wetlands to contribute to the environmental sanitation of community streams of the Yaque del Norte River, whose waters flow into the Yaque del Norte River.	Short term (1 year)
Grupo Popular	Within the framework of the Business Articulation for Climate Action project, we have set ourselves the following 3 challenges: a) Implementation and monitoring of the recommendations of the Business Coordination Tables to 10 companies. b) Carry out 1 annual updated publication of the climate action guide by category of GHG sources. c) Get 20 companies to register on the platform for registering actions for sustainability.	Short term (1 year)

10.2 Eco-efficiency

Principle 2.1. ODS 7, ODS 8, ODS 13, ODS 17 GRI 103-1

Why is this issue important? Grupo Popular generates environmental impacts derived from the operations, which not only exert pressure on energy and water resources but are also highly demanding of inputs such as paper and plastic. Aware of the impact on the environment, Grupo Popular has incorporated the sustainable use of natural resources and care for the environment into its DNA.

Impacts:

- Clean energy production per year of 5.2 mWh (Mega Watts Hour), equivalent to the average consumption of 10,482 homes.
- Reduction of emissions 3,337 Tons-CO2 per year, a figure that translates into 333,689 trees saved per year.

GRI 103-2

How do we manage it? Our management is focused on mitigating the environmental impact, for which it encompasses an approach on three levels. First, it includes the promotion of environmental awareness in all Grupo Popular personnel. The second one consists of the rational use of resources and recycling practices. Finally, the third one includes the incorporation of environmental management systems in our facilities which allow us to reduce our impact on the environment.

GRI 103-3

How do we evaluate it? At Banco Popular, we have an Energy Management and Efficiency Center from where the entire electrical network of our branches and buildings is monitored. There, all variables that impact energy consumption are constantly measured in real time, with alert panels that allow detecting faults in time

and taking corrective actions to facilitate business continuity. We also audit energy bills, comparing with meters that are within the network, which allow us to ensure that all parameters are within acceptable ranges.

Popular’s photovoltaic system is bidirectional, which means that the bank consumes part of its clean energy production and injects into the system what it does not consume, for the benefit of Dominican homes and companies, in accordance with the net metering regulations of the National Energy Commission.

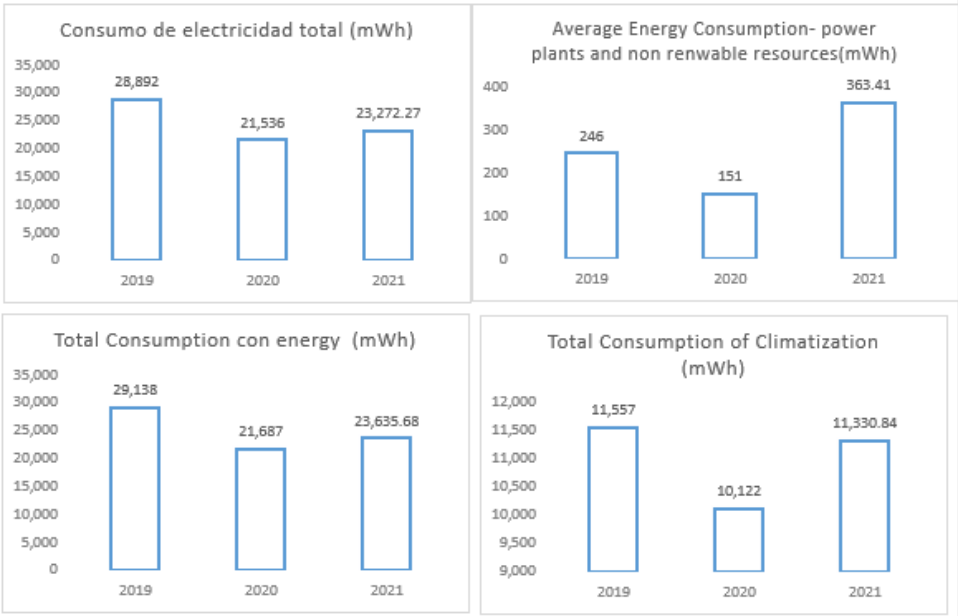
Likewise, we monitor the Reduction of the Environmental Footprint by taking data from the solar energy production of these facilities, which is similar to the average monthly consumption of 10,400 homes. Through this, we seek to reduce 3,300Tons-CO2 per year of polluting emissions, with a weight equivalent to the CO2 that 333,600 trees could absorb annually.

GRI 302-1

Energy consumption within the organization

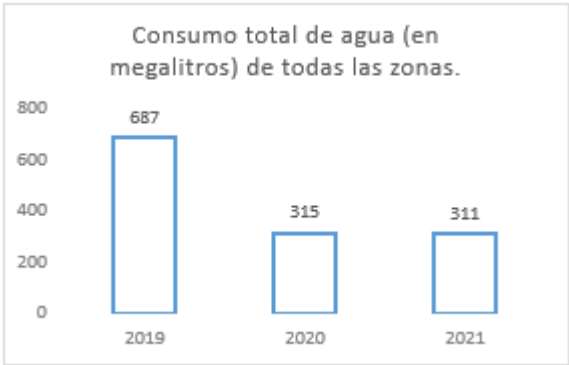
During 2021, we registered an increase in energy consumption of 1,925.51 mWh, mainly because schedule changes, closures and restrictions, due to the pandemic, were greater than in 2020.

Additionally, there was a considerable increase in interruptions by energy distributors, which required the use of electric generator systems, which run on diesel and liquefied petroleum gas fuels, so our energy consumption from these generators also increased in 2021.



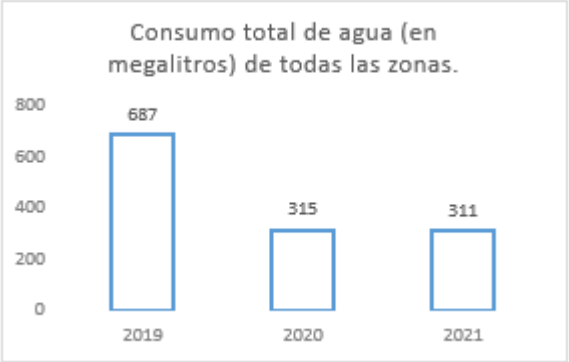
GRI 302-3

Due to the increases mentioned above, our energy intensity also increased (Total Energy Consumption / Average Number of Employees). This ratio was calculated including the electricity supplied by the distributors and the energy from the Power Plants within the organization.



Thanks to the Bank's Photovoltaic Project, we managed to obtain clean energy. We have a total installed capacity of 3.5 mWp (Mega-Watts Peak) in 56 branches, more than 12,000 solar panels installed, which allow an annual energy production of 5,200mWh.

The production of solar energy from these facilities, in terms of reducing the environmental footprint, allows us to reduce more than 3,300 tons of CO2 per year. Thanks to this project, we received in 2018 the Award for Excellence in Cleaner Production (P+L) of Renewable Energy, awarded by the Ministry of Environment and Natural Resources.



GRI 303-5

Water consumption

The total consumption of water in our facilities did not represented a significant variation compared to 2020. We will continue working to improve our efficiency in the use of water resources.

GRI 306-1 GRI 306-2

In order to properly manage the impacts related to waste, we have implemented the 3R Eco-efficiency and Culture Program, which

includes:

Informative messages via email to our collaborators in order to reduce the generation of waste and avoid inappropriate consumption of resources.

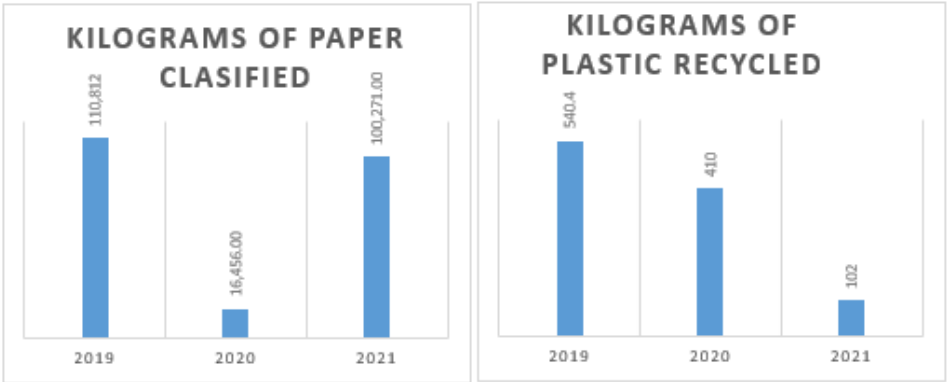
Encoding printers for automatic two-sided printing.

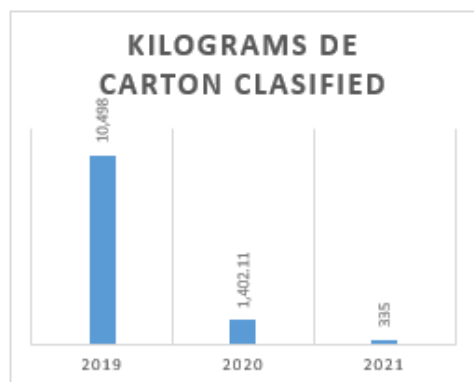
Elimination of personal wastebaskets (in some facilities) to reduce the generation of waste.

Implementation of digital projects so that each dependency proposes improvements in the reduction and reuse of resources.

GRI 306-3

We classify our waste into paper, cardboard, plastic and ordinary (common garbage). During 2021, we generated 18,267.93 kg of waste. In order to reduce this indicator, we have implemented recycling programs that have allowed us to monitor the organization's efforts to mitigate our ecological footprint.





