

2023 CORPORATE SUSTAINABILITY REPORT

1 First BanCorp

Investing in Tomorrow:
Driving **Positive Change** through
Sustainable Banking



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Letter from our CEO



Aurelio Alemán
President and
Chief Executive Officer

As we reflect on the past year and look forward to the opportunities ahead, I am immensely pleased to share our progress and dedication to our sustainability principles. Despite challenges and uncertainties that have surrounded the banking industry over the past year, 2023 was an exceptional year for First BanCorp. As we commemorate our 75th anniversary, we remain grounded in our long-standing commitment to social responsibility. Since our inception, we have always recognized the importance of conducting business in a manner that not only delivers value to our shareholders but also contributes positively to our society and the environment.

Since the launch of our Corporate Sustainability Program in 2021, with the adoption of our environmental, social, and governance (ESG) framework, we have made significant strides in advancing our sustainability agenda. Under the oversight of our Board of Directors (Board) and Executive Leadership Team (ELT), we have evolved our program to align with global best practices and emerging sustainability standards. Throughout this journey, we have remained steadfast in our dedication to promoting economic opportunities for our clients and communities. By leveraging our resources and expertise, we have worked tirelessly to create jobs, foster entrepreneurship, and support sustainable economic development initiatives in the communities we serve.

As part of our commitment to transparency and accountability, we reaffirm our pledge to keep stakeholders informed about our progress. This marks the release of our third Corporate Sustainability Report, in which we provide an overview of the progress of our sustainability efforts and initiatives. Aligned with

the United Nations Sustainable Development Goals (SDGs) and the Sustainability Accounting Standards Board (SASB), our report reflects our commitment to measuring and reporting on our sustainability performance in a meaningful and transparent manner. For this year's report, we have expanded the frameworks to which we align with the Task Force on Climate-Related Financial Disclosures (TCFD). I am proud of the progress we have made in our sustainability journey, particularly in our unwavering commitment to environmental stewardship, our relentless dedication to fostering diversity, equity and inclusion (DEI), our efforts in promoting financial inclusion, and our contribution to economic development. These achievements are not just milestones, but they serve as a testament to our robust commitment to creating a sustainable and inclusive future.

Environmental Stewardship

With our business located in Puerto Rico, the U.S. and British Virgin Islands, and Florida, we have borne witness to the resilience of our communities in the face of adversity. In our main market, hurricanes and earthquakes have left lasting imprints on our neighborhoods, reminding us of the fragility of our ecosystems and the urgent need for collective action. These events have heightened our awareness of the profound effects and risks of climate change, prompting us to focus our efforts on environmental stewardship. In response, we have expanded our recycling program, initiated water- and energy-consumption monitoring, and continue with the transition to LED lighting across our facilities. Moreover, our commitment to environmental sustainability extends beyond our operations. We launched

Rescate Costero, a multisectoral coastal erosion mitigation program, which fosters resilience in coastal areas in Puerto Rico, where the impacts of climate change have been acutely felt. It is through initiatives like these that we are not just adapting to the challenges of a changing climate but actively working to mitigate its effects and safeguard our communities.



Social Impact

In our ongoing commitment to having a positive impact in our society, we have witnessed firsthand the transformative power of investing in our communities and fostering inclusivity within our organization. We continued our history of promoting economic opportunities and financial growth for our clients, colleagues, and communities. In 2023, we donated more than \$1.4 million in organizations that champion environmental sustainability, education, and entrepreneurship. Over the past year, we have provided approximately \$150 million in small business loans and \$469 million in community development loans, empowering entrepreneurs and revitalizing local economies. To equip individuals with the tools to achieve financial independence, we hosted over 300 financial literacy workshops throughout all the regions where we operate. Recognizing the importance of equity and fairness, we conducted a thorough pay equity exercise, resulting in salary adjustments, and expanded our DEI efforts, striving to create a workplace that fosters a sense of

belonging for all. Our efforts have not gone unnoticed, as evidenced by the reduction in our turnover rate, while reflecting a workplace culture in which every voice is valued and heard.

Governance and Economic Resilience

At the heart of our operations lies a solid governance structure, ensuring transparency, accountability, and adaptability in navigating economic challenges. We are dedicated to building economic resilience, which not only enriches the areas where we operate but also fosters enduring partnerships, contributing to sustainable growth and prosperity for all stakeholders. Our team also remains committed to exploring opportunities to consider environmental and social factors in the credit analysis process.

While the banking industry has faced uncertain times and challenges, such as navigating the aftermath of a global pandemic, a sharp rise in short-term interest rates, and industry fallouts, I am filled with optimism and gratitude for the incredible team that has made this progress possible. We recognize that our journey toward sustainable excellence is ongoing, but I am confident that we will continue to rise to the occasion and overcome the challenges ahead with the creativity, passion, and determination of our team. By staying true to our mission, vision, and values, we will not only drive long-term value for the Corporation but also contribute to a more sustainable and equitable society for future generations.

Thank you for your enduring commitment to our shared mission and values, and for taking the time to read about our progress. We welcome your feedback as we continue to deepen our sustainability practices.

Aurelio Alemán
President and
Chief Executive Officer

About This Report



This 2023 Corporate Sustainability Report covers the progress of our Corporate Sustainability Program during 2023, with data and metrics reflecting the period of January 1 through December 31, 2023, unless otherwise noted. The 2023 Corporate Sustainability Report highlights our approach to environmental stewardship, social responsibility, governance practices, and economic resilience and demonstrates how we seek to integrate sustainability into our core business strategy. In some instances, we include information on initiatives that continued into 2024, which we have endeavored to note as such. Please see “Forward-Looking Statements and Materiality” in the Appendix for more information.

When we use the terms “First BanCorp,” “Corporation,” “FirstBank,” “Bank,” “we,” “us,” or “our” in this report, we mean First BanCorp and its subsidiaries, on a consolidated basis, unless we state, or the context implies, otherwise.



Our report is aligned with globally recognized reporting frameworks and disclosure standards, such as the SASB — now part of the International Financial Reporting Standards (IFRS) Foundation — related to commercial banks and TCFD.

We recommend that this report, which speaks only as of its date and is not intended to be an exhaustive recitation of all events, activities, or issues related to our Corporate Sustainability Program or operations, be reviewed in conjunction with First BanCorp’s 2023 annual report to shareholders (the “[2023 Annual Report](#)”) and proxy statement for the 2024 annual meeting of shareholders, filed with the Securities and Exchange Commission (SEC) on April 8, 2024 (the “[2024 Proxy Statement](#)”), which disclose additional information about our operations and financial performance. This report is intended to provide more information from a different perspective and in more detail than that required to be included in other regulatory reports, including our filings with the SEC. This report is not intended to be viewed as part of our SEC filings. We also guide readers throughout the report to additional sources on our corporate website and other websites for convenience.



First BanCorp at a Glance

Founded in 1948, FirstBank Puerto Rico, FirstBanCorp’s (NYSE: FBP) principal banking subsidiary, was the first savings and loan institution established in Puerto Rico. Today, we are a full-service provider of financial services and products and the second largest bank holding company headquartered in Puerto Rico, with additional operations in Florida, as well as the U.S. Virgin Islands (USVI) and the British Virgin Islands (collectively, the “Eastern Caribbean Region,” or “ECR”).

Lines of Business:

- Consumer (retail) banking
- Commercial and corporate banking
- Mortgage banking
- Auto lending business

Banking Footprint¹:

58

Banking Branches in Puerto Rico

8

Banking Branches in the Eastern Caribbean Region

9

Banking Branches in South Florida

25

Small Loans Branches in Puerto Rico

331

136 Bank-owned ATMs and 195 Bank-branded ATMs in Puerto Rico, Florida, and the ECR

¹As of December 31, 2023

Workforce

3,184 colleagues



Human Resources Team

3,116 • Full-Time Regular

52 • Part-Time Regular

11 • Full-Time Temporary

5 • Part-Time Temporary

1 First BanCorp

SUSTAINABLE DEVELOPMENT GOALS

Vision

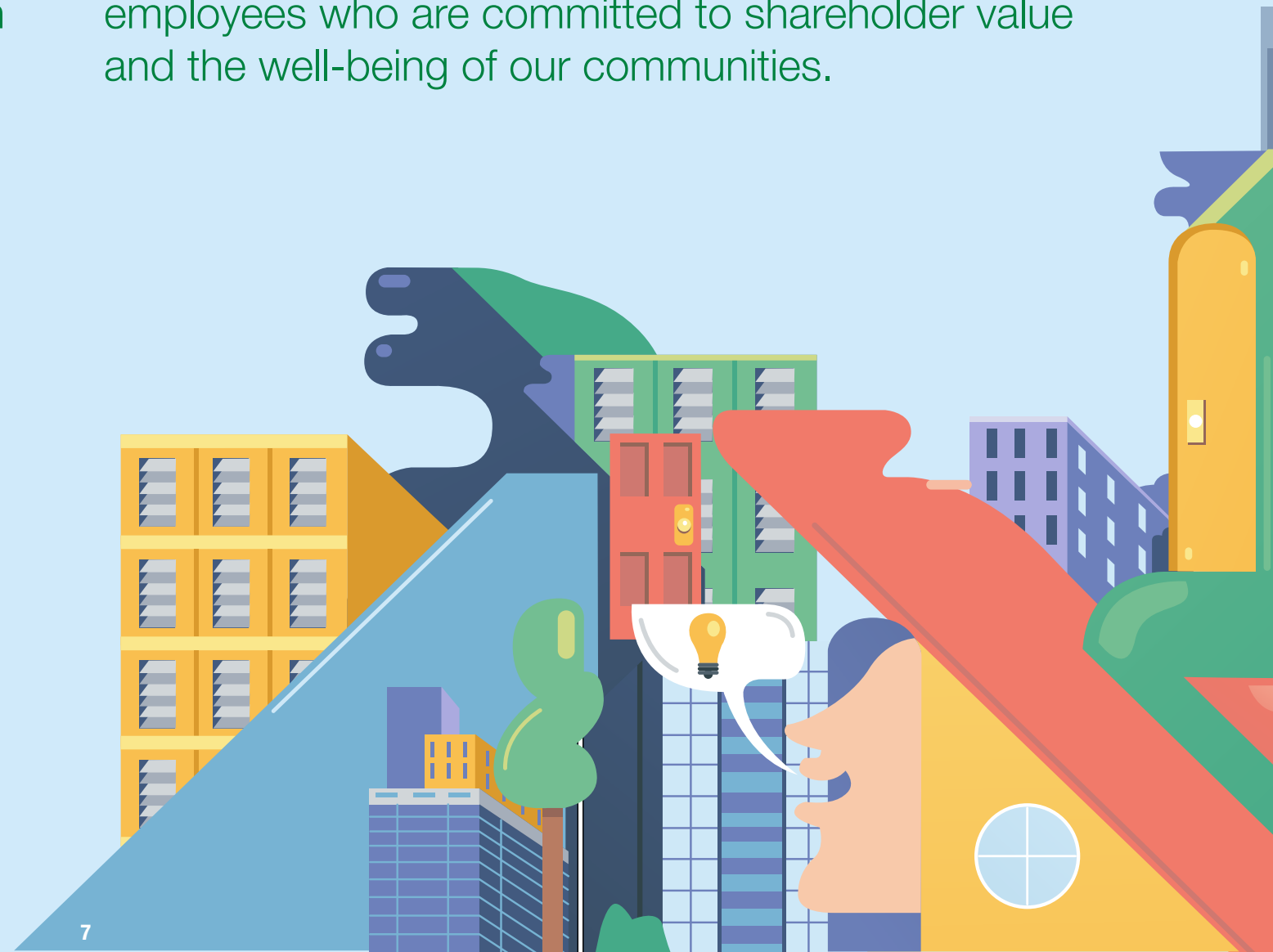
To become a financial institution recognized as the provider of outstanding customer experience by achieving the highest level of customer satisfaction and loyalty while enhancing shareholder value and supporting the communities we serve.

Values

- ▶ **Honesty**
- ▶ **Innovation**
- ▶ **Respect**
- ▶ **Customer focus**
- ▶ **Collaboration**
- ▶ **Commitment to quality**
- ▶ **Responsibility**
- ▶ **Community involvement**
- ▶ **Agility**

Mission

Partner with our customers to achieve their financial goals through responsive, knowledgeable, and caring employees who are committed to shareholder value and the well-being of our communities.



Corporate Sustainability Strategy

First BanCorp’s 2023 Corporate Sustainability Report outlines our:

- commitment to sustainability
- responsible and ethical business practices
- sound corporate governance
- risk management
- DEI efforts
- corporate culture in which our colleagues feel welcomed, valued, and can thrive

Consistent with our purpose to inspire and build better lives and communities, we strive to be a good corporate citizen and community partner. This report serves as an overview of our corporate sustainability performance, initiatives, and progress toward our sustainability objectives. It aims to provide our stakeholders, including investors, customers, colleagues, and communities, with insight into our efforts in creating long-term value while minimizing our environmental footprint and fostering social well-being.

