

Principles for Responsible Banking

Sustainability Report 2020

Banco Popular



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1. 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

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. 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"> • Be a part of and collaborate with unions and associations to achieve objectives jointly.

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 inclusiveness of all interested parties:

Stakeholder	Communication Channel	Topics and key concerns
Clients/ Customers (frequency of participation: continuous)	<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 (frequency of participation: continuous)	<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 (frequency of participation: continuous)	<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 (frequency of participation: by requirement)	<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 information, transparency, cooperation, commitment and

		<p>responsibility.</p> <ul style="list-style-type: none"> - Adopt the corresponding internal guidelines to guarantee prudent management, capable of preventing regulatory breaches
Shareholders (frequency of participation: annual)	<ul style="list-style-type: none"> - Shareholders General Meeting. - "Círculo de accionistas" (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 (frequency of participation: continuous)	<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.
Asociations (frequency of participation: by requirement)	<ul style="list-style-type: none"> - Work tables. - 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

Along the same lines, 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.

2.1 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 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 carried out 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:

1. Context Analysis

Through this phase, we wanted to understand the business and sector situation of Grupo Popular, as well as the sustainability challenges facing the organization. This phase included an analysis of relevant issues for international sustainability standards, frameworks and norms applicable to the sector:

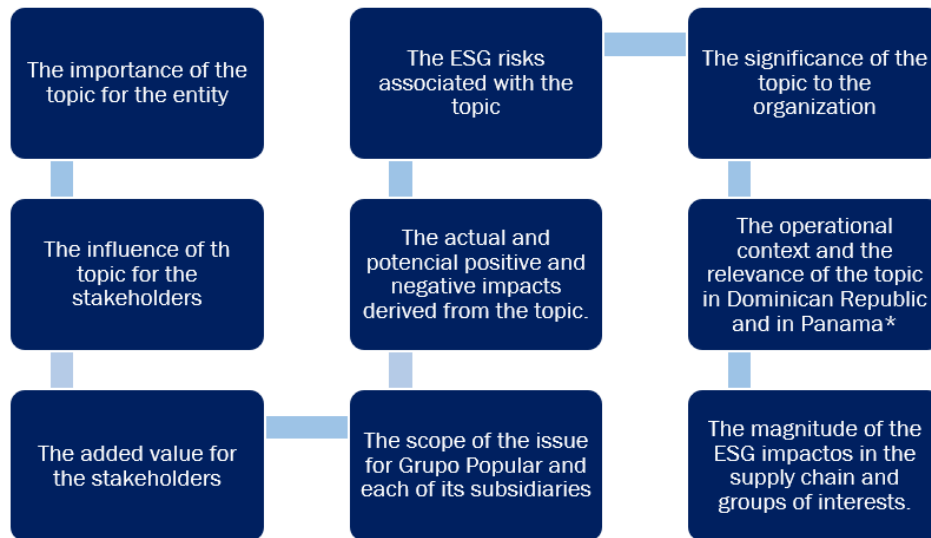


In this same way, we conducted a benchmarking analysis of companies and entities in the financial sector and a comprehensive study of Grupo Popular's strategy. This included a workshop with the key areas of all subsidiaries, in order to ensure the scope, the scale of exposure and the intensity of

the topics in the different business areas, located mainly in the Dominican Republic and specifically in Panama.

2. Identification of potentially material topics

Taking into account the context analysis of Grupo Popular, a wide list of potentially relevant environmental, social, economic and corporate governance issues were identified. This construction of themes took into account the following aspects:



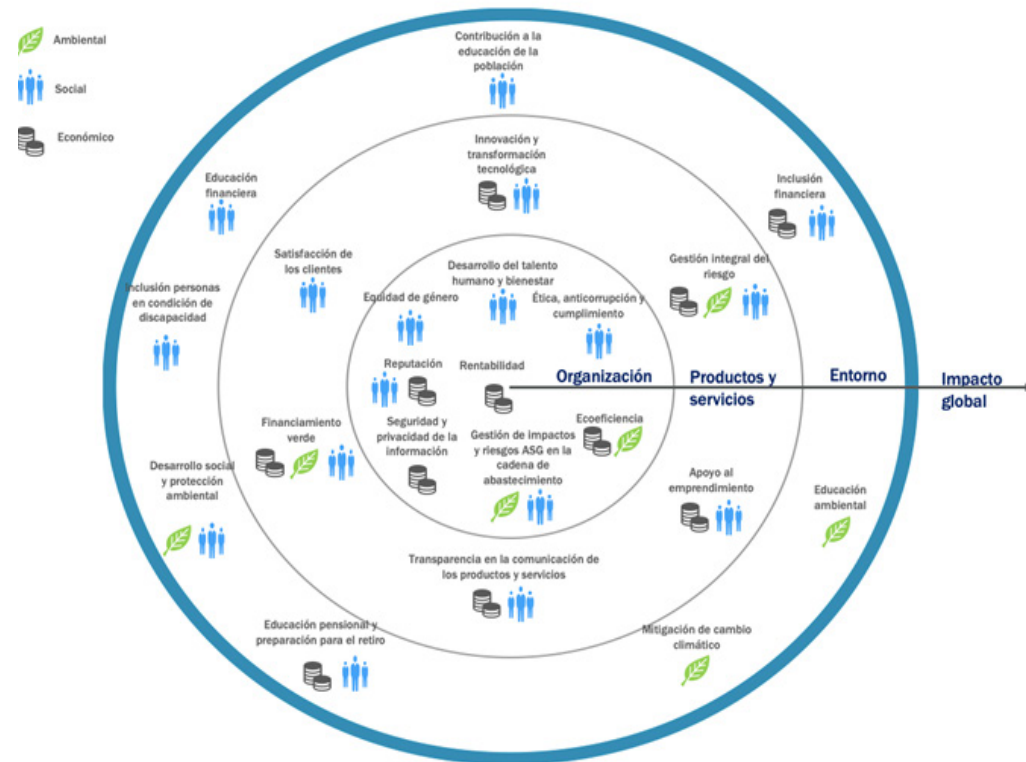
ESG: Environment, social and government

*Through the subsidiary Popular Bank

GRI 102-47

3. Priorization and validation of material topics

The results of phases I and II made it possible to evaluate the results of the stakeholder consultation in order to prioritize the material topics of the organization, according to their impacts, risks and opportunities. This made it possible to identify, prioritize and establish continuous monitoring of the following issues considered as material or areas of impact:



-Environment
-Social
-Economic

1. In the outer circle starting at the top and to the right

- Contribution to the education of the population
- Financial inclusion
- Environmental education
- Climate change mitigation
- Pension education and preparation for retirement
- Social development and environmental protection
- Inclusion of people with disabilities
- Financial Education

2. In the middle circle starting at the top and to the right

- Innovation and digital transformation
- Comprehensive risk management
- Entrepreneurship support
- Transparency in the communication of products and services
- Green financing
- Customer satisfaction

3. In the inner circle starting at the top and to the right-Development of human talent and well-being

- Ethics, anti-corruption and compliance
- Eco-efficiency
- Management of ESG impacts and risks in the supply chain
- Information security and privacy
- Reputation
- Gender equality

4. The Arrow from the inside out

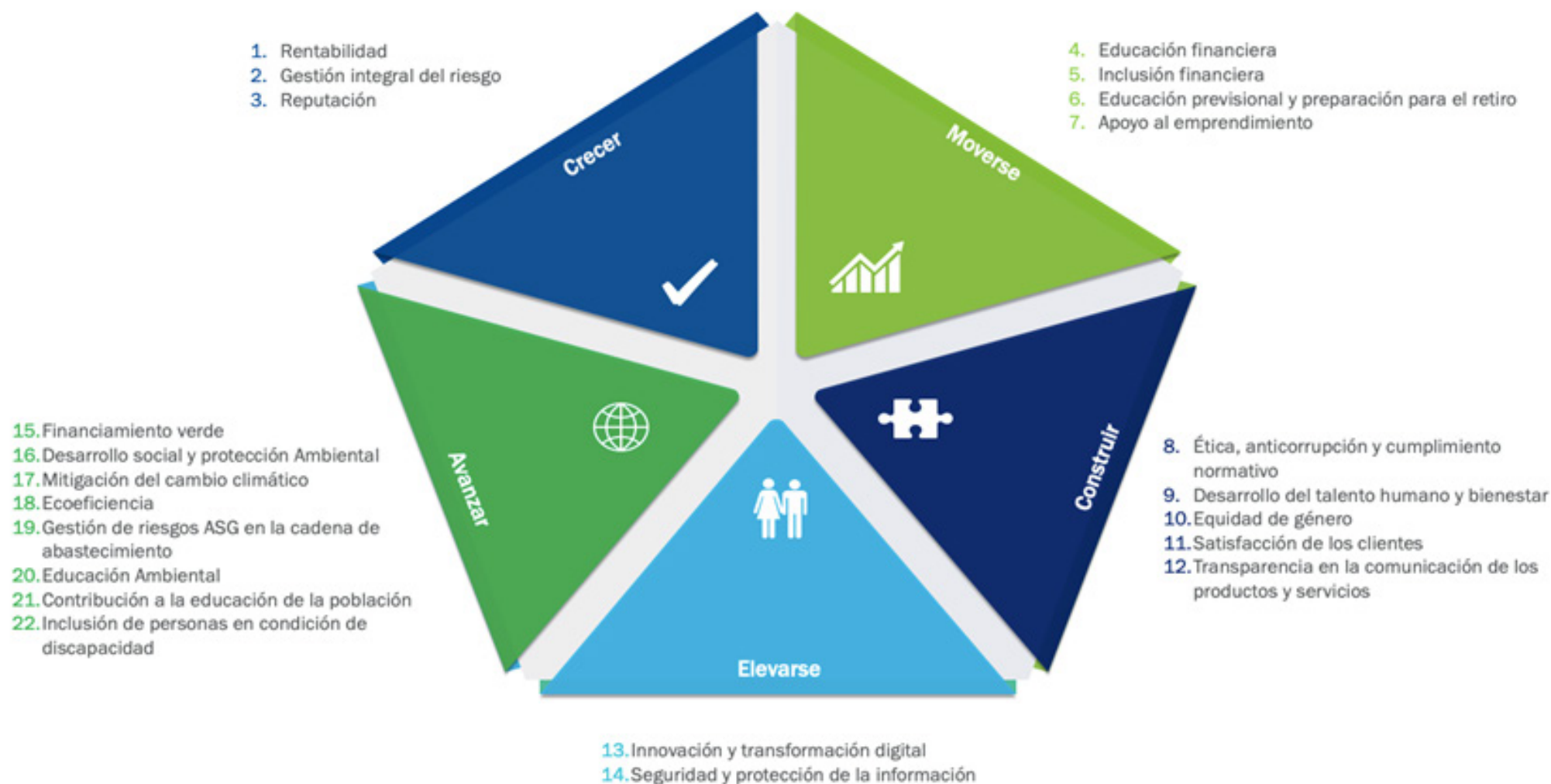
- Organization
- Products and services

-Environment

-Global Impact

Thus, this materiality exercise allowed the identification and establishment of a framework to manage and monitor the most relevant areas, with the greatest impact and criticality for 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 is committed, since 2019, to report annually the performance and management of the main impact areas, framed in five categories.



GROW
 Cost effectiveness
 Risk Management
 Reputation
 Financial education

Financial inclusion
Pension education and retirement preparation.
Entrepreneurship Support

BUILD
 Ethics, anti-corruption and regulatory compliance

Human talent and well-being
Gender equality
Customer Satisfaction
Transparency in the communication of products and services

ELEVATE

Innovation and digital transformation
Information security and protection.

ADVANCE

Climate change mitigation
Social development and environmental protection
Climate change mitigation
Eco-efficiency
Environmental, Social and Government (ESG) Risk management in the supply chain
Environmental education
Contribution to the education of the population
Disability Inclusion

3. 2020 Highlights

First Sustainable Finance Summit, with more than 5,000 participants.	More than 320,794 trees planted in volunteer days.	32 bicycle parking areas installed across 3 offices in Santo Domingo.	Launch of Green Leasing, to facilitate the purchase of energy efficiency and reduction of natural resources' assets.
Alliance with InterEnergy Group to promote sustainable mobility, and expand the network of Evergo vehicle charging stations.	Exceed our goal of contributing to the education of the population by implementing the use of virtual tools.	Grupo Popular leads financial support for clean energy projects.	Gold certification for our environmental management system, given by Sostenibilidad 3Rs and CEDAF.
Publication of the first sustainability report under the GRI Standards.	The Ministry of Public Administration recognizes the "Hazte Eco" initiative.	Fundación Popular inaugurates two new wetlands to treat wastewater.	Banco Popular, chosen Bank of the Year by The Banker magazine.
Dominican institution that generates the most solar energy.	Grupo Popular, the most admired company in the country for the seventh consecutive year.	Sanar Una Nación and CONEP contribute RD\$ 263 million to combat the health crisis caused by COVID-19.	Popular climbs 57 places in the list of the 1,000 best banks in the world.
Mobilization of RD\$11,649 million in its commitment to the compliance of the Principles of Responsible Banking of the UN.	First bank to offer an account specially designed for people to save their emergency fund.	Popular is a leader of the sector in the RepTrak ranking.	Autoferia Popular offers the largest catalog of ECO vehicles on the market.
Banco Popular is chosen as the best company to work for, for the eighth time.	We held an open Master Class on Financial Education, titled "Plan and transform your 2020", in which 500 people participated.	Graduation of the third cohort of the Master of CSR and Sustainability, and start of the 4th cohort.	

6.3 Reputation

Principle 2.1.

<div>GRI 103-1</div> <div>Why is this important?</div>	<p>Corporate reputation has gained importance due to the impact of stakeholder perceptions about companies, since it is through their behaviors and attitudes that organizations support or disapprove.</p> <p>In this sense, reputation is an intangible asset of high value for Grupo Popular. It increases business profits, enhances growth, and minimizes exposure to risks during crisis when measured and managed.</p> <p>Reputation can be affected in a number of ways. Therefore, it is essential for the entity to understand how different sources of reputational risk will affect it, so that appropriate measures and controls can be used to manage the risks involved.</p> <p>The final objective is to protect the reputable capital. Although it cannot be measured in quantitative terms, it allows the Bank to be perceived by the market as a safe and reliable institution.</p>
<div>GRI 103-2</div> <div>How do we manage it?</div>	<p>We have a Reputational Risk Management Policy, which establishes those responsible for managing this risk, as well as how it will be measured and managed.</p> <p>In addition, we annually carry out the reputation study under the RepTrak® Pulse model of the Reputation Institute. The <u>results</u> of this study 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.</p> <p>The model assesses eight rational dimensions (Work, Citizenship, Products, Services, Government, Finance, Leadership and Innovation). It is made up of a set of 32 attributes for Banco Popular and its two direct competitors, establishing reputation levels ranging from Excellent / Superior (over 80) to Very weak / Poor (under 40).</p>

<div>GRI 103-3</div> <div>How do we evaluate it?</div>	<p>The key indicators of this reputational model are monitored by the Operational Risk Area, and placed under consideration by the Comprehensive Risk Management Committee of the Board of Directors.</p> <p>Simultaneously, the score obtained through the reputation study allows us to evaluate our performance on the subject.</p>
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During 2020, Banco Popular obtained a score of 72.6 points in the study led by RepTrak. As a result of our efforts to be recognized as one of the most transparent financial entities in the country, we achieved high scores in the Innovation and Leadership categories, and we lead the Services and Labor drivers.

Los drivers de la reputación de las compañías



- El Banco Popular lidera ligeramente 2 de los 3 drivers que más contribuyen a su reputación: Servicios y Trabajo.
- En Producto, el driver que más contribuye a su reputación, su puntuación es moderada y en línea con la media del sector.
- Integridad y Ciudadanía son los drivers donde los actores del sector obtienen resultados claramente mejorables.

We are also leaders in the RepTrak ranking and the only ones to have a strong reputation in the sector in 2020.

Main findings of the study:

The emotional bond between Banco Popular Dominicano and its clients is strong (72.6 points).

The Bank's offer (Products and Services) is what contributes the most to its reputation.

The Bank's services are well valued, but the perception of its products has room for improvement.

Although BPD carries out multiple initiatives and social and CSR actions, there is a lack of awareness on the part of stakeholders about these initiatives.

The impact on the perception of the Bank among those familiar with CSR initiatives is high. Actions in favor of renewable energies are highlighted.

For more information, see <https://www.popularenlinea.com/Personas/sala-de-prensa/Pages/Grupo-Popular,-octavo-ano-como-la-empresa-mas-admirada-del-pais.aspx>

Iniciativas que impulsaron la reputación en el 2020

As a result of the challenges presented by the pandemic in 2020, and in response to the resulting economic crisis, we implemented measures that allowed us both to protect the finances of the different stakeholders, specifically our collaborators, clients and users and the community, as well as communicate the different initiatives to all stakeholders in order to maintain our reputation.

First, we took the prevention measures recommended by national and international authorities, as well as the use of technological resources and other relevant health and safety measures in all our branches.

Second, we developed financial support measures that contributed to solving the economic impact on families and companies due to the pandemic. These measures focused on expanding financing options, making the cost per commission

of various services more flexible, and granting other benefits in favor of Banco Popular customers.

On the other hand, we were able to showcase the solidarity of the Dominican population by donating their miles to Sanar Una Nación, in order to send medicines, food and medical supplies to the country's hospitals.

During the year, we adapted our strategies according to societal needs, interests and expectations derived from the global health emergency, focusing our communication on six different pillars in order to reinforce the reputation of the organization:



Additionally, during the first months of the pandemic, we conducted a survey among our clients and we were able to identify an improvement in reputation:

77% of our clients said to be satisfied with the support measures.

84% of our clients evaluated the clarity of the information provided.

80% of our clients were satisfied with the hygiene measures of the offices.



Where are we going in 2021 in reputation?

Recover the negative impacts produced as a result of the pandemic:

Dissatisfied customers.

Health crises.

Economic impacts.

Social impact.

Bring positive messages to our clients through the Popular manifesto, which will encompass our purpose for the year.

#ElLadoPositivo.

Te invitamos a mirar la vida desde un nuevo ángulo.


Ese, desde el cual somos más conscientes de valorar lo que tenemos.

Ese, donde los planes y los sueños no se detienen, sino que se adaptan y realizan.

Te invitamos a ver el mundo desde el lado de aquellos que más nos necesitan, para ayudarlos mano a mano a seguir adelante.

Te llamamos a estar del lado del planeta, innovando sin descanso para hacer sostenibles la vida y el progreso.

Te invitamos a ponernos del lado positivo, para que nos permita ver el mundo con optimismo y esperanza.



Work with a long-term vision to integrate sustainability into the company's value chain, as one of the main levers to strengthen reputation, by aligning the business strategy with the Principles of Responsible Banking.

Focus our reputation strategy on:

Multichannel communication, which seeks to respond to a more digital consumer that uses several channels, even

simultaneously. In this sense, we will enhance the use of platforms such as Twitter, LinkedIn, Facebook or Instagram, which will allow us to reach all audiences.
More human communication through institutional campaigns.

We are aware that a solid communication with our different stakeholders, where we keep them informed about our economic, social, environmental and corporate governance management, is key for our corporate reputation. For this reason, the Public Affairs and Communications Area will work to communicate our management in an integrated and rational way, involving employees, suppliers, clients and other stakeholders in the knowledge of each of our initiatives and programs.

Strengthen the Bank's reputation in the public opinion, especially in population segments C, D (low-income population).

Increase employee loyalty and pride of belonging, as well as attracting talent.

Implement a permanent digital alert system to preserve the reputation in social networks and other digital areas.

Identify the factors that can trigger a reputational risk, determining the most appropriate mitigation actions, together with the Operational Risk Area. We will achieve this by filling the reputation risk matrix and improving management efficiency. All this, to facilitate decision-making in moments of crisis and ensure legal compliance, internal regulations, image, transparency, among others.