In 2021, the levels of recycled plastic and cardboard decreased due to the establishment of the hybrid work modality. On the other hand, recycled classified paper increased to levels similar to those registered before the pandemic, taking into account that in 2020 the activity in the offices was very low and the amount of waste that is worked with during the week was not produced.

Initiatives that promoted eco-efficiency in 2021

Installation of Charging Stations for Electric Vehicles

Committed to contributing to the reduction of conventional energy in the Dominican Republic, we set up parking areas in branches for the implementation of Charging Stations for Electric Vehicles. Charging stations for electric vehicles were installed in 33 branches and buildings nationwide.

We have achieved 1,639 Vehicles Charged at our stations.

Fulfillment of goals and challenges

Goal 2020	Compliance 2021	how?
Install 41 charging stations for electric vehicles for Dominicans.	Partially Achieved	Charging stations for electric vehicles were installed in 33 branches and buildings, equivalent to 80% of the established goal.

Where are we headed in terms of eco-efficiency?

Subsidiary	Goal	Time frame
Grupo Popular	Streamline the solid waste monitoring process at all facilities.	Short term (1 year)
Grupo Popular	Increase the environmental awareness of employees and suppliers regarding the management of solid waste, emphasizing the reduction of waste and, as a last resort, recycling.	Short term (1 year)
Grupo Popular	Spread the 3Rs culture to suppliers that do not yet have waste management programs.	Short term (1 year)

10.3. Green Financing

Principle 1.2. Principle 2.1. ODS 7, ODS 11, ODS 13 Y ODS 17

GRI 103-1

Why is it important? In order to achieve the goals of the Paris Agreement and the Sustainable Development Goals that the country has set out to achieve, it is essential to have the support and capacity of the financial sector to allocate resources to finance and invest in projects that have a social and environmental impact.

Grupo Popular's commitment to sustainability is reflected in our Sustainability Vision and the Commitment to Responsible Banking

2030, whose main goal is to impact the Sustainable Development Goals.

Impacts:

- Promotion of clean and renewable energies
- Promotion of sustainable mobility

GRI 103-2

How do we manage it? Grupo Popular and its subsidiaries contribute in this context through the structuring of green financial products and services that generate positive impacts on the lives of Dominicans and shared value for the organizations and communities where we operate. In the same way, we support sectors of the economy in their transformation towards a circular and low-carbon economy.

GRI 103-3

How do we evaluate it? We have a tool that allows us to make an automated report of the financed of solar panels and hybrid and electric vehicles.

We are leaders in the Dominican Republic in financing clean energy. We offer better conditions to our clients to acquire and inaugurate friendly products, such as bike parking in offices and charging stations for electric vehicles.

Principle 1.2.

We are aware of the importance of our role as financiers and promoters of a low-carbon economy. We also know that our work is key to achieving the goals set out in the 2030 Agenda, as well as to curbing and mitigating climate change. Therefore, the Bank's green financing approach is aligned with the Principles of Responsible Banking, being the first bank in the region to commit to this international alliance.

Principle 2.1. Principle 3.2. Principle 6.1.

Under this line, we have a portfolio of products called Hazte ECO, through which we offer loans with preferential conditions for the purchase of hybrid and electric vehicles and solar panels, in order to encourage customers to change their life habits towards a more sustainable model with the environment.

Hazte Eco is our green financing portfolio for retail and corporate banking. We are proud to be the first entity in the Dominican Republic to offer these financial services to all customer segments to promote responsible operations and migrate towards a more sustainable country.

Through Hazte ECO we support, among others, the transition to a low-carbon economy in our society, while offering financing specifically focused on renewable energy, energy efficiency and sustainable transportation, with better rates than the market.

Our Hazte ECO portfolio stems from the Bank's interest in contributing to the SDGs, aware that our role is fundamental to achieving the goals at the national and global levels. So then, the program is aligned with:

SDG 7

- Promote clean and affordable energy for our customers through our financial products.



SDG 11

- Make the Dominican Republic a sustainable region through the promotion of alternative energies and environmentally friendly means of transportation, with special emphasis on mitigation and adaptation to climate change.



SDG 13

- Take urgent action to combat climate change and its impacts through our financial services, specifically our green loans for hybrid and electric cars, clean energy, solar panels, and low-consumption appliances in personal banking.



Solar Panel	Hybrid Vehicles
RD 135.167.833	RD 174.761.471
USD 3.955.427	USD 305.883

In addition, we disbursed \$RD 16,256,174 and USD 262,623 for electrical equipment.

We are the first financial institution in the country to offer this type of environmentally friendly line of credit.

With this portfolio we seek to extend financing to other sustainable assets, such as energy efficiency solutions or the optimization and reduction of natural resources for companies, as well as sustainable construction projects.

This type of instrument works as a financial lease contract for a specific period of time, during which the ownership of the asset remains with the Bank. At the end of the contract, the asset becomes the property of the client; providing, among others, a tax benefit and an interest rate lower than any other type of loan.



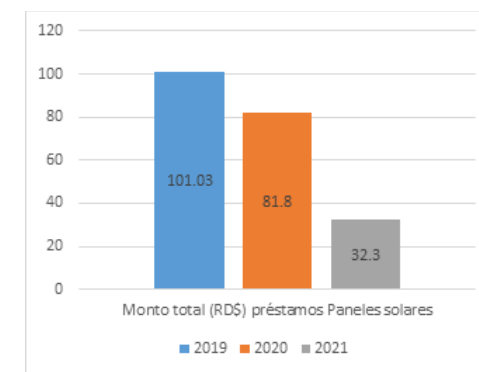
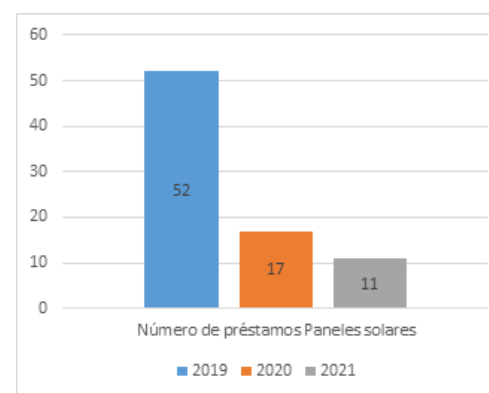
We are proud to be the leading clean energy financing organization in the Dominican Republic, financing the largest solar, wind and biomass energy projects in this country.

Additionally, as a lending bank and guarantee agent, we lead the development of renewable energies in the country, with a presence in eight clean energy generating parks, whether photovoltaic, wind or biomass.

FS-8

Hybrid and Electric Vehicles:

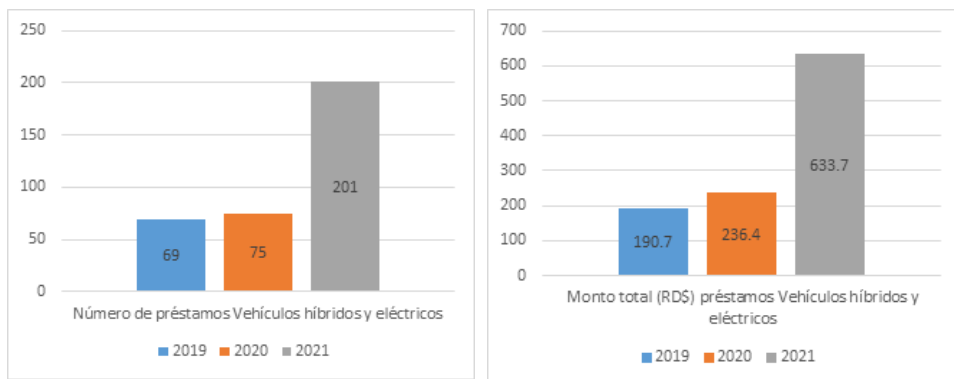
As a sign of our commitment to promoting products and solutions that are friendly to the environment, which in turn respond to global trends and risks, during 2021 we increased the number of loans and the amount financed for the line of hybrid and electric vehicles, the disbursements of vehicle grew by 168% vs 2020.



Solar Panels

On the other hand, during 2021 we registered a decrease in the number of loans and the amount financed for solar panels, due to the fact that the financing needs revolved around other types of

loans, for example, commercial for working capital, as a result of the economic situation caused by COVID-19.



Tourism Sector

The Dominican Republic is characterized by being a tourist country, which is why we have created and established, for more than 23 years, specific strategies for this sector. Likewise, we are the first bank in the region to have a Tourism Business Vice Presidency, positioning ourselves not only as a strategic, long-lasting and reliable ally to promote the growth and development of the sector, but also as the Bank of Tourism in the Dominican Republic.

We have also understood that tourism must go hand in hand with sustainability, since the sector has a great responsibility in the emission of greenhouse gases, use of resources and generation and disposal of waste. For this reason, during 2021 we continued to finance clients in the tourism sector for the development of initiatives with low environmental impact, such as rural tourism and low-impact tourism real estate development.

Initiatives that promoted Green Financing in 2021

Te acompañamos - We Accompany You

In order to promote the Hazte Eco product portfolio, as part of our digital loan campaign “Te acompañamos” and together with our business partners to offer discounted products, we promoted the acquisition of solar panels, bicycles, air conditioners and efficient appliances.

For 2021, rd\$32.3mm in disbursements were registered with an accumulated rd\$222.3mm.



For more information on this initiative, see www.popularenlinea.com/HazteEco

Principle 5.2.

Within the programs and actions with social and environmental impact, we carry out education initiatives for the population, environmental projects in the communities and planting of trees, installation of solar panels in their offices and 3R culture programs (Reduce, Reuse and Recycle) among our employees and customers.