During the past 75 years, our corporate mission has been grounded in the principle that investing in our colleagues, supporting our communities, and providing excellent banking experience to our customers is key to delivering long-term value. In this respect, our corporate sustainability strategy is aligned with our business strategy. We attempt to focus our efforts on the ways we believe can make the most meaningful impact, reduce risk, and view sustainability issues not as challenges but as prospects to catalyze positive change and potentially create value for our stakeholders. Through collaboration, innovation, and a steadfast commitment to our vision, we are dedicated to building a more sustainable future.



Commitments in our operations:

- We are committed to advancing environmental practices that reduce the impact of our operations on the environment and that we believe will maximize our efforts against climate change.
- We strive to provide a workplace in which our colleagues are treated with respect and dignity, to support our colleagues’ professional growth and development, and to strengthen the communities in which we live and work.
- We are committed to sound corporate governance and ethical practices, building long-term value and trust with all of our stakeholders.

Notable Highlights and Awards - 2023 Recognitions

U.S. Virgin Islands

Received a Workforce Development Award from the Department of Labor for our work promoting economic development in the Virgin Islands.

Puerto Rico

In 2023, the Small Business Administration (SBA) selected us as Bronze Lender of the Year for our impressive work in granting a high volume of secured small business loans during the previous fiscal year.



Florida

For the third year in a row, we were recognized for our community business development, receiving the BEST OF Awards from the Daily Business Review in the following categories:

- Best Business Bank
- Best Community Bank
- Best Bank for Commercial Real Estate Lending
- Best Bank for Foreign National Mortgage Lenders
- Best Bank for Jumbo Loans

► “Top 50 Public Banks of 2023”



► “2024 America’s Best Banks”



Stakeholder Engagement

Engaging with stakeholders is critical for the Corporation, as it allows us to gather diverse perspectives, build trust, and ensure alignment with their needs and expectations. By fostering open communication and collaboration, we hope to work together to make informed decisions, enhance accountability, and ultimately, drive positive outcomes for all parties involved.

Stakeholders	Means of communication		Sustainability Topics
Colleagues	<ul style="list-style-type: none">• Performance reviews• Engagement surveys• Emails• Training and development• FirstBank University	<ul style="list-style-type: none">• Employee Assistance Program (EAP)• Recognition Program	<ul style="list-style-type: none">• Workplace flexibility• Technology infrastructure• Compensation• Career growth
Customers	<ul style="list-style-type: none">• Meetings• Phone calls	<ul style="list-style-type: none">• Media• Satisfaction surveys	<ul style="list-style-type: none">• Customer service• Product offerings• Fees• Accessibility• Privacy and data security• Communications• Branch locations• Product satisfaction
Shareholders and Investors	<ul style="list-style-type: none">• Annual shareholder meeting• Emails• Quarterly earnings calls	<ul style="list-style-type: none">• Conferences	<ul style="list-style-type: none">• Financial returns• Human capital management• Corporate sustainability• Cybersecurity• Company leadership• Risk management• Business strategy
Communities	<ul style="list-style-type: none">• Community events• Social media• Grantmaking	<ul style="list-style-type: none">• “I AM FIRSTBANK” volunteer program• Conferences	<ul style="list-style-type: none">• Affordable housing• Community development• Small business lending and support• Volunteer opportunities• Corporate donations• DEI• Community Reinvestment Act investments
Governments and Regulators	<ul style="list-style-type: none">• Community Reinvestment Act and compliance reviews• Meetings	<ul style="list-style-type: none">• Seminars• Phone calls	<ul style="list-style-type: none">• Compliance with laws and regulations• Sound governance
Suppliers	<ul style="list-style-type: none">• Meetings• Phone calls• Events	<ul style="list-style-type: none">• Puerto Rico Minority Supplier Development Council	<ul style="list-style-type: none">• Supplier diversity• Security management• Human rights

2023 Corporate Sustainability Highlights

Expanded our **recycling program** to include organic residues, single-stream plastics, and heavy metals

Adopted a **Human Rights Statement**

Launched the **Rescate Costero** initiative, a multisectoral coastal erosion mitigation program in Puerto Rico with the goal of planting **25,000 trees** within the next three years to build resilience against the physical risk of rising sea levels. By December 31, 2023, we had planted approximately 2,700 trees

Expanded our **employee wellness program** with financial health education, emotional well-being seminars, and on-site routine physical exams and exercise programs

Adjustments of salary to certain employee groups in Puerto Rico due to a pay equity analysis

Introduced DEI roundtable sessions with colleagues in all our regions as part of the goal to expand our inclusion initiatives

Became a member of the Puerto Rico Minority Supplier Development Council

Contributed over **\$1.4 million** to support over **30 nonprofit organizations**

Donated over **2,000 volunteer hours** provided by our colleagues

Revised our Service Provider Code of Conduct to include **social responsibility standards** of importance to the Corporation

LEADERSHIP AND GOVERNANCE

- Board Oversight
- Risk Management
and Compliance



Our corporate governance practices are anchored in robust board oversight, comprehensive risk management, and diligent compliance practices. With an emphasis on good governance, ethical conduct, accurate and transparent reporting, and proactive ESG risk management, we prioritize trust and integrity in all operational and financial interactions.

Board Oversight

Board Composition

Our corporate governance practices guide us as we look to engrain our institutional values into our daily operations, and they support us in fulfilling our vision to be a leading financial institution that enhances shareholder value by providing outstanding customer service and support to our communities. The Corporate Governance and Nominating Committee (GNC Committee) regularly evaluates advancements in corporate governance and proposes adjustments to our [Corporate Governance Guidelines and Principles](#). These modifications aim to safeguard our stakeholders’ interests and delineate appropriate roles and responsibilities.

We recognize that a diverse board is paramount for ensuring effective governance and sustainable success within our organization. The GNC Committee considers diversity parameters within the director nomination process, in the context of the experiential diversity needed to understand and manage our business goals, and actively seeks candidates with a broad range of backgrounds and expertise. For more detailed information about our Board and corporate governance practices, please refer to our [2024 Proxy Statement](#).



Roberto R. Herencia



Aurelio Alemán-Bermúdez



Luz A. Crespo



Tracey A. Dedrick



John A. Heffern



Juan Acosta Reboyras, ESQ.



Daniel E. Frye



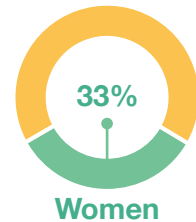
Patricia M. Eaves



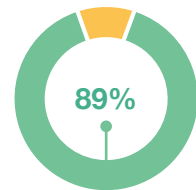
Félix M. Villamil

9 TOTAL BOARD MEMBERS

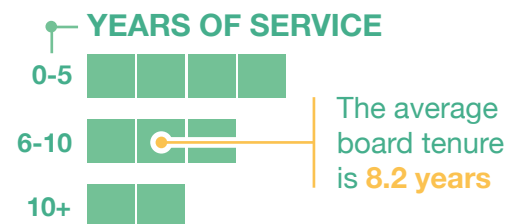
Diversity



Independence



Tenure



78% of the directors have audit and risk oversight experience

44% of the directors have information technology and cybersecurity experience

100% of the directors have business operations and leadership experience²



²As of December 31, 2023

Board Level	ESG Oversight Responsibilities
Board of Directors	<ul style="list-style-type: none">• Shares oversight of our Corporate Sustainability policies and practices with the ELT
Corporate Governance and Nominating Committee	<ul style="list-style-type: none">• Provides oversight and reviews the accuracy of the Corporation’s sustainability and ESG risk management, strategy, and reporting policies and practices• Receives updates from members of the Corporation’s management who are responsible for sustainability and ESG-related activities• Reviews and updates our Corporate Governance Guidelines and Principles• Maintains board diversity and independence
Compensation and Benefits Committee	<ul style="list-style-type: none">• Oversees compensation policies and practices• In conjunction with the Risk Committee, reviews the Corporation’s risk management policies related to its incentive plans to ensure that such compensation programs and incentives are not reasonably likely to create a material risk to the Corporation.
Credit Committee	<ul style="list-style-type: none">• Reviews the quality of our credit portfolio and trends affecting the portfolio• Oversees the effectiveness and administration of credit-related policies
Risk Committee	<ul style="list-style-type: none">• Oversees the Corporation’s company-wide risk management framework and management’s activities with respect to stress testing• Establishes the Corporation’s risk appetite and risk tolerance• Oversees compliance with laws and regulations, including at the customer and consumer protection levels• Oversees the Vendor Management and Information Security Programs
Audit Committee	<ul style="list-style-type: none">• Oversees the application of our codes of conduct and ethics• Maintains financial reporting controls and procedures• Ensures the integrity of our financial reporting

Management Level	ESG Oversight Responsibilities
Executive Leadership Team	<ul style="list-style-type: none">• Shares oversight of our Corporate Sustainability policies and practices with our Board
Executive Risk Management Committee	<ul style="list-style-type: none">• Assists the Board with oversight at the management level, regarding the Corporation’s policies, procedures, and practices relating to the Corporation’s risks• Oversees the development of the risk management infrastructure needed to monitor risk policies and limits
ESG Committee	<ul style="list-style-type: none">• Operationalizes the Corporation’s ESG policies and strategy• Sets long-term sustainability objectives and goals• Aligns ESG priorities with initiatives for each year, develops internal capabilities, and drives and monitors implementation• Guides advancement of sustainability disclosures and establishment of metrics





ESG-related Executive Compensation

Our executive compensation program is designed to support the Corporation’s resiliency by driving long-term business outcomes, promoting strong governance, and encouraging responsible risk-taking. In 2023, ESG-related objectives were incorporated within individual goals for certain members of the Executive Leadership Team (ELT). The assessment of these objectives and the individual ELT’s member’s performance is based on a qualitative assessment of the Corporation’s ESG-related disclosures, its social and community impacts, and other results of its ESG initiatives, which includes DEI, human capital, diverse suppliers, and other sustainability items. Please refer to our Proxy statement for more information about executive compensation.

Corporate Sustainability Governance

We have continued maturing our Corporate Sustainability Program since its formal inception in 2021. In recent years, we have expanded our program into different areas of the Corporation by implementing a Sustainability Policy and assigning ESG roles and responsibilities within the Board and the ELT.

The Board has assigned primary oversight of the management of sustainability, including ESG, policies, practices, structures, and disclosures to the GNC Committee. We have a management-level ESG Committee that oversees the implementation of our sustainability strategy across the Corporation.

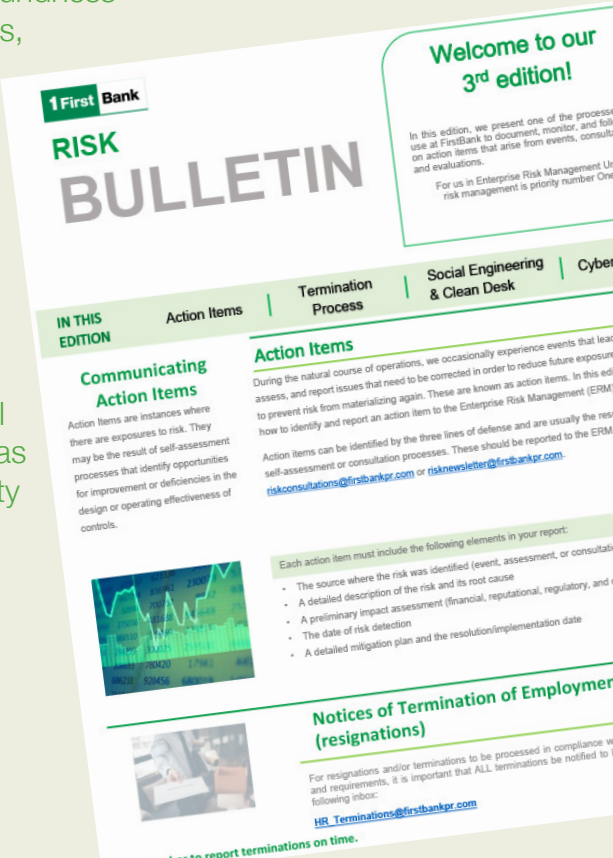
Our ESG Committee reports periodically to the GNC Committee and is composed of leaders from different areas, such as Human Resources, Enterprise Risk Management (ERM), Strategic Planning and Investor Relations, Legal and Corporate Affairs, Marketing, Compliance, Finance, and Corporate Internal Audit. The ESG Committee is responsible for setting annual goals and priorities, monitoring short- and long-term objectives, and overseeing the annual reporting process on sustainability related topics.

Risk Management and Compliance

Risk Oversight and Management

The Board’s Risk Committee supports the Board’s oversight of the company’s risk management framework. This involves supervising the framework’s management while acknowledging that it is management’s responsibility to develop, execute, and sustain an efficient risk management structure. The Chief Risk Officer (CRO) heads the Executive Risk Management Committee, responsible for overseeing risk governance across the Corporation at the management level, and which reports to the Risk Committee. In addition, as part of the corporate-wide risk management process, we diligently monitor our capital position in line with federal regulators’ safety and soundness expectations. As part of our annual capital planning process, we conduct internal stress testing to ensure our capital and liquidity resilience under various scenarios, including under severely adverse economic conditions.