3. 2020 Highlights

First Sustainable Finance Forum with more than 5.000 participants	More than 320,794 trees planted through volunteering	32 bicycle parkings installed in 3 offices in Santo Domingo	Launch of Green Leasing, for the purchase of energy efficiency assets and reduction of natural resources.
Alliance with InterEnergy Group to promote sustainable mobility and extend the network of Evergo vehicle charging stations	We exceed our goal of contributing to the education of the population thanks to the use of virtual tools	Grupo Popular leads financial support for clean energy projects	Gold certification for environmental management system Sustainability 3Rs and CEDAF
Publication of the first sustainability report under the GRI Standards	The Ministry of Public Administration recognizes the "Hazte Eco" initiative	Fundación Popular inaugurates two new wetlands to treat wastewater	Banco Popular, chosen Bank of the Year by The Banker magazine
First Dominican institution that generates more solar energy	Grupo Popular, the most admired company in the country for the seventh consecutive year	Sanar una Nación y CONEP contribute RD \$263 million to combat the health crisis due to COVID-19	Popular climbs 57 places in the list of the 1,000 best banks in the world
Mobilization of RD\$11,649 million in its commitment to the Principles of Responsible Banking of the UN	We are the first bank to have an account specially designed so that people can save their emergency fund.	Popular is a leader in the RepTrak ranking in the sector	Autoferia Popular offers the largest catalog of ECO vehicles on the market
Banco Popular voted best company to work for for the eighth time.	We held a talk open to the public on Financial Education "Plan and transform your 2020" in which 500 people participated.		

4. Profile of Grupo Popular's Subsidiaries

GRI 102-1, GRI 102-5, Principio 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, Principio 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 <u>relatives..</u>	Designs and administers Pension Plans in accordance with the Dominican Social Security System.
Inversiones Popular 	Through Investments, they <u>are in charge of</u> 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 <u>Republic..</u>	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.

 Fiduciaria Popular	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.	Fiduciaria Popular offers a full portfolio of products such as real estate development, successor planning, cultural, philanthropic and educational trusts.
 Popular Bank Ltd.	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.	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.
 Servicios Digitales Popular	Through this subsidiary, we lead the design and implementation of comprehensive business solutions, based on digital technology, through the brands AZUL y AVANCE.	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.
 Infocentro	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.	We provide customer service for our business clients.

 Asetesa Venta de Inmuebles	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.	Asetesa is a real estate portal with a wide variety of properties for sale, including houses, apartments, villas and plots
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In addition to our subsidiaries, we have Fundación Popular, which is the entity responsible for the social agenda of the Popular Group 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.

Principio 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

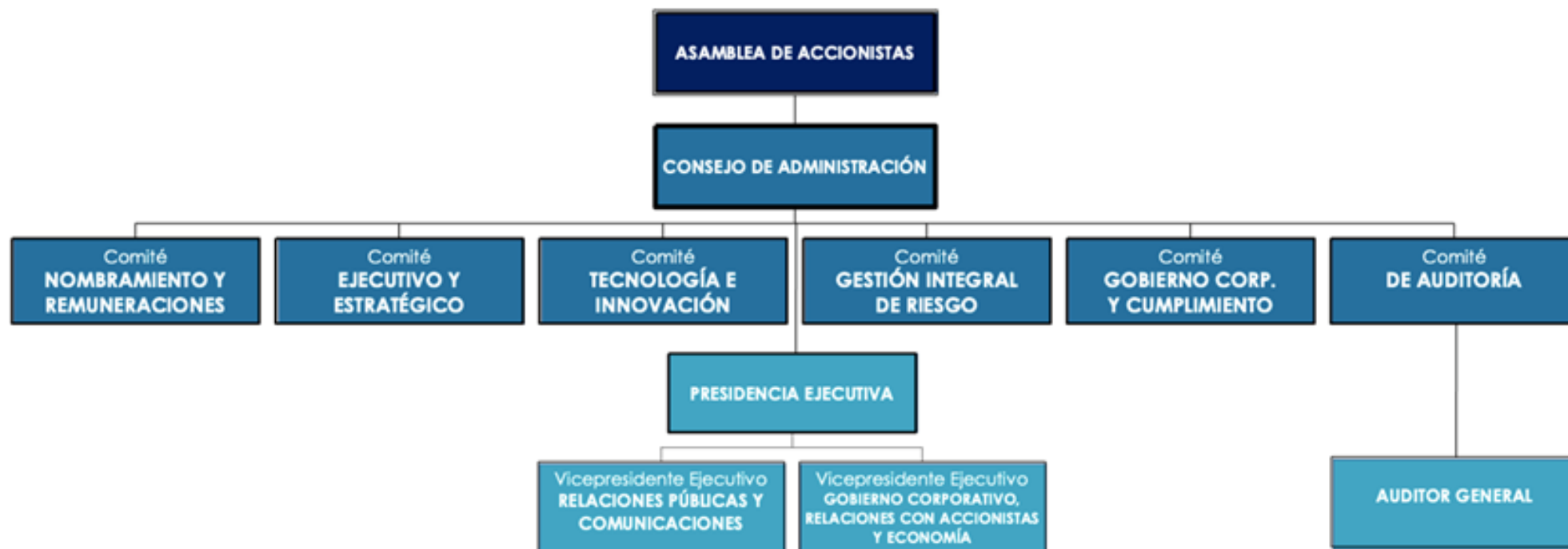
Team work

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.



1. Comité Ejecutivo Gerencial
2. Comité Interno Gobernabilidad Corporativa

1

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: 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 to 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

Appointment and Remuneration Committee: supports the Board in the appointment, remuneration, re-election and removal of the Members of the Board of Directors and of the senior management of the entity. He also advises the Board on the annual performance evaluation of the Chairman of the Board, formalizes policies on succession plans for Board members, senior management and key positions within the organization, among others.

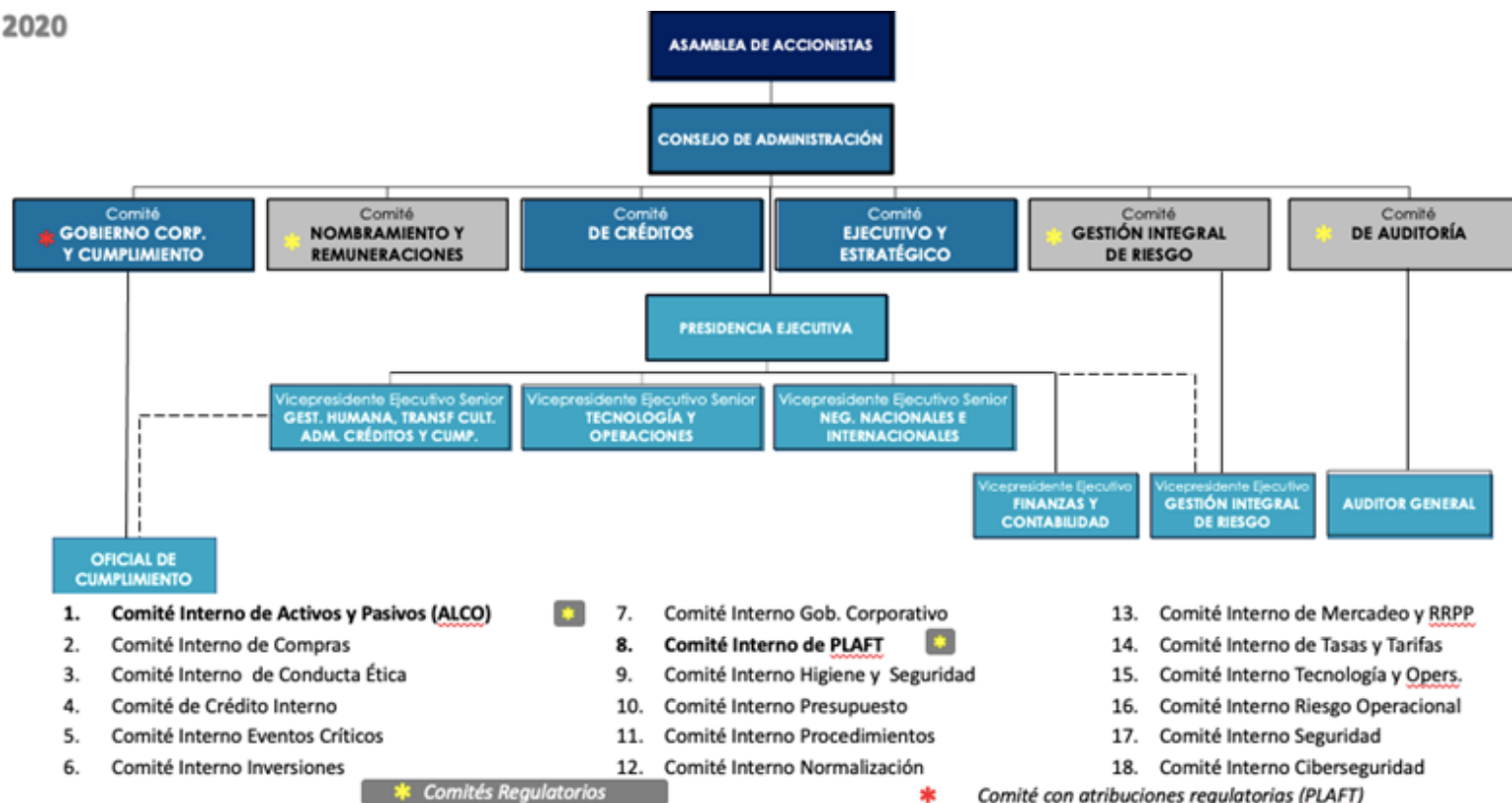
Executive and Strategic Committee: facilitates and speeds up decision-making in the face of legislative or regulatory changes and in the face of new market trends and their impact on business, among others.

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, evaluates the performance of the Board Committees, reports on situations of conflict of interests presented by the members of the board, their relatives or associates, among others.

Principio 5.3.

For its part, the governance structure of Banco Popular is composed of the following:

2020



***This governance structure, in addition, is in charge of ensuring 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:

Comité	Objetivo	Atribuciones
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 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 risk, and money laundering risk. assets and financing of terrorism.
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	<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.

	good corporate governance practices.	<ul style="list-style-type: none"> - 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.
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.

Principio 5.1.

On the other hand, and in order to build a governance architecture for sustainability issues, a Sustainability Committee is being structured that aims to promote and give cohesion to the objectives set in terms of economic, social and environmental sustainability, directly related to the business initiatives and measurable in terms of impact, to create a balance between Banco Popular Dominicano, the other companies of the Popular Group, the Popular Foundation and the aspirations of our stakeholders and society in general.

This Committee, in addition, will guarantee compliance with the Principles of Responsible Banking and will implement the policies, structures and procedures necessary for managing the most important issues of the Bank. Specifically, the Committee will seek to:

Align CSR and sustainability objectives and projects with the business strategy

Define the strategic guidelines on CSR and sustainability in line with the expectations of stakeholders

Follow up on established policies and procedures

Align CSR and sustainability objectives and projects with the business strategy

Establish challenges and priorities, mitigate reputational and environmental risk, design products with sustainable impact that create long-term value

Establish performance indicators to measure the impact of the social agenda on reputation

Propose CSR and sustainability actions and initiatives that allow our collaborators to be integrated on the path to sustainability, through volunteering and actions to create shared social value

The Sustainability Committee, which will be created and implemented in 2021, will be composed of executives of the organization whose functions will be related to the dimensions that affect corporate reputation and related risk management.

On the other hand, 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 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.

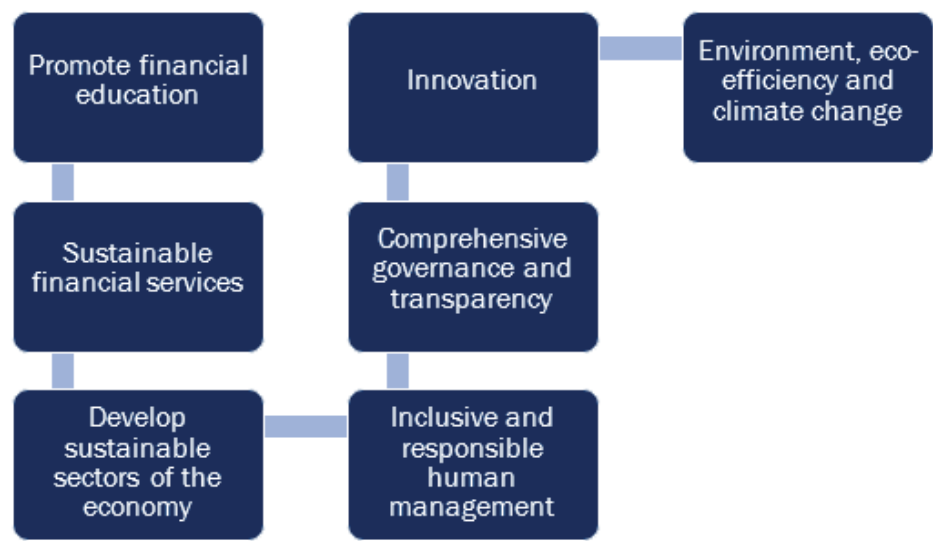
We recognize the importance of our role as a financing entity for the socioeconomic growth of the region and we understand that the economic model should not be isolated from the construction and promotion of a sustainable environment.

Therefore, in 2019 we created the Visión Sostenible 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 Visión Sostenible of Grupo Popular was built 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. 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 Visión Sostenible 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 Plan Nacional de Adaptación para el Cambio Climático en la República Dominicana 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 Visión Sostenible and aligned with the most relevant issues for the entity and stakeholders, as well as the most critical risks and business opportunities.

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

These objectives are complemented, in addition, with the projection 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 Guakia 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:

Principio 2.4. Principio 6.1.

Commitment	2030 Goal	How are we doing in 2020?
Become a certified zero emissions organization	To plant more than one (1) million trees per year	689,193 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	76,105 people
Contribute to the sustainable education of the social and business sector of the Dominican Republic	To achieve sustainable education for 500 people	1,035 people trained

During the past year, we managed to get certified internationally as a carbon neutral organization, being the only Dominican banking entity so far.

On the other hand, we understand that risks and challenges are dynamic, emerging and changing. For this reason, and in response to the global crisis faced in 2020, we made extraordinary contributions to the Dominican government to counteract and mitigate the impacts of COVID-19 on the vulnerable population, and to alleviate the effects of the economic crisis caused by the pandemic among our clients.

Principle 1.2.

Sustainable Development Goals - ODS

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 Abtradas (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>Impúlsate 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.

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

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.



6.2 Risk Management

Principle 2.1

<p>GRI 103-1</p> <p>Why is this important?</p>	<p>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.</p>
<p>GRI 103-2</p> <p>How do we manage it?</p> <p>For more information see Informe de Sostenibilidad 2019 and el Informe de Gestión Integral de Riesgos 2020.</p>	<p>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.</p> <p>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 with the entity is exposed.</p> <p>The pillars on which risk management is based are:</p> <ul style="list-style-type: none"> - 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

<p>GRI 103-3</p> <p>How do we evaluate it?</p>	<p>The <i>Comité de Gestión Integral de Riesgo del Consejo de Administración</i> 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.</p> <p>In addition, we have a model of three lines of defense for risk management:</p> <p>First: It identifies, evaluates, measures, controls and reports all the risks related to the activities it carries out.</p> <p>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.</p> <p>Third: Ensures that the first and second lines carry out effective risk management and control.</p>
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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 *Política de Administración de Créditos*, published on our Intranet, so that it can be consulted by all our collaborators.

2020 has been a year of great challenges due to the health crisis generated by COVID-19 and its impact on the economy. There were closures and temporary measures to mitigate the spread of the virus. The authorities and the financial system

have adopted a series of measures to support the most affected sectors, as well as vulnerable population, while proactively managing the risks associated with the resulting economic crisis.

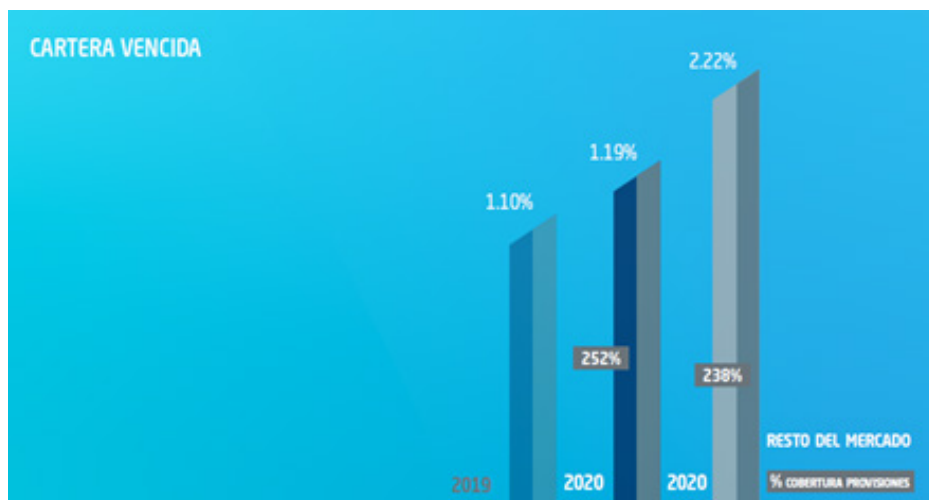
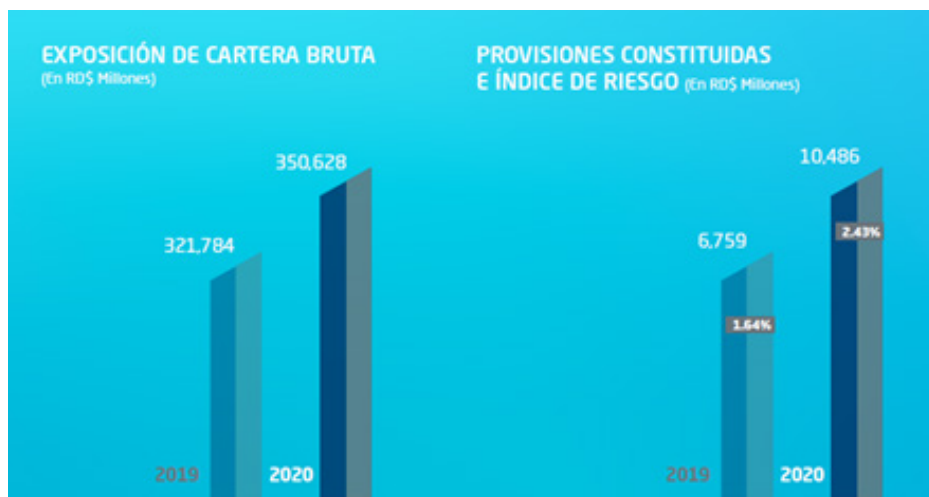
Under this line, Banco Popular has been characterized by a conservative risk management aligned with best practices, which allowed it, during 2020, to respond in a timely and determined manner to the new reality generated by this pandemic and to the additional risks that it entails.

Credit Risks

	2019	2020
Gross portfolio exposure	RD\$321,784 million, considering capital and interest.	RD\$350,628 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)
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%.

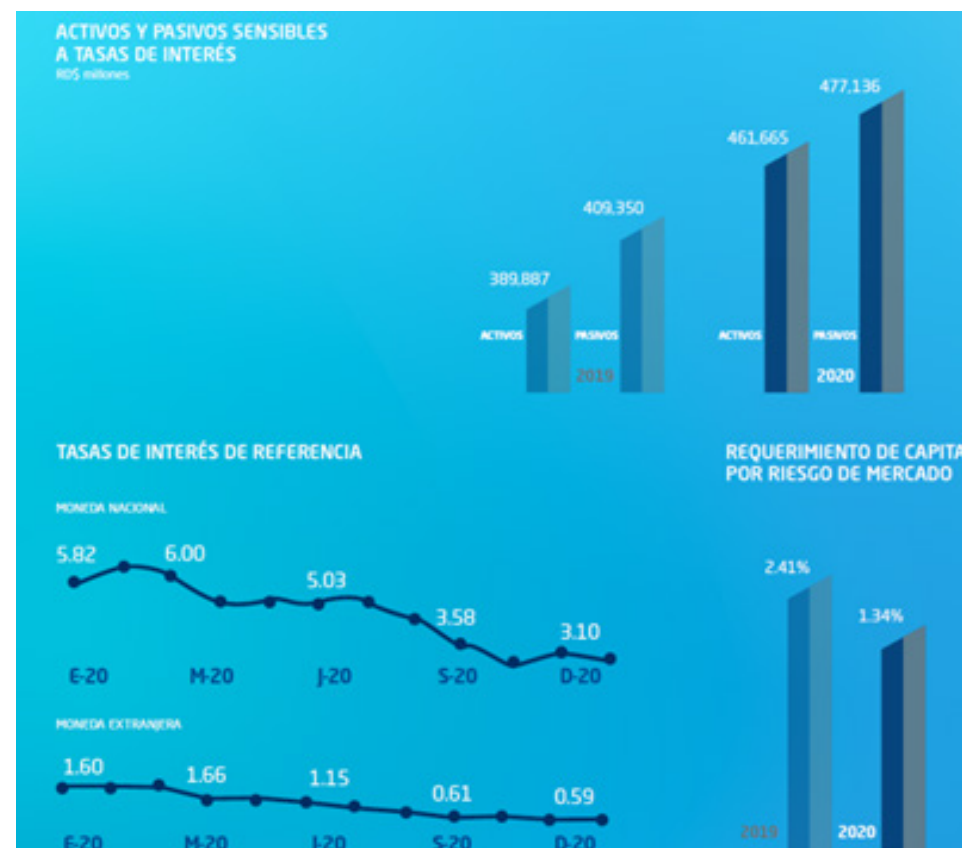
The provisions established include RD \$ 1,300 million of countercyclical provisions destined to cover the anticipated deterioration for the year 2021, as part of the proactive risk management that characterizes the institution.