Fulfillment of goals and challenges

Goal 2020	Compliance 2021	How?
Identify a mechanism that makes it possible to quantify the credits granted to finance efficient or low-consumption household appliances and air conditioners, and bicycles.	Partially Achieved	In process to complete first quarter of 2022.
Strengthen the Hazte Eco portfolio through offers from our business partners.	Achieved	
Create mortgage, trust and interim loan products to promote the construction and sale of eco-efficient projects.	Partially Achieved	In process to complete first quarter of 2022.
Promote the Hazte Eco portfolio for the acquisition of Evergo chargers in real estate developments to multiply recharging points in residential and business buildings.	Partially Achieved	In process to complete first quarter of 2022.

Where are we headed in terms of Green Financing?

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Access funds from international organizations for green financing.	Medium term (3 to 5 years)
	Continue strengthening Hazte Eco products.	Short term (1 year)
	Expand the Hazte Eco portfolio (Mortgage Eco, Extra Eco, Extrahogar Eco Popular).	Short term (1 year)

10.4 Social Development and Environmental Protection

Principio 1.2. Principio 2.1. ODS 1, ODS3, ODS 6, ODS 7, ODS 8, ODS 13, ODS 15, ODS 17

GRI 103-1

Why is this issue important?

At Grupo Popular we are focused on the holistic development of the community. For this reason, we contribute with initiatives that allow the inclusion of its inhabitants and enable their well-being and growth, eliminating the barriers that impede and limit their progress, fostering conditions that promote sustainable lifestyles.

This approach, which promotes the sustainable development of communities and the well-being of vulnerable groups, is aligned with the commitments assumed with UNEP-FI and its principles as we contribute and join efforts to comply with the SDGs and the Paris Agreement.

Impacts:

- Generation of inclusion and opportunities
- Promotion of sustainable communities
- Access to water and hygiene
- Support to the national health system

GRI 103-2

How do we manage it? Fundación Popular manages the social and environmental actions of Grupo and its subsidiaries, through Responsible Social Investments (SRI), as the foundation of the Sustainable Action Model. The latter consists on structured programs aimed at two fronts of action: social development through

care for vulnerable groups and environmental protection through strategies for adaptation to climate change.

GRI 103-3

How do we evaluate it? We carry out reports, technical support, monitoring visits and meetings with those involved. On the other hand, we hope to carry out, in the short term, impact studies of the programs focused on measuring the positive social and economic changes and transformations in the communities derived from the infrastructure projects (hydroelectric plants and aqueducts).

GRI 203-1

In 2021, the second year of the Project **“Acceso al agua liderado localmente por la comunidad cuenca del río Guayubín”, (Access to water led locally by the Guayubín river basin community)** was developed in alliance with the REDDOM Foundation, and executed within the framework of the Cooperation Agreement between the United States Agency for the Development (USAID) and the Popular Foundation.

Through this project, the aim is to **improve the availability of drinking water and improve the hygiene conditions** of water sources in populations located on the Dominican-Haitian border, specifically in communities of the Santiago Rodríguez province, within the Guayubín River basin. This is achieved through investments in small basic infrastructure, training activities for behavior change and technical assistance.

In 2021, the community aqueduct pumping system was installed and put into operation, benefiting 725 households (2,456 people) in Arroyo Blanco and El Guanál.

The budget for this initiative corresponds to an execution period of

three (3) years, from June 15, 2020 to June 14, 2023. The estimated cost of the project amounts to RD\$26,137,395, of which RD\$17,137,395 will be contributed by USAID/RD and RD\$9,000,000 will be provided by Fundación Popular through a public-private partnership. For the year 2021, a budget of RD\$ 8,799,118 was foreseen, of which RD\$ 3,000,000 were contributed by Fundación Popular and RD\$ 5,799,118 were provided by USAID.

In addition to the contributions from USAID (66%) and Fundación Popular (34%), Fundación REDDOM will leverage resources through the integration of community members, local authorities and other private actors. Likewise, Plan Sierra has expressed its willingness to channel resources for activities to protect water sources through reforestation and agroforestry in areas of water relevance, in the Guayubín river basin.

In line with the above, the REDDOM Foundation will manage the integration and contribution of local actors for the appropriation of the work and its sustainability. The REDDOM Foundation expects active participation and contributions in kind and in cash from the National Institute of Drinking Water and Sewerage (INAPA), the San Ignacio de Sabaneta City Council, the Ministry of the Environment, the Arroyo Blanco community and the private sector (including Industrias San Miguel, agricultural and livestock producers and other local companies). The contribution of these actors is estimated at 20% of the total program budget and will focus on the following initiatives:

- Access to drinking water in Arroyo Blanco
- Installation of chlorine dispenser
- Rehabilitation and installation of rural aqueducts in excluded areas of Arroyo Blanco
- Community facilities for storage, administration and

resilience of access to water

- Strengthening of decision-making spaces on the water issue, such as the water tables.
- Protection of water sources: wetlands for wastewater treatment.

GRI 203-2

Some of the significant indirect impacts derived from the investment in the aqueduct are:

- Improvement of the family economy for those who invest less in purchasing water.
- Better time management to engage in productive activities.
- Reduction of skin and gastrointestinal diseases.
- Empowerment of the community.
- Improvement of the living conditions of the families since it avoids transfers, walks carrying water, and procedures for the supply or storage of water.

These initiatives are aligned with the actions of the National Development Strategy (END2030) and with the priorities defined by the government. The community hydroelectric plants and the aqueducts are aligned with the 2030 Agenda and the beneficiary population and the organizations that are part of the alliance correspond to our interest groups and the initiatives respond to the needs detected

In line with the above, in 2021, in the community of El Chorro, municipality of Bonao, Monseñor Nouel province, in coordination with the Ministry of the Environment, the community has planted some 47,500 plants of Cabirma guinea, Cabirma santa, Amacey (Tetragastris balsamifera), Pinus caribea and penda (Citharexylum fruticosum), for a total of 680 hectares of reforested land in the upper basin of the Juma River. The actions are aimed at guaranteeing the sustainability of hydroelectric generation in the

Arroyo El Brazo sub-basin (inaugurated in 2017), which supplies electricity to the homes of the community.

There are 3 hydroelectric plants in their final stages of construction, which will probably be inaugurated in 2022.

Health

In order to contribute to improving health services and health care offered in the main obstetric and neonatal hospital and teaching center in the Dominican Republic, and with a vision to turning it into an exemplary hospital with a management model that can be replicated in other hospital centers, we made the following contributions to the Hospital Universitario Maternidad Nuestra Señora de la Altagracia during 2021:

- We delivered a hysteroscopy equipment for the laparoscopic surgery area of the Hospital in partnership with the United Nations Population Fund (UNFPA). The contribution of this hysteroscopy will allow us to continue improving the quality of health services in the Laparoscopic Surgery Area, of the Department of Sexual and Reproductive Health (Family Planning) of HUMNSA. This donation, whose unit cost is RD\$991,135, is part of the institutional support that Fundación Popular offers to the hospital's Maternal and Neonatal Mortality Reduction Support Project.

- As part of the commitment and sustained support of the Popular Group to the efforts of the Dominican government aimed at curbing the effects of the Pandemic that affects us, and to seek the protection of front-line actors such as doctors and hospital personnel, we made delivery of 10,000 KN95 FFP2 masks to the Nuestra Señora de la Altagracia Maternity, a valued contribution of RD\$460,200.00.

- At the end of the year, the Popular Foundation delivered a

microscope for the cytogenetics laboratory, which constitutes a milestone for the Nuestra Señora de La Altagracia Maternity Hospital and for the public maternal health network, since it will allow the resumption of this service in the country and carrying out 50 to 60 daily tests for free. Two breast simulators were also provided, one of which allows sonography to be performed; five tablets, four of them to facilitate the user care survey and the monitoring of adherence to protocols, and one for the management of the maternal anatomical model called Noelle; in addition to a workstation, desk, computer and printer for the reopening of the room.

- We implemented, through the United Nations Population Fund UNFPA, the Maternal and Neonatal Mortality Reduction Project Model program for an amount of RD\$2,500,000.00, with the aim of continuing to consolidate the care model at the Hospital Universitario Nuestra Señora de La Altagracia, as a national reference to reduce in-hospital maternal and neonatal mortality. With a training component aimed at all health personnel for comprehensive and culturally appropriate care, implemented at the Hospital Universitario Maternidad Nuestra Señora de la Altagracia (HUMNSA) and extended to three more hospitals.

On the other hand, thanks to the contributions in medicine and fortified food that are distributed through Sanar una Nacion, in 2021 a total of 1,477,819 people benefited from these deliveries. Specifically:

- 2,119,936 portions of fortified food were delivered, benefiting 46,572 people.
- The drugs delivered benefited a total of 1,431,247 people.

Lastly, at the end of 2021, the Popular Pension Fund Administrator (AFP) and the National Council for the Aging Person (CONAPE)

held the official launch ceremony for the Project to Improve the Quality of Life of Older Adults in Permanent Centers, which seeks to promote the improvement of the quality of life, health, nutrition, habitability and general well-being in the residents of three (3) permanent centers, and the renovation or construction of other previously selected Day Homes in different parts of the country. Project actions are expected to start in 2022.

Initiatives that promoted social development and environmental protection in 2021.

Construction of community waterways

In 2021, from Group Popular, we supported the construction of community waterways in the southwestern region of the country, in alliance with the Azua, San Juan, and Elías Piña Development Foundation (FUNDASEP). With this initiative, we seek to contribute to improving the quality of life of the affected populations through the construction of a community drinking water system by conventional pumping in vulnerable communities.