The corporate risk management structure is designed to anticipate and control risks effectively. Our comprehensive policies and procedures provide a robust framework that enables us to proactively manage potential risks across all aspects of our operations. Our risk management structure undergoes periodic evaluation by both internal and external auditors , as well as examiners. These assessments serve as critical checkpoints to validate the effectiveness and integrity of our risk management practices.



Risk Policy and Strategy

The Corporation’s Risk Management Policy plays a vital role in enhancing our value, through proactively anticipating risks, threats, and losses. We adhere to a comprehensive strategy that encompasses prevention, identification, prioritization, monitoring, and control of potential risks affecting the Corporation. As part of the activities, we assess and monitor our risk management strategies on an ongoing basis and communicate results to senior management and our Board.

The Risk Management Policy aims to establish an ERM process that accomplishes the following:

- Establishes key performance indicators to drive behaviors consistent with the ERM process
- Aligns ERM aspects with the Corporation’s strategic planning
- Defines risk management strategies and action steps for building and executing risk management capabilities, along with continuous improvements
- Provides relevant information on a regular basis to the Corporation’s senior management and Board as they protect the interests of our shareholders

Our policy includes a Risk Appetite Statement that is driven by top-down Board leadership and bottom-up management involvement. We consider several factors in the determination of the risk appetite, including the environment, people, business systems, policies, and business strategy. Risk appetite metrics are monitored quarterly and reported to the Risk Committee. Furthermore, the CRO and the Risk Committee review the Corporation’s Risk Appetite Statement annually to ensure alignment with our strategic capital plans.

Business Continuity Management

We have a Business Continuity Management Program (BCMP) linked to the ERM structure. This program identifies potential risks that may threaten the Corporation’s operations and provides a framework for building resilience and internal capabilities for an effective response that safeguards our stakeholders and value creation.

The BCMP incorporates a comprehensive process that includes planning, operations, monitoring, compliance, and continual improvement of components such as business impact analysis, disaster recovery strategies, incident management planning, and emergency preparedness and response. The Corporation’s senior management is responsible for ensuring the implementation and maintenance of appropriate internal controls and measures. The Corporation’s CEO appoints a Business Continuity Management Committee, comprised of executives and senior managers to be the primary decision-making group for the BCMP and provide oversight at the corporate level. The Business Continuity Management Committee is co-chaired by the Chief Operations Officer and by the CRO.

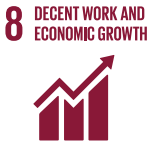
Recognizing that we rely on our information systems and applications and that they could be impacted during a contingency situation, we have implemented special measures to ensure timely restoration. We have an Incident Response Team that determines how high-severity incidents are to be handled, depending on the nature of the emergency and its level of impact. Additionally, being aware of the weather and climate-related risks based on our physical regions of operations, the BCMP has an Emergency Committee that is activated when there are high-severity incidents related to natural disasters, utility failures, human threats, malicious activities, or technical threats. The Emergency Committee plans the appropriate initial activities and timetable to prepare and respond to a threat in a coordinated, timely, and effective manner, prioritizing safety and stabilization.

Managing Climate-Related Risks

We have begun to implement the TCFD framework in an effort to manage climate-related risks. Adhering to this framework will help us identify where to focus our efforts and improve our disclosure practices regarding climate-related risks and opportunities. It also allows us to better evaluate and manage possible impacts on our business operations, financial performance, and long-term sustainability. The TCFD framework enables us to more effectively incorporate climate-related factors into our decision-making processes, ensuring that we are prepared to deal with the changing landscape of environmental challenges while seizing emerging opportunities for innovation and growth.

RESPONSIBLE BANKING

Our contributions to UN SDGs



-  Business Ethics
-  Serving Customers Responsibly
-  Data Privacy and Cybersecurity
-  Responsible Sourcing
-  Human Rights



Our Corporation adheres to strong ethical standards in its operations and in all financial dealings. By prioritizing transparency, fairness, and accountability, we aim to foster trust among customers, support community development, and contribute to the long-term well-being of our society.

Responsible banking encompasses corporate governance, risk management, and ethical business practices. Our culture is built on a foundation of strong ethics and a proactive approach to identifying and managing risk. We aim to comply with all applicable laws and regulations while considering stakeholder expectations. We strive to follow best practices for the financial services industry and prepare for emerging requirements that may develop as corporate landscapes evolve.

Business Ethics

Code of Ethical Conduct

Our Code of Ethical Conduct (Code) ensures our operations maintain integrity and trustworthiness. Our goal is to promote among our colleagues, the need to consider the highest moral standards as a guide to govern their decisions and behavior in a way that we can choose what’s right every time. Our colleagues undergo comprehensive training during their onboarding, and annually thereafter, to ensure full compliance with and understanding of the Code. The Code is reviewed annually by management and is subject to Board approval in accordance with the Corporation’s policy review cycle, which for the Code is every five years. The Code is reviewed by members of our Human Resources, ERM, Compliance, and Legal departments, among others. Any violation of the Code is considered an offense and may give way to disciplinary actions, including termination of employment, termination of contract, or removal from the Board, as applicable.

The Code is published in both English and Spanish and covers areas such as:

- **Fraud prevention**
- **Confidentiality**
- **Equal opportunity and nondiscrimination**
- **Escalation of concerns**
- **Conflicts of interest**

In 2023, 99% of required colleagues completed training in the Code. Those who did not complete the training were on an approved leave or due to system errors that were subsequently corrected.

We also have a Code of Ethics for the CEO and senior financial officers (Code for Financial Officers), which is reviewed by management on an annual basis and is approved by the Board in accordance with the Corporation’s policy review cycle, which in this case is every three years or when material changes occur. All senior financial officers are required to review it during onboarding and provide an annual certification. In the event of a violation of the Code for Financial Officers by a covered officer, the Board or the Board’s Audit Committee, as applicable, will determine the appropriate actions to be taken after considering all relevant facts and circumstances.

In 2023, 100% of the Corporation’s senior financial officers and the CEO acknowledged compliance with the Code for Financial Officers.

Reporting Grievances or Concerns

The Code encourages our colleagues to raise any concerns to their supervisor or any representative of the Human Resources Employee Relations Unit. We also have an established Whistleblower Policy that includes "Protecting What is Ours" program, an anonymous reporting hotline for reporting suspected fraudulent activity, violations of laws and regulations, violations of the Code, conflicts of interest, and retaliation or retribution. The Whistleblower Policy applies to all members of the Corporation, including part-time, temporary, or agency-contracted colleagues. The policy also covers suppliers and service providers of the Corporation.

Reporting can be done directly to the Corporation's General Auditor or through the independent hotline. Complaints are quickly escalated for internal investigation by our Corporate Internal Audit Department. The issues are tracked, and their progress and resolution are presented on a quarterly basis to the Board's Audit Committee.

Anti-Bribery, Anti-Corruption, and Anti-Money Laundering Policies

We prioritize integrity and transparency in our operations and have policies, procedures, and internal controls to comply with anti-bribery laws. They are designed to prevent, detect, and mitigate any instances of bribery or corruption within our organization. These policies are aligned with relevant laws and regulations, such as the Foreign Corrupt Practices Act, and exceed statutory requirements to ensure the highest ethical standards are upheld. The Code sets expectations for how colleagues should adhere to the Bank Bribery Act, specifically prohibiting exchanges of value in connection with corporate business. The Code further prohibits all colleagues from facilitating payments and from engaging in any conduct or act that constitutes bribery.

The Corporations' Bank Secrecy Act/Anti-Money Laundering (BSA/AML) program helps protect our clients, our bank, and the global financial system from the risks of money laundering and terrorist financing. It is designed to ensure compliance with the BSA, the USA Patriot Act, and the Office of Foreign Assets Control (OFAC) requirements. We conduct an annual BSA Risk Assessment and review the BSA/AML Program annually with approval of our Board. Reports on BSA/AML statistics are provided on a quarterly basis to the Risk Committee. These statistics include volumes of investigations, suspicious activity reports, transactional alerts, and currency transaction reports, among others. In addition, in collaboration with the Human Resources Department, an annual BSA/AML training is provided to all eligible colleagues. In 2023, the overall completion rate of the BSA/AML Training Program was 99%. Those who did not complete the training were on an approved leave.

Government Affairs

Public policy has a significant impact on our business operations. We participate in policy discussions on issues that support our interests. We are a member of the Puerto Rico Bankers Association (the "Bankers Association"), the organization responsible for representing most of the banking industry in Puerto Rico. Our CEO is a member and current president of the Bankers Association Board of Directors, representing the interests of our business and customers when the Bankers Association considers government legislation. We are also a member of certain banking associations in the U.S. Virgin Islands, the British Virgin Islands, and Florida that are responsible for representing the banking industry in their respective jurisdictions, as well as a member of the American Bankers Association.

In accordance with the Code, we maintain a position of political neutrality, and we will not identify with any political party or candidate for public office, nor make any corporate political contributions. Our mission is to contribute to the economic development of the market and the communities in which we operate.

The Responsible Marketing Policy interrelates with other corporate documents, including the Corporation's Code, Complaint Management Policy, Sustainability Policy, Corporate Product Program, and other policies and guidelines that may be implemented from time to time.

Serving Customers Responsibly

Responsible Marketing and Advertising

In 2023, we formally adopted our Responsible Marketing Policy, which guides our promotional efforts, emphasizing transparency, integrity, and customer trust. Through upfront disclosure of features, terms and conditions, and applicable fees and charges of our products and services, we empower our customers to make informed decisions.

Our compliance program aims to mitigate any potential breaches or lapses in our marketing practices. Every campaign undergoes thorough scrutiny and approval to ensure strict adherence to industry regulations and ethical standards, such as brand image, product accuracy and transparency to prohibit unfair, deceptive, or abusive marketing practices. By subjecting our marketing communications to rigorous oversight, we not only mitigate the risk of inadvertently misleading or deceptive messaging but also uphold the trust and confidence of our valued customers.

We have wholeheartedly integrated diversity and inclusion principles to ensure our advertising accurately reflects the diversity of the communities we serve. We aim to represent people of various ages, backgrounds, and origins and are committed to avoiding any form of discrimination and breaking any negative stereotypes. Our policy also requires that our agencies and external partners uphold a zero-tolerance approach to discrimination and take proactive steps to promote diversity and inclusion.

Our websites adhere to the Web Content Accessibility Guidelines to be accessible and inclusive to everyone.

Our messaging is characterized by clarity, honesty, trustworthiness, and customer centricity. We strive for consistency and accuracy in all our communications, ensuring that they resonate with our audience and foster meaningful connections. By consistently delivering on these principles, we not only build stronger relationships with our customers but also reinforce our dedication to conducting business with integrity and accountability. For more information, please refer to our [Responsible Marketing Policy](#).

Consumer Fairness and Financial Protection

In our marketing and advertising communications, we strive to comply with all applicable regulations about brand image, product accuracy, and message integrity.

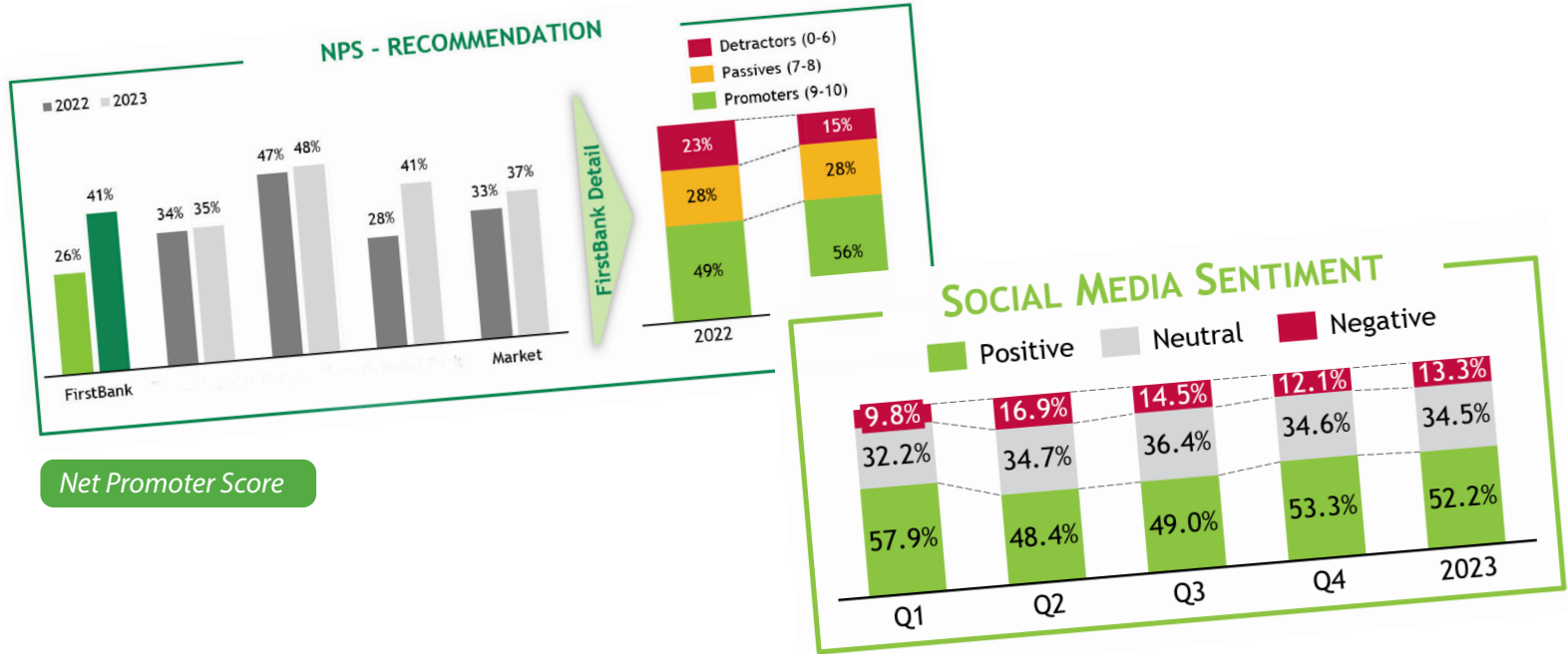
We care for vulnerable populations. Our colleagues are responsible for identifying and referring suspected cases of financial exploitation in accordance with our policies and procedures. We endeavor to prevent attempts by individuals to obtain or use our customers, including disabled or senior citizens, funds, credit, assets, or property with the intent to benefit someone other than the owner of the property. The security and privacy of our clients and their data is a top priority. All colleagues must report suspicious behavior and suspected breaches of client data.