For its part, the past-due portfolio increased compared to the previous year, but maintained a certain stability throughout the year, despite the current crisis.



Market Risks

	2019	2020
Interest Rate Sensitive Assets	RD\$389,887 million	RD\$461,665 million
Interest Rate Sensitive Liabilities	RD\$409,350 million.	RD\$477,136 million
Deposit interest rate in national currency (TIPP)	6.18%	3.10% TIPPP on december 2020 Reference rate in foreign currency - 0.59%
Exchange rate (relative to USD)	RD\$52.9 for US\$1.00.	RD\$58.1 fot US\$1.00 (spot market rate)
Capital requirement for market risk	2.41%	1.34%



During 2020, a significant reduction in interest rates was reflected due to the measures implemented by the monetary authorities to face the economic situation caused by COVID-19.

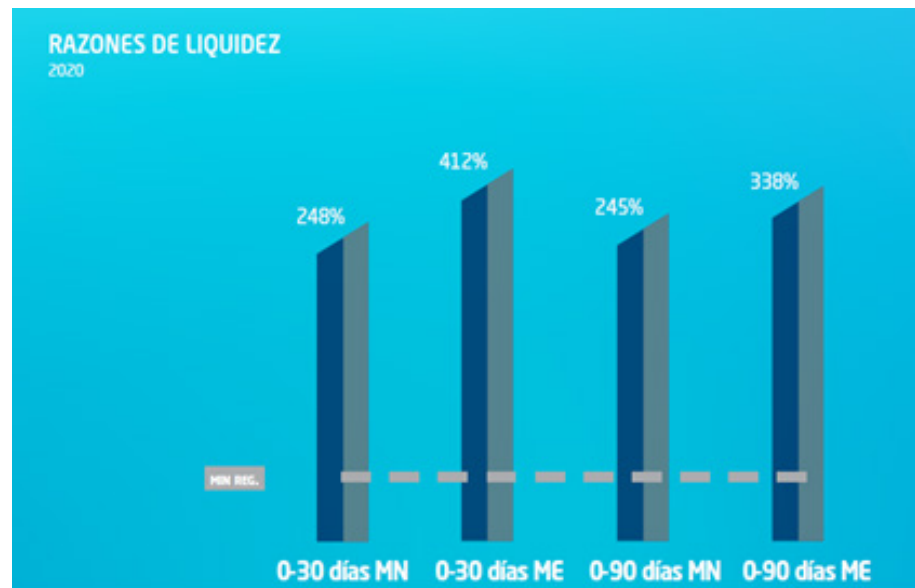
Banco Popular showed an increase of 18.4% compared to the previous year in its assets sensitive to interest rates, mainly driven by the growth of the loan portfolio, the investment portfolio and cash equivalents, while its sensitive increased by 16.6%, driven by the increase in public deposits and financing obtained.

Because of the risk reduction associated with the interest rate, the capital requirement for market risk dropped to 1.34%, which represents a decrease of 107 points compared to 2019.

Liquidity Risks

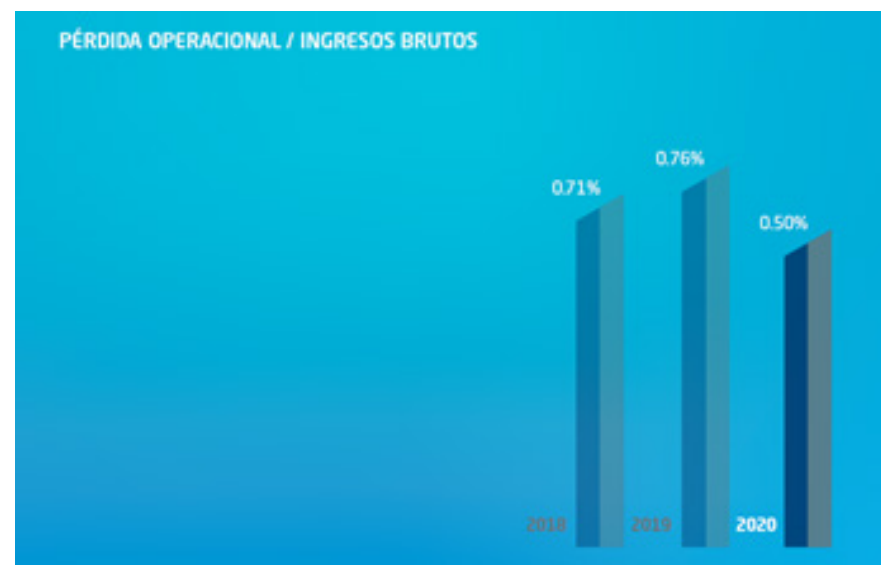
	2019	2020
Liquidity ratios	Liquidity ratios in national currency stood at 322% for the 0-30 day and 0-90 day bands. In foreign currency, they were placed at 266.9% from 0-30 days and at 292.6% from 0-90 days.	Liquidity ratios in national currency stood at 248% and 245% for the bands of 0-30 days and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

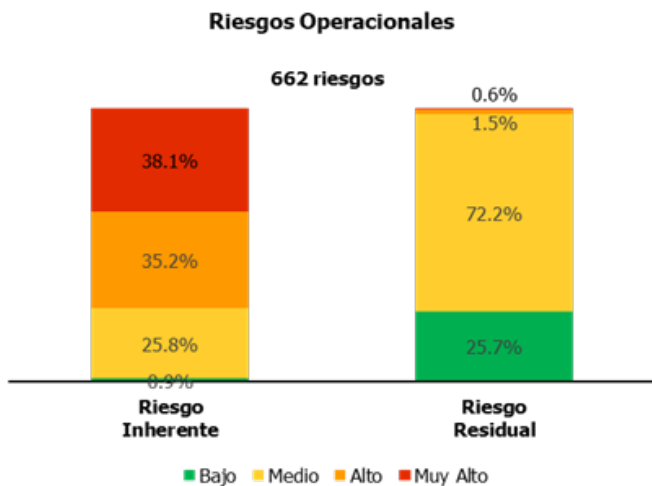
During 2020, Banco Popular maintained comfortable liquidity in both currencies, which allowed it to meet its commitments in a timely manner, increase its loan and investment portfolios, actively participating in the primary and secondary securities market. This is evidenced by the high liquidity ratios,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



Operational Risks

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





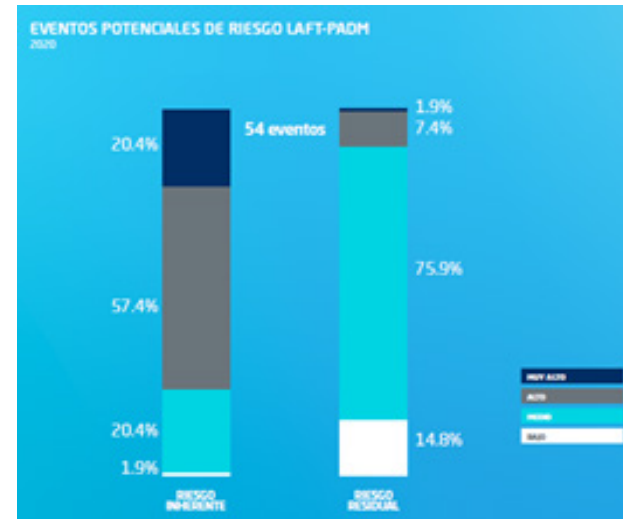
We continued strengthening operational risk management by continuing to identify risks and implementing mitigation measures, to the changes made because of new products, technological projects and the

creation of processes or modifications to existing processes.

In order to support customers and protect employees from the spread of the virus, we increased evaluations for relevant changes in internal processes

This made it possible to identify new risk scenarios, as well as define mitigating controls that allowed us to continue operating under the defined risk appetite.

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



During 2020, we continued to strengthen mitigation measures for potential LAFT-PADM risks, identifying new risks and establishing controls.

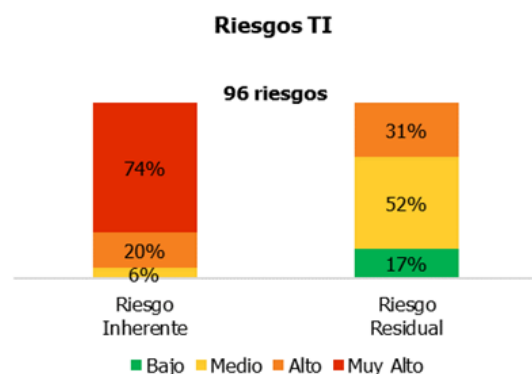
Information security and cyber risks

2020 represented a great challenge for the organization in terms of cybersecurity. The global health crisis exponentially accelerated the adoption of remote work to assure business continuity and the use of digital channels by customers increased.

For this reason, we measured and controlled the cyber risks inherent to remote working, managing to consolidate, in a short time, a safe technological environment to support all the processes of the organization. To achieve this, we implemented specialized tracking systems for threat monitoring, prevention and detection, taking advantage of new artificial intelligence and event analysis tools.

In this context, we identified that phishing campaigns directed at Bank customers and employees grew almost in tenfold, so we developed information and awareness campaigns for customers

and employees throughout the year.



Information technology (IT) risks

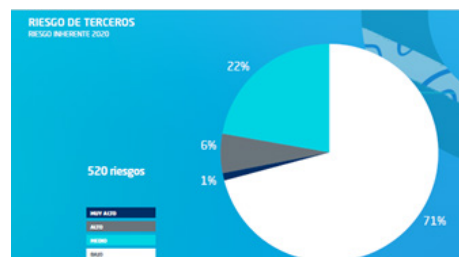
We strengthened the IT risk matrix in order to define and fine-tune controls to improve the Bank's risk profile.

Consequently, 69% of technological risks were at medium impact levels and low at their residual

level in 2020.

For its part, we are committed to working on mitigation measures for the remaining high-impact risks, as well as identifying new risks and controls.

Third party risks



During 2020, we completed the reengineering of the third-party risk management process that included, among others, a methodology for the identification, assessment and evaluation of third-party risks, as well as a risk matrix and

profile for suppliers. We also defined the process for monitoring the controls established in the contracts with suppliers.

Emerging Risks

We understand that risks are changing and dynamic over time. Therefore, we strengthened the moral, compliance and reputational risk matrixes, and redefined the measurement indicators and tolerance limits for these risks. We are also making progress in defining methodologies for managing strategic risks.

Model Risk

As part of the risk strategy defined for 2020, the process of designing a model risk management framework began, as a complement to the model monitoring and validation program that currently exists.

Initiatives that promoted risk management in 2020.

Integration of a scheme for the identification and continuous monitoring of risks in the context of COVID-19

In response to the crisis caused by COVID-19, we developed a plan to identify and continuously monitor risks that would allow us to ensure business continuity with special emphasis on managing the loan portfolio.

In order to adapt the business to the new reality and mitigate the risks derived from COVID-19, during 2020 we designed and implemented contingency plans, created new products and services, and modified our procedures and processes.

We implemented additional measurement methodologies to those established in current regulations, made improvements to the risk management framework and policies, and updated the different risk categories.

The *Declaración de Apetito de Riesgo* and the *Guía de Límites* were updated in order to modify and incorporate indicators and tolerance limits to monitor risks efficiently and comprehensibly.

We improved the monitoring and validation program of internal risk models, integrating additional models and expanding the guidelines, and we made progress in the design of a management framework for model risk.

Fulfillment of goals and challenges

Goal 2019	Compliance 2020	How?
Specialize risk management; because in the sector there has ceased to make a distinction between financial risks and other types of risks. The inclusion of new risks implies that in the coming years, Banco Popular will seek the expertise of its personnel to undertake a more complete risk management.	Achieved	Our institution has been making progress specializing in money laundering, cyber, technology and third parties risks by implementing specific methodologies to ensure proper management.
Incorporate models and new specialists to have a deeper quantitative risk assessment.	Achieved	As part of the risk strategy defined for 2020, in 2020, the process of designing a model risk management framework began as a part of the risk strategy defined to complement to the model monitoring and validation program that currently exists.

Where are we going in 2021 with risk management

-We seek to refine and deepen the risk analysis and mitigation strategies associated with the current economic situation with a view to protecting the assets and equity of the entity.

-We are committed to continue with the definition and implementation of complementary methodologies for credit measurement and monitoring of, market and liquidity risks, emerging risks, technological and third party risks.

-We will expand the model monitoring and validation program, including new analysis and monitor models.

-We seek to optimize the loan portfolio management processes through the implementation of new tools and strategies.

-We will optimize the business continuity program to increase the resilience of the institution and keep contingency plans updated.

-Implement the model risk management framework.

-As signatory member of UNEP-FI Principles for Responsible Banking, we are committed to conducting environmental, social, governance risk analysis (ESG risks), to measure the impact of investment and financing on the environment and society.

7. Financial Education

Principle 2.1.

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.
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.
GRI 103-3 How do we evaluate it?	We assess changes in the financial behavior of " <i>Finanzas con Propósito</i> " participants. This makes it possible to measure the impact of the conferences and workshops on the savings and default indicators of the participants with a payroll account at Banco Popular.

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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 the sociably responsible portfolio of products and services of Banco Popular, we offer conferences to companies and schools.

During 2020, we held 102 conferences where we were able to benefit 14.700 people.

Through AFI Popular and Inversiones Popular, we were able to carry out the youth education program “Master Class”, where we give conferences on the stock market and investment funds in order to promote financial education and inclusion

93 young people benefited from the “Master Class” youth education programs in 2020.

Initiatives that promoted financial education in 2020

Foro de Finanzas Sostenibles

With educating and creating awareness of the importance of sustainable development to the Dominican population, and taking as a reference the best practices worldwide to promote green businesses, we held the *Foro de Finanzas Sostenibles*, which emphasized the importance of good management of personal and family finances, as a fundamental part to achieve sustainable development.

We benefited 3,014 people through the *Foro de Finanzas Sostenibles*

In this virtual forum, we highlighted our Responsible Banking model and our duty to bring financial education to all.

Banco Popular carried out this event, with the participation of Inversiones Popular and Fiduciaria Popular. For more information about this forum, please visit <https://www.popularenlinea.com/forofinanzassostenibles>

Planifica tu 2020

Through Banco Popular, we held a conference about financial planning with the participation of the coaches Pamela Pichardo and Teresa Sánchez.

550 people benefited by this event

Cuenta Fondo de Emergencia

We implemented the account ***Cuenta Fondo de Emergencia*** to promote well-being and financial health among our clients, ensuring their security and their financial well-being.

With this account, users will benefit from tired interest payments, no low balance fees, no withdrawal fees, unlimited access to their funds and recurrent transactions that can be programmed from internet banking and our offices.

We are the first bank to have an account specifically designed to save for people's emergency fund.

Fulfillment of goals and challenges

Principle 2.4.

Goals 2019	Compliance 2020
Continue to develop and strengthen our financial education programs and have a better follow up of the impact of the program in the country's economy and the Bank's reputation.	Achieved
Strengthen our digital platforms to reach more people, and implement an APP for financial management.	Partially achieved
Increase the number of clients reached nationally, reducing their default parameters and increasing their average savings balance.	Achieved
Continue working on social impact at a national level to meet our goal of impacting 150,000 people by 2030.	Achieved

Where are we going with financial education in 2021?

We seek to direct our efforts in launching the first educational platform for free financial education, in order to offer the Dominican population, SMEs and micro-enterprises continuous learning about finance, in order to promote more profitable and sustainable businesses.

7.2 Financial Inclusion

Principle 2.1.

<small>GRI 103-1</small> Why is this 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.
<small>GRI 103-2</small> How do we manage it?	We have <i>Subagente Popular</i> , 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.
<small>GRI 103-3</small> How do we evaluate it?	To measure the impact of the programs and initiatives developed for financial inclusion, we take into account the number of new clients, banking subagents, branches and users affiliated with Internet Banking and electronic wallets.

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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 2020, we have 479 access points to meet the needs in economically disadvantaged areas.

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

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

However, due to the economic situation caused by COVID-19 where multiple businesses were forced to close their operations, the number of bank subagents affiliated to the network decreased:

Banking subagents network	2019	2020
Number of banking subagents affiliated to the network	348	109
Total number of banking subagents	2.378	2.512

On the other hand, during 2020 we had 88,654 new clients in Banco Popular, which represents a decrease in relationship to the 127,988 clients of 2019. This is due to the impact of the COVID-19 pandemic.

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
Number of affiliates to the mobile wallet services (TPPV clients, AlticePeso by Altice)	153.682	153.687
Number of affiliates to the mobile wallet services (TPPV e-fectivoMovil byClaro)	24.413	24.419

In accordance with our commitment to offer services tailored to the needs of our clients, in 2020 we maintained the levels of affiliates through the Altice and Claro mobile wallets compared to the previous year.

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 2020, 61,550 young Dominicans joined some type of product or service offered by Banco Popular. However, despite our efforts, we noticed a decrease compared to 2019, where we managed to engage 103,134 young people. This was due to the economic crisis caused by the pandemic.

Indicator	2019	2020
<i>Cuenta Digital Libre</i>	47.009	17.449
<i>Cuenta de Ahorro Planner Joven</i>	37	39
<i>Préstamo Okm Joven</i>	26.138	283
<i>Tarjeta de crédito Orbit</i>	29.950	9.050

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

Fulfillment of goals and challenges

Principle 2.4.

Goals 2019	Compliance 2020	How?
Construct a product focused on financial restructuring	Achieved	We launched the <i>Fondo de Emergencia</i> account, designed so that people can save their emergency fund. With this product, we continue to promote the economic well-being and financial health of our clients.
Increase the number of affiliates to the mobile electronic wallet	Partially achieved	Due to the economic crisis derived from the COVID'19 pandemic, we did not register a significant increase in this indicator.

7.3 Pension Education and Retirement Preparation

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.
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 Planifica tu futuro program, through which we offer courses, workshops and conferences on financial planning at the request of client companies for their employees. The benefits of the pension system, saving for retirement and the use of good habits in managing money when retiring are some of the lessons taught in these courses.

During 2020, we benefited 1,599 people through 6 workshops held.

Similarly, we held workshops on the management of the social security treasury module Módulo de la Tesorería de la Seguridad Social (TSS), aimed at directors and executives of the Human Resources and Finance areas of client companies, whose topics address the pension system and management social security treasury.

Finally, we carry out courses, in alliance with the Escuela Nacional de la Judicatura and the Instituto OMG, aimed at judges of the Ministerio Público to reinforce knowledge about the best practices of the Dominican Republic pension system and at a global level, with international and national experts in the matter.

Number of beneficiaries in education and training on the pension system

Indicator	2019	2020
TSS y Suir Plus Workshops		
Participants	2.288	2.706
Courses	96	46
Planifica tu Futuro		
Participants	2.639	1.599
Conferences	35	6
Diplomado del Ministerio Publico		
Participants	34	38
Total participants	5.561	4.343

Since the conferences, workshops and courses were held through virtual platforms, we managed to have a greater number of participants benefiting from in them.

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

Indicator	2019	2020
Number of employees benefited from conferences in their companies.	4.356	4.129
Number of people benefited form conferences about the preparation for retirement.	2.100	1.490
Total	6.456	5.119

On the other hand, and taking virtual meetings as an opportunity to include more people, we carried out an online seminar on rethinking the pension system, with 208

participants.

Along the same lines, we offered 20 online seminars on the pension system through AFP Popular, where we were able to benefit 4,806 people.