Through this alliance, then, this year we have inaugurated the second stage of the Los Montones-Hogar Crea aqueduct, benefiting a total of 183 families from the Los Montones community and the Hogar CREA Inc. Dominican subsidiary San Juan de la Maguana, at improve access and supply of drinking water in homes.

Graduation of the first group of specialist nurses in Neonatal Maternal Health

In 2021, the graduation ceremony was held for the first group of specialist nurses in low-risk and planning Neonatal Maternal Health, a training program that is part of the Maternal and Neonatal

Mortality Reduction project promoted by the Popular Foundation at HUMNSA in partnership with UNFPA and other institutions.

With this initiative, we seek to improve the skills of nursing human resources to competently address neonatal maternal health and sexual and reproductive health.

A total of 22 nurses successfully completed this specialization

The implementation of the program was developed by the United Nations Population Fund (UNFPA), through the Department of Health Promotion of Women and Newborns of the Faculty of Medicine of the University of Chile, together with the School of Nursing of the Autonomous University of Santo Domingo (UASD), the Ministry of Public Health (MSP) and the National Health Service (SNS), with the support of the Pan American Health Organization/ World Health Organization (PAHO/ WHO), the United Nations Children's Fund (UNICEF), Project HOPE and Fundación Popular.

Training workshops Emergency Obstetric Care (COEM)

Fundación Popular, together with the United Nations Population Fund (UNFPA) and the National Health Service (SNS), developed training workshops on the Emergency Obstetric Care (COEM) strategy for residents in their first year of obstetrics, with the objective of contributing to the updating of knowledge and the standardization of the clinical skills necessary for the care of obstetric emergencies, selected for their link with the main causes of maternal mortality.

120 medical residents from 9 hospitals in the country participated in these workshops

Banco Popular Dominicano and Plan Sierra Alliance

Banco Popular Dominicano and Plan Sierra signed an agreement to deepen the alliance between both entities, with the aim of contributing to the sustainable development of the nation and aligned with the achievement of the Sustainable Development Goals and the Principles of Responsible Banking of UNEP-FI.

This agreement contemplates several initiatives, among which the following stand out:

- Carrying out reforestation to offset the carbon footprint and recover the forest layer;
- The execution of a sustainable development program in the Community of La Cidra, which will include days of agroforestry reforestation, technical assistance for the creation of a seed fund to support small coffee growers in the area, support for the construction of several ponds for fish farming.
- The Start of the Second Carbon Footprint Study of Banco Popular Dominicano, the results of which are also presented in this report.

Comprehensive Development of the Ensenada Community

We seek to develop a comprehensive approach program in Ensenada to lead this community towards a sustainable rural community model, where the school is the pivot for development. In 2021, in alliance with the Federation of Peasants towards Progress, 6,000 forest trees of the Pino Criollo species were planted in the La Ensenada community in the Yuboa river basin. The area where the sowing was carried out was dedicated to extensive cattle ranching. This work represents a significant step in the basin, since cattle ranching was causing deforestation, soil impermeability and water pollution.

In addition to the significant environmental benefit of this initiative, it has had a socioeconomic impact of great value to the community.

The methodology implemented in this reforestation consists of the creation of brigades composed of at least one member of each of the families of La Ensenada, in charge of developing each of the tasks required for the activity.

Project for the Ecological and Socioeconomic Reorganization of the Communities of La Cidra, Cenoví and La Cabirma

In 2021, this Ecological and Socioeconomic Reorganization project was launched, with the aim of contributing to improving the quality of life of the inhabitants of the communities of La Cidra, Cenoví and La Cabirma, through support in the development of activities productive activities that contribute to nutrition and family income, and promoting the protection and sustainable management of the forest cover of the Alto Mao micro-watershed.

In alliance with Plan Sierra, the following activities were carried out:

- Establishment and improvement of agroforestry systems based on shade-grown coffee, constitutes the main activity of the Project. With the objective of facilitating the planting of coffee under shade in the communities, the planting of 15,826 coffee plants was achieved, in a total of 50.72 tareas.
- The project contemplates the increase in the levels of family nutrition through the expansion and improvement of the orchards in the production of vegetables for self-consumption. A main activity will be support for the Home Gardens Project of the "La Altagracia" Mothers' Center in La Cidra, made up of 30 women housewives, with technical support, financing of supplies and training activities to strengthen. the construction and rehabilitation of family orchards for the production of vegetables, a diagnosis of 9 orchards, out of a total of 30, has been carried out.
- Additionally, thanks to the commitment of the Popular

Foundation and the Community, homework rooms and painting classes have been maintained in Ensenada, activities that have contributed to the integration of children, reducing absences from classes and increasing the enrollment of 36 to 45 students today.

Fulfillment of goals and challenges

Principle 2.4.

Goal 2020	Compliance 2021	How?
Benefit 1,700 people with the inauguration of the aqueduct within the framework of the water security project led by the community in the Guayubín River basin.	Achieved	Community aqueduct pumping system installed and in operation, benefiting 725 households (2,456 people) in Arroyo Blanco and El Guanál.
Develop training for health personnel in Emergency Obstetric Care (EmCO).	Achieved	120 medical residents from 9 hospitals in the country participated in these workshops.
Give continuity to the training program for nurses in low-risk neonatal maternal health and family planning.	Achieved	This year the graduation ceremony of the first group of specialist nurses in low-risk and planning Neonatal Maternal Health was held, 22 nurses successfully completed the process. This year, the Popular Foundation and the United Nations Population Fund (UNFPA) also presented the new Specialized Training Program of the Nuestra Señora de La Altagracia Maternity University Hospital (HUMNSA) for the period 2021-2022.
Continue the action plan of the Comprehensive Development project in the Higüero Basin in the communities of El Limón and La Cuaba.	Achieved	This year, through Healing a Nation, we have made 3 deliveries of medicines and fortified foods to the First Level Attention Center of the municipal district of La Cuaba for a total value of more than RD\$22.8 million. The delivery of medicines, which consisted of treatments for various types of diseases, such as angina pectoris and cardiovascular diseases; hyper-cholesterol; depression, anxiety and panic attacks; diabetes; among others, Likewise, this year the Popular Foundation participated in the third

		<p>reforestation day carried out by the Dominican Node of RedAmérica within the framework of the Higüero Micro-basin Restoration Project.</p> <p>With this reforestation day, the group of companies that make up the Node seek to contribute to the recovery of the forest layer of this micro-basin, through the planting of 3,000 plants.</p>
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Where are we headed in Social Development and Environmental Protection?

Subsidiary	Goal	Time Frame
Grupo Popular	Carry out 3 Financial Education workshops in 2022 in the communities of El Limón and La Cuaba, within the framework of the Comprehensive Development Project in the Higüero Basin.	Short Term (1 year)
Grupo Popular	<p>Within the framework of the Project for the Ecological and Socioeconomic Reorganization of the Communities of La Cidra, Cenoví and La Cabirma, in alliance with Plan Sierra, we have set ourselves the following challenges:</p> <p>a) Assist in the construction of 10 ponds as a pilot of associative management for self-consumption in the community of Cenoví.</p> <p>b) Accompany the construction and rehabilitation of 30 family gardens for the production of vegetables in the community of La Cidra.</p> <p>c) Accompany the reconstruction of the rural aqueduct of the community of La Cidra that serves 120 families.</p>	Short Term (1 year)
Grupo Popular	Conclude the construction works of 2 micro hydroelectric plants, to have a positive impact on the improvement of the quality of life of two rural communities in the country.	Short Term (1 year)
Grupo Popular	Construction of 1 community aqueduct in the southern region of the country, thus providing access to drinking water for 100 families.	Short Term (1 year)
Grupo Popular	Contribute to the equipment of 2 specialized areas of maternal-neonatal health in HUMNSA.	Short Term (1 year)

Grupo Popular	Implementation of the HUMNSA model in another hospital in the country, preferably in the northern region.	Short Term (1 year)
Grupo Popular	Realization of 3 training modules for health personnel, within the framework of the project in HUMNSA.	Short Term (1 year)
Grupo Popular	Carry out 10 training activities and organizational strengthening, within the framework of the project for the Ecological and Socioeconomic Reorganization of the Communities of La Cidra, Cenoví and La Cabirma, in alliance with Plan Sierra.	Short Term (1 year)
Grupo Popular	Assist in the construction of 6 ponds as a pilot for associative management for self-consumption in the Cenoví community, within the framework of the Ecological and Socioeconomic Reorganization project for the Communities of La Cidra, Cenoví and La Cabirma, in alliance with Plan Sierra.	Short Term (1 year)
Grupo Popular	Accompany the reconstruction of the rural aqueduct of the community of La Cidra, within the framework of the Ecological and Socioeconomic Reorganization project of the Communities of La Cidra, Cenoví and La Cabirma, in alliance with Plan Sierra.	Short Term (1 year)

10.5 Environmental, Social and Government (Esg) Risk Management in the Supply Chain

Principle 2.1. GRI 103-1

Why is it important? The most significant social and environmental impacts and risks of an organization can be generated or materialized in its value chain. Although these are indirect impacts of the organization, it is our responsibility to maintain control over our supply chain in order to avoid any situation that could affect the reputation and the proper

development of Grupo Popular's operations, or create negative effects on the people or the environment.