Responsible Sales and Lending

Equal and fair treatment of credit applicants and existing borrowers is integral to our commitment to help clients achieve financial security and economic success. We affirmatively solicit credit applications from all segments of our communities. Our commitment to fairness and equity spans all marketing and outreach channels, including digital. As part of our regulatory trainings, all colleagues in branches and collections units are required to undergo “Power Trainings,” which include fair lending, sales, telemarketing practices and unfair, deceptive and abusive acts or practices.

We provide resources and expert advice to help low- and moderate-income (LMI) individuals with ways to save money, buy a first home, start a business, save for retirement, and achieve other financial goals. As required under applicable law, we are committed to informing our customers of the reasons that lead to not approving a loan or opening an account with FirstBank. Furthermore, as required under applicable law, we are committed to informing our customers of the reasons that lead to not approving a loan or opening an account with FirstBank.

Customer Experience



We established a Customer Experience Strategy Team to enhance and streamline the overall customer experience. Since its inception in 2021, this team has focused on enhancing and strengthening our customer service framework to create a strong competitive advantage by providing a consistent outstanding customer experience across all regions. During 2023, the team continued to evolve and expand customer experience metrics and alignment with customer expectations, as well as improving customer journeys using standardized practices to assess, identify, and promote transformation projects and improve on identified pain points. In 2023, we achieved progress across key customer experience areas, including net promoter scores (NPS), service levels, and wait times. In 2023, we increased our NPS satisfaction levels from 38% to 52%. By applying a customer-centric approach and continuously monitoring performance metrics, the team aims to identify areas for improvement and implement strategic solutions to improve the overall banking experience. This commitment to enhancing customer satisfaction emphasizes our dedication to prioritizing the needs and preferences of our valued customers and reinforcing our position as a customer-focused financial institution.

Quality Control in Product Development

Recognizing the importance of integrity and responsibility in today’s business landscape, we place a high priority on ensuring that all products and services are designed, developed, and produced in an ethical and transparent manner, including taking into account consumer protection requirements, such as not engaging in unfair, deceptive, or abusive acts or practices. This commitment encompasses rigorous quality control, adherence to industry standards, and a dedication to corporate responsibility. The depth of our risk management process is based on the complexity of new products or services being offered, and the type of significant material change to the scope of an existing product or service. The Executive Risk Management Committee oversees the development of, implementation of, and changes to the Corporation’s products and services.

To maintain an effective risk management process for new products and services, we:

- Perform comprehensive due diligence prior to introducing a new product or service.
- Establish and implement policies and procedures that provide guidance on risk management of new activities.
- Maintain an effective change management process to manage and control the implementation of new or modified operational processes, as well as new technologies.
- Develop and implement appropriate performance monitoring and review systems.
- Implement continuous oversight of third-party relationships.

Complaints Management Program

Central to our vision of achieving excellent customer satisfaction and our commitment to keeping customers engaged, we have a Complaints Management Program designed to resolve consumer complaints on a timely basis, improve products and services, and enhance customer relations. The program is overseen by the Complaints Management Unit, within the Operations Center of Excellence Department, and a Complaints Manager. The latter is tasked with reporting related incidents to senior management and the Executive Risk Management Committee. The Complaints Management Program incorporates:

- Complaints Management Unit
- Written policies and procedures
- A cross-functional complaint management tool for communication and tracking
- Reporting and analysis
- Monitoring and auditing
- Training

Quality review controls are maintained throughout the sale of products and services to ensure customer satisfaction and regulatory compliance. These controls are implemented at various stages of the sales process, from initial customer interaction to final transaction completion. Periodic audits are conducted to assess their effectiveness and identify areas for improvement. Our governance framework mandates that for any complaint alleging that a product was not requested by a customer, the same should be escalated and discussed with the Corporation's Complain Management Unit.

Responsible Compensation Structure

We cultivate a culture in which our colleagues are encouraged to prioritize customer satisfaction and ethical behavior. We have a variable incentive compensation structure designed to promote strategic goals while maintaining prudent risk taking:

- Variable incentive compensation considers a mix of goals, including portfolio growth, asset quality, total new originations, digital banking enrollment, originations of personal loans, and opening of deposit accounts and credit card accounts, among others
- The plans include risk mitigation elements, such as clawback provisions and compensation caps

As a financial institution, we are subject to strict regulations for responsible sales and compensation practices. We prioritize integrity and transparency in every aspect of our sales processes, ensuring that customers receive accurate information and suitable recommendations tailored to their individual financial needs. We have incorporated cross-functional procedures into critical oversight functions within various departments, such as Finance, Human Resources, ERM, and Compliance, to design, analyze, approve, and manage compensation plans in alignment with sales evaluations, budget monitoring, risk-avoidance assessments, and corporate strategic plans.

The ERM department performs a risk avoidance review annually to ensure alignment with our ethical standards and regulatory expectations. It also validates that the proper controls for monitoring are in place and presents the results to the Board’s Compensation and Benefits Committee and the Risk Committee. Corporate incentive plans must be approved by the Corporation’s CRO, and additionally, plans with payments over a certain threshold require the CEO’s approval. Payouts for ELT incentives must be approved by the Compensation and Benefits Committee and the Board.

Debt Collection Policy and Procedures

We have debt collection processes in place to promote ethical and legal practices. The established procedures follow guidelines applicable to the financial industry. Our colleagues must adhere to established guidelines governing communication with debtors, documentation of interactions, and resolution strategies. This involves maintaining professionalism, empathy, and respect toward debtors while upholding regulatory obligations. To support customers in hardship, the process includes a loss mitigation program with debt restructuring or payment plan alternatives. Adherence to established protocols also safeguards against potential litigation and maintains transparency in financial dealings.

Our loss mitigation policies follow guidance from the Federal Financial Institutions Examination Council Uniform Retail Credit Classification and Account Management Policy. As part of our regulatory trainings, applicable employees are required to complete a consumer collection training. In 2023, 99% of the required colleagues completed the training. Those colleagues who did not complete it were under an approved leave.

Data Privacy and Cybersecurity

Cybersecurity

Data security is a top priority for us. We manage cybersecurity risks through technology platforms, adequate resources, and effective governance controls. Our processes to identify, assess, and monitor material risks from cybersecurity threats are part of the ERM Program, which is documented as part of the Corporate Incident Response Program and under which we have implemented a comprehensive Corporate Information Security Program (CISP).

Cybersecurity risk is managed as part of the overall information technology risk, under the direction of the Corporate Security Office (CSO), led by the Corporate Security Officer (CSO Officer), who directly reports to the Chief Operations Officer. The CSO Officer also serves as Chief Information Security Officer. The CSO provides the Board's Risk Committee with regular reports and engages in discussions throughout the year on the effectiveness of the CISP, including risk mitigation strategy and progress. The Risk Committee reviews and approves the CISP annually and receives a report on the security safeguards annually, in accordance with the Gramm-Leach-Bliley Act.

The CISP is aligned with well-renowned frameworks, such as the International Organization for Standardization ISO 27000 series, including ISO 27001, and the National Institute of Standards and Technology Cybersecurity Framework. As such, it guides the implementation of security safeguards across the Corporation and its subsidiaries. The CISP also addresses cybersecurity breaches and procedures for appropriate response efforts, including any required notification, depending on the severity of the specific security incident. Please refer to our Form 10-K for the fiscal year ended December 31, 2023, for more information.

Periodic scans and penetration tests are conducted using different tools and providers to detect and correct security vulnerabilities. These are remediated using a risk-based approach and are monitored through the Vulnerability Management Committee and Patch



Management Board, which report to the Board’s Risk Committee periodically. In the case of potential security incidents, our Corporate Incident Response Program includes a risk-based escalation process to manage corporate incidents, including cybersecurity incidents, and to notify the Board’s Risk Committee and applicable stakeholders, as appropriate.

We conduct multiple annual external and internal independent audits and report information security key performance indicators periodically to the Board’s Risk Committee. As part of our information security and cybersecurity risk evaluation, we continuously assess how new products, technology deployments, internal changes, external events, and threat evolution might impact our information security framework and determine if additional resources, processes, or technology are needed. The purpose of this ongoing process is to modify or enhance our layers of defense as needed and to remediate any vulnerabilities.

All of our colleagues and consultants with access to the Corporation’s network are required to complete a comprehensive cybersecurity awareness program during onboarding and on an annual basis thereafter. This training covers responsible information security, data security, cybersecurity practices, and data protection against cyber threats. In addition, we conduct ongoing phishing tests and specialized phishing exercises throughout all regions as part of our Security Awareness Program. We also communicate alerts and information for internal awareness of existing threats. In 2023, 99% of employees completed cybersecurity awareness training. Those who did not complete the training were on an approved leave.

An independent cybersecurity assessment of our risk and preparedness is performed and validated by our regulators on an annual basis. In the event of a cybersecurity event, the Corporation is committed to complying with applicable laws and regulations, including notifying data subjects, if applicable. In 2023, the Corporation had no material incidents related to cybersecurity.



Privacy

We adhere to all federal and state regulations as they relate to the privacy and confidentiality of information. We maintain policies and practices applicable to customer privacy and confidentiality of information. Privacy parameters are included within our Privacy Policy, Code, the Service Provider Code of Conduct, and our Corporate Information Security Policy. We strive to protect customers’ financial privacy and ensure that they are informed and notified about our information-sharing practices. We are committed to collecting data through lawful and transparent means, limited to its intended purposes; to notifying customers in a timely manner in the event of a data breach or policy change; and to providing clear terms regarding the collection, use, sharing, and retention of data.

Procedures are implemented to secure clients’ personally identifiable information (PII) in accordance with applicable laws and regulations. We have a security help center on the website, which includes a phone number that customers can call if they identify suspicious activity. We also have a team assisting our customers with fraud-related issues and 24/7 system tracking to prevent any suspicious activity. We ensure our colleagues receive annual training about the importance of consumer confidentiality, and we continuously assess and improve procedures to ensure strong adherence to privacy and fraud protection principles to guarantee customer safety.

Responsible Sourcing

Vendor Management

Vendor relationships are managed by the management-level Vendor Management Committee (VMC), which is led by the Finance Department Expense Management Group. The Board's Risk Committee has oversight responsibility over the Corporation's Vendor Management Program. The VMC is required to report its progress annually to the Risk Committee. The VMC meets quarterly and is composed of cross-functional leaders from the Legal, Compliance, ERM, Security, Technology, Insurance, Finance, and Operations departments, among others.

Vendor Risk Management

Our commitment to responsible sourcing is evident in our rigorous evaluation process, which involves the careful classification of risks, assessment of potential risks, and consideration of services provided by vendors. Vendors identified with higher-risk designations undergo additional scrutiny, requiring the submission of detailed information to effectively mitigate potential risks.

Reviews encompass a comprehensive analysis of vendor performance, risk management practices, financial stability, and compliance with applicable laws and regulations. As part of the evaluation, vendors with contracts over a specified threshold are mandated to complete a Related Party Questionnaire, facilitating full disclosure of any business relationships between vendors and members of the Corporation.

During 2023, we revamped the Vendor Risk Assessment to include ESG-related considerations to assess the environmental impact and social responsibility of our suppliers. By doing so, we enhance our ability to identify and mitigate risks and contribute to promoting sustainable business practices throughout our supply chain. This approach aligns with our broader sustainability goals.

Service Provider Code of Conduct

In 2023, we took significant strides toward reinforcing our commitment to ethical business practices by revising our Service Provider Code of Conduct. We have integrated community-centric considerations, such as the right to water, environmental protection, and social responsibility to ensure our vendors uphold these fundamental values.