Initiatives that promoted pension education and preparation for retirement in 2020

AFP Popular te acompaña

We conducted conferences in which members of the Dominican pension system participated, with the objective to explain the duties and rights of members. These conferences allowed for interactions that clarified some concerns. These were collected in our Frequently Asked Questions booklet.

Fulfillment of goals and challenges

Goal 2019	Compliance 2020
Launch an online course with <i>Instituto OMG</i> in the first semester of the year.	Partially achieved
Increase the number of people impacted with the conferences given on Social Security Education by 30% compared to 2019	Not achieved
Increasing the number of young people impacted by <i>AFP Popular te acompaña</i> , through the inclusion of 4 new universities	Not achieved
Increase the number of people impacted by the retirement preparation talks by 20%	Not achieved

Due to the situation caused by COVID-19, we were unable to carry out the activities we had planned for the year.

Where are we going in 2021 in pension education and retirement preparation?

- Impact 15% more people with respect to the previous year

through the different channels that we have for pension education.

How did the pandemic affect pension education and preparation for retirement?

At the beginning of the pandemic, many of the companies paused and/or closed their operations, so we began to reactivate the pension education program in the second half of the year. Through the implementation of these virtual activities, we were able to give conferences, seminars and workshops through AFP Popular, managing to maintain market share and reach 5,000 users on Instagram.



7.4 Entrepreneurship Support

Principio 2.1.

<small>GRI 103-1</small> 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.
<small>GRI 103-2</small> How do we manage it?	<p>Banco Popular with the program <i>Impúlsate Popular</i> seeks to encourage young entrepreneurs in the growth of their innovative projects, allowing them to access capital to strengthen and grow their business plans.</p> <p>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.</p>
<small>GRI 103-3</small> 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 <i>Impúlsate Popular</i> , 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 2020, we registered a growth of 11.67% of projects in the Impúlsate Popular program. This means that 134 projects participated, and 3 obtained 3.3 million Dominican pesos as seed capital. Additionally, we benefited 4 participants through special mentions for a total amount of 1,150,000 Dominican pesos.

We also have courses on entrepreneurship in order to build capacities in young people. During 2020, the number of beneficiaries of these decreased because during 2019 we carried out a course at Universidad ISA, which was not in 2020.

Indicator	2019	2020
Courses given	4	3
Participants	308	158

As a contribution for the management provided during the running of Impúlsate Popular, each entrepreneurship center in the universities is given an amount of RD \$ 85,000.

Initiatives that promoted support for entrepreneurship in 2020

Taller de Ideación

Through Banco Popular, we carried out a workshop with a group of young people who had business ideas in order to guide them to a better understanding, advance the first process and discuss ideas on how to land the projects.

Through this 3-hour workshop, we were able to bring together 42 users from the *segmento joven* and allies of the company Tabuga.

Fulfillment of goals and challenges

Goal 2019	Compliance 2020	How?
<p>Continuar posicionando el programa Impúlsate Popular como el programa de apoyo al emprendimiento joven más importante del país. En este sentido continuaremos ampliando la red de aliados para ofrecer mejor capacitación y formación durante el concurso y a los ganadores posterior a su participación.</p> <p>Continue positioning the program <i>Impúlsate Popular</i> as the most important entrepreneurship support program in the country. In this sense, we will continue to expand the network of allies to offer better training and education during the contest and to the winners after their participation.</p>	Achieved	We included digital marketing workshops for the finalists.
Contribute improving the conditions for entrepreneurship on a national level by supporting institutions and in partnership with organizations		Two new institutions were added to the program: (ITLA and Instituto Politécnico Loyola)

Where are we going in 2021 in supporting entrepreneurship?

- We will continue with the entrepreneurship courses at the Instituto Politecnico Loyola, as well as the Impúlsate program.
- We will hold the Foro Impulsa to promote digital transformation in companies.

8.1 Ethics, Anti-corruption and Regulatory Compliance

Principle 2.1.

<p>GRI 103-1</p> <p>Why is this important?</p>	<p>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.</p>
<p>GRI 103-2</p> <p>How do we manage it?</p> <p>For more information, see the <i>Informe de Sostenibilidad 2019</i>.</p>	<p>Through the <i>Consejo de Administración</i>, we supervise, control and manage Grupo's operations, and ensure compliance with legal provisions in accordance with the principles and practices of Corporate Governance.</p> <p>We have policies and principles that guide the actions of each of the members of the organization:</p> <ul style="list-style-type: none"> - <i>Principios de Gobierno Corporativo</i> - <i>Código de Conducta Ética</i> - <i>Política de Lavado de Activos, Financiación del Terrorismo y Proliferación de Armas de Destrucción Masiva</i>
<p>GRI 103-3</p> <p>How do we evaluate it?</p>	<p>We have the <i>Informe Anual de Gobierno Corporativo</i>, 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.</p> <p>Through the <i>Área Legal y Cumplimiento Normativo</i>, Grupo supervises, monitors and guarantees regulatory compliance in its operations. Likewise, the organ supervises the alignment with the rules established by the <i>Administración Monetaria y Financiera</i> and, in particular, with the <i>Instructivo sobre la Gestión de Cumplimiento Regulatorio en Entidades de Intermediación Financiera de la Superintendencia de Bancos</i>. It must also be aligned with the recommendations for the compliance structures established by the <i>Comité de Supervisión Bancaria de Basilea</i>.</p>

As part of our commitment to promote and guarantee ethical and integrity actions at all times, we have established 10 cross-



Principle 5.2

Moreover, Grupo has a Código de Ética 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 engaging in any conduct that could give rise to the appearance or suspicion of inappropriate and illegal activities.



Grupo Popular has made available an ethical line to employees, suppliers and/or third parties, as a means of communication to carry out complaints on irregular behaviors

that compromise the values and duties of Grupo.

In this same line, we have two figures to ensure ethics and regulatory compliance throughout the entity. On the one hand, we have established a Comité de Conducta Ética whose objective is to know, evaluate and decide on the violations of the Código de Ética carried out by our officers and employees of the Grupo Popular and its subsidiaries.

On the other hand, there is the División de Conducta Ética, whose purpose is to guarantee the effective implementation of the Código de Ética by coordinating the investigations that allow clarifying the facts that involve the personnel.

As for the regulatory compliance, Grupo has a Política de Cumplimiento Regulatorio. Through this policy, we seek to guarantee the regulatory compliance with applicable rules and regulations and reduce the contingencies related to possible non-compliance.

Thus, the Group complies with the provisions of Ley 155-17 against money laundering and Ley 267-08 on the financing of terrorism.

GRI 205-2

Grupo Popular is committed to communicating anti-corruption policies and procedures to the people involved in its operations. During 2020, we conducted anti-corruption training for 6,841 collaborators, a slight decrease compared to the previous year due to the vulnerability and technological limitations of some to complete the training virtually.

Communication on anti-corruption policies and procedures	
Target audience	Total number of people
Members of the governing body	15
Employees	7.188
Business partners	466
Total	7.669

Training on anti-corruption policies and procedures	
Target audience	Total number of people
Members of the governing body	15
Employees of the centralized areas	2.450
Employees of the business areas	3.637
Employees of the areas with credit risk certification	739
Total	6.841

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 a Plan de Prevención de Lavado de Activos, 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 2020 we doubled the number of trainings and talks offered:

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

Target audience	2019	2020
Managers and assistant managers of the business area	1.121	1.109
Cashier staff and representatives	2.478	2.662
Centralized personnel and subsidiaries	NA	3.978
Subsidiary personnel (additional PLAF training)	9	83
Compliance officer	1	1
Members of the <i>Consejo</i>	15	15
Bank subagents	545	458

Grupo Popular carries out an exercise of accountability and transparency regarding regulatory, anti-corruption and ethical compliance, which is materialized in the Informe Anual de Gobierno Corporativo.

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 Informe on our web.

Initiatives that leveraged ethics, anti-corruption, and regulatory compliance in 2020

Launch of PLFAT Ambassadors

In order to promote the prevention of asset laundering culture, we appointed 155 PLAFT ambassadors, who allow us to identify the training needs throughout the organization and effectively disseminate the inputs related to this matter.

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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	We sent 80 clips, 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	We continued the training virtually to all staff.
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	Even with the limitations of the pandemic, we were able to train bank subagents in PLA and FT 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 PLA.
Consolidate the <i>Plan de Capacitación de Fraude, Soborno y Corrupción</i> .	Accomplished	The training program content included fraud.

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

Maintain a permanent update to the staff on new typologies and trends in crime and fraud.

Achieve an effective and efficient transmission of knowledge, relying on new virtual formats.

Promote the awareness of non-regulated entities (external clients and suppliers) about the responsibilities involved

in being related to our institution, in the assumption of responsibilities of PLAFT-PADM.

Strengthen targeted training under the new corruption schemes resulting from the health crisis.

Consolidate the Plan de Capacitación de Fraude, Soborno y Corrupción.

8.2 Development of Human Talent and Well-being

<p>GRI 103-1 Why is this issue important?</p>	<p>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.</p> <p>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.</p>
<p>GRI 103-2 How do we manage it?</p>	<p>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.</p> <p>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.</p>
<p>GRI 103-3 How do we evaluate it?</p>	<p>The <i>Gestión Humana</i> 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.</p>

Our talent

Gender / type of contract	2019			2020		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Female	5.091	75	5.166	5.003	70	5.073
Male	3.427	54	3.481	3.282	43	3.325
Total	8.518	129	8.647	8.285	113	8.398

Subsidiary	2019	2020
Banco Popular Dominicano	7.488	7.329
Infocentro Popular	552	468
AFP Popular	262	255
Servicios digitales Popular	151	144
Popular Bank	62	65
Inversiones Popular	52	55
Fiduciaria Popular	39	41
Avance Capital Dominicana	20	20
AFI Popular	14	14
Grupo Popular (Fundación Popular)	7	7
Total	8.647	8.398

Total number of employees by region		
Region	2019	2020
Santo Domingo (RD)	6.585	6.440
Zona Norte (RD)	1.217	572
Zona Este (RD)	602	1.142
Zona Sur (RD)	190	179
Panamá	53	65

GRI 102-8, GRI 102-7

We have a total of 8,398 employees in 2020 in all subsidiaries across the five regions where we have offices. This personnel is under both permanent and temporary employment contracts. This represents a slight decrease compared to the previous year because during 2020 the number of hires was limited due to the situation caused by COVID-19.

Despite being a challenging year for the economy and the labor market in general, during 2020 we maintained our commitment to provide Dominicans with opportunities for their employment. For this reason, and in response to the Group’s needs, we created 45 new jobs and hired 486 people:



Our contribution to talent

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

GRI 404-1

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

At Grupo Popular we adopted national and international recommendations in order to prevent the spread of the virus, in the context of the health crisis. We encouraged and promoted

teleworking of our collaborators in order to minimize physical contact in the offices.

For this reason, we transformed the methodology of the training to a virtual modality, impacting the number of training hours and people trained under this new format, in part due to the limitations of access to digital media for some collaborators.

Training	2019	2020
Total number of employees trained	8.594	7.707
Number of courses	10. 443	18.426
Average hours per employee	108,3 hours	66,4 hours

GRI 404-2

We made a transition from face-to-face training to virtual training. This shift allowed us to migrate all our programs, which benefited the sustainability of the trainings to strengthen our collaborators professional and personal skills, keeping our programs current:

Programa de Alto Potencial.

Scholarship program for university studies, masters and languages.

Alliance with Barna to develop leadership skills.

Talks and conferences on trending topics.

E-Learning programs through Linked-In Learning and SkillSoft.

Diplomas, courses and certifications according to functions.

GRI 404-3

As part of our commitment to continuous improvement, our human talent management processes include periodically conducting performance evaluations on Grupo Popular employees.

At Grupo Popular we have a program of performance evaluations, which seek to measure both the particular objectives for each position and the 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
	96%	95%

The average grade point was 110, which exceeded expectations.

GRI 401-3

We are aware that the well-being of our collaborators must be accompanied by the well-being of their family members. 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 maternal leave law, we provide an additional 6 days for the parents of a newborn.

Indicator	2019		2020	
	Female	Male	Female	Male
Number of employees who have taken parental leave	276	132	150	98
Number of employees who returned to work in 2020 after terminating parental leave	274	132	117	96
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
Return to work and retention rate of employees who took parental leave	99,27%	100%	78,00%	97,96%
Retention rates of employees who took parental leave	89,08%	93,75%	92,67%	95,92%

Initiatives that promoted the development of human talent and well-being in 2020

Teamwork and Mindfulness Workshops

We know that the pandemic caused multiple effects on public health, the economy and the way we interact. It also had a significant impact on traditional work modalities, which is why we held workshops to improve the integration of our team in this context.

Thanks to these sessions, we have managed to have a satisfactory work environment, increase productivity and maintain work-life balance.

Virtualization of meetings Growing in Values

In order to maintain our culture based on values, as well as to promote spaces for integration and communication of the teams, we hold virtual meetings of values for all employees of the Group.

This activity was possible thanks to the 250 *Delegados de Valores* in the organization.

Discovery Online

Discovery 360 is a leadership program that combines teams from different areas, generations, and hierarchical levels to share leadership experiences and build trust within teams. We adapted it to the virtual modality due to COVID-19.

Thanks to this, nine Discovery Online teams met during a quarter. The participation was extraordinary since the program served to connect participants who had not interacted for months, outside of work meetings. We perceived a greater connection to the program and colleagues.

With this, we benefitted 150 Gerentes, Vicepresidentes de Área y Ejecutivos.

Automation of *Clima Laboral* and *Gerencia y Liderazgo* surveys

We implemented a new automated (digital) system for measuring *Clima Laboral* and *Gerencia y Liderazgo* that includes new management variables, such as: physical and emotional well-being, purpose, continuous improvement, recognition, vision and integration. In 2020, Banco Popular achieved excellence indices in both evaluations. *Clima Organizacional* **93.78** (4.69) and *Gerencia y Liderazgo* **92.77** (4.64).

2,562 people participated in the in the surveys.

UNEFA Communication

Since we joined the *Principios de Banca Responsable*, we have held various meetings in order to communicate the new strategy to our collaborators. We have done this through internal communication channels such as murals and emails.

Principio 5.2.

Challenge 2019	Fulfillment 2020	Why?
Measure the work environment of Grupo Popular and its subsidiaries under Great Place to Work, to identify gaps and opportunities for improvement that help us strengthen the management of human talent and the well-being of our employees.	Not achieved	We decided the context was not appropriate to incorporate a new evaluation methodology, in view of the health and socioeconomic crisis. Likewise, we carried out the automated measurement of work climate and management and leadership, and two processes could not run in parallel that measured the same indicator.

Fulfillment of goals and challenges

Where we are going in 2021 in the development of human talent and well-being

We will implement a series of talks aimed at the managerial and assistant managers level to provide training on the SDGs and their application.



How did the pandemic affect the development of human talent and well-being?

Our team is one of the most important assets of Grupo Popular. The global health crisis caused by COVID-19 unleashed and materialized many risks that were not contemplated the

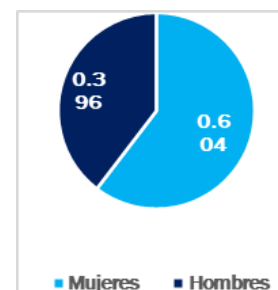
Initiative	What results did it have?
Tests for the detection of COVID-19	2,196 people benefited.
COVID -19 hotline, through which we make calls to monitor the health status, and provide guidance to achieve the well-being of our people.	5,061 people benefited.
Psychological assistance to employees and family members who indicated they were emotionally affected by COVID19.	163 people benefited.
Specialized consultations via telemedicine with doctors in the pulmonology area.	342 people benefited.
Development of physical, emotional and mental well-being activities	We carried out virtual <i>Bienestar Integral</i> initiatives throughout the organization, and achieved 29,165 man-hours of accompaniment, translated into 37,120 interactions.
<i>Certificación Guía de Retorno Laboral ante el COVID19</i>	We trained all staff for the proper management of their face-to-face functions in the institution.
Permanent communication campaign against COVID19	We implemented an awareness program on COVID-19, inviting employees not to lower their guard and to continue taking the measures that prevent and mitigate the contagion.

previous year. On a global scale, we see how the way we interact, work and do business has changed. Therefore, and committed to the health of our employees, we implemented the following measures that sought to counteract the effect caused by the pandemic:

8.3 Gender Equality

GRI 103-1

<p>GRI 103-1</p> <p>Why is this issue important?</p>	<p>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.</p> <p>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.</p>
<p>GRI 103-2</p> <p>How do we manage it?</p>	<p>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.</p> <p>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 <i>Sistema de Desempeño</i>. We publish the composition of the members of the <i>Consejo de Administración</i>, as well as the list of its officers in the <i>Informes de Gestión Anual</i> of Grupo Popular and other affiliated companies.</p> <p>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.</p>
<p>GRI 103-3</p> <p>How do we evaluate it?</p>	<p>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.</p>



GRI 405-1

Fulfillment of goals and challenges

Laboral category	2019			2020		
	Female	Male	Total	Female	Male	Total
Executive	21	46	67	22	48	70
Managerial	585	474	1.059	585	462	1.047
Personal Support	3.668	2.201	5.869	3.572	2.108	5.680
Assistant manager	892	707	1.599	894	707	1.601
Total	5.166	3.428	8.594	5.073	3.325	8.398

Laboral category	2019				2020			
	>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
Managerial	111	796	152	1.059	65	817	165	1.047
Personal Support	3.675	1.997	197	5.869	3.042	2.431	207	5.680
Assistant manager	537	977	85	1.599	441	1.066	94	1.601
Total	4.323	3.804	467	8.594	3.548	4.350	500	8.398

Challenge 2019	Fulfillment 2020	Why?
Design and implement a gender equity policy that is applicable to all Grupo Popular subsidiaries.	Partially accomplished	Although we have not consolidated a specific gender equity policy, our practices and policies for both selection, remuneration and promotion are based on the capacities and competencies of individuals, without distinction of gender.
Join the United Nations "Gender Sea".	Partially accomplished	We approached the parties for the signing of this agreement. We hope to complete it in 2021.

Where we are going in 2021 in gender equality

Join the Gender Equality Seal.

Adjust policies and practices related to gender equality.

8.4 Customer Satisfaction

Principle 2.1.

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.
GRI 103-2 How do we manage it? For more information, see the <i>Informe de Sostenibilidad 2019</i> .	Our management aims to guarantee total customer satisfaction through three main approaches: <ul style="list-style-type: none"> - <i>Voz del cliente</i>, 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 <i>Área de Calidad de Servicio y Experiencia del Cliente</i> 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 Cultura de Servicio unit, whose purpose is to lead and manage all programs related to strengthening the service culture.

Along these lines, we hold weekly meetings in order to align the Bank's units with the main novelties in service culture and rules of experience. Likewise, we carry out memorable service trainings for new staff and we provide all new employees with the Manual de Calidad de Servicio, which includes service standards and guidelines, as well as rules of excellence and examples of how to act.

To ensure that our collaborators comply with all the guidelines and good practices, we have incorporated an annual service certification system, which is compulsory and must be completed by all members of the entity. We also run training programs on FAST experience attributes - easy, enjoyable, simple and transparent, for its acronym in Spanish.

We also know that providing a quality and exceptional service is the result of joint work between all areas, which is reflected in the positioning of the entity. For this reason, we have included service quality indicators in the performance evaluations of all employees, where 10% of their compensation depends directly on the results of the customer satisfaction survey.

In that sense, we also evaluate the dropout rate, which measures the proportion of clients who have left the Bank with respect to the number of active clients. During 2020, we

registered that 7.7% of clients defected from our services.

Furthermore, the customer experience and satisfaction indicators were impacted due to COVID-19 in 2020. This context reflected the new demands from clients in times of crisis. Despite this, we managed to maintain a level of service in the branches and in the Telebanco (call center), with limited hours, obtaining a T2B of 79 satisfaction points.

We also identified greater demands on the part of clients in the performance of digital channels and the immediacy of face-to-

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

Positioning measurement	2020
Bank that provides the best service	67%
Main Bank	65%
Bank with the best digital platform	78%

face service.

Service Monitoring in Times of Crisis

In response to the crisis caused by COVID-19, and in order to know the experience of our clients in this context, we conducted virtual surveys that allowed us to strengthen our relationship and approach with this interest group.