Impacts

- Improved environmental and social performance of suppliers
- Economic growth and supplier development

GRI 103-2

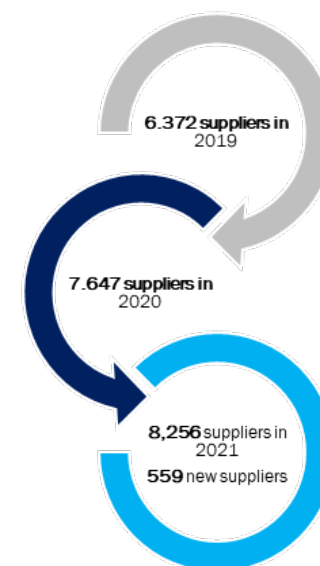
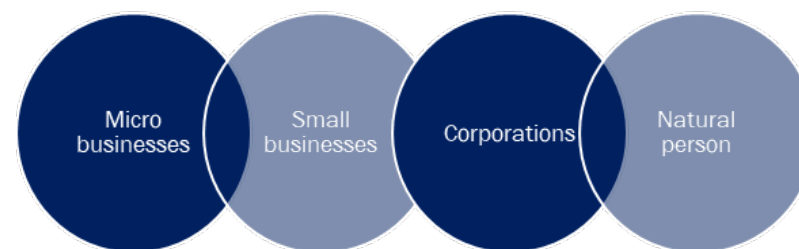
How do we manage it? Our Code of Ethics for suppliers, must be signed by all partners with whom we have a business relationship. With this Code, we seek the commitment to good social, environmental and governance practices of our suppliers. This Code establishes the management and labor principles that suppliers must comply with in terms of human rights, labor rights, care for the environment, corporate social responsibility, and safety at work, among other principles.

GRI 103-3

How do we evaluate it? We ensure compliance with the Code to new and existing suppliers through the Operations department. We also carry out random audits in order to verify good practices and the level of compliance with the principles established in the Code of Ethic.

GRI 102-9

Through our partners and strategic allies, we are able to provide clients with exceptional service. We have the following types of suppliers of goods and services:



Type of supplier	2019	2020	2021
Infocentro supplier	45	45	47
AFI Popular supplier	9	9	77
Servicios Digitales supplier	94	105	97
AFP supplier	93	107	110
Confianza supplier	102	103	105
Banco Popular supplier	6,029	7,278	7,820

During 2021, we payed suppliers a total of \$RD 25,249 million.

We carried out **175 inspection and evaluation visits and 116 audits** of compliance with the Code of Ethics.

Our new suppliers (556) are categorized into two groups, on the one hand, those we consider business partners (358), such as bank subagents, and on the other hand, suppliers or suppliers (201) as such, who provide us with specific products and services.

Thus, in line with our commitment to the responsible management of our supply chain, we have incorporated environmental and social criteria in the evaluation of new suppliers, which allow us to extend the appropriation of sustainable practices to all third parties of the Organization. It is important to clarify that our evaluation methodology is only applicable to companies that we classify as suppliers and to those that are subject to code of ethics compliance audits, so that in 2021, 116 suppliers were eligible for evaluation.

These evaluations are linked to the Inherent Risk of the service provided. In 2021, of the new providers linked to the institution, 20 services were subject to evaluation in environmental criteria based on the risk appetite and the policies established by the institution.

GRI 308-1

Environmental criteria

Percentage of new suppliers evaluated with environmental criteria	2019	2020	2021
	41%	25%	17%

GRI 308-2

Indicator	2019	2020	2021
Suppliers evaluated with environmental criteria	58	29	20
Suppliers with significant negative environmental impacts.	56	18	2
Percentage of suppliers identified with significant negative environmental impact- potential and real-, which have agreed to take measures to neutralize them.	0%	5%	2%

Among the main negative impacts identified is the lack of evidence that these suppliers have environmental policies or programs, waste management and recycling. Venue recommendations were made which may be monitored for faithful compliance.

During 2021, we did not terminate any contracts with suppliers due to significant negative environmental impacts.

GRI 414-1

Social criteria

Percentage of new suppliers evaluated with social criteria	2019	2020	2021
	7%	5%	17%

GRI 414-2

Indicator	2020	2021
New suppliers evaluated with social criteria	29	20
Suppliers identified with -potential and real- negative social impacts.	18	1
Percentage of suppliers identified with -potential and real- negative social impacts that agreed to take measures to neutralize them.	5%	1%

During 2021, we did not terminate any contracts with suppliers due to significant negative social impacts.

Finally, we want to highlight that we have 4,057 suppliers with whom we have a relationship of more than 5 years, which demonstrates our commitment to generating long-term and mutually beneficial relationships.

Initiatives that promoted the management of ESG risks in the supply chain

Supplier Onboarding

In 2021 we welcomed our new suppliers through an Onboarding email, which included a video with important information about the relationship and the main guidelines of the Supplier Code of Ethics, addressing the different social and environmental criteria and requirements.

We send the Onboarding email to 210 new suppliers

Fulfillment of goals and challenges

Principle 2.4.

Goal 2020	Compliance 2021	How?
Carry out the signing and acceptance of the Code of Ethics for Suppliers with the new companies to be contracted.	Achieved	
Increase the number of audited suppliers.	Achieved	We made 114 in 2020 and 116 in 2021

Where are we going in ESG risk management in the supply chain

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Strengthen the supplier management process, evaluating and identifying the Inherent Risks of the service provided by the supplier and monitoring of contractual agreements.	Short Term (1 year)

10.6 Environmental Education

Principle 2.1.

GRI 103-1

Why is this important? Aware of the international context on risks and impacts on the environment, we promote and provide citizens with spaces for knowledge and education on environmental trends, problems and challenges. With this, we recognize our role in the region to promote sustainable growth and responsible socio-economic development.

Impacts:

- Capacity building for environmental sustainability
- Promotion of environmental responsibility of young people and companies

GRI 103-2

How do we manage it? - Our program ¡Soy ecoeficiente! promotes high school students to develop ecofriendly projects to implement in their schools.

- Our program Ahorrar Nos Hace Bien seeks the awareness of young people on the importance and value of managing social and economic resources.

- We support the Cátedra de Responsabilidad Social Empresarial y Sostenibilidad “Alejandro E. Grullón E.”, which carries out initiatives in environmental education through workshops and courses focused on the mitigation and resilience to climate change with government entities, private companies and civil society.

GRI 103-3

¿How do we evaluate it? We monitor the results obtained, which lets us identify the amount of participants and trainings held.

In December 2021, the opening ceremony of the **Diploma in Public Policies and Climate Change** was held. The main objective of the academic program is to invest in national human capital, as well as to provide the necessary knowledge and tools for the formulation and implementation of transformational, multisector public policies that are consistent with national climate action. With a total of 50 participants.

Additionally, the Specialized Course for Public-Private Partnerships for Sustainable Development in the Dominican Republic (2021) was held, benefiting 29 participants. Finally, we had 68 participants in the Business Articulation for Climate Action.

Initiatives that promoted environmental education

Strengthening capacities in good water and sanitation management practices

Within the framework of the Program of Locally Led Access to Water, in the Province of Santiago Rodríguez, we carry out various activities to strengthen local capacities in good water and sanitation management practices, and thus guarantee the sustainability of the project “Access to Water Led by the Community

in the Guayubín River Basin, Santiago Rodríguez Province”.

We achieved:

- 404 people (143 men and 261 women) educated in tools, approaches and/or methods for water safety, integrated water resource management and/or water source protection.
 - 12 community leaders (7 men and 5 women) trained in managing access to water in the community of Arroyo Blanco.
 - 725 households in Arroyo Blanco participated in the preventive hygiene campaign against COVID-19 and other diseases.
- More than 2,800 people have benefited from the hygiene campaign and training activities.

This project is carried out by Fundación Popular in conjunction with Fundación Rural Economic Development Dominicana (Reddom) and the United States Agency for International Development (USAID).

Cátedra de Responsabilidad Social Empresarial y Sostenibilidad “Alejandro E. Grullón E.”

Through this, which is developed with the Pontificia Universidad Católica Madre y Maestra (PUCMM), we seek to create an academic space for reflection, discussion and analysis, which facilitates an open dialogue between business leaders, academics, the public sector and members of civil society, around Corporate Social Responsibility and sustainability in the Dominican Republic.

Specifically, the CRSES, during the year 2021 as part of its training agenda, carried out activities and talks on Environmental Education, developing the following activities:

- Conversation on CSR and sustainability: the protection of the oceans in times of climatic and social vulnerability: 40 people
- Dialogue on Corporate Social Responsibility: business practices in

circular economy and eco-design: 57 people.

- Dialogue on Corporate Social Responsibility: "The Paris Agreement and COP26: time for implementation": 44 people

- Sustainable supply chain workshop course: 14 people

- Diploma in public policies and climate change: ongoing program until April 2022

Specifically, in Environmental Education, 155 people were impacted.

Fulfillment of goals and challenges

Principio 2.4.

Goal 2020	Compliance 2021	How?
Train at least 50 people from the communities of La Yuca – Florencio (Rancho Arriba, San José de Ocoa) and El Chorro (Bonao, Monseñor Nouel), on issues of Biodiversity Conservation, Climate Change and Integrated Watershed Management.	Not achieved	The planned training is still pending, since, after the critical period associated with the COVID-19 pandemic, priority was given to the construction activities of the micro hydroelectric plant and the coffee harvest. The workshops on Biodiversity Conservation, Climate Change, and Integrated Watershed Management will be held in the first half of 2022.
Impact 100 business leaders through training on environmental issues from the CSR and Sustainability Chair.	Achieved	These training activities on CSR and Sustainability issues carried out from the CRSES managed to impact around 1,150 people. Regarding Environmental Education, strictly in this field, 155 people were impacted.
Educate 300 people in environmental protection, within the framework of the Water Safety Project led by the community in the Guayubín River basin.	Achieved	404 people (143 men and 261 women) educated in tools, approaches and/or methods for water safety, integrated water resource management and/or water source protection.
Benefit 100 community leaders in training aimed at preserving the environment, environmental education and proper management of solid waste.	Not achieved	It was postponed to 2022.