We integrated comprehensive human rights provisions encompassing critical issues such as child and forced labor, ensuring that our vendors uphold international standards and legal regulations prohibiting such practices. Our Service Provider Code of Conduct stipulates fair wages and working time parameters, emphasizing the importance of equitable compensation and reasonable work hours for all employees within our supply chain. Moreover, stringent health and safety compliance expectations are outlined to safeguard the well-being of workers and mitigate risks of occupational hazards. By embedding these principles into our Service Provider Code of Conduct, we reinforce our dedication to upholding human rights standards throughout our operations and supply chain.

Vendor Cyber-Security

The VMC oversees the Vendor Management Program, which guides our supply chain practices and compliance protocols. As part of our Vendor Management Program, we have a Third-Party Risk Management function that manages the cybersecurity risks associated with conducting business with third-party vendors, which includes the requirement for third-party vendors to implement appropriate measures to ensure the security and confidentiality of our resources. We place vendors into different tiers — based on the risk inherent in the nature of our relationship with that vendor — to determine any additional security requirements for such level of risk. Our agreements stipulate that vendors entrusted with managing confidential client information, including PII, must maintain a cybersecurity program, comply with relevant laws and regulations, and ensure that any third parties they engage also adhere to the terms outlined in the agreement.

In 2023, we enhanced our vendor cyber-security risk management capabilities with data-driven insights to prioritize assessments, identify vulnerabilities, and create cyber profiles for our vendors. We use a tool that comprehensively evaluates and monitors cybersecurity risk performance across various categories, such as software updates, encryption, network traffic control, breach analysis, performance ratings, email and Domain Name System security measures, and system hosting environments. This process provides us with instant visibility into each third-party vendor’s compliance with the security requirements. Non-performing vendors can be identified, allowing us to review critical issues first. This tool speeds up the evaluation process, reducing project delays when onboarding new vendors.



Supplier Diversity

Since early 2023, we significantly expanded our DEI initiatives within our supply chain by taking concrete steps to enhance minority supplier engagement. We solidified our commitment to supporting minority-owned businesses by joining the Puerto Rico Minority Supplier Council as a corporate member. This membership will enhance relationships with our supplier base and increase visibility among the Puerto Rico community. Additionally, we initiated an effort to identify and track minority-owned suppliers, recognizing the importance of fostering diversity and inclusion among our vendors.

By the end of 2023, we had identified the following classifications within our supply chain:

71
women-owned businesses

6
veteran-owned businesses

84
minority-owned businesses

320
small businesses

Human Rights

Our Commitment to Respect Human Rights

We are not only about numbers and transactions; we are about people. We recognize the pivotal role that companies and the financial sector play in promoting and protecting human rights. Acknowledging that economic activities can impact human rights, we are committed to leveraging our resources, expertise, and influence to ensure that our operations contribute to the advancement of human dignity, fairness, and equality.

Upholding human rights is not just a legal obligation or a moral imperative but a sound business practice. In 2023, to integrate these principles into our policies, procedures, and decision-making processes, we approved a Human Rights Statement, guided by the principles set forth in the United Nations Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. By respecting and promoting human rights within our operations and throughout our supply chain, we contribute to building trust with our stakeholders, fostering a positive corporate culture and mitigating risks. We agree that businesses thrive in societies in which human rights are respected, and as such, our commitment to human rights is essential to our long-term success.

Human Rights Statement

First BanCorp, and its subsidiaries and affiliates (collectively and hereafter, the "Corporation"), comply with the 2011 United Nations Guiding Principles on Business and Human Rights and provide a decent work environment for all our employees.

As a banking institution, we are committed to upholding the fundamental human rights of all individuals and groups that we interact with, both within our organization and in the communities we serve. We believe that respecting human rights is not only the right thing to do, but it is also essential for our community and environment. We have a responsibility

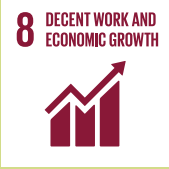
to provide decent work for all. The Corporation does not engage in, support, or tolerate any form of **forced labor** in any of its operations or businesses. We are committed to upholding the right of every individual to work freely and voluntarily, and we will not condone any practices that restrict an individual's freedom to choose their employment or work conditions. The Corporation also recognizes that children are particularly vulnerable to exploitation, and we will not engage in, support, or tolerate any form of **child labor** in our operations.

We recognize that human rights are integral to our sustainable development and responsible business practices. The Corporation is committed to promoting and protecting human rights, and we will not engage in any practices that violate the rights of our employees or those of our suppliers, partners, or clients.



SUSTAINABLE AND ACCESSIBLE FINANCE

Our contributions to UN SDGs



- ESG Integration within Commercial Credit
- Small Business and Community Development Lending
- Affordable Housing
- Financial Wellness and Economic Inclusion



We recognize that promoting financial access and inclusion plays a pivotal role in societal and environmental well-being. By prioritizing responsible and accessible finance, we ensure that all individuals and communities have equitable opportunities to access financial resources.

ESG Integration within Commercial Credit

Credit Policy

During 2023, we integrated certain ESG considerations into the Corporation's Commercial Loan Credit Policy. This policy prohibits or limits lending to certain entities, operations within certain industries, and/or for certain purposes. The policy was expanded to promote growth of the number of clients involved in the development of sustainable technologies, products, and services that support a green economy, as well as establishing a specific appetite for renewable energy loans. The Commercial Loan Credit Policy was expanded to achieve the following ESG-related objectives:

- Serve the needs of customers in our communities
- Aid in the expansion of economic activity in our markets
- Assist with local infrastructure development
- Support increased economic activity for our customers
- Develop and advance sustainable technologies, products, and services that promote a green economy

Our Commercial Loan Credit Policy includes additional requirements for due diligence in specific loan structures and industries. Loans related to agriculture, land acquisition, oil and gas, weapons, and gambling must be evaluated and require the sign-off of the Corporation's Chief Credit Officer or higher lending authority.

Environmental Risk Program

We have an Environmental Risk Program to establish the guidelines to manage environmental issues we may face in our lending activities, including loan originations, participations purchased from other financial institutions, loan workouts, or accepting a deed in lieu of foreclosure on real estate or foreclosure proceedings. We provide training for credit officers to ensure they have sufficient knowledge to determine and evaluate the potential environmental concerns that may affect a transaction and/or the interests of the Corporation. If a particular transaction or environmental issue raises concerns, we will engage an environmental consultant or external counsel.

Supporting the United Nations SDGs through Lending

During 2023, we continued leveraging our sustainable finance initiatives in commercial credit to seize growth opportunities and increase our market share. By providing credit extensions in projects and to entities with significant social or environmental impact, we are enhancing our portfolio while reinforcing our commitment to driving positive change and pursuing strategic business goals. We recently started an assessment of our loan portfolio to identify opportunities that align with the SDGs, aiming to integrate sustainability considerations into our lending strategy.

In 2023, we identified approximately \$345 million in credit extensions that advanced key SDGs, including affordable housing, clean energy, sustainable cities and communities, and quality education. Moving forward, we expect to develop a framework to establish clear eligibility criteria for SDG-aligned loans.

The CRA requires the federal supervisory agencies, as part of the general examination of supervised banks, to assess a bank's record of meeting the credit needs of its community, assign a performance rating, and take such record and rating into account in their evaluation of certain applications by such bank.

Small Business and Community Development Lending

Community Reinvestment Act Program

We are committed to helping strengthen the social and financial well-being of our colleagues, communities, and customers. We have a long history of community development, and we continuously refine and invest in programs to be more intentional, transparent, and impactful. We specifically design and execute initiatives aligned with the Community Reinvestment Act (CRA), which encourages banks to help meet the credit needs of the local communities where they operate. We have a CRA program that is internally reviewed annually and externally audited every three years. Each operating region has its own goals and standards set and approved by the Board annually. Progress against CRA annual goals is monitored quarterly by the CRA Unit within the Compliance Department. In the most recent examination by the Federal Deposit Insurance Corporation, we received a "Satisfactory" CRA rating.

The Corporation sets up goals for:

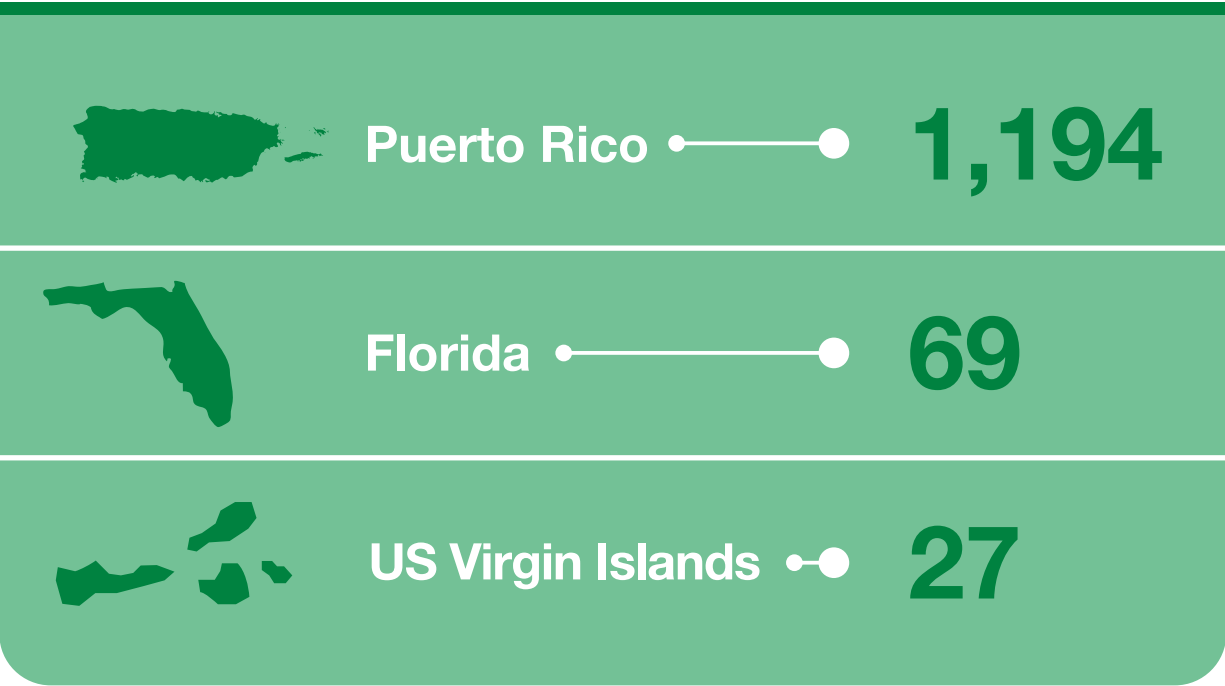
- Residential mortgage loans to low-and moderate-income (LMI) borrowers and in LMI areas, including small business loans to businesses located in LMI census tracts, businesses with annual revenues of no more than \$1 million, and loans for affordable housing projects
- Community Development Loans (CDLs) and qualified investment activities, including grants that support development in the areas of affordable housing, revitalization or stabilization, and community services targeted to LMI individuals
- Corporate-wide annual community development service activities
- Community educational events at which we host seminars to inform the public about lending products, savings accounts, personal financial management and to provide technical assistance by working with community-based organizations



Small Business Loans

As a commercial bank, we recognize the unique challenges small businesses face and strive to assist them to succeed and promote financial inclusion. As such, we partner with customers to achieve their financial goals through responsive, knowledgeable, and caring colleagues who are committed to enhancing shareholder value and the well-being of our communities. As of December 31, 2023, we provided approximately 1,290 loans below \$1 million each, amounting to approximately \$150 million.

Number of 2023 CRA-Related Small Business Loan Originations



2023 Small Business Recovery Grant

To support economic development in our communities, we participated in the \$5 million Small Business Recovery Grant (SBRG) announced by the Federal Home Loan Bank of New York (FHLBNY). The SBRG program was intended to provide grants to small businesses or nonprofit organizations for economic recovery. This program was only available for bank members of the FHLBNY. **Through the SBRG, we helped three small businesses and two nonprofit organizations by distributing \$10,000 to each one for a total of \$50,000, the largest amount permitted per bank member.**

Small Business Administration-Guaranteed Loans

We remain a “Certified Lender” for the U.S. Small Business Administration (SBA) and, as such, can provide expedited loan approval for the local business community. SBA programs benefit our borrowers in long-term financing by improving cash flow as well as providing a more attractive interest rate. SBA-guaranteed loans provide certain benefits to the Corporation, including minimizing risk premiums and loss reserves, and increases the possibility of offering more loans to new businesses (startups). In 2023, we extended **64 SBA-guaranteed loans for an aggregate amount of \$14 million.**

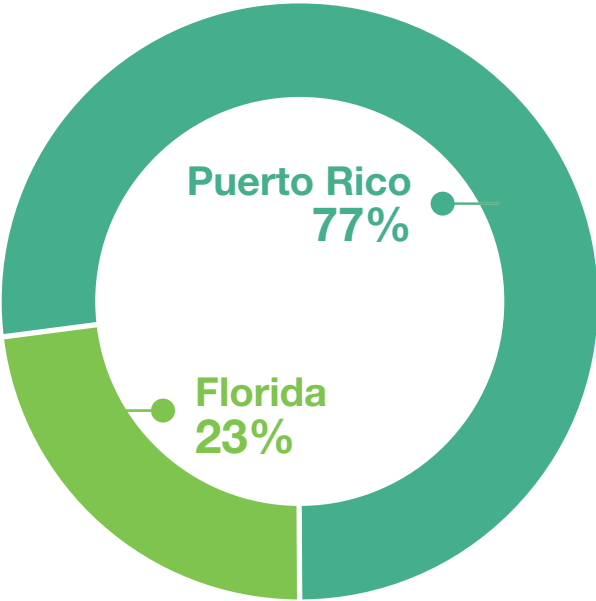


Our CRA Investments

We have invested in several funds, including a third-party fund based in Puerto Rico and registered as a Small Business Investment Company (SBIC), which supports small business development. Qualified investments encompass a variety of initiatives, mainly aimed at community development, affordable housing, revitalization, and economic growth. These investments can take the form of grants, cash equivalents, deposits, purchases of securities or bonds, and support for projects like Low-Income Housing Tax Credits or New Markets Tax Credits as defined by the CRA. Our CRA investments are fulfilled and supported through our partnerships with certified community development financial institutions, SBIC, or donations of property goods. The focus is on promoting affordable housing and community development, addressing both short-term and long-term needs, and fostering self-sufficiency within these communities.