Through this monitoring we were able to identify both the emotional state and the experience with the Bank during the health emergency. This allowed us to adjust the protocols in response to the crisis. As a result, we registered improvements in the management and customer satisfaction indicators.

Strengthening remote assistance channels

In order to ensure continuity of service in the context of COVID-19 and prevent the spread of the virus, we enabled the remote call center to provide assistance to customers.

The email reclamaciones@bpd.com.do was also created so that our clients could make their service requests and claims without having to visit a branch. Through this initiative, we served more than 11,800 clients.

Finally, we received a total of 4,194,771 calls through Telebanco - telephone service -, of which 3,185,591 were made in the months of the pandemic.

Virtual shifts and appointments

In order to prevent the spread of the virus and in response to the service needs our clients had, in July we enabled the option of creating, starting and scheduling shifts through the *App Popular* and internet banking for face-to-face care at our branches.

We managed to benefit more than 100,000 clients in 55 offices. 81% of the appointments were created for the service area and 15% of the clients correspond to the bank's high-value segment.

Initiatives that leveraged customer satisfaction in 2020

Principle 2.4.

Fulfillment of goals and challenges

Claims through App Popular

In accordance with our commitment to transform the customer experience and optimize processes, in November we enabled 5 types of claims through the *App Popular*.

Through this, we have been able to quickly receive, respond to, and monitor our clients' complaints.

Virtual Service Pensum

In order to continue strengthening our culture and service guidelines, during 2020 we conducted 116 trainings for 3,349 employees, which is equivalent to an average of 9 hours of training per person.

In addition, we continued holding weekly alignment meetings virtually, reinforcing a culture of service and support to our clients in a time of crisis.

Where are we going in customer satisfaction?

Principle 2.4.

Challenge 2019	Fulfillment 2020	Why?
Diagnose the service satisfaction at the internal and external level of Servicios Digitales Popular (AZUL) and Fiduciaria Popular.	Accomplished	We conducted customer satisfaction surveys at these affiliates.
Create an <i>Unidad de Cuidado del Cliente</i> , which will be focused on strategies to strengthen the loyalty and permanence of our customers.	Accomplished	We offer personalized assistance to 655 high-value customers with frequent complaints and claims.
Transform the experience of customers that make claims, so that we can solve them at the first contact, and make it easier for customers to create and follow up by digitizing the process.	Accomplished	We launched the functionality of creating claims directly by the client via the <i>App Popular</i> .
Expand the <i>Programa de Gestión de Filas</i> to 55 branches, so that we can differentiate the attention of high-value customers and improve the wait for all customers.	Accomplished	57 of our subsidiaries have this mechanism.
Strengthen our digital surveys to measure satisfaction and experience of using our digital channels.	Accomplished	We migrated to a digital solution, so we were able to measure and monitor channels in an agile way.

Challenge	Time horizon
Expand the <i>Programa de Gestión de Filas</i> to 60 branches.	Short term (1 year)
Ensure that 15% of the shifts issued in the branches with the <i>Programa con Gestión de Filas</i> , correspond to the <i>Turnos y Citas</i> feature. (Lograr que el 15% de los turnos emitidos en las sucursales con el Programa con Gestión de Filas, correspondan a la facilidad de Turnos y Citas.)	Short term (1 year)
Get 20% of the claims received to be made by the Popular App application. (Lograr que el 20% de las reclamaciones recibidas sean realizadas por la aplicación del App Popular.)	Short term (1 year)
Get 20% of the claims received to be offered a solution at the first contact. (Lograr que al 20% de las reclamaciones recibidas se le pueda ofrecer solución al primer contacto.)	Medium term (3 to 5 years)
Ensure that most of the surveys to measure customer satisfaction are carried out electronically. (Transformar la vía de medición de la satisfacción de nuestros clientes externos, logrando que la mayoría de las encuestas sean realizadas de forma electrónica.)	Short term (1 year)

How did the pandemic affect customer satisfaction?



2020 transformed the way we interacted. The new reality gave way to new expectations of our clients, who saw health protocols, life care and virtual models of services as priorities.

In this context, we identified an impact on the results of the satisfaction of personalized attention, due to the restrictions and reductions in service hours in offices and Telebanco, to which we were forced to adhere in the

framework of the pandemic. As a result of this, we present a reduction of 13 points from the Top Two Box (T2B) of satisfaction.

However, we focus our efforts on providing a unique service through the Bank's digital channels, which have led to improvements in response times.

8.5 Transparency in The Communication of Products and Services

<p>GRI 103-1 Why is this issue important?</p>	<p>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.</p> <p>Therefore, transparency in the communication of the products and services we offer is essential for business continuity and the trust of our stakeholders.</p>
<p>GRI 103-2 How do we manage it?</p>	<p>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, habituality or periodicity (when applicable); and, iv) accessibility.</p> <p>The <i>División de Mercado y Comunicaciones</i> addresses transparency in the communication of products and services through three lines of work:</p> <ul style="list-style-type: none"> - 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.

Principle 2.1.

Initiatives that promoted transparency in the communication of products and services in 2020

During 2020 we carried out 4 communication campaigns for products and services, focused on promoting and providing transparent, complete and responsible information to current and potential clients.

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GRI 103-3 How do we evaluate it?	<p>We measure advertising campaigns from the <i>Departamento de Mercadeo Analítico</i> as part of the assessment of customer reception.</p> <p>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.</p>
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In response to the crisis caused by COVID-19, we carried out the **Campaña Masiva de Préstamos** adapted to provide our clients with greater support during the socioeconomic situation. So then, we align ourselves with the slogan “**Nada nos detiene**”, by means of which we reinforce our accompaniment to clients to help them overcome this crisis from all points of view.

On the other hand, and inspired by our brand promise “**A tu lado, siempre**”, we created “**Te acompañamos**” where our solidarity and philosophy of services were the protagonists of this annual edition of **Préstamos Popular**. To do this, we created a content marketing initiative through which we provided clients with educational spaces on various topics of interest (entrepreneurship in times of crisis, efficient space remodeling, among others) focusing on client education.

Within the framework of this campaign, we requested the support of our allies for the management of discounts/special offers for motorcycles, acquisition of solar panels, bicycles, air conditioners and efficient or low-consumption electrical appliances.

As a result, we received 1,702 loan applications, which represent an over compliance with our goal of 6%.

Fulfillment of goals and challenges

Principio 2.4

How did the pandemic affect transparency in the communication of products and services?

In response to the economic situation caused by COVID-19, we implemented the feature Salta tu Cuota. However, for some clients it was not clear that the loan continued to earn interest,

Challenge 2019	Fulfillment 2020	Why?
Provide clients with information and tools to decide on their ideal product, knowing the costs associated with transactions or the value of the fees that they can pay according to their income.	Accomplished	In response to the crisis caused by COVID-19, we reported the benefits of the measures implemented to ease the financial burden on clients during the pandemic. We also initiate communications through the networks about the correct use of the accounts and the commissions that apply.
Continue to use plain language, to facilitate the interaction and understanding from our customers.	Accomplished	Our communications were characterized by having a plain language adapted to the context derived from COVID-19.
Improve the receptivity of the campaigns we carry out on the conditions of use of products and services.	Partially accomplished	Thanks to the campaigns carried out, we achieved a 6% overcompliance with requests for products and services.
Create communication campaigns based on tutorials, to facilitate understanding and use for the client, including specific examples on the terms and conditions of products and services.	Accomplished	We performed the following tutorials: Canales Digitales, Código CASH, Millas por Coaching, Depósito de Cheque por el APP, Turnos y Citas, Cajeros Automáticos.

so we made several communications and created a protocol of frequently asked questions, in order to resolve all possible doubts. Similarly, we sent emails to offer different payment options for deferred installments to our clients, in order to avoid physical contact in the branches.



In addition, we created six special measures at Banco Popular in order to alleviate the economic crisis for our clients as a result of the health emergency. For more information on how we manage communication with our clients in the context of the pandemic, see www.popularenlinea.com/coronavirus

9.1. Innovation and Digital Transformation

Measure	What results did it have?
Postponement of 3 loan installments to continue paying in 90 days	246.000 clients benefited
Increase in the limit of the <i>Extracédito</i>	14,398 increases for cards and 3,044 increases for extra credits
0% commission for late payment for 3 months	No arrears charged for 3 months
Elimination of withdrawal fees at the cash register	All cash withdrawals at no cost to the client
Billing of the first installment in 40/60 days for payment of the first installment in loans	All personal and vehicle loans began to pay their first installment in 40 days, and commercial loans in 60 days

Because of our efforts to digitize traditional channels, during 2020 we registered 686,133 affiliations to digital channels, distributed as follows:

Through these channels, we managed to get 83% of new clients to join some type of digital services. Compared to 2019, affiliation to digital channels decreased due to branch closures, schedule restrictions, and staff reductions because of the

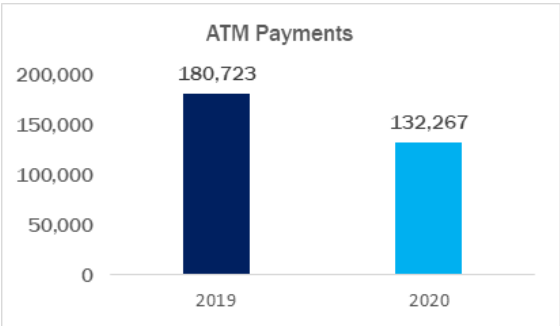
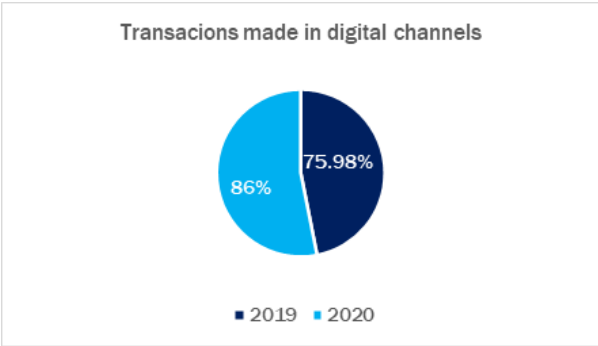
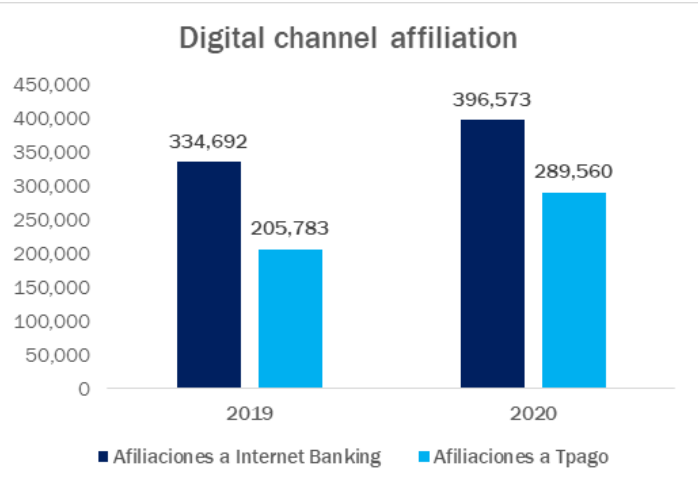
<p>GRI 103-1</p> <p>Why is it important?</p>	<p>Our vision is to set an example, transforming our value proposition through a strong ecosystem of innovation, agility and digital technologies, to provide a memorable experience for our clients.</p> <p>In recent years, innovation and the migration of our 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.</p>
<p>GRI 103-2</p> <p>How do we manage it?</p>	<p>We have four main approaches led by the <i>Área de Banca Digital</i> in order to manage the Bank's digital transformation:</p> <ul style="list-style-type: none"> - 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.
<p>GRI 103-3</p> <p>How do we evaluate it?</p> <p>For more information on how we manage innovation and digital transformation, refer to our <i>Informe de Sostenibilidad 2019</i>.</p>	<p>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.</p> <p>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.</p>

pandemic.

On the other hand, we registered an increase in the number of digital transaction and a decrease in the amount of deposits and payments at

ATMs, which shows the growing trend in the use of virtual tools. This made it possible to reduce face-to-face encounters, avoiding exposure to physical

contact, a key strategy for the preservation of health in the current COVID-19 situation.



Código CASH

In order to increase the digitalization of the services offered, we implemented a single-use code, CASH, in the ATMs in order to make cash withdrawals. This benefited more than 600 thousand users of the App Popular.

Payments in shops with QR code from the App Popular

Along the same lines, we offered the option to our users of the App Popular to make payments in stores through a QR code.

Digital Sales through App Popular

Sales of pre-approved products like *extracrédito* and consumer loans through the App.

Appointments through Internet Banking – IB - and the App

This initiative consisted of affirming clients the option to make appointments in our offices through our App or web page: www.popularenlinea.com

Digitalization of Mastercard in Wallet Popular

We digitalized MasterCard credit cards in the Popular Wallet, in order to be able to make purchases in stores using a mobile phone. Through this initiative, we benefited 300 thousand users of the App in its Android version.

Fingerprint customer authentication at branches and ATMs

Committed to the secure digitalization of services, we have biometric authentication to confirm the identity of customers at ATMs and branches.

Digital token for transaction authentication

We implemented digital tokens, which allow customers to authenticate their physical tokens

Claims via App Popular

Through the App Popular, our clients can make claims.

Fulfillment of goals and challenges

Goal 2019	Compliance 2020
Improve our analytics with the use of tools like machine learning.	Achieved
Automate and digitalize more processes end to end.	Partially achieved
In 2020, we will continue to work on the cultural transformation of clients.	Achieved
Reduce by 50% the time to market of new functionalities in digital channels.	Achieved

Where are we going with innovation and digital transformation

Principle 2.4.

Subsidiary	Goal	Time frame
Banco Popular Dominicano	Continue the migration to digital channels, achieving an 87% of digital transactions.	Short term (1 year)
	As part of the digital transformation of Banco Popular's internal processes, our goal is to have a more end to end digital and atomized processes.	Midterm (3 a 5 years)
	Manage the regulation updates to permit a greater digital adoption.	Midterm (3 a 5 years)

How did the pandemic affect innovation and digital transformation?

One of the main self-care measures to prevent the spread of the virus is to stay indoors and avoid crowded spaces and physical contact. For this reason, during 2020 we accelerated the implementation of initiatives to offer remote customer service through digital resources and tools, positioning ourselves as leaders in launching innovative solutions and satisfying our customers.

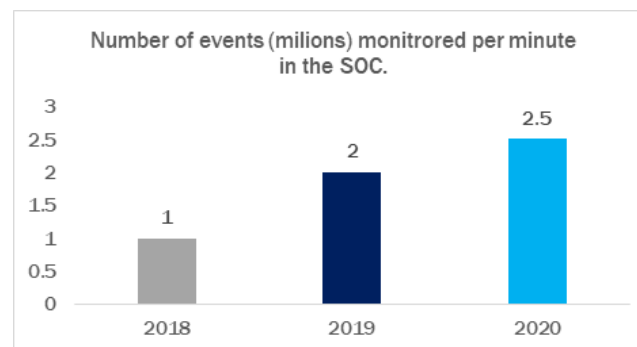


9.2 Information Security and Protection

<p>GRI 103-1</p> <p>Why is it important?</p>	<p>The information of our customers, employees and subsidiaries is another asset of the organization, so it is essential to manage it in accordance with current regulations.</p> <p>2020 represented a great challenge for the Group in terms of cybersecurity, as the global health crisis exponentially accelerated the adoption of remote work in order to guarantee the continuity of the operation. Similarly, the confinement and limitation of the mobility of society forced customers to make use of our different digital channels.</p>
<p>GRI 103-2</p> <p>How do we manage it?</p>	<p>To mitigate cyber risks and ensure the confidentiality, integrity and availability of the information, we implemented advanced technological controls to protect information during its transmission.</p>
<p>GRI 103-3</p> <p>How do we evaluate it?</p> <p>For more information on information and security and protection, please refer to Informe de Sostenibilidad 2019.</p>	<p>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 <i>Comité Interno de Riesgo Operacional</i> and the <i>Comité Gestión Integral de Riesgo del Consejo de Administración</i> for their approval and decision-making.</p>

To guarantee information security on all of our subsidiaries, we carry out trainings on the subject for collaborators. In 2020, we trained 6,771 Banco Popular employees and 995 employees of other subsidiaries.

On the other hand, we have focused our efforts on strengthening the detection and response capacities of cybersecurity incidents in the Security Operation Center (SOC). Because of this, we managed to increase the monitored events per minute in 2020:



As a result of the management of this matter, there were no cyber security incidents reported that exceeded the accepted limits defines within our risk appetite.

Initiatives that promoted information security and protection in 2020

Remote working security

We have Artificial Intelligence and Machine Learning models to monitor and detect information security events in the technological infrastructure and the remote work ecosystem. This permitted the continuity of the operations and processes of Grupo Popular and its subsidiaries, without the occurrence of significant security events.

Information security specialized training

We had 4000 hours of specialized virtual trainings for the information security team. With this, we were able to increase the specialization in the team responsible for managing information security in Grupo Popular.

Fulfillement of goals and challenges

Goal 2019	Compliance 2020
By 2020, mitigate and minimize the probability of cybersecurity risks part of a digital transformation processes and the adoption of new technologies. Additionally, we will continue to raise awareness and train all stakeholders on the main cybersecurity risks.	Achieved

Where are we going in 2021 in information security and protection?

- **Maintain the current level of cyber risk mitigation, in order to protect the confidentiality, integrity and availability of the organization's information.**
- **Adopt cloud environments for the provision of the organization's technological services.**
- **Implement new authentication mechanisms for clients and collaborators, in order to mitigate the risks of identity theft and fraud.**
- **Carry out cybersecurity awareness campaigns for clients through Webcasts and social media.**

How did the pandemic affect information security and protection?

Remote work is among the main measures taken by companies and governments globally to counteract the pandemic. To ensure the safety of our employees, we quickly implemented this measure to create a safe and continuous work scheme while implementing mechanisms to monitor and manage possible security incidents.



10.1 Climate Change Mitigation

Principle 1.2. Principle 2.1.

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.
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 Bank is monitored by the <i>Centro de Gestión y Eficiencia Energética</i> .

GRI 303-4

Through the different initiatives in favor of the environment that we implemented during 2020, 337,294 trees were planted, in a of 6,123 hectares area. In their adult stage, these trees would capture 108 thousand tons of CO2 per year, retain more than 40.4 million kilograms of soil and store more than 1,010 million liters of water.

GRI 305-1, GRI 305-2

Component	2019	2020
GHG emissions Scope 1	5.762	2,496
GHG emissions Scope 2	13.039	13,207

GRI 305-5, Principle 2.3. Principle 2.4.

Component	2019	2020
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

Committed to strengthening our Política de Eficiencia Energética, in 2020 we have; 116 automated branches, more than 500 air units controlled by calendar, more than 160 branches with programmable LED lighting, management of electricity consumption in real time with more than 145 measurement and control points, all of this monitored from the management and energy efficiency center of the Banco Popular Dominicano.

Initiatives that promoted climate change mitigation in 2020

Colaborate with *Plan Sierra* in its management of training, increase of the forest cover, 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, we planted 220,994 trees through the Fundacion Popular, in an area of 4,102 hectares.

These trees could capture, in their adult stage, more than 70,700 tons of CO₂ per year, retain more than 26.5 million kilograms of soil and store around 663 million liters of water.

Colaboration with *Fondo Agua Santo Domingo*

We planted 46,000 trees in an area of 871 hectares, in order to support the recovery and conservation of the water-producing basins that supply the city of Santo Domingo.

In their adult stage, these trees would capture more than 14,700 tons of CO₂ per year, retain more than 5.5 million kilograms of soil and store around 138 million liters of water.

This activity was possible thanks to the joint work between the *Fondo Agua Santo Domingo*, the *Ministerio de Medio Ambiente y Recursos Naturales* and Fundación Popular.

Support FUNDASEP in the construction of comunitary watter supply systems and the reforestation of the áreas arround the wáter system to assure watter supply.

We had a reforestation day in the area surrounding the water supply system in order to guarantee water supply. On this day, we planted 20,700 trees, in a land area of 559 hectares.

In the long term, these trees will capture more than 6,600 tons of CO₂ per year, retain more than 2.4 million kilograms of soil and store more than 62 million liters of water.