Where are we going in 2021 with environmental education?

Subsidiary	Goal	Time Frame
Grupo Popular	Benefit 100 community leaders in training aimed at preserving the environment, environmental education and proper management of solid waste, in the various communities where Fundación Popular intervenes with community development projects.	Short term (1 year)
Grupo Popular	Impact 100 business leaders through training on environmental issues from the CSR and Sustainability Chair.	Short term (1 year)
Grupo Popular	Organize at least 4 reforestation days with volunteers from Grupo Popular, as a way of educating and raising awareness among our collaborators in caring for the environment.	Short term (1 year)
Grupo Popular	Development of 2 specialized courses on the Environment and Climate Change for technical personnel and directors of the Ministry of the Environment, CNCCMDL and institutions related to the subject.	Short term (1 year)
Grupo Popular	Within the framework of our support for the Botanical Garden of Santiago, Prof. Eugenio de Jesús Marciano, we have set ourselves the following challenges:	Short term (1 year)

10.7 Contribution to People's Education

Principle 2.1. Principle 3.2.

GRI 103-1

Why is it important? We are firm believers in education as the most powerful tool to achieve the socio-economic and sustainable development of the country, which is why we are committed to programs and initiatives that encourage academic excellence. Our goal is to achieve positive impacts on Dominican society in the long term, contributing to the training of upright and highly qualified citizens.

These initiatives are part of our sustainability agenda aligned

with the principles of Responsible Banking. They contribute to specialized education for the sustainability of our stakeholders, especially the business sector, through trainings and knowledge transfer for the design and development of their plans, as well as for the creation of spaces for analysis and reflection on corporate social responsibility and sustainability.

Impacts:

- Promotion of education and training of qualified personnel for the country
- Capacity building in Corporate Social Responsibility and sustainability

GRI 103-2

How do we manage it?

Fundación Popular and the Pontificia Universidad Católica Madre y Maestra (PUCMM), developed, Cátedra de Responsabilidad Social Empresarial y Sostenibilidad “Alejandro E. Grullón E” which seeks to build and promote knowledge and the necessary tools in companies and institutions to create sustainable and socially responsible action models.

Through the alliance with Acción Empresarial por la Educación (EDUCA) we have a seminar where teachers and other participants learn about the main educational methodologies to improve their teaching.

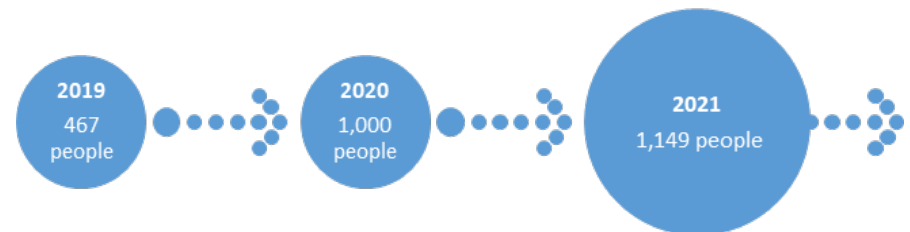
Finally, we have the Excelencia Popular scholarship program, which aims to contribute to the education of deserving young people, preferably with limited resources, to pursue a wide variety of technical and higher studies.

GRI 103-3

How do we evaluate it? We have mechanisms such as technical support, visits and meetings with those involved in order to monitor these programs.

Specifically, the Cátedra has a governance mechanism that includes a Board of Directors, made up of Banco Popular, the Foundation and the University, which approves the annual planning and the results report, which meets at least twice a year, and an Executive committee.

During 2021 we continued to offer talks and courses virtually, which allowed us to impact a greater number of people within the framework of the Chair of Corporate Social Responsibility and Sustainability.



On the other hand, and thanks to the signing of an agreement with the Autonomous University of Santo Domingo (UASD), we managed to increase the number of scholarships awarded under the Popular Excellence program, reaching a total of 65 scholarships in 2021. This is a first step to facilitate their insertion into the world of work, as excellent professionals and ethical and upright people.

On the other hand, through Grupo Popular, 189 teachers were

registered in the fifth edition of the International Education Congress Aprendo 2021, which took place from December 10 to 11.

Indicator	2019	2020	2021
Excelencia Popular			
Number of scholarships	30	43	65
Number of graduates since the date of origin	198	220	254
EDUCA			
Number of trained and qualified teachers	N/A		189

Initiatives that promoted education in 2021.

Cátedra de Responsabilidad Social Empresarial y Sostenibilidad
"Alejandro E. Grullón E."

In order to create an academic space for reflection, discussion and analysis, to facilitate an open dialogue between business leaders, academics, the public sector and members of civil society around corporate social responsibility (CSR), we carried out and we offer the following spaces:

- 10 virtual dialogues on Corporate Social Responsibility: 483 people participated in these meetings.
- 6 courses and workshops, with a total participation of 98 people
- Start of the fourth cohort of the Master's program in CSR and Sustainability (2020-2022: 15 active students
- Specialized Course on Public-Private Partnerships for Sustainable Development in the Dominican Republic: 29 participants.
- Assembly of 5 panel-type events, talks and/or conferences. Participants: 490 people
- Launch of the Diploma in Public Policies and Climate Change.

Ends in April 2022.

A total of 1,149 people participated in the various activities of the CRSES

These spaces are carried out with the support of Fundación Popular, the Pontificia Universidad Católica Madre y Maestra, the Polytechnic University of Valencia, Spain, ELEVATE Colombia and Voluntariado y Estrategia, Spain.

Educational activities in favor of sustainable development in partnership with the Multisectoral Network of Non-Profit Associations, Alianza ONG.

With the aim of publicizing good practices within important sectors such as entrepreneurship, sustainability and youth, aimed at civil society, the following activities were carried out:

- Webinar entitled "How to Develop Projects Focused on the Resilience of Civil Society Organizations in the face of Covid-19?". Taught by the prominent social entrepreneur Edison Santos. A total of 75 people participated in this event.
- Plenary: "Resilience of CSOs to Covid-19", given by Ms. Parcia Sansary from Amauta Internacional. In it, the theme of Resilience of collaborators was developed, 63 people participated.

The foregoing through the virtual space called "Innovation Laboratories", and in conjunction with Fundación Popular, Alianza NGO, Innovation for Change, and the Regional Center for Innovation for Change in Latin America.

Fulfillment of goals and challenges

Principio 2.4.

Goal 2020	Compliance 2021	How?
Continue educating and training new talents that can be an important part of the organization and the country's productive sector, with the completion of one (1) diploma and 2 specialization courses.	Achieved	<p>This year the following specialized courses were held:</p> <p>1) Specialized Course Public Alliances private for sustainable development in the Dominican Republic. Participants: 29 people</p> <p>2) Supply Chain Workshop Course. Participants: 14 people</p> <p>3) Course Strategic management of a corporate volunteer program. Participants: 16 people</p> <p>This year the Diploma in Public Policies and Climate Change was opened. It ends in the first quarter of 2022.</p>
Impact 1,000 people during the year 2021 through the various training and education initiatives in social responsibility and sustainability, developed from the CRSES.	Achieved	This year, more than 1,140 people were impacted through the various training and education initiatives in social responsibility and sustainability, developed from the CRSES.

Where are we going in contribution to the education of the population

Subsidiary	Goal	Time Frame
Grupo Popular	Continue educating and training new talents that can be an important part of the organization and the country's productive sector, with the completion of one (1) diploma and 2 specialization courses through CRSES.	Short term (1 year)
Grupo Popular	Impact 1,000 people during the year 2022 through the various training and education initiatives in social responsibility and sustainability, developed from the CRSES.	Short term (1 year)
Grupo Popular	Launch the 5th Cohort of the Master's Degree in Corporate Social Responsibility and Sustainability, with at least 18 students.	Short term (1 year)
Grupo Popular	Establishment of 2 international alliances to strengthen our education activities for sustainability.	Short term (1 year)

10.8 Inclusion of People with Disabilities

GRI 103-1

Why is this important? We are promoters of the social inclusion of Dominicans, encouraging people with disabilities to find the appropriate spaces for their development. Our commitment begins at home; we generate opportunities for hiring people with disabilities and guarantee that our physical and virtual spaces are adapted to their needs.

Impacts:

- Reduction of barriers for the population with disabilities.
- Increased accessibility and inclusion, promoting the development and economic growth of these populations.

GRI 103-2

How to we manage it?

We have implemented the Popular Program for all, which aims to lay the foundations to consolidate ourselves as an inclusive and accessible organization. We have adapted the physical facilities and virtual services provided by Grupo Popular subsidiaries, providing the best experience for people with disabilities.

We developed a policy that governs the actions of the different areas involved in the program, as well as, we have implemented a care guide for clients and collaborators with disabilities, which contains brief guidelines and concise advice to guide the process of care for people in a situation of disability. Our buildings, branches, ATMs, and experience centers have been remodeled with comfort, access, proper care, and performance for people with disabilities in

mind.

Through the Banco Popular Dominicano we have fostered the generation of opportunities for the employment of people with disabilities. We have a more inclusive culture thanks to the internal training and awareness raising we carry out, focused on care and service for people with disabilities, sign language workshops, among others.

GRI 103-3

How do we evaluate it? We have implemented the Eflow System for shift administration and queue management, through which we can validate the number of pregnant people, elderly people and people with disabilities who visit the branches. Based on this, we establish service scenarios to give priority to care for these populations.

Additionally, we have incorporated in our Quality of Service certifications for all personnel, the material of the assistance guide for clients and collaborators with disabilities, so that each year, we maintain this knowledge reinforced.