As of December 31, 2023, we maintained \$192.3 million in CRA qualified investments. The following table shows the total CRA qualified investments by region.

% of Qualified Investments by region



► 2023 Community Development Loans Granted



Community Development Loans

In 2023, we granted **53 Community Development Loans (CDL)** for a total of **\$469 million across all regions**. CDLs that qualify for CRA credit are loans that support the economic development of LMI communities through construction or rehabilitation of housing, promotion of business and/or economic expansion in the areas, job creation, and development of infrastructure. Through our lending to for-profit developers of affordable housing and commercial developments and nonprofit community development organizations, we play a key role in helping to build stronger communities.

Affordable Housing

Providing access to affordable housing is critical for the stability of families and individuals. We understand that affordable housing is a cornerstone of any growing economy and are committed to striving to finance affordable housing projects where possible. We use innovative and flexible lending programs to serve the needs of LMI individuals in the areas we serve.

Federally Guaranteed Mortgage Loans

The most popular programs for residential mortgage lending are the federal housing programs, through which we offer a range of government-sponsored lending programs. The primary program is through the Federal Housing Administration. We also offer U.S. Department of Veterans Affairs-guaranteed mortgages, which allow consumers to borrow up to 100% of the property’s appraised value.

We are also an approved lender under the Rural Economic and Community Development Program, offered by the U.S. Department of Agriculture, to eligible borrowers who wish to buy a home. This program consists of Farm Service Agency and Rural Housing Service loans. The program is available to LMI borrowers in rural areas. The borrower can obtain a loan of up to 100% of the appraised value, and the maximum loan amounts are the same as those approved by the U.S. Department of Housing and Urban Development for the different counties in Puerto Rico, Florida, and the U.S. Virgin Islands.

As of December 31, 2023, we had closed 783 federally guaranteed loans for a total of \$122 million.

\$80M

Federal Housing
Administration
518 •

\$21M

Rural Housing
159 •

\$20M

Veterans
Affairs
106 •

FHLBNY Homebuyer Dream Program (HDP)

During 2023, we continued to participate in the FHLBNY HDP, which was developed to help individuals purchase their first homes. The HDP helps first-time homebuyers in Puerto Rico and the U.S. Virgin Islands with closings costs and defrayment of nonprofit counseling agency costs. The program is administered by each bank member of the FHLBNY; each member is responsible for identifying borrowers who qualify for assistance pursuant to the program guidelines.

The HDP provided up to \$10,000 per household based on the criteria set up by the FHLBNY. Grant up to \$9,500 per household; additional \$500 for defrayment of non-profit counseling agency costs. Total maximum potential grant of \$20,000. The Federal Home Loan Bank of New York (“FHLBNY”) provides a fund on the Homebuyer Dream Program for all insured depository members in Puerto Rico, U.S. Virgin Islands, New York, and New Jersey. Through 2023, FirstBank granted under this program 2 loans and provided a total of \$20,000.

Community Development Block Grant (CDBG) Program

We are committed to supporting affordable housing for first-time homebuyers in the communities we serve via our participation in the distribution of the CDBG funds across the Puerto Rico region. Through our specialized team within the Mortgage Unit, we assisted more than 328 families in 2023 to purchase their first homes under this program for a total of \$27.78 million.

The CDBG Program awards up to \$55,000 to first-time homebuyers. It provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for LMI individuals. The program was designed to reinforce several important values and principles of community development:

- Flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities
- An emphasis on consolidated planning expands and strengthens partnerships throughout all levels of government and the private sector and enhances community development
- Technical assistance activities and set-asides for grantees builds the capacity of the program partners

Mortgages in Low-Income Areas – Community Lending Program

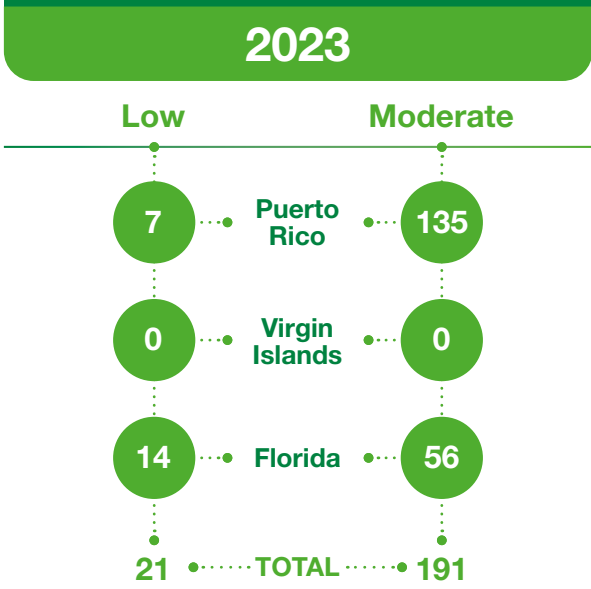
The following metrics reflect mortgage loans originated in LMI areas across our three operating regions in 2023. In our Florida region, we offer a Special Purpose Credit Program (SPCP) that offers a fixed-rate mortgage (no cash-out refinances) for primary

residences. We created the SPCP with the intention of addressings to credit lending needs in economically disadvantaged neighborhoods, to cover closing costs. The SPCP offers lender credit of \$6,000 for borrowers at or below 80% Area Median Income (AMI) and \$3,000 for borrowers between 80% and 100% AMI. The lender credit may be due upon sale, refinance, transfer, repayment of the loan, or if the senior mortgage is assumed during the term of the loan. Under this program in 2023, we originated eleven loans for a total of \$3.6 million.

Mortgages Originated in LMI Areas by Census Tract



Mortgages Originated in LMI Areas by Median Family Income



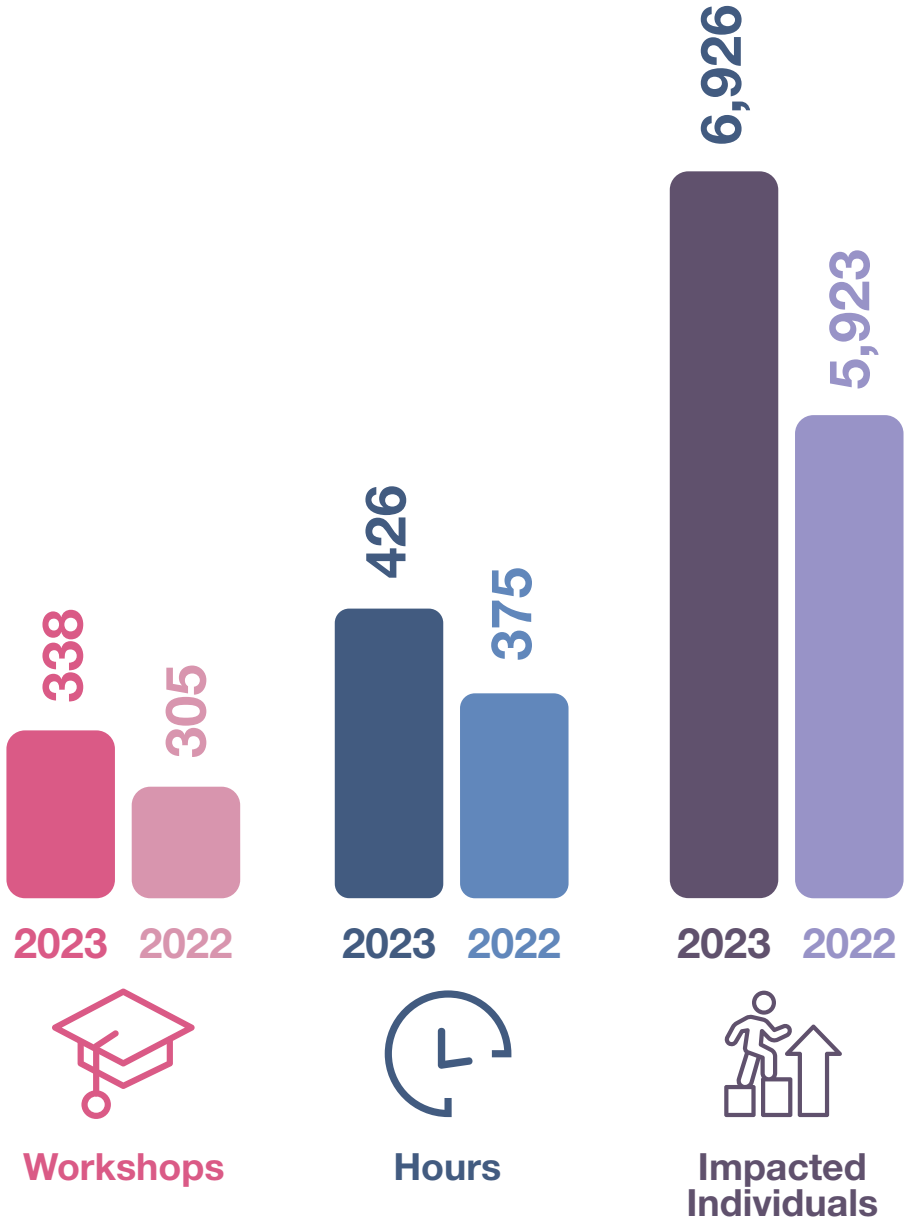
Financial Wellness and Economic Inclusion

Financial Literacy Classes

We promote financial access and inclusion by offering comprehensive financial literacy seminars to our communities. These classes serve as invaluable resource for individuals of all backgrounds, providing them with essential knowledge and skills to make informed financial decisions. Our financial literacy classes cover topics such as budgeting, saving, investing, and understanding credit. These classes empower participants to take control of their financial future. **During 2023, under our financial literacy program, our colleagues provided 338 workshops, which equates to over 426 educational hours, assisting more than 6,926 individuals of all ages in enhancing their financial skills.** Our financial literacy program includes the provision of financial education in public schools, elderly homes, public housing projects, small businesses, and LMI communities.

Accessibility and Customer Inclusion

Recognizing the diverse needs of our customers, we have taken proactive steps to ensure that our banking services are accessible to everyone, including those with visual impairments or language preferences. For this reason, 100% of our ATMs are equipped with Braille numeric keypads and voice guides, available in both English and Spanish. In 2023, we redesigned our corporate website and installed American with Disabilities Act plug-ins to enhance its usability for all users. This proactive approach ensures that our website is compliant with accessibility standards. This functionality offers users the ability to navigate and interact within the website with ease, regardless of any disabilities or impairments they may have. These new accessibility features not only enhance the overall banking experience for all customers but also demonstrate our dedication to fostering an inclusive and equitable financial environment for everyone in the community.



ENVIRONMENTAL STEWARDSHIP

Our contributions to UN SDGs



-  Sustainable Operations
-  Climate Resilience



We are deeply committed to implementing sustainable practices that reduce the environmental impact of our operations and supporting our communities in adapting to the effects of climate change.