Restoration of forest cover in upper basins of *Nizao* and *Juma* rivers

We planted 36,500 trees in a 455-hectare area to reinforce the Nizao and Juma river basins. In their adult stage, these trees will capture more than 11,600 tons of CO₂ per year, retain more than 4.3 million kilograms of soil and store around 109.5 million liters of water.

This was posible thaks to *Guakía Ambiente*, the *Ministerio de Medio Ambiente y Recursos Naturales*, *Programa de las Naciones Unidas para el Desarrollo (PNUD)* and Fundación Popular.

Reforestation in *Jardín Botánico de Santiago*

To support the expansion of the wetland of the *Jardín Botánico de Santiago Prof. Eugenio de Jesús Marcano Fondeur*, which will directly impact the habitat of dozens of species, we planted 600 red mangrove (*Rhizophora mangle*), black mangrove (*Avicennia germinans* L.) and button mangrove (*Conocarpus erectus*).

These woody plants are expected to contribute to the capture of between 30,000 and 50,000 kilograms of carbon per year in their adult stage.

Support for the Construction of Artificial Wetlands as a Wastewater Treatment Plant

Con la incorporación de estos dos humedales, se amplía a 9 la red de ingeniería verde que favorece el tratamiento de aguas residuales en comunidades ribereñas al río Yaque del Norte.

We collaborated with the *Fondo Agua Yaque del Norte*, in its effort to recover and conserve the water-producing basins that supply the city of Santiago. Through this support, we built and inaugurated two wetlands:

- Artificial wetland in the “General Benito Monción” Fortress, in Mao, Valverde, designed to serve a population of up to 500 people.
- Artificial wetland at the ISA University, in *Santiago de los Caballeros*, designed to serve a population of up to 1,000 people.

With the incorporation of these two wetlands, there are now 9 in the green engineering network that favors the treatment of wastewater in riverside communities of the *Yaque del Norte* River.

The *Proyecto de Articulación Empresarial para la Acción Climática*, an initiative developed by Grupo Popular through Fundación Popular in 2020, establishes Decree 541-20. This creates the *Sistema Nacional de Registro de Acciones de Mitigación de Gases de Efecto Invernadero (MRV de Acciones de Mitigación)*, a platform that registers projects or initiatives that reduce or avoid greenhouse gas emissions, monitors the efforts of the public, private, academic and civil society sectors to reduce greenhouse gases in the national territory, and counts the emissions of the country.

Goal 2019	Compliance 2020	How?
Extend the project of photovoltaic charging stations progressively to other Popular offices that have a large influx of visitors and in different parts of the country.	Achieved	As part of Banco Popular's eco-efficiency initiatives, we continued to expand the Charging Stations Project for electric vehicles nationwide, with a total of 8 stations installed in 2020: - More than 2,900 kWh Supplied with the Charging Stations - More than 400 vehicles have used the electric charging service available at our branches
Plant more than 1 million trees and increase our installed PV Generation capacity by 4.7mW (Mega-Watts) by 2030.	Achieved	Through the different initiatives in favor of the environment that we implemented during 2020, 337,294 trees were planted, surpassing 2.5 times the goal of 141,500 that was had for that period. Through the development of new projects for the installation and expansion of solar panels in different branches, we were able to increase our installed capacity in photovoltaic generation by 3.5mW (Mega-Watts) in 2020
Establish at least 3 agreements to carry out reforestations near the area of hydroelectric plants and community water supply systems.	Achieved	We worked with <i>Guakía Ambiente</i> , the <i>Ministerio de Medio Ambiente y Recursos Naturales</i> , the <i>Jardín Botánico de Santiago</i> , <i>FUNDASEP</i> , among others.

Continue expanding the installed capacity in solar panels, 4.7 Mega Watts by 2030.	Achieved	Currently, we have increased our photovoltaic solar energy generation capacity with a total of 56 branches and 32 installed parking lots, for a capacity of 3.5 mW (Mega-Watts) We continue to develop new projects and initiatives that will allow us to meet the 4.7 Mega-Watt challenge and even exceed this goal.
Renew the declaration and commitment to the NDC in view of the commitments assumed by the business sector at COP21 and the review of the country's 2020 NDCs.	Not achieved	Due to COVID-19, the challenge was postponed to 2021.

Fulfilment of goals and challenges

Principle 2.4.

Where are we going in 2021 with mitigation of climate change Principle 2.2.

- Plant 150,000 trees in different areas of the country, contributing to the restoration of the forest cover of the Yaque del Norte and Ozama river basins.
- 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 2020 NDCs.
- Within the framework of the Learning by doing project, which seeks to lay the foundations for learning to build a compatible society in the Dominican Republic, we plan to deliver, the initial and baseline reports, as well as to communicate the

details of the project.



How did the pandemic affect mitigation of climate change?

Due to the measures taken to prevent the spread of the virus, most of the face-to-face activities were canceled and postponed until next year. However, we focused on developing most of the activities virtually, and delegating field activities to local

operators.

10.2 Eco-efficiency

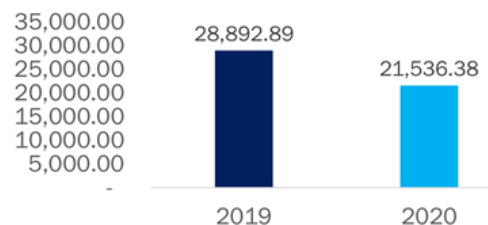
Principle 2.1.

<p>GRI 103-1</p> <p>Why is this issue important?</p>	<p>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.</p>
<p>GRI 103-2</p> <p>How do we manage it?</p>	<p>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.</p>
<p>GRI 103-3</p> <p>How do we evaluate it?</p>	<p>Through Banco, we have a <i>Centro de Gestión y Eficiencia Energética</i> 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.</p> <p>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 <i>Comisión Nacional de Energía</i>.</p> <p>Likewise, we monitor the <i>Reducción de la Huella Ambiental</i> 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.</p>

GRI 302-1

Energy consumption within the organization

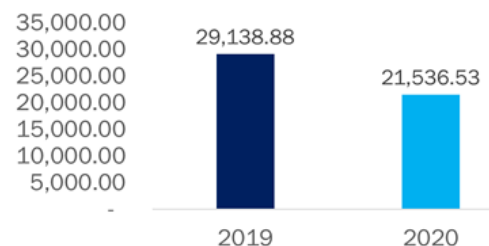
Consumo promedio de energía (mWh) - suministro distribuidoras



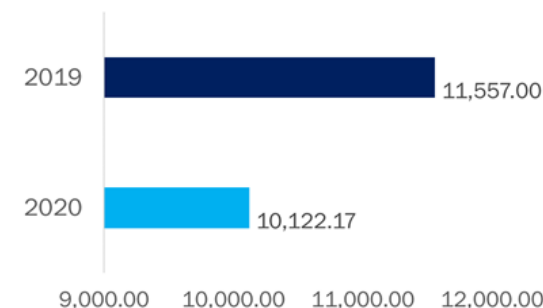
Consumo promedio de energía (mWh) - generadores eléctricos



Consumo total de energía del Banco (mWh)



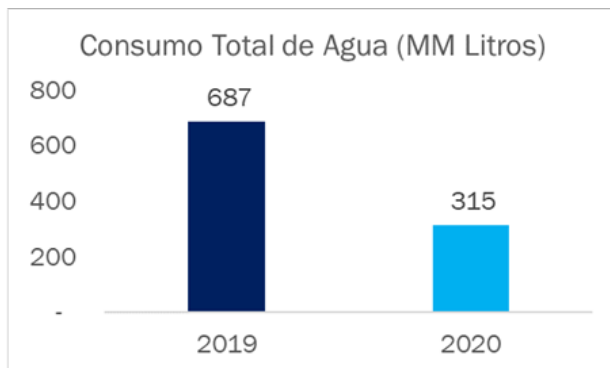
Consumo Prom. en Climatización (mWh)



In 2020, we registered a significant reduction in the use of our electric generators because, during the pandemic, the country prioritized the constant supply of energy.

Also, due to self-care measures to prevent the spread of the virus, the operating hours of our facilities decreased, registering a reduction in the use of air conditioning and lighting systems and in turn, a better use of energy production photovoltaic solar, which produced an increase in the BPD's net energy savings.

Overall, we reduced 7.602 mWh from total energy consumption.

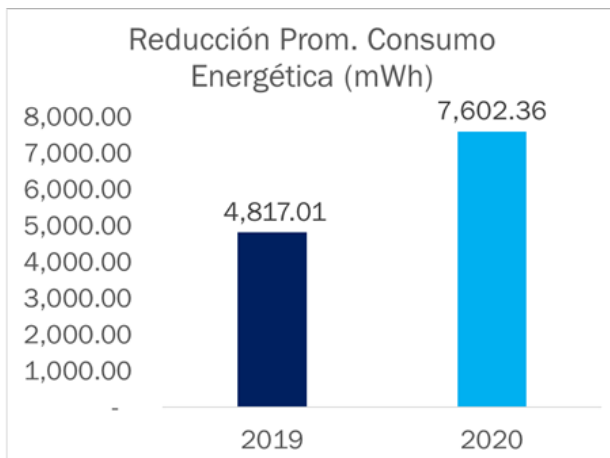


GRI 302-3 Energy intensity

We registered a positive impact on the energy intensity of Banco thanks to the solar panels, which contribute to the energy consumption of the organization.

The ratio takes into account the energy derived from electricity consumption per capita within the organization.

GRI 302-4



Reduction of energy consumption

Thanks to the Bank's Proyecto Fotovoltaico, we were able to reduce energy consumption, which allowed us 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, for an annual energy production of 5,200mWh.

The production of solar energy from these facilities, in terms

of reducing the environmental footprint, reduces more than 3,300 tons of CO2 per year. Thanks to this project, in 2018 we received the Premio a la Excelencia en Producción Más Limpia (P+L) de Energía Renovable, awarded by the Ministerio de Medio Ambiente y Recursos Naturales.

GRI 303-5

Water consumption

As a result of the self-care measures adopted to prevent the spread of the virus, we reduced the hours of operation of Banco's offices and centralized units, which is why we recorded a significant decrease in water consumption.

GRI 306-2

In order to properly manage the impacts related to waste, we have implemented the Programa de Ecoeficiencia y Cultura 3R, 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.

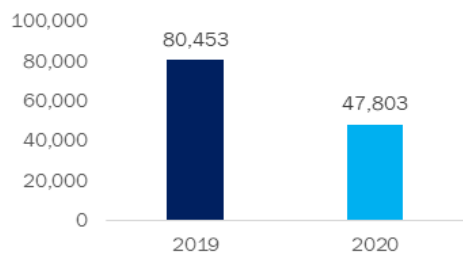
Elimination of personal trash cans (in some dependencies) to reduce the generation of waste.

Implementation of digital projects for each agency to propose improvements to reduce and reuse resources.

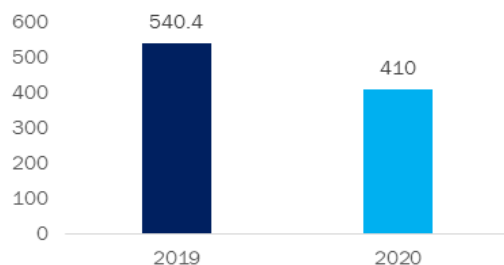
GRI 306-2

We classify our waste into paper, cardboard, plastic and ordinary (common garbage). During 2020, 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.

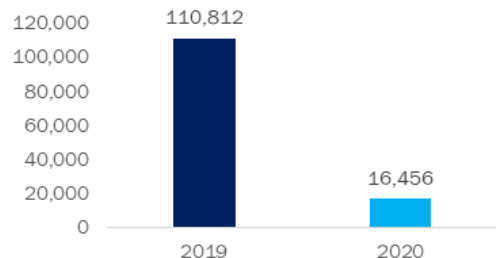
Consumo de papel (resmas de papel reciclado)



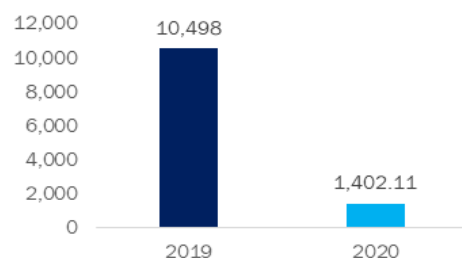
Plástico reciclado (kg)



Papel clasificado reciclado (kg)



Cartón clasificado reciclado (kg)



The measures implemented by Grupo Popular, as well as by the Dominican government to prevent and reduce the spread of the virus, included reducing the hours of our branches and offices, as well as promoting teleworking, which is why our collaborators did not do the same. Consequently, recycled waste decreased in proportion to its use.

Initiatives that promoted eco-efficiency in 2020

Electric Vehicle Charging Stations Project

Committed to contributing to the reduction of conventional energy in the Dominican Republic, we started charging stations for electric vehicles nationwide. As a result of this, we were able to supply 2,449.94 kWh to more than 300 vehicles in the 8 stations installed.

Certificación 3Rs

We seek to ensure that our buildings and processes comply with reducing negative environmental impacts, respecting the health and integrity of our employees, and continually improving our environmental performance.

For this, and in alliance with Sostenibilidad 3Rs y CEDAF, we certified 5 branches of Banco in the Certificación 3Rs program:

1. Torre Empresarial 27 de Febrero
2. Edificio Lope de Vega
3. Sucursal Núñez de Cáceres
4. Sucursal San Cristóbal I
5. Sucursal 27 de Febrero, Santiago

Due to our efforts, we were able to obtain the Gold category in certified branches.

Fulfillment of goals and challenges

Principio 2.4.

2019 Challenge	2020 Fulfillment	How?
Achieve the gold certification for eco-efficient construction of new buildings.	Accomplished	We certified five of our branches in the gold category.
Build new offices that use technologies aimed at energy efficiency.	Accomplished	2 new offices had the indicated technology.

Principio 2.2.

Where we are going in 2021 in eco-efficiency

- Install 41 charging stations for Dominican electric vehicles.

10.3. Green Financing

Principle 1.2. Principle 2.1.

<small>GRI 103-1</small> Why is it important?	<p>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.</p> <p>Grupo Popular's commitment to sustainability is reflected in <i>Visión Sostenible</i> and the Commitment to Responsible Banking 2030, whose main goal is to impact the Sustainable Development Goals.</p>
<small>GRI 103-2</small> How do we manage it?	<p>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.</p>
<small>GRI 103-3</small> How do we evaluate it?	<p>We have a tool that allows us to make an automated report of the financed of solar panels and hybrid and electric vehicles.</p>

We are leaders in the Dominican Republic in clean energy financing. We offer preferential conditions to our clients to acquire eco-friendly products,

Principle 1.2.

We are aware of the importance of our role as funders 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 mitigating climate change. For this reason, the Bank's approach to green financing is aligned with the Principles of Responsible Banking, being the first bank in the region to commit to this international alliance.

Principio 2.1. Principio 3.2. Principio 6.1.

Under this line, we have our **Hazte ECO** portfolio, through which we offer loans with preferential conditions for the purchase of hybrid and electric vehicles, solar panels and low consumption appliances, encouraging all client segments to move to a more sustainable country.

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 conditions to all segments to promote responsible operations and migrate to a more sustainable country.

By offering this Hazte Eco portfolio, we are supporting the transition to a low-carbon future in our society by providing financing specifically focused on green activity, including renewables, energy efficiency and sustainable transport, with better rates than the market.

The meaning of Hazte Eco in Spanish, literally, is "to replicate the message". And this is what we are trying to achieve through our clients.

This portfolio was born out of the Bank's interest in contributing to the SDGs, aware that our role is fundamental to achieve the goals at the national and global level. It is aligned with:

ODS 7 Promoting affordable and clean energy to our customers through our financial products.

ODS 11 Making the Dominican Republic a sustainable region through the promotion of alternative energies and environmentally friendly means of transport, with special emphasis on mitigation and adaptation to climate change.

ODS 13 Taking 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 panel and low consumption appliances in retail banking.

On the other hand, we have noticed that the Dominican population is increasingly interested in purchasing clean energy products, which mitigate the impacts on the environment. This allows us to maintain and even increase our portfolio and offer of responsible and eco-friendly products.

For this reason, we have begun offering loans for green infrastructure, such as financing charging stations for homes and businesses, to promote more sustainable transportation within the country. In addition, we have created incentives to recharge hybrid and electric vehicles with our credit cards, as well as the purchase of sustainable cars with financing facilities.

We also promote consumer loans, Extracredito and Extrahogar, for the acquisition of low-consumption appliances and sustainable means of transport, such as bicycles. The balances of this portfolio are approximately USD \$ 7.14 million.

Additionally, and committed to expanding our portfolio of sustainable financing products to corporate segments, we implemented a green leasing instrument for solar panels and electric vehicles for companies.

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

With this portfolio, we seek to extend financing to other sustainable assets, such as energy efficiency solutions or the optimization of natural resources for companies, as well as sustainable construction projects, among others, aligning our actions with the SDGs.

This type of instrument works as a lease, on which ownership of the asset remains with the Bank. At the end of the contract, the asset becomes the property of the customer; providing, tax benefits and lower interest rates than any other loan.



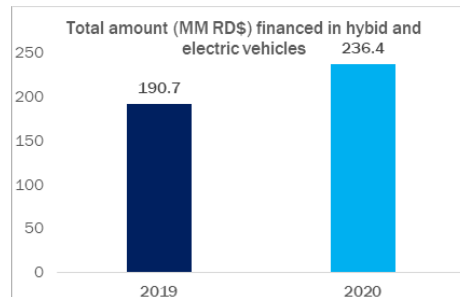
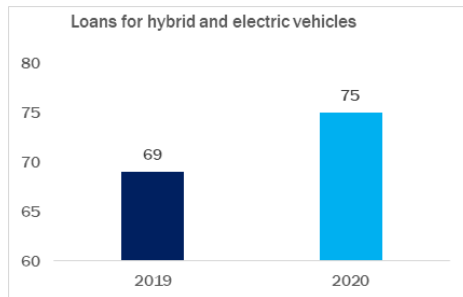
We are proud to be the leading financial organization in clean energy in the Dominican Republic, financing the largest solar, wind and biomass projects in this country.

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

FS-8

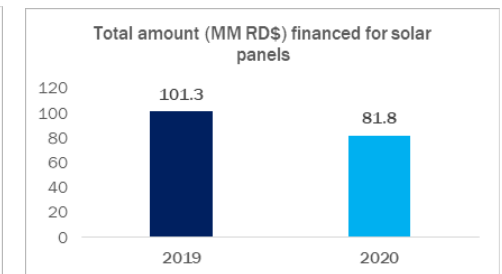
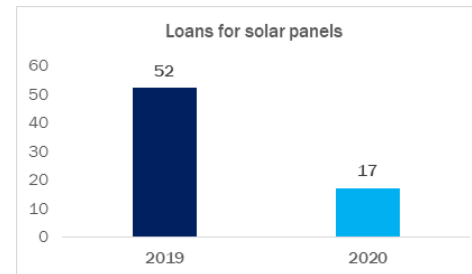
Hybrid and electric vehicles:

As a sign of our commitment in promoting products and solutions that are friendly to the environment, which also respond to global trends and risks, during 2020 we increased the number of loans and the amount financed of hybrid and electric vehicles. This was possible thanks to the product promotion in direct and digital media such as mailings, Hazte Eco landing page, rate offers during Autoferia Popular, among others.



Solar Panels

For its part, during 2020, we registered a decrease in the number of loans and the amount financed for solar panels, because the financing needs revolved around other types of loans, like commercial for working capital, as a result of the economic situation caused by COVID-19.



Tourism

The Dominican Republic is characterized by being a country for tourism, which is why we have created and established, for more than 20 years, specific strategies for this sector. We were the first bank in the region to have a Vice Presidency for Tourism Business, positioning ourselves as a strategic, long-lasting and reliable ally to promote the growth and development of the sector, and 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 2020 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 promotion.

Despite being a challenging and difficult year for the sector due to the confinement measures and closure of operations derived from COVID-19, during this pandemic year we have continued to support in multiple facets and depending on each individual need of our clients and we have done specific collective actions.

Initiatives that promoted Green Financing in 2020

Hazte Eco, in aliance with InterEnergy Systems

Within the framework of our Hezte Eco program, and in alliance with the InterEnergy Systems company with its Evergo electric chargers, the first 200 customers who purchased their hybrid or electric vehicle whith this exclusive rate offer, were gifted 1,000 km2 of charging.

Through this initiative, where we benefited 200 clients, we disbursed RD \$ 434MM in hybrid and electric vehicles.