FS-14

Continuing our efforts to become a more inclusive institution and eliminate access and communication barriers for our clients with disabilities. In 2021 we were recognized by CONADIS and UNDP with 15 Seals of Good Inclusive Practices RD Includes 2021. In addition, the care guide for people with disabilities was included in our annual Institutional Certifications to maintain knowledge in our employees.

On the other hand, we continued with sign language workshops for our employees and the physical adaptation of offices and ATMs.

Sign language	2019	2020	2021
Workshops	2	4	2
Participants	27	40	30
Adapted spaces	2019	2020	2021
Branches	5	11	2
Percentage of ATMs	More than 50%	More than 50%	More than 60%

Similarly, our App Popular and Internet Banking platforms are suitable for any individual to access and carry out financial activities. For people with visual disabilities we have the Digital Token, through which they can listen to the numbers generated by the token when making any type of transaction. We have also adapted the registration documents, incorporating signage so that blind people carry out, in an informed manner, the documents they sign, such as the notarized promissory note required in loans granted to blind people, in which the institution assumes this cost.

Initiatives that promoted inclusion of people with disabilities in 2021.

Adaptation of offices

We increased the number of inclusive offices from 11 to 13 with the adaptation of service boxes, ATMs and adequate bathrooms for clients and collaborators with disabilities, with the aim of continuing to reduce physical access barriers for our clients.

Sign language workshops for employees

We carried out workshops and training in Sign Language for 58 employees in 2021, with the aim of reducing communication barriers between our clients with hearing disabilities and our employees.

Customer identification

We identified Banco Popular Dominicano customers with disabilities in order to offer them a service according to their disability condition. To achieve this, we incorporated a field in our customer relationship system (CRM) that allows us to identify customers with disabilities and the type of condition.

Fulfillment of goals and challenges

Principle 2.4.

Goal 2020	Compliance 2021	¿How?
Have 15 inclusive offices.	Partially achieved	At the end of the year we managed to increase our number to 13 inclusive branches. The remaining two will be inaugurated in early 2022 to achieve this goal.

Where are we headed with inclusion of people with disabilities?

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	We have proposed to continue with the goal of generating employment opportunities for people with disabilities, so we want to increase the number of employees with disabilities by 10%.	Medium term (3 to 5 years)
Banco Popular Dominicano	Continue offering workshops in Sign Language for our collaborators, to continue eliminating communication barriers between our clients with disabilities and our collaborators.	Medium term (3 to 5 years)

12. PRB Reporting and Self-Assessment Template

Reporting and Self-Assessment Requirements	High-level summary of Banco Popular's Response	Reference(s)/ Link(s) to bank's full response/ relevant information
Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		
1.1 .Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	<p>Banco Popular Dominicano is the main private equity financial institution in the Dominican Republic and the largest subsidiary of Grupo Popular.</p> <p>The Bank has a wide range of financial services and products adapted to the needs of each of our personal banking, SME banking, and corporate and institutional banking segments, among which are:</p> <p>Personal: credit, debit and pre paid cards (<i>e-fectivo Móvil</i> and <i>Altice Peso</i>); checking and savings accounts; personal, vehicle and mortgage loans; certificate of deposits and remittance.</p> <p>SMEs: commercial loans, lines of credit, leasing, credit and debit cards, checking and savings accounts, certificates, international businesses (letters of credit, guarantees, bonds, collections, international transfers, account statements via swift, foreign exchange market, currency forwards, export factoring, international references) and PayPal.</p> <p>Business and institutional: commercial loans, lines of credit, leasing, value chain financing, investment banking (mergers and acquisitions, structuring of public</p>	<p>Banco Popular Web Page</p> <p>https://popularenlinea.com/Personas/Paginas/nosotros/historia.aspx#</p> <p>Personal: https://popularenlinea.com/personas/Paginas/Home.aspx</p> <p>SMEs: https://www.popularenlinea.com/pyme/paginas/home.aspx</p> <p>Business and Institutional: https://www.popularenlinea.com/empresarial/paginas/Home.aspx</p> <p>2021 Sustainability Report</p> <p>4. Perfil Grupo Popular y filiales</p>

	offering securities, debt structuring, syndicated loans, sale and Leaseback, swaps, escrow accounts, currency forwards), payments and collections, international business, business and corporate checking accounts and certificates. 1.1	
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	<p>In September 2019, Banco Popular Dominicano, the main subsidiary of Grupo Popular, became the first bank in the country and in the insular Caribbean to commit to the United Nations Principles of Responsible Banking.</p> <p>This commitment comes from the growing importance of promoting sustainable banking, and of our vision on how we do business.</p> <p>We serve our clients, employees, shareholders and the community with the purpose of contributing to social, environmental and economic progress. As a financial institution with a sustainable vision, we believe that it is our duty to respond to the demands of society and the challenges of climate change, as two fundamental areas of action for responsible banking.</p> <p>We created the <i>Sustainable Vision for Grupo Popular</i>, which addresses the main challenges of the region, aligning our actions to the global agenda, increasing, and promoting positive impacts (social, economic and environment) while contributing to the Sustainable Development Goals (SDGs).</p> <p>The Vision includes 5 goals, of which 3 respond directly to the commitment made</p>	<p>Annual Report – Sustainable Vision 2019: https://grupopopular.com/Pages/informegestionanual/2019/content-sections/docs/Informe_de_gestion_anual GRUPO POPULAR 2019.pdf</p> <p>https://popularenlinea.com/Personas/sala-de-prensa/Pages/Popular-presenta-en-Santiago-su-vision-sostenible-y-compromisos-para-2030.aspx</p> <p>2020 Sustainability Report</p> <p>https://popularenlinea.com/Personas/Publicaciones/Institucionales/publi</p>

	in the Paris Agreement to reduce CO2 emissions and to SDGs 4, 7, 8 and 13. We have also identified the SDGs to which we contribute through our different programs and initiatives. These are 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 15, 17 and 17.	cacionesinstitucionales/2021/Informe-de-Sostenibilidad-2020-Grupo-Popular.pdf Sustainability Report 2021
		<p>5. Sustainable Vision at Banco Popular</p> <p>GRI Content Index-equivalence with SDG</p>
<p>Principle 2: Impact and Target Setting</p> <p>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.1. Impact Analysis:</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <u>Scope</u>: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the</p>	<p>To identify the areas of impact, at the end of 2019 we carried out our first materiality exercise. This allowed us to identify, evaluate and prioritize environmental, social, economic and corporate governance issues that: i) may have a significant impact on the sustainability of our business, ii) substantially influence stakeholders, iii) can represent a critical risk for the business, stakeholders and / or the environment, and iv) may generate opportunities in the short, medium and long term.</p> <p>This materiality analysis consisted of 3 phases.</p> <ol style="list-style-type: none"> importance of the issue for the entity influence of the issue for stakeholders added value for stakeholders the scope of the topic 	<p>Sustainability Report 2021</p> <p>2.2 Materiality Analysis</p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.		
We have carried out an analysis of impacts, risks and issues that have allowed us to identify the main areas of business impact. We know that the materiality analysis is subject to changes and updates for multiple reasons (strategic planning, emerging risks, changes in the specific context of operation, evolution of our management, perception of stakeholders, among others), so in a following materiality analysis, which we will carry out in 2022, we will integrate new methodologies to strengthen and provide feedback on the impact analysis, including the perspective of the Bank's external stakeholders.		
<p>2.2. Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year)</p>	<p>Our Sustainability Vision allowed us to identify, build and translate five commitments in terms of sustainability, aligned with the 2030 Agenda, the Paris Climate Agreement and the National Adaptation Plan for Climate Change in the Dominican Republic 2015-2030 PNACC.</p> <p>Taking into consideration the following areas of impact, we set 5 goals associated with the 2030 commitments:</p> <ol style="list-style-type: none"> 1. Climate change mitigation - plant more than one (1) million trees 2. Green finance - be the largest provider of green financial products and services in the country 3. Contribution to education - achieve the education on sustainability of 500 people 4. Financial education - educate 150,000 Dominicans 5. Eco-efficiency - generate 4.6 megawatts / year <p>In addition to these objectives, in the sections of the Report where the label Principle 2.2 is included, SMART goals were set.</p>	<p>https://popularenlinea.com/Personas/sala-de-prensa/Pages/Popularenlinea-presenta-en-Santiago-su-vision-sostenible-y-compromisos-para-2030.aspx</p> <p>Sustainability Report 2021</p> <p>5. Sustainability Vision for Grupo Popular</p> <p>10.2. Coefficiency</p> <p>10.6. Financial education</p> <p>10.7. Contribution to the education of the population</p> <p>10.8. Inclusion of people with disabilities</p>

and have set targets against this baseline.	We have not identified significant negative impacts.	1.2
Show that the bank has analyzed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.		
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.		
We have identified SMART commitments, objectives and goals in the areas of our greatest impact associated with the Sustainability Vision 2030. For other material issues related to our impacts, we have set goals that will be strengthened and reviewed in the medium term, as part of our continuous improvement process in sustainability management.		
2.3. Plans for Target Implementation and Monitoring Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators.	In the Sustainability Vision 2030, we structured programs and initiatives to meet the established goals. Our "Hazte Eco" initiative, created with the care of the environment in mind, in line with the Principles of Responsible Banking. Hazte Eco is a financial products portfolio, unique in the market for the acquisition of technologies that lower environmental impact, such as solar panels and hybrid and electric vehicles.	https://www.popularenlinea.com/BancaResponsable https://popularenlinea.com/Personas/sala-de-prensa/Pages/Popularenlinea-presenta-en-Santiago-su-vision-sostenible-y-compromisos-para-2030.aspx