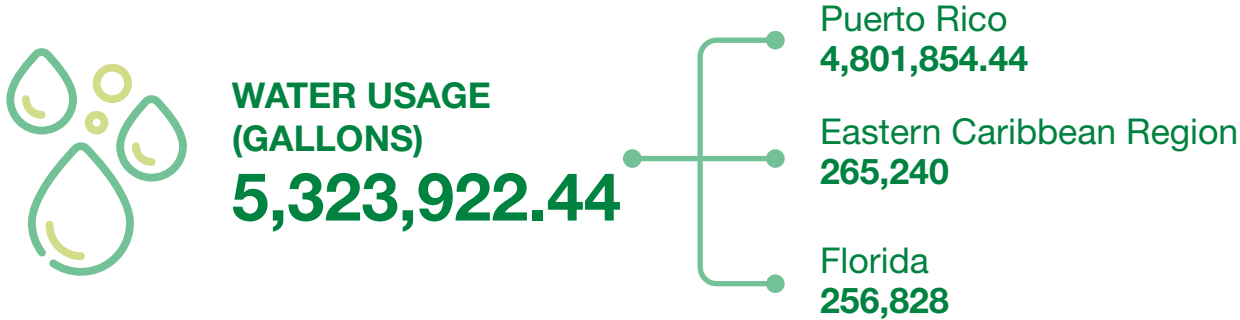
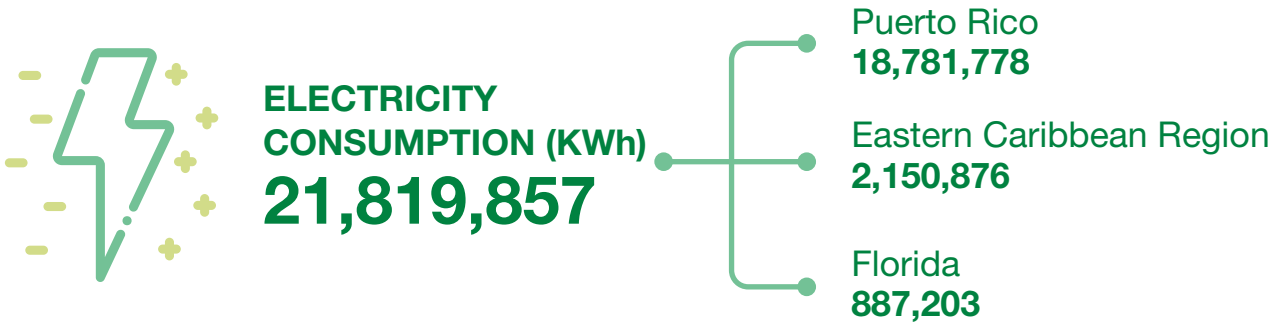
Sustainable Operations

Energy and Water Management

We recognize the importance of environmental responsibility in our daily activities. We reaffirm our commitment to the three pillars of our One with the Environment Program: energy management, waste and recycling, and reforestation. In 2023, we prioritized energy and water management as integral components of our sustainability efforts. Through energy and water usage monitoring, we aim to identify opportunities to enhance our efficiency.

During 2023, we continued our commitment to equip our facilities with LED lighting, reaching approximately a 95% transition in our buildings and branches. We continue to actively seek ways to conserve energy and water, ultimately contributing to a healthier planet and demonstrating our dedication to corporate sustainability.

Following are metrics of our energy and water usage in 2023:



Waste Management and Recycling

We have demonstrated a commitment to natural resource management through the expansion of our recycling program and diligent waste management practices. With the expansion of our recycling program in 2023, which now includes heavy metals, single-stream plastic, and organic waste recycling, in addition to electronics, wood, paper and carpet tiles we aim to minimize our environmental footprint by diverting materials from landfills and reintroducing them into the production cycle. Through our partnership with Tais — a Puerto Rican business dedicated to providing integrated systems for recycling, water treatments, composting, and to creating soil conditioners for clean, resilient, and sustainable agriculture — we actively divert food residues away from landfills, repurposing them into compost, which is then utilized to nourish agriculture in local farms. Through efficient waste management strategies, such as waste reduction, segregation, and proper disposal techniques, we ensure that resources are utilized responsibly and sustainably. By embracing these practices, we not only reduce our environmental impact but also set a positive example for sustainable business practices within our industry, contributing to a positive shift toward improving sustainability throughout our industry.

In 2023, we continued using corporate uniforms made from recycled single-use bottles.



► Waste and Recycling Metrics (lbs)*:



*Waste and recycling metrics from First BanCorp includes the Puerto Rico region only

**Metrics refer to pounds recycled

In addition to the expansion of our recycling program, in 2023, we focused on reducing paper consumption with several internal campaigns. In May 2023, we launched the “Save a Tree” challenge for our colleagues. For 30 days, every FirstBank unit was tasked with reducing paper consumption for printing and photocopying. The unit that reduced paper consumption the most, hence saving more trees during the established time frame, won a guided tour of the San Patricio Urban Forest that included environmental discussions and an outdoor cinema experience. Management monitors the paper consumption on an ongoing basis. Furthermore, as part of the initiatives to encourage our customers to enroll in e-statements, we saved around 335,000 sheets of paper by the end of the 2023.



2,544.30
CO² emissions
avoided (metric tons)



10,640
Trees preserved



130.03
Landfill space
conserved (cubic yards)

► **Our Recycling Impact** ^{3,4}

We received a certificate from Shaw Contract for being the largest reclaimed project of recycled carpet tiles in Latin America and the first in the Caribbean/Central America.



³Recycling impact metrics are based on paper, carpet tiles, heavy metals and single-stream plastic recycling materials.

⁴Impact metrics were provided by environmental impact reports from Iron Mountain (paper) IFCO Recycling (heavy metals and single stream plastic) and Shaw Contract (carpet tiles).

Climate Resilience

Building Climate Resilience within our Business

Aligning with the TCFD Framework

In 2023 we started aligning our Corporate Sustainability Program and disclosures with the TCFD framework. The TCFD framework provides a standardized approach for companies to disclose climate-related risks and opportunities in their public filings and helps companies assess and manage climate risks more effectively. By enhancing transparency and promoting proactive risk management, the TCFD framework supports building climate resilience throughout our organization.

Please see the TCFD table in the Appendix for an overview of how we are building climate resilience in alignment with the frameworks’ recommendations.

Building Climate Resilience within Our Communities

As an entity operating in the Caribbean and hurricane-prone zones, we are committed to promoting environmental resilience within our communities.

Rescate Costero

Understanding the unique challenges facing coastal regions and the damage that has occurred in recent years due to natural disasters, we launched our Rescate Costero initiative in October 2023 as part of our 75th anniversary celebrations. This initiative was launched in collaboration with government entities, academic institutions, nonprofit organizations, and commercial businesses with a commitment to sustainability. Rescate Costero is a three-year program through which we pledged to plant 25,000 trees along the coastal lines of Puerto Rico to mitigate the effects of coastal erosion. This initiative supports measures of prevention, mitigation, adaptation, and resilience toward the chronic physical risk of rising sea levels in Puerto Rico. As of December 31, 2023, only two months after the initiative’s launch, our colleagues had planted over 2,700 trees in the municipalities of Loiza, Manati, and Isabela.



Rescate Costero launching and planting events

Urban Forests and Reforestation Initiative

Since initiating our five-year commitment in 2021, the Corporation remains steadfast in our dedication to the San Patricio Urban Forest in Puerto Rico. With our pledge to donate \$5,000 annually until 2026, we play a pivotal role in supporting the conservation and rehabilitation efforts of this vital ecosystem. In 2023, through this commitment, colleagues donated their time to plant fifteen trees. The forest serves as a critical habitat for numerous species, including birds, reptiles, and amphibians, some of which face the threat of extinction. We also supported San Patricio Urban Forest operations through the sale of air fresheners across our branch network, generating additional income to directly contribute to Urban Forest’s environmental conservation efforts. By continuing to provide support, we not only help preserve biodiversity but also contribute to the overall health and sustainability to their San Patricio Urban Forest, ensuring its protection for future generations to enjoy.



Dona tu Celu

In 2013, we started a program to recycle our own used corporate mobile phones. The following year, this recycling program was expanded to our customers, with the launching of “Dona tu Celu,” our mobile phone recycling program, which aims to raise awareness of the environmental risks of inadequately disposing of mobile phone equipment and accessories. Customers deposit old mobile phones, chargers, and accessories at drop-off locations throughout our branch network. For this initiative, we established a strategic alliance with e-Cycling to safely collect and recycle mobile phones, charging cables, and other accessories, thus contributing to reducing our environmental footprint. E-Cycling is a leading provider of technology products and services that reduce the risk, cost, and complexity associated with managing IT assets throughout their lifecycle, in compliance with data privacy and environmental management regulations. Their processes adhere to the standard of sustainable reuse and recycling of electronics. Through our alliance they collect the electronic equipment and erase all the data before recycling them. In turn, we receive monetary reimbursement. All proceeds from the recycling process are donated annually to “Martín Peña Recicla,” a nonprofit organization that has a program for the adequate management and disposal of solid waste in the communities around the Caño Martín Peña in San Juan, Puerto Rico. Since the start of the program, we have recycled more than 23,749 phones and electronic equipment, granting over \$18,600 to “Martin Peña Recicla.”



Environmental Donations

During 2023, we continued to identify community initiatives and organizations supporting environmental conservation. We donated \$51,000 to initiatives aimed at conservation, reforestation, and habitat rehabilitation, amplifying our role as a responsible corporate citizen that recognizes the importance of the maintaining the environments in which we live and operate.



Scuba Dogs Society

Scuba Dogs Society is a nonprofit organization dedicated to conservation and environmental education in Puerto Rico. Founded in 1993, it was previously known as the Enrique Martí Coll Foundation. Its vision is “humans in perfect harmony with nature,” and its mission is to “model a culture of harmony with nature to educate and integrate human beings with their social-ecological environment.” We acted as one of its sponsors for its International Coastal Cleanup Initiative in 2023.

Santa Ana Environmental Center

We financially supported the Santa Ana Environmental Center of the Inter-American University of Puerto Rico, Metropolitan Campus, located in the Julio Enrique Monagas National Park in Bayamón, Puerto Rico. In this place, you will also find the Santa Ana Forest Nature Reserve, protected by the Puerto Rico Department of Natural and Environmental Resources. Its mission is to inspire appreciation and respect for nature through forest interpretation, education, and research.

Plenitud PR

We donated \$10,000 to Plenitud PR, an educational nonprofit organization that supports sustainable community development through workshops, publications, and educational opportunities on sustainable technologies and techniques. For over 10 years, Plenitud PR has been supporting sustainable community development through training in appropriate technologies. These technologies include rainwater harvesting systems, agroecological farming, ecological construction, nutrition, and holistic well-being. Plenitud PR currently has five programs, three of which are focused on building the technical skills described above and two of which are focused on direct service to impact vulnerable populations in our communities.



Fundación Amigos de El Yunque Inc.

We continue to financially support the conservation of Puerto Rico’s tropical forest with a \$5,000 donation. This nonprofit aims to protect and promote the social and ecological value of this natural treasure.

Museo del Reciclaje

Museo del Reciclaje is a nonprofit organization founded by the company Reciclaje del Norte (RDN) Inc. The latter is a purely Puerto Rican social enterprise, owned by workers, which offers recycling services throughout the island. RDN has 27 years of experience, a workforce of more than 200 workers, four locations, and hundreds of satisfied customers, which makes one of the most solid recycling organizations in Puerto Rico. Its goal is to contribute to the creation of bricks with recycled materials for the construction of low-cost housing for LMI families. We collaborated on the initial research and development phase to be able to manufacture recycled bricks with local plastic waste. The raw material for the manufacture of these bricks will come from the 20 million pounds of plastic annually handled by RDN plants.



Centro de Microempresas y Tecnologías Agrícolas Sustentables

We support the mission of the Centro de Microempresas y Tecnologías Agrícolas Sustentables (CMTAS), which is to support agricultural entrepreneurs in the municipality of Yauco and nearby towns. CMTAS's mission is to create and support the agricultural microentrepreneurs from socioeconomically disadvantaged areas by providing training and educational services through a microenterprise approach. The organization provides educational workshops on diverse topics, such as sustainable agriculture, business plan writing, and food safety certification, among others.

Taller Comunidad La Goyco

Taller Comunidad La Goyco was developed in 2021 to empower self-management and economic development. In this space, owned and managed by the community itself, they hold monthly fairs and trainings for a small community of local entrepreneurs. The fairs include workshops, discussions, and events aimed at community empowerment and support for small entrepreneurs and artists. We collaborated with a glass and plastic recycling project aimed at reducing the amount of waste that ends up in landfills. This project is designed to collect, shred, and give new life to glass and plastic instead of throwing them away.

The initiatives held by Taller Comunidad La Goyco not only help to reduce waste and to promote sustainability but also support self-sustaining community micro-businesses that reuse these raw materials in their businesses.



OUR COLLEAGUES

- Employee Well-being and Total Rewards
- Employee Experience
- Diversity, Equity and Inclusion
- Training, Learning and Development
- Talent and Retention

Our contributions to UN SDGs



We believe that our colleagues are our most valuable asset. Prioritizing the well-being, development, and satisfaction of our workforce not only drives organizational success but also fosters a positive and inclusive workplace culture. By investing in our colleagues through training, professional development, health and wellness initiatives, and equitable opportunities, we create a supportive environment that encourages innovation, collaboration, and long-term commitment.

Employee Well-being and Total Rewards

First BanCorp Total Rewards Program

Our Corporation places a high priority on supporting our colleagues. Our comprehensive Total Rewards Program leverages market data to determine competitive salaries and benefits, ensuring that we can attract and retain top talent. To further recognize and reward positive performance, we offer variable pay programs, including non-equity performance-based incentives for eligible positions. We are committed to paying a competitive wage and periodically reviewing our minimum wage rates.

In 2023, we proactively increased our minimum wage for a second consecutive year in our Puerto Rico region. In addition to increasing the minimum wage, we embarked on a deep review of the base salaries paid to our colleagues. As a result we increased the base salary for a significant number of our colleagues, with an investment of approximately \$10 million. Our robust benefits package encompasses health and dental plans, retirement benefits, life and disability insurance, and a stock purchase program.