For more information, see www.popularenlinea.com/HazteEco

Te acompañamos

"Te acompañamos" is our digital loan campaign to promote Hazte Eco in conjunction with our commercial partners to offer discounted products. We promoted the acquisition of efficient solar panels, bicycles, air conditioners and electrical appliances.

From this, we managed to impact 38 clients.

For more information, see www.popularenlinea.com/HazteEco

Principle 5.2.

Within the programs and actions with social and environmental impact, we carry out educational initiatives and environmental projects in communities like reforestations, installation of solar panels in offices and 3R culture programs (Reduce, Reuse and Recycle) for our employees and customers.

Fulfillment of goals and challenges

Goal 2019	Compliance 2020	How?
Develop a tool that allows an automated report of the amounts financed in solar panels, and identify a mechanism to quantify the credits granted for low consumption appliances.	Partially achieved	The tool was developed, right now we are working on its automatization.
Have a greater variety of green products to fulfil our clients growing needs and to adaptation strategies for climate change.	Partially achieved	We offered preferential rates for hybrid and electric vehicles and continue working on home loans.
Identify and structure incentive mechanisms to make products more attractive to consumers.	Achieved	We offered preferential conditions to facilitate sustainable mobility and energy efficiency.
Involve authorities to promote processes for the elimination of barriers, as well as compliance with international regulations	Partially achieved	We granted tax benefits for clients who purchased the Green Leasing product.

10.4 Social Development and Environmental Protection

Principle 1.2. Principle 2.1.

Where are we going with Green Financing

Subsidiary	Goal	Time Frame
Banco Popular Dominicano	Identify a mechanism that allows to quantify the credits granted for financing efficient or low consumption electrical appliances and bicycles.	Short term (1 year)
	Strengthen the Hazte Eco portfolio through promotions from our commercial partners.	Short term (1 year)
	Create mortgage, trust and interim loan products to promote the construction and sales of eco-efficient projects.	Mid term (3 to 5 years)
	Promote the Hazte Eco portfolio for the acquisition of Evergo chargers in real estate developments to multiply charging points in residential buildings and companies.	Mid term (3 to 5 years)

How did the pandemic affect Green Financing?



The socioeconomic situation caused by COVID-19 led to the need for financing to focus on other types of loans, such as working capital. However, we strengthened the communication of our green portfolio through <https://www.popularenlinea.com/Hazteeco>

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.

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 Modelo de Actuación Sostenible. 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).

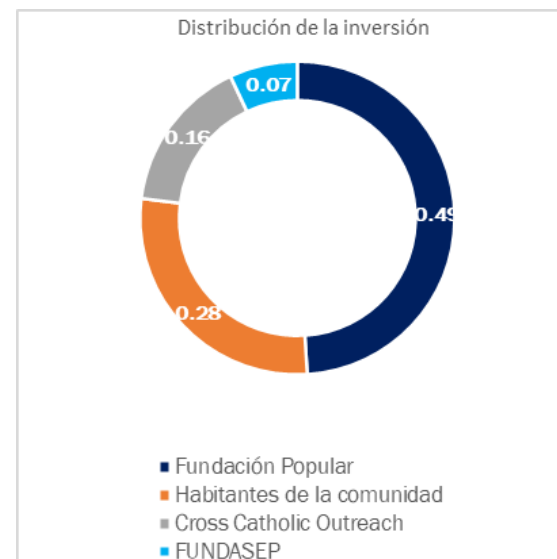
GRI 203-1

As part of the strategies for adaptation to climate change, our contributions have focused on improving the health conditions of the inhabitants of different communities, through the construction of aqueducts to provide drinking water in the poorest provinces of the southern region of the country.

As a result, in 2020 we carried out the inauguration of a community aqueduct installed in the municipality of Los Montones Arriba, a project sponsored by Fundación Popular and Fundación Azua, San Juan, Elías Piña (FUNDASEP), directed by the Obispado de San Juan de la Maguana.

This infrastructure is made up of a storage tank with a capacity of 30,000 gallons of water, 300 meters of distribution lines that cross the community, and 183 household sinks. This facilitates the obtaining of the resource to the inhabitants of this community, whose main economic activity is the mountain agriculture.

The total investment for the aqueduct was RD \$ 2.5 million, distributed as follows:



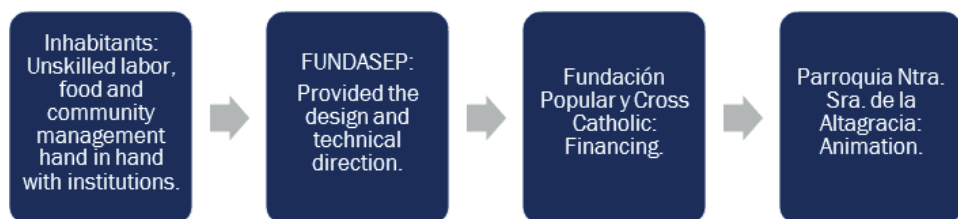
We know that this investment has a great impact on the community of Montones Arriba. Prior to this, the inhabitants did not have access to potable water resources on a permanent basis, so families were supplied from tube wells and the Juan de Herrera aqueduct, where they had to move more than a kilometer. On other occasions, families were supplied with the resource through sales trucks, which do not guarantee the potability of the water.

With this infrastructure, we were also able to impact Hogar Crea Dominicana. The care center did not have a permanent water supply and had to use tank trucks or water tanks, causing difficulties for the people housed in it.

We benefited 183 families and 915 people with this investment.

These initiatives are a result of joint work with international organizations, the government and community-based organizations. For its achievement, Grupo Popular makes an economic contribution, as well as follow-up, monitoring and

supervision through the Popular Foundation.



GRI 203-2

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

- Improvement of the family economy, who invest less in buying water.
- Better time management to dedicate to productive activities.
- Reduction of skin and gastrointestinal diseases.
- Community empowerment.

These initiatives are directly connected with the agenda of the Estrategia Nacional de Desarrollo and the priorities defined by the government. The community hydroelectric plants and aqueducts are aligned with the 2030 Agenda and the benefited population, as well as the organizations that are part of the alliance, correspond to our interest groups. The initiatives are the response to the detected needs.

Attention to vulnerable groups

In order to improve the healthcare services in the main obstetric and neonatal hospital and teaching center in the Dominican Republic, and with a view to turning it into an exemplary hospital with a replicable management model, we carried

out the following contributions to the Hospital Universitario Maternidad Nuestra Señora de Altagracia in 2020:

Training in Emergency Obstetric Care	Delivery of Medical Equipment and Protection Supplies
Training of first-year residents in prenatal care and emergency obstetric care began.	1 micro convex transducer, for neonatal neuro sonography, from the Perinatology Area. 4 computers, 4 monitors, 9 Star printers and 6 Epson printers, to support the project to strengthen the User Service Area.
132 first-year residents from all midwifery schools in the country participate in this training.	USD\$10,479.16

In addition to this, we provided 2,000 kN95 masks, 100 health and personal hygiene kits for pregnant women with HIV and 100 for pregnant women without HIV.

Initiatives that promoted social development and environmental protection in 2020

Comprehensive development project in Cuenca del Higüero, in the communities of El Limón and La Cuaba

Through the Popular Group, we implemented integrated management, restoration, conservation and capacity building projects that sought to develop the necessary actions to support the sustainable development plans of the communities in the Río Higüero micro-basin.

In response to COVID-19, we delivered 2,000 masks to the Unidad de Atención Primaria del Higüero in the community of

La Cuaba, in order to promote the health of the community within the framework of the Proyecto de Recuperación del Higüero that is carried out in alliance with Nodo Dominicano RedEAmérica.

On the other hand, we supported the reforestation day in the Higüero micro-basin, led by Nodo Dominicano de RedEAmérica, which sought to plant 20,000 cacao and cedar plants in 2020. Fundación Popular contributed directly with the planting of 10,000 trees, which in its adult stage could potentially capture 3.2 tons of CO2 per year, retain 1.2 million kilograms of soil and store 30 million liters of water.

These activities were possible thanks to the Nodo Dominicano de RedEAmérica, made up of Fundación Propagas, Fundación Popular, Banco BHD León, Fundación NTD, Cemex Dominicana, Asociación Popular de Ahorros y Préstamos and Fondo Agua Santo Domingo.

Desarrollo Integral de la Comunidad de La Ensenada

Within the framework of the “Desarrollo Integral de la Comunidad de La Ensenada” program, and in response to the global health emergency caused by COVID-19, Fundación Popular delivered 10 computers in order to allow the children of the Escuela Alto del Naranjo in La Ensenada Bonao continue with their studies.

In the 2020-2021 school period we have maintained homework rooms in the Ensenada community, which offers educational services to about 35-40 children.

Now, in the Cuidado al Medio Ambiente y Educación Ambiental component of this program, we carried out a reforestation day in which we planted 2,500 plants in an area of 40 hectares, which could potentially capture more than 800 tons of CO2 per year. It could also retain more than 300 thousand kilograms of soil and store 7.5 million liters of water.

In the reforestation day, we had 15 young participants who had been trained as multipliers on environmental issues in one of the following workshops:

- Organic fertilizer production workshop, with a total of 15 participants.*
- Territory planning workshop for planting, with the participation of 12 people.*
- Water conservation workshop, with the participation of 12 people.*

These activities could be carried out thanks to the Federación de Campesinos Hacia el Progreso (FCHP), Fundación Popular and the Escuela Alto del Naranjo.

Community-led water security project in the Río Guayubín basin, Santiago Rodríguez province, in partnership with USAID

We carried out the following activities, in order to strengthen local leadership in the Guayubín river basin, as well as to integrate local actors in the implementation and management of services for access to water, which in turn improve the quality of life of their homes in rural communities of the Santiago Rodríguez province. Also, to increase the resilience

capacity of the border population between the Dominican Republic and Haiti.

- *Repair of leaks in the aqueduct of the Arroyo Blanco community, together with INAPA.*
- *Cleaning and rehabilitation of the water treatment plant with community participation.*
- *Implementation of 12 workshops with representatives of the Arroyo Blanco, El Guanál, Romerillo, Alto de Amacey, La Mina, and Los Pozos communities, with the support of the Fundación REDDOM to identify critical issues around water resources.*

We were able to impact a total of 370 people (130 men and 240 women) through training in tools, approaches and/or methods for the management, protection and safety of water.

On the other hand, we supported a team of 18 young people to carry out door-to-door campaigns to promote good preventive hygiene practices, including hand washing and prevention of the pandemic.

These results were achieved thanks to the United States Agency for International Development (USAID), Fundación Popular, REDDOM, the Comité de Desarrollo de Arroyo Blanco, INAPA and the Ministerio de Medio Ambiente.

Business support to the Dominican government to fight against COVID-19, alliance between Sanar una Nación and the Consejo Nacional de la Empresa Privada (CONEP)

In order to support the Dominican government in the efforts to

fight against COVID-19, we contributed with the provision of medicines, medical tests, equipment and supplies required to stop the pandemic.

Through the business alliance Sanar una Nación, leadered by Grupo Popular, Grupo Rica, Grupo Ramos, Grupo Universal and the international non-profit organization CitiHope Relief & Development, together with the Consejo Nacional de la Empresa Privada, Inc. (CONEP) we contributed RD \$ 263 million, with the aim of mitigating the impact of the global health emergency. The investment was made in:

- *100,000 antibody tests.*
- *10,000 PCR test units.*
- *5 Real Time PCR Diagnostic Unit Machines*
- *40,000 units of N95 masks.*
- *10,000 units of disposable hospital clothing.*
- *10 ventilators, purchased through the United Nations Development Program.*
- *Distribution of medicines and fortified food for a combined value of RD \$ 175 million, with the aim of mitigating the emergency, attending directly to patients affected by the virus.*
- *Delivery of 1.4 million servings of fortified food, which will help children, pregnant women and the elderly in vulnerable conditions to strengthen their immune systems to face the crisis.*

The achievement of this initiative was possible thanks to the support of the allies of Sanar una Nación.

Fulfillment of goals and challenges

2019 Challenge	2020 Fulfillment	Why?
Socialize the systematization of the experience of the management model of the Hospital Universitario Nuestra Señora de la Altagracia with other centers.	Not accomplished	We were unable to meet this challenge, due to the context derived from the pandemic. We hope to be able to resume it in 2021.
Maintain training of Maternity health service providers to achieve adherence to obstetric emergency protocols.	Partially accomplished	The face-to-face practices were suspended for several months due to the pandemic.
Establish strategic alliances with different organizations and incorporate, together with USAID, health prevention elements that reinforce the health interventions of Sanar una Nación.	Partially accomplished	Through the door-to-door campaign we promoted good preventive hygiene practices. The activities that were scheduled will be resumed in 2021.
Have an impact monitoring system to measure the environmental, economic and social impact of Plan Sierra in local communities.	Not accomplished	We were unable to meet this challenge, due to the context derived from the pandemic. We hope to be able to resume it in 2021.

Where we are going in 2021 in social development and environmental protection

Challenge	Time horizon
Benefit 1,700 people with the inauguration of the aqueduct within the framework of the community-led water security project in the Río Guayubín basin.	Short term (1 year)
Develop training for health personnel in Cuidados Obstétricos de Emergencia (COEm).	Short term (1 year)
Continue the training program for nurses in low-risk neonatal maternal health and family planning.	Short term (1 year)

How did the pandemic affect social development and environmental protection?



Taking into account that the main prevention measure to avoid the spread of the virus is social distancing, during 2020 we were forced to suspend and postpone most of the activities for 2021. Despite this, we were able to carry out other initiatives such as the community-led water security project in the Guayubín River basin, with the necessary protection elements and recommended measures.

Where we are going in the inclusion of people with disabilities Principio 2.2.

Subsidiary	Challenge	Time horizon
Banco Popular Dominicano	To have 15 inclusive branches.	Medium term (3 to 5 years)

How did the pandemic affect the inclusion of people with disabilities?



Due to the socioeconomic situation caused by COVID-19, during 2020 we were unable to fulfill our commitment to increase the hiring of people with disabilities. However, and in response to the crisis, we were able to carry out the initiatives related to the “Banco Popular para todos” program, adapting and adapting activities to the new demands and needs in the context of the pandemic.

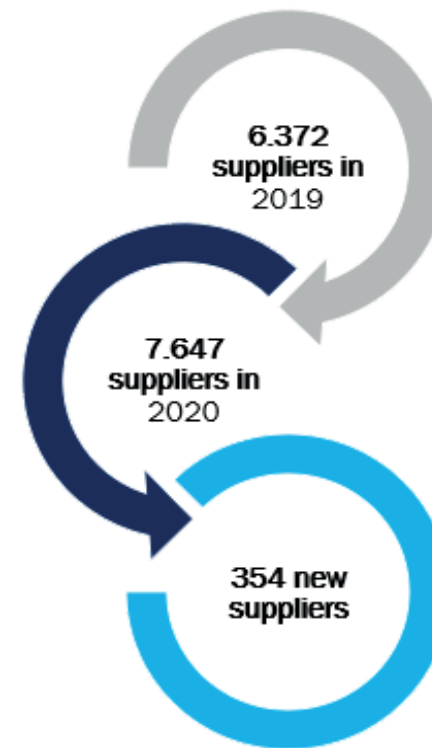
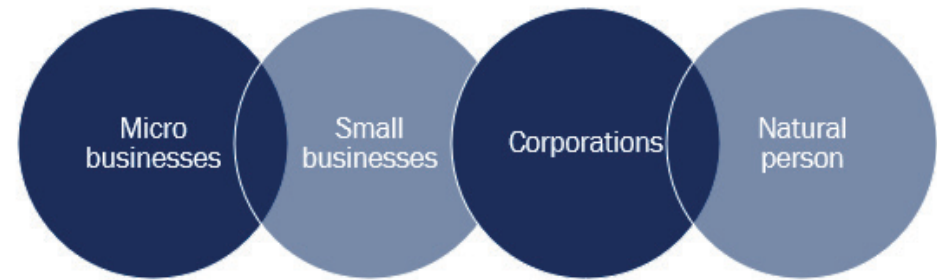
10.5 Environmental, Social and Government (Esg) Risk Management in the Supply Chain

Principle 2.1.

GRI 103-1 Why is it important?	The supply chain of an organization often generates the most significant social and environmental impacts and risks; we are responsible to make sure that suppliers avoid incidents that affect our reputation and operations.
GRI 103-2 How do we manage it?	Our <i>Código de Ética para proveedores</i> , 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 Departamento de Operaciones. We also carry out random audits in order to verify good practices and the level of compliance with the principles established in the <i>Código de Ética</i> .

GRI 102-9

Through our partners and strategic allies, we give our customers an exceptional service. We have the following types of suppliers:



Type of supplier	2019	2020
Infocentro supplier	45	45
AFI Popular supplier	9	9
Servicios Digitales supplier	94	105
AFP supplier	93	107
Confianza supplier	102	103
Banco Popular supplier	6.029	7.278

During 2020, we payed suppliers a total of \$RD 22.087,00 millions.

We had 177 inspection and evaluation visits and 114 compliance with the Código de Ética audits.

We are committed to the responsible management of our supply chain, which is why we have incorporated environmental and social criteria in the selection and evaluation of new suppliers, which allows us to extend sustainable practices to third parties in the Organization.

2020 was an atypical year in our social and environmental evaluations for suppliers, which decreased due to the self-care measures taken to avoid the spread of COVID-19. This included, among others, the reduction of visits to the locations of the suppliers and the closure of some commercial operations during the first months of the pandemic:

Environmental criteria

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

GRI 308-2

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

GRI 414-2

Indicator 2020

New suppliers evaluated with social criteria 29

Suppliers identified with -potential and real- negative social impacts. 18

Percentage of suppliers identified with -potential and real-negative social impacts that agreed to take measures to neutralize them. 5%

During 2020, we did not finalize any contracts with suppliers because of significant negative social impacts.

Social criteria

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

GRI 414-2

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

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

Virtual supplier audit forms

In response to the measures taken to counteract COVID-19, we carried out virtual supplier audits. This allowed for the audit of more than 70 suppliers with 45 internal clients.

Fulfillment of goals and challenges

Principio 2.4.

Goal 2019	Compliance 2020	How?
Increase number of supplier sustainability audits.	Achieved	We followed-up on audited suppliers to help them implement contingency and CSR and sustainability plans according to Banco Popular's requirements.
Follow-up on audited suppliers that had low calcifications to help them improve their management on these matters.	Achieved	
Increase awareness in suppliers of the different sustainability aspects.	Achieved	
Evaluate more suppliers with these criteria.	Partially achieved	Due to the COVID-19 pandemic, we could not comply with this goal. For 2021, we plan on adding 20 more suppliers.

Where are we going in 2021 with the management of ESG risks on our supply chain

- All new suppliers must accept and sign our Código de Ética de Proveedores
- Increase the number of supplier sustainability audits.

10.6 Environmental Education

Principle 2.1.

<small>GRI 103-1</small> 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.
<small>GRI 103-2</small> How do we manage it?	<ul style="list-style-type: none">- Our program <i>¡Soy ecoeficiente!</i> promotes high school students to develop ecofriendly projects to implement in their schools.- Our program <i>Ahorrar Nos Hace Bien</i> seeks the awareness of young people on the importance and value of managing social and economic resources.- We support the <i>Cátedra de Responsabilidad Social Empresarial y Sostenibilidad "Alejandro E. Grullón E."</i>, 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.
<small>GRI 103-3</small> ¿How do we evaluate it?	We monitor the results obtained, which lets us identify the amount of participants and trainings held.

In spite of our commitment to environmental education, we were not able to carry out *¡Soy Ecoeficiente!* this year due to the sanitary emergency caused by COVID-19.

Ahorrar Nos Hace Bien was carried out normally in the first trimester of the year in which we could take it to 303 young people.

Initiatives that promoted environmental education in 2020

Preservación y Conservación de los Recursos Naturales
workshops in the cominities Los Montones Arriba y La Garita,
San Juan de la Maguana

In order to guarantee the water supply system's sustainability, we conducted training for community leaders on issues of preservation and conservation of natural resources. Additionally, we established a vigilance committee to avoid the felling of trees in the areas surrounding the water source.

To achieve this, we held a workshop on internal regulations in the Montones Arriba community to strengthen the community water supply system, with the participation of 125 people, and a workshop for the installation of household connections, with the participation of 20 people.