any changes in these definitions, and any rebasing of baselines should be transparent.	The areas responsible for managing material issues have an indicator monitoring system, which allows us to i) carry out a traceability of the indicator, ii) evaluate our performance on an annual basis and iii) know the progress of the goal to 2030.	Sustainability Report 2021 6. <i>Sustainability Vision</i>
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.		
At Banco Popular we have defined action plans, programs and initiatives in order to meet the established 2030 objectives, as well as their respective follow-up and monitoring systems.		
Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in.	The 2020 Sustainability Report is the first reporting of our implementation of the Principles of Responsible Banking. For each of the objectives in <i>Sustainability Vision</i> , published in 2019, we have reported progress as of December 31, 2020. Goal 2030: Plant more than one million trees Result 2021: 837,463 planted trees Goal 2030: generate 4.6 megawatts/year Result 2021: 3.5 mW (Mega-Watts) capacity installed. Goal 2030: Be the largest provider of Green financial products Result 2021: We are the leaders of Green financing in the country thanks to our Haze Eco portfolio for personal banking and for business and institutional, we have financing of renewable energy parks, leasing of solar panels and hybrid and electric vehicle fleets.	Sustainability Report 2021. 5. <i>Sustainability Vision</i> https://popularenlinea.com/Personas/sala-de-prensa/Pages/Banco-Popular-y-aliados-siembran-mas-de-320,000-arboles-en-el-2020.aspx https://popularenlinea.com/Personas/sala-de-prensa/Pages/Foro-de-Finanzas-Sostenibles-registras-mas-de-5,000-participantes.aspx

(where feasible and appropriate, banks should include quantitative disclosures)	<p>Goal 2030: Give financial education to 150,000 Dominicans. Result 2021: 89,597 Dominicans educated</p> <p>Goal 2030: Have 500 people participate in our sustainable education programs. Result 2021: 1.068 participants</p> <p>We have achieved great milestones since 2019, especially in achieving carbon neutral certification and educating more than a thousand Dominicans on issues of corporate social responsibility and sustainability.</p> <p>Likewise, throughout the chapters identified as areas of impact for the Bank, we have published the level of compliance for 2021 compared to what was set for 2020. In these sections we report whether the goals set for 2020 were achieved in full, partially or were not achieved, with their respective justification.</p>	https://popularenlinea.com/Personas/sala-de-prensa/Pages/Popular-inicia-en-San-Cristobal-y-Bonao-nuevo-modelo-hibrido-de-sucursales.aspx https://popularenlinea.com/Personas/sala-de-prensa/Pages/El-Popular-moviliza-RD\$11,649-millones-en-su-compromiso-con-los-Principios-de-Banca-Responsable-de-la-ONU.aspx https://popularenlinea.com/Personas/sala-de-prensa/Pages/Banco-Popular-ampl%C3%ADa-sus-productos-sostenibles-con-el-leasing-verde.aspx https://popularenlinea.com/Personas/sala-de-prensa/Pages/El-Popular-ofrece-conferencia-de-
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		educacion-financiera-a-350-clientes.aspx https://popularenlinea.com/Personas/sala-de-prensa/Pages/El-Popular-es-la-primera-institucion-dominicana-que-mas-energia-solar-genera.aspx
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets		
We have registered significant and positive progress, in just one year after the signing of the Principles for Responsible Banking, in the goals set for 2030.		
Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.		
3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programs and actions	We have implemented processes and procedures that allow us to evaluate the loan application to promote responsible relationships with our clients. 1. Before starting, we require all permits such as land use, environmental impact, among others. Without these permissions, we cannot continue with the process. 2. We have a list that states the sectors with which we will not be granting credits. 3. We have a credit management policy where we establish whether or not we have a risk appetite for credits	2021 Sustainability Report 6.2 Integral Risk Management

implemented (and/or planned), their scale and, where possible, the results thereof.	We are in the process of creating and implementing, in the short term, an environmental and social management system (ESMS), to promote responsible relationships with clients and manage risks.	
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	<p>As part of our commitment to the United Nations Principles of Responsible Banking, Banco Popular structured "Hazte Eco", a unique loan portfolio in the market, which has preferential conditions for the purchase of solar panels and hybrid and electric vehicles.</p> <p>With this, we seek to motivate our clients to adopt sustainable habits and build a more respectful society with the environment.</p> <p>"Hazte Eco" received recognition from the <i>Ministerio de Administración Pública</i>, demonstrating the Bank's environmental commitment, which aligns its business initiatives with SDG 7, 11, and 13, which establishes urgent actions to help combat climate change and its effects.</p> <p>During 2020, we placed 146 electric and hybrid vehicle loans adding up to a total of \$RD 434 MM.</p> <p>We also granted 71 solar panel loans in 2020 adding up to the sum of \$RD 183.4 MM</p>	https://grupopopular.com/Pages/informacionGestionAnual/2019/content-sections/docs/Informe de gesti3n anual GRUPO POPULAR 2019.pdf 2021 Sustainability Report 10.3. Green Financing
Principio 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.		

<p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>We have identified seven stakeholders based on the principles of the Global Compact and our internal premises of Corporate Governance, which guarantee that all of Popular's actions take into consideration the possible direct or indirect impacts that we may generate.</p> <p>We promote meeting spaces with our stakeholders in order to establish continuous and transparent dialogues that allow us to understand and identify the key concerns of each actor, as well as their expectations, which change as new trends and global risks emerge.</p> <p>Our stakeholders are:</p> <ol style="list-style-type: none"> 1. Shareholders 2. Clients/ customers 3. Personnel 4. Suppliers 5. Regulators 6. Society 7. Associations <p>We have proposed to work with our stakeholders in the medium term (2 to 3 years) in order to improve, mitigate and prevent the possible negative impacts of the entity.</p>	<p>Sustainability Report 2021</p> <p>2.1. Interest Groups and Relationships</p>
<p>Principle 5: Governance & Culture</p> <p>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		

<p>5.1 <i>Describe</i> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>Banco Popular is in the process of structuring a Sustainability Committee in order to promote and give cohesion to our economic, social and environmental sustainability business objectives. This committee will also seek to balance out all of Grupo Popular's subsidiaries in this matter and to comply with the aspirations of our stakeholders.</p> <p>This Committee will also guarantee compliance with the Principles of Responsible Banking and will implement the policies, structures and procedures necessary to manage the most important issues of the Bank.</p> <p>The Sustainability Committee was implemented in 2021.</p>	<p>2021 Sustainability Report</p> <p>4. Profile of Grupo Popular and Subsidiaries</p>
<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>We have implemented meetings and communication campaigns among our collaborators in order to communicate our adherence to the Principles of Responsible Banking.</p> <p>In addition, in order to develop and enhance the knowledge of the highest governance body on economic, environmental and social issues, meetings are held to study trends and new proposals.</p> <p>For its part, the performance evaluation process carried out by the Board of Directors of Banco Popular Dominicano, SA includes, among others, the verification of the Strategic Plan, which includes issues of sustainability, corporate social</p>	<p>2021 Sustainability Report</p> <p>8.2. Development of human talent and well-being</p>

	responsibility and social impact, aligned with the strategy and business purpose.	
	Finally, we plan to implement in 2021 a schedule of conferences for the management level and assistant managers in SDGs and their application.	
<p>5.3 Governance Structure for the Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>We have a governance structure that oversees and will ensure the implementation of the Principles of Responsible Banking.</p> <p>Among our goals in the short term (2022) is to establish objectives and actions for members of the government, as well as to create collaborative alliances between the public and private sectors to achieve the goals by 2030 and ensure compliance with the Principles of Responsible Banking.</p> <p>Finally, through the Sustainability Committee that is being structured, Banco Popular will take corrective measures in case of not meeting the commitments established by 2030, as well as the necessary mitigation measures in case of unexpected negative impacts.</p>	<p>2021 Sustainability Report</p> <p>4. Profile of Grupo Popular and Subsidiaries</p>
Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.		
We have a governance structure in charge of ensuring and supervising compliance with the Principles of Responsible Banking. We are working to implement in 2021 a Sustainability Committee in charge of structuring policies, procedures and practices that allows the promoting a culture of responsible banking, manages possible negative impacts, establishes objectives and actions in the governance of the organization to achieve the commitments and promotes the Principles of Responsible Banking, among others.		
Principle 6: Transparency & Accountability		

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.		
<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its</p>	<p>The 2021 Sustainability Report is the second reporting exercise of our implementation of the Principles for Responsible Banking.</p> <p>This report was also prepared under the GRI Standards.</p> <p>For each of the objectives framed in the Sustainable Vision, we have reported the progress as of December 31, 2021 in the Sustainability Report.</p> <p>In addition, we actively participate in different external initiatives, committees and working groups such as:</p> <ul style="list-style-type: none"> • United Nations Global Compact • Organización Observadora de la COP • Asamblea de RedAmérica <p>In order to implement the Principles of Responsible Banking, we launched <i>Hazte Eco</i>, a green finance portfolio, which includes loans, leasing and lines of credit, with below market rates, to acquire hybrid and electric vehicles, solar panels and efficient appliances, among others.</p>	<p>2021 Sustainability Report</p> <p>1. Profile of Grupo Popular and Subsidiaries</p> <p>11. GRI Content Index</p>

implementation of these Principles.		
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking		
Through the 2021 Sustainability Report, we communicate to our stakeholders the performance and progress in our areas of impact, as well as the objectives and commitments set for 2030. We are committed to working on alliances / initiatives that promote sustainable development and banking responsible, as well as reporting our management on an annual basis.		