In La Garita community, we had 10 participants in the home installation workshop and 56 participants in the internal regulations workshop for strengthening the water supply. Additionally, we held the workshop on natural resources and environmental protection, with the participation of 18 people.

Fulfillment of goals and challenges
Principle 2.4.

Goal 2019	Compliance 2020	¿How?
Structure a monitoring system to evaluate the impact of “Soy ecoeficiente” and “Ahorrar nos hace bien”	Not achieved	These programs were not conducted due to COVID-19.
Develop environmental awareness trainings for at least 100 participants of companies in the business articulation process for climate action.	Partially achieved	<p>Aunque en el marco de la Cátedra se abordaron temas con líderes del sector empresarial, la actividad inicial en el marco de las Mesas de Articulación Empresarial no fue posible por la Pandemia.</p> <p>Issues were discussed with leaders of the business sector through the <i>Cátedra de Responsabilidad Social Empresarial y Sostenibilidad “Alejandro</i></p>

		<i>E. Grullón E.”</i> , but the <i>Mesas de Articulación Empresarial</i> were not possible due to the Pandemic.
Establish, consolidate and strengthen collaboration mechanisms between the signatory companies in the business articulation process for climate action, to define and promote applicable initiatives in products, services and human resources for the mitigation of climate change. Goal: at least 15 participating companies.	Partially achieved	<p>Decree 541-20 of the <i>Poder Ejecutivo</i> creates the <i>Sistema Nacional de Registro de Acciones de Mitigación de Gases de Efecto Invernadero</i>, a mechanism for collaboration and articulation. This decree affects public policy; it recognizes the articulation tables, the Guide produced as well as the commitment of the companies.</p> <p>Due to the pandemic, the climate coordination tables were rescheduled, but the coordination processes between companies has maintained.</p>
Develop training for at least 100 community leaders of La Sierra aimed at preserving the environment, environmental education and proper management of solid waste	Not achieved	This activity was not conducted because of the COVID-19 pandemic.

Continue training business leaders on environmental and climate change issues through the <i>Cátedra de RSE y Sostenibilidad</i> .	Achieved	We had more than 1000 participants in the <i>Cátedra de RSE y Sostenibilidad</i> programs.
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Where are we going in 2021 with [environmental education](#)

Principio 2.2.

Goal	Time Frame
Train at least 50 people from the communities <i>La Yuca – Florencio (Rancho Arriba, San José de Ocoa)</i> and <i>El Chorro (Bonao, Monseñor Nouel)</i> , on issues of Biodiversity Conservation, Climate Change and Integral Management of Cuenca.	Short Term (1 year)
Influence 1,000 business leaders through the training of environmental issues in the <i>Cátedra de RSE y Sostenibilidad</i> .	Short Term (1 year)
Educate 300 people on environmental protection, within the framework of the Water Safety Project, <i>Proyecto Seguridad Hídrica</i> , led by the community in the <i>Guayubín</i> River basin.	Short Term (1 year)
Train 100 community leaders in preserving the environment, environmental education and proper management of solid waste.	Short Term (1 year)

How did the pandemic affect environmental education?



Building environmental capacities within the framework of the Restauración de Cobertura Forestal in the upper basins of the Nizao and Juma rivers was suspended due to self-care measures to minimize and prevent the spread of the virus.

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.

GRI 103-2

How do we manage it?

Para más información sobre cómo gestionamos la contribución a la educación de la población, consulte el Informe de Sostenibilidad 2019 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 tools necessary 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.

As a result of the efforts made to adapt and provide solutions in the unique context caused by the pandemic, during 2020 we offered conferences and courses virtually, which allowed us to impact more people with the Cátedra de Responsabilidad Social Empresarial y Sostenibilidad.



On the other hand, and thanks to an agreement with the Universidad Autónoma de Santo Domingo (UASD), we managed to increase the number of scholarships awarded under the Excelencia Popular program, reaching 43 new scholarships in 2020. During this period, 22 people graduated. This is a first step for young professionals to enter the job market.

In addition, we held 18 conferences and courses on sustainability. These addressed sustainability of the tourism sector, risks and disasters, digitization, materiality analysis (impacts), strategic management of corporate volunteering, resilience, sustainable communities, among others.

Initiatives that promoted education in 2020

Cátedra en Responsabilidad Social Empresarial y Sostenibilidad "Alejandro E. Grullón E"				
In order to create an academic space for reflection, discussion and analysis, and to facilitate an open dialogue between business leaders, academics, the public sector and members of civil society around corporate social responsibility, we offered five different spaces				
14 virtual CSR dialogues.	Conference of the sustainability of tourism post COVID-19.	Third graduating class of the CSR Master's program. (2018-2020)	Specialized course on materiality analysis; identification of relevant topics, impacts and relevant risks.	Specialized course on the management of corporate volunteer programs.
696 participants	287 participants	20 graduates	15 participants	17 participants
<i>Pontificia Universidad Católica Madre y Maestra</i>	<i>Universidad Politécnica de Valencia, España</i>	<i>Fundación Popular</i>	<i>BSD Consulting, an ELEVATE company</i>	<i>Voluntariado y Estrategia, España</i>

Cátedra en Responsabilidad Social Empresarial y Sostenibilidad “Educational activities for sustainable development in alliance with Red multisectorial de Asociaciones sin Fines de Lucro, Alianza ONG.

With Alianza ONG, Amauta Internacional, Emprendimiento Sostenible and Fundación Popular, we held 6 educational activities with 203 participants in order to promote good practices in entrepreneurship, sustainability and youth sectors.

Resilience Dialogue “La cultura organizacional como motor para la transformación” Resilience dialogue “Cómo mantener el Sistema y nuestra Misión” Resilience Dialogue “Nuevo entorno y nuevas realidades de cara a una visión de futuro” Conference “Convertir las pérdidas de la cotidianidad en ganancias emocionales” Webinar “Aprender-Mejorar-Evolucionar: Hacia la mejor versión de las Asociaciones sin Fines de Lucro”

Webinar “Acciones conjuntas de la Sociedad Civil con otros actores para el logro de los ODS 2030”

23 participants 26 participants 21 participants 43 participants 61 participants 29 participants

By Parcia Sansary, economist, with vast experience on management and productivity. By Ana A. Valdés, specialist in People Management, certified by the International Coach Federation. By Edison Santos, entrepreneur, specialist in finance administration with an MBA in Sustainable development and CSR.

Fulfillment of goals and challenges Principle 2.4.

Goal 2019 Compliance 2020 How?

Our principal goal in education is to contribute to the improvement of education quality and access to technical education and universities. Achieved We graduated the 3rd class of the Master's Degree on CSR and Sustainability and launched the 4th class. In addition, we conducted 3 training courses for executives in the business sector and 14 dialogues and panels on topics associated with sustainability. In the Excelencia Popular scholarship program, we had 22 graduates and 48 new scholarships.

Contribute to economic, social and environmental development by giving young people the tools to create good financial habits, entrepreneurships and an eco-efficient culture.

Partially achieved Even though we maintained contribution and support, this activity did not proceed normally since the regular school calendar changed due to COVID-19. We maintained homework rooms in the Ensenada community,

which offers educational services to 35-40 children.

Where are we going in 2020 with contribution to education

Principle 2.2.

Goal Time frame

Continue training new talents with 1 diploma course and 2 specialization courses that may become an important part of the organization and the productive sector of the country. Short term (1 year)

Benefit 1000 people during 2021 through the different trainings in CSR and sustainability developed by the Cátedra en Responsabilidad Social Empresarial y Sostenibilidad "Alejandro E. Grullón E" Short term (1 year)

How did the pandemic affect contribution to education?



We are aware that the global health emergency led to a rapid change in people's lifestyles in order to preserve life. However, we knew that this could not be an impediment to continue with the Group's vision of contributing to the education of the Dominican population. For this reason, and in response to the crisis,

we joined forces to develop the activities of the Cátedra en Responsabilidad Social Empresarial y Sostenibilidad "Alejandro E. Grullón E" in a virtual way and, with this, we were able to impact more people from civil society, surpassing our goal set in this line of training.

The pandemic also allowed us to understand how susceptible

companies can be to natural phenomena and infectious diseases. We took advantage of this to create and carry out workshops and conferences on sustainability and business capacity building in the context of COVID -19.

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.

GRI 103-2

How do we manage it?

We have adapted the physical facilities and virtual services provided by Grupo Popular's subsidiaries, providing the best experience for people with disabilities. We remodeled our buildings, ATMs and experience centers with the special needs of these people in mind.

In Banco Popular Dominicano we generate opportunities to employ people with disabilities.

We have a more inclusive culture thanks to the internal trainings and raising of awareness that we carry out, focused on the care and service of people with disabilities.

GRI 103-3

How do we evaluate it? We have implemented, Eflow, a

queue management system that allows for the visualization of pregnant, elderly and disabled people who visit our branches. With this, we establish a scenario that prioritizes these people. Asesores Digitales monitor this system to ensure compliance with the established scenarios.

FS-14

As a sign of our commitment to eliminate barriers for people with disabilities in Dominican Republic to access to financial products and services, during 2020 we increased the number of workshops held and the number of people impacted:

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

Our digital platforms, App Popular and Internet Banking, accessible. For people with visual disabilities we have the Token Digital, which says the numbers when making any type of transaction.

We have also adapted documents, to incorporate signals to aid visually impaired clients while taking out loans.

Initiatives that promoted inclusion of people with disabilities in 2020.

Accessible branches

In order to offer spaces adapted to the needs of people with disabilities, during 2020 we expanded the accessible branches from 5 to 11 with adaptation of tellers, ATMs, and appropriate restrooms for clients and employees with motor disabilities.

Talks and workshops on sign language

We created awareness on employees about the needs of people with disabilities through talks and workshops in sign language.

As a result, we trained 40 of our employees that work in inclusive offices in sign language, and 50 people participated in awareness talks.

Institutional communications plan “Trátales sin limitaciones”

We know that the basis for guaranteeing the inclusion of people with disabilities is creating awareness and educating on how to treat them. For this reason, we developed an internal communication campaign with the concept of “Trátales sin Limitaciones” focused on raising awareness and inviting to collaborate on treatment according to different types of disabilities.

Política del Banco Popular para Todos y Guía de Atención para personas con discapacidad

We implemented a policy and an attention guide for disabled people called Banco Popular para Todos. This establishes guidelines and suggestions on treating this special group.

Fullfillment of goals and challenges

Principio 2.4

Goal 2019 Compliance 2020 How?

Carry out the “Banco Popular para todos” policy and contribute to the elaboration of the guía de atención de personas con discapacidad. Achieved This policy was published in november 2020.

Make our offices, branches, service centers more accessible, and give our personnel the tools to give an exceptional service to all. Achieved We included a section corresponding to the new branches in order to meet the necessary requirements to be inclusive.

Rethink internal processes to generate employment opportunities for people with disabilities. We will continue with the adaptation of the recruitment and selection unit for hiring people with disabilities.

Partially achieved Because of COVID-19, we were forced to postpone hiring.

Where are we going with inclusion of people with disabilities. Principle 2.2.

Subsidiary Goal Time frame

Banco Popular Dominicano Have 15 accesible branches
Mid term (3 a 5 years)

How did the pandemic affect the inclusion of people with disabilities?



Due to the socioeconomic situation caused by COVID-19, during 2020 we were unable to fulfill our commitment to increase hiring of people with disabilities. However, and in response to the crisis, we carried out the Banco Popular para todos program, adapting activities to the new

demands and needs in the context of the pandemic.

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.	Banco Popular Dominicano is the main private equity financial institution in the Dominican Republic and the largest subsidiary of Grupo Popular. 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: Personal: credit, debit and pre paid cards (e-activo Móvil and Altice Peso); checking and savings accounts; personal, vehicle and mortgage loans; certificate of deposits and remittance. 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. Business and institutional: commercial loans, lines of credit, leasing, value chain financing, investment banking (mergers	Banco Popular Web Page https://popularenlinea.com/Personas/Paginas/nosotros/historia.aspx# Personal: https://popularenlinea.com/personas/Paginas/Home.aspx SMEs: https://www.popularenlinea.com/pyyme/paginas/home.aspx Business and Institutional: https://www.popularenlinea.com/empresarial/paginas/Home.aspx 2020 Sustainability Report 4. Perfil Grupo Popular y filiales

	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. 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>Vision Sostenible de 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). The Vision includes 5 goals, of which 3 respond directly to the commitment made in the Paris Agreement to reduce CO2 emissions and to SDGs 4, 7, 8 and 13. We have also identified the SDGs to</p>	<p>Informe de Gestión Anual - Visión Sostenible 2019: https://grupopopular.com/Pages/informe-GestionAnual/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>5. Visión Sostenible de Banco Popular</p> <p>Índice de Contenido GRI- equivalencia</p>

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.

	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.	con ODS.
<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) Scope: 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 scope of the analysis.</p> <p>b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie</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 the current and potential positive and negative impacts derived from the topic ESG risks associated with the topic the relevance of topic for the organization the operational and regional context and relevance of the topic Magnitude of ESG impacts on the 	<p>2020 Sustainability Report</p> <p>2.2 Análisis de materialidad</p>

in terms of industries, technologies and geographies.	supply chain and stakeholders.	
c) <u>Context & Relevance:</u> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.	As a result, 22 relevant issues for the Bank were identified:	
d) <u>Scale and intensity/salience of impact:</u> In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.	<ol style="list-style-type: none"> 1. Cost effectiveness 2. Comprehensive Risk Management 3. Reputation 4. Financial education 5. Financial inclusion 6. Pension education and retirement preparation. 7. Entrepreneurship Support 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 13. Innovation and digital transformation 14. Information security and protection 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 	
(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))	Of these, we highlight our management in the areas that have allowed us to i) finance green operations, ii) combat climate change, iii) promote financial and sustainability education for the Dominican population and	
Show that building on this analysis, the bank has		

<ul style="list-style-type: none"> Identified and disclosed its areas of most significant (potential) positive and negative impact Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>iv) implement efficient energetic technologies. This is in line with our commitments established in the <i>Vision Sostenible</i> for 2030.</p> <p>We also highlight the Bank's management in 2020 in offering solutions in the socioeconomic situation derived from COVID-19, which shows our adaptability and response to new emerging risks.</p> <p>The 2020 Sustainability Report accounts for the identification and disclosure of the Bank's impact areas (material issues) as well as their management and performance during the year. The Report also includes, for most of the sections, the initiatives that promoted the issue, fulfillment of goals and commitments set as well as a short, medium and / or long-term projection.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p> <p>We have carried out an impact analysis of risks that allowed us to identify the main areas of business impact. 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 next materiality analysis, we will integrate new methodologies to strengthen and provide feedback, including the perspective of the Bank's external stakeholders.</p>		
<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",</p>	<p>Visión Sostenible allowed us to identify, build and translate five commitments in terms of sustainability, aligned with the 2030 Agenda, the Paris Climate Agreement and the <i>Plan Nacional de Adaptación para el Cambio Climático en la República Dominicana 2015-2030</i> PNACC.</p> <p>Taking into consideration the following areas of impact, we set 5 goals associated with the 2030 commitments:</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>2.3. Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>In <i>Visión Sostenible 2030</i>, we structured programs and initiatives to meet the established goals.</p> <p>Our “Hazte Eco” initiative, created with the care of the environment in mind, in line with the Principles of Responsible Banking. <i>Hazte Eco</i> 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.</p> <p>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.</p>	<p>https://www.popularenlinea.com/BancaResponsable</p> <p>https://popularenlinea.com/Personas/sala-de-prensa/Pages/Popularenlinea-presenta-en-Santiago-su-vision-sostenible-y-compromisos-para-2030.aspx</p> <p>2020 Sustainability Report</p> <p>5.Visión Sostenible</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>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.</p>		
<p>Progress on Implementing Targets</p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how</p>	<p>The 2020 Sustainability Report is the first reporting of our implementation of the Principles of Responsible Banking.</p> <p>For each of the objectives in <i>Visión Sostenible</i>, published in 2019, we have reported progress as of December 31, 2020.</p> <p>Goal 2030: Plant more than one million trees</p> <p>Result 2020: 689,193 planted trees</p>	<p>Informe de Sostenibilidad 2020.</p> <p>5.Visión Sostenible</p> <p>https://popularenlinea.com/Personas/sala-de-prensa/Pages/Banco-Popular-y-aliados-</p>

<p>your bank is adapting its plan to meet its set target.</p> <p>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. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>Goal 2030: generate 4.6 megawatts/year</p> <p>Result 2020: 3.5 mW (Mega-Watts) capacity installed.</p> <p>Goal 2030: Be the largest provider of Green financial products</p> <p>Result 2020: We are the leaders of Green financing in the country thanks to our Hazte 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.</p> <p>Goal 2030: Give financial education to 150.000 Dominicans</p> <p>Result 2020: 76.105 Dominicans educated</p> <p>Goal 2030: Have 500 people participate in our sustainable education programs.</p> <p>Result 2020: 1.035 participants</p> <p>We achieved important milestones during 2019 and 2020, especially having the carbon neutral certification and educating more than one thousand Dominicans on issues of corporate social responsibility and sustainability.</p>	<p>siembran-mas-de-320,000-arboles-en-el-2020.aspx</p> <p>https://popularenlinea.com/Personas/sala-de-prensa/Pages/Foro-de-Finanzas-Sostenibles-registras-mas-de-5,000-participantes.aspx</p> <p>https://popularenlinea.com/Personas/sala-de-prensa/Pages/Popularenlinea-inicia-en-San-Cristobal-y-Bonao-nuevo-modelo-hibrido-de-sucursales.aspx</p>
<p>Likewise, throughout the chapters, we published the level of compliance for 2020 compared to the goals outlined in 2019. In these sections, we report whether the goal was achieved, was not achieved or was partially achieved and its respective justification, when it was available.</p>		

<https://popularenlinea.com/Personas/sala-de-prensa/Pages/El-Popular-movilizara-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-educacion-financiera-a-350-clientes-.aspx https://popularenlinea.com/Personas/sala-de-prensa/Pages/El-Popular-es-la-primer-institucion-dominicana-que-mas-energia-solar-genera.aspx
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p> <p>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.</p> <p>Principle 3: Clients and Customers</p> <p>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.</p>		
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	<p>We have implemented processes and procedures that allow us to evaluate the loan application to promote responsible relationships with our clients.</p> <p>1. Before starting, we require all permits such as land use, environmental impact, among others. Without these permissions, we cannot continue with the process.</p>	2020 Sustainability Report

its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.	<p>2. We have a list that states the sectors with which we will not be granting credits.</p> <p>3. We have a credit management policy where we establish whether or not we have a risk appetite for credits</p> <p>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.</p>	
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>	<p>https://grupopopular.com/Pages/informe-GestionAnual/2019/content-sections/docs/Informe_de_gestion_anual_GRUPO_POPULAR_2019.pdf</p> <p>2020 Sustainability Report</p> <p>10.3. Financiamiento verde</p>

Principio 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

<p>4.1 Describe 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>Informe de Sostenibilidad 2020.</p> <p>2.1. Grupos de interés y relacionamiento</p>
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Principio 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 Describe 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 is We expect to implement the Sustainability Committee in 2021.</p>	<p>Informe de Sostenibilidad 2020.</p> <p>1. Perfil Grupo Popular y filiales</p>
<p>5.2 Describe 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 responsibility and social impact, aligned with the strategy and</p>	<p>2020 Sustainability Report</p> <p>Principio 8.2. Desarrollo del talento humano y bienestar</p>

	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>5.2 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 (2021) 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>2020 Sustainability Report</p> <p>4. Perfil Grupo Popular y filiales</p>
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p> <p>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.</p> <p>Principle 6: Transparency & Accountability</p> <p>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>		

<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 implementation of these Principles.</p>	<p>The 2020 Sustainability Report is the first reporting exercise of the implementation of the Principles of Responsible Banking.</p> <p>It was also prepared under the GRI Standards.</p> <p>For each of the objectives in <i>Vision Sostenible</i>, we reported the progress in the Sustainability Report as of December 31, 2020.</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 RedEAmérica <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>2020 Sustainability Report</p> <p>2. Visión Sostenible Grupo Popular</p> <p>11. Índice de Contenidos GRI</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

Through the 2020 Sustainability Report, we communicate the performance and progress in our areas of impact, as well as the objectives and commitments set for 2030. We are committed to working in alliances / initiatives that promote sustainable development and responsible banking, as well as in reporting our management on an annual basis.