Supporting Our Families

We deeply value the significance of family and understand the importance of bonding time with a newborn. To support our colleagues during pivotal life moments and personal tragedies, we offer comprehensive family leave, marriage leave, and bereavement days, ensuring that our colleagues can prioritize their families' needs without any added stress

or concerns. We also have a program where colleagues can donate part of their personal sick days to colleagues in need. Our current maternity leave is eight weeks, and we increased paternity leave to fifteen days in 2023, exceeding the minimum legal requirements.

2023

85% of our colleagues participated in the health plan benefit offered by the Corporation

87% of our colleagues contributed to the 401(k) retirement plan

2023

571 of our colleagues took maternity, paternity, marriage, funeral and Family and Medical Leave Act licenses

129 sick days were donated between colleagues for those with critical health situations

Employee Health and Well-being

To support the holistic well-being of our colleagues, we have established a Health and Wellness Program that addresses physical, health, emotional, financial, social, and work issues. This program provides our colleagues with access to gym facilities, fitness activities, personal finance education, and balanced nutrition options in our corporate cafeterias. Moreover, our facility guidelines prioritize comfort and health, featuring ergonomic chairs and standing desks. **In 2023, we held 123 well-being initiatives, with the participation of over 17,000 colleagues⁵**, underscoring our commitment to fostering a healthy and supportive work environment for all our colleagues.

We recognize the paramount importance of mental health and are committed to supporting the well-being of our poeople. To address the multifaceted aspects of mental health, we provide a range of resources, including mental health education and tools for managing depression and anxiety. We have an established Employee Assistance Program (EAP) designed to support the mental health needs of our colleagues and their immediate family members. Through the EAP, our employees have access to psychologists, psychiatrists, and clinical services, ensuring they receive the necessary care and support to maintain their mental and emotional well-being. **During 2023, we supported 521 colleagues and their dependents through our EAP**, which is available to our entire workforce 24 hours a day, seven days a week.



⁵This number allows for repeated involvement across activities.

Work-Life Balance

We are deeply committed to promoting a healthy work-life balance for our people. To support this commitment, we have implemented flexible work arrangements in different units. In certain areas, this includes a hybrid work model as applicable to their job roles and accommodating both in-office and remote working arrangements. Also, during 2023, some client-facing units have initiated a process of alternating Saturdays and holidays, further enhancing our efforts to create a more balanced and accommodating work environment for everyone. These initiatives acknowledge the importance of work-life balance in fostering a productive and harmonious workplace.



Employee Experience

One of our top priorities is to cultivate a rich and fulfilling employee experience. Our employer value proposition, “The Experience of Being ONE” is intended to strengthen our commitment and unity across all teams, fostering a cohesive and supportive work environment that resonates with our colleagues’ values and aspirations.

Engagement and Inclusion

We conduct an annual engagement survey to gain valuable insights into the experience of our colleagues and to identify areas for improvement within the Corporation. Based on the feedback, the ELT collaborates with the Human Resources Department to develop a comprehensive corporate plan to incorporate the findings and address any identified opportunities. In recent years, including 2023, we have engaged Kincentric to perform an engagement survey on behalf of the Corporation. The engagement survey measures different dimensions, including mission, brand, communication, engagement, infrastructure, talent and staffing, and rewards and recognition, among others. Furthermore, the results of the engagement are compared against U.S. financial industry peers, as well as entities in our main market. In 2023, the engagement survey had a completion rate of 89%, and we saw an overall increase of 4% in employee engagement, compared to the 2022 results, with a positive increase in all regions. The following areas, among others, stand out as positive:



86%

Understand how their role impacts the mission and strategy of the Corporation



79%

report pride of working at First BanCorp



74%

would not hesitate to recommend FirstBank to a friend seeking employment



77%

report having effective communication with the immediate supervisor



74%

feel encouraged and motivated to do their best

FirstBank Commercial Hub

In the results of our recent engagement survey, we identified a pressing need to enhance our infrastructural and technological capabilities. In response to this feedback, we embarked in assessing our commercial lending process focused on increasing our capacity to manage and optimize tasks, facilitate data-driven decision-making, and enhance agility across the Corporation, with the goal of fostering a more productive and efficient work environment. This is a multiyear project to migrate our core systems and mainframe to cloud-based and open-system environments. This initiative aims to equip our colleagues with more convenient and efficient technological tools, ultimately improving the customer experience and allowing our colleagues to allocate more time to impactful activities.



First BanCorp Recognition Program

We are dedicated to acknowledging and celebrating the various contributions of our colleagues through different recognition programs, each highlighting a pivotal aspect of the Corporation’s values that drive our success.



The Best of ONE: Our nomination-based program identifies and recognizes the top performers, emphasizing excellence and dedication to one’s role. In 2023, 108 colleagues were recognized for their contributions in the following categories: Best Producer of Sales, Customer Service, One with Our Community, Best in Innovation and Efficiency, and the President’s Award, All for One.

We are ONE: This peer recognition program encourages colleagues to commend each other for outstanding efforts and achievements. In 2023, this recognition program impacted over 2,220 colleagues.



Breakfast with the President: A particularly special event is “Breakfast with the President,” where a group of talented colleagues participate in an informal setting to discuss business and career development topics with the Corporation’s CEO and other members of the ELT.

Milestone Celebration: The Corporation celebrates the beginning of our colleagues’ employment trajectories and every five-year milestone, up to 40 years of service, with a special memento. Those who celebrate their 35th and 40th anniversaries receive a piece designed by a Puerto Rican artisan at a special event.

Volunteer Day: This day is aimed at appreciating and honoring our colleagues who engage in volunteer activities, with additional focus on recognizing departments that demonstrate high participation rates, reflecting our commitment to community involvement and corporate social responsibility.

During the year, our colleagues are recognized through other corporate events, such as National Appreciation Day and Professional Weeks.



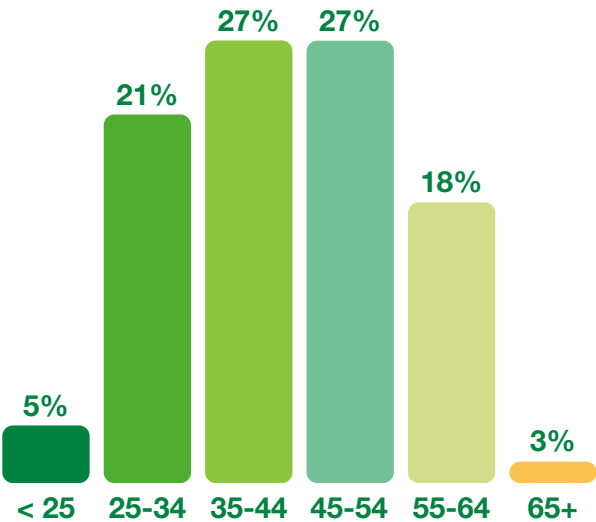
Diversity, Equity, and Inclusion

We recognize that a commitment to DEI in the workplace is essential for creating a sustainable and thriving business environment. We believe a strong DEI focus can help attract and retain top talent, as employees are more likely to stay with companies that prioritize their well-being and professional growth. Our commitment will leave us better positioned to adapt to evolving market demands, build stronger customer relationships, and achieve long-term success and sustainability.

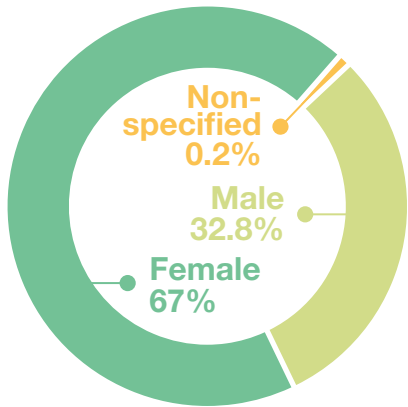
As part of our commitment, we have an Affirmative Action Plan that is reviewed and analyzed annually based on census data. Based on the results of the review, we develop targeted action plans to address any identified gaps and implement changes to our recruiting and compensation practices. This structured and data-driven approach ensures accountability and ongoing improvement in our DEI initiatives. Oversight of our DEI program has been assigned to a dedicated Culture and Change Management Manager, who leads implementation efforts within the Human Resources Department.



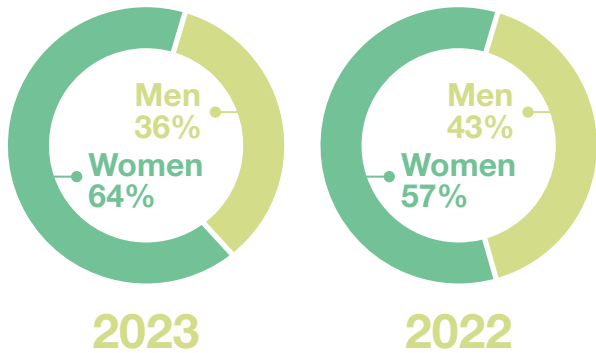
Age Distribution



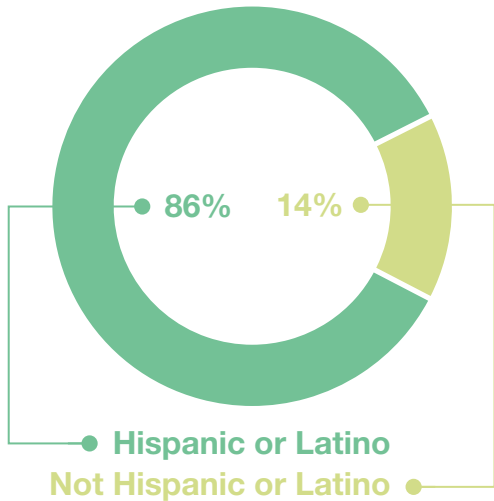
Workforce Gender



Management Positions



Workforce Ethnicity





DEI Training

We delivered voluntary DEI educational activities to further enhance our commitment to fostering an inclusive workplace. The trainings included a "Diversity, Inclusion and Unconscious Bias" and "Respect in the Workplace" courses, a new ESG conference offered during FirstBank’s Learning Week, and DEI roundtables (discussed below). In 2023, 240 of our colleagues participated in at least one of these activities. Moving forward, we remain dedicated to continuously improving and developing our DEI education and training initiatives across all our regions to ensure an even more inclusive and supportive environment for all.

DEI Roundtables

As part of our DEI strategy, we conducted eleven focus groups across all three regions to delve into various DEI topics. These sessions provided a platform for our colleagues to voice their questions, concerns, and priorities to create a more inclusive workplace. The insights gathered from these discussions have been invaluable in guiding the development of our DEI programs and initiatives. We are committed to incorporating the feedback and perspectives shared by our colleagues to ensure that our approach to DEI is both meaningful and reflective of the needs and aspirations of our workforce across all regions.

Pay Equity

Pay equity is a critical component of our DEI efforts, as it helps to eliminate wage disparities based on gender, race, or other discriminatory factors. During 2023, the Human Resources Department conducted a comprehensive pay equity review across the Corporation to ensure fairness and transparency in our compensation practices. TThe review led us to implement salary adjustments for certain employee groups in Puerto Rico to rectify revealed disparities. Additionally, pay equity is integrated into our compensation analysis process and considered when formalizing compensation offers to potential candidates. We continue to manage a robust job evaluation process, incentive plan and provide a sound salary-grade structure to ensure we remain aligned with movement in the markets in which we operate.

Training, Learning and Development

Professional Development

At First BanCorp, we have a steadfast commitment to professional development, underscored by our continuous learning program through First Bank University. This initiative offers a diverse range of in-person and virtual development opportunities, encompassing approximately 8,000 courses that cater to both technical and soft skills development. These courses are thoughtfully categorized into new-hire training, technical curriculum, and soft skills development, ensuring a holistic approach to employee growth and career advancement. **In 2023, the Corporation invested an average of \$257 per colleague in training opportunities**

In 2023, our colleagues received around **99,000 hours of training** across all our regions, with an average of 28 hours of training per employee.

New-Hire Training:

We provide onboarding training, followed by new-hire on-the-job training when new hires arrive at their working areas.

Regulatory Compliance and Corporate Governance Training:

This training includes a review of industry regulations and Corporation policies that our colleagues need to comply with and keep updated annually.

Technical Curriculum:

Our technical curriculum includes job-related training focused on specialized technical areas, such as commercial credit underwriting and the Corporation’s most-used systems.

Tuition Reimbursement:

We support colleagues wanting to pursue higher education by offering tuition reimbursement to colleagues pursuing degrees in fields relevant to their jobs within the organization, such as finance or economics. **In 2023, six of our colleagues were enrolled in a higher education institution and receiving tuition reimbursement.**

Learning Week:

A corporate initiative which started in 2018 focused on providing learning opportunities and support the professional growth of our colleagues. During this week we foster a learning environment through a variety of courses aimed at promoting both technical and soft skills of importance to our colleagues and the Corporation. In 2023 we provided 27 learning sessions during two weeks and impacted 625 of our colleagues.

Leadership:

Our offerings for Leadership Development include two formal programs, Achieving Success (for new supervisors) and the FirstLeadership Development Program, which is for managers with longer tenure in their positions at the Corporation. These programs cover soft skills, leadership skills, and Human Resources policies and procedures, which all managers and supervisors are expected to comply with. **In 2023, 22 new supervisors participated in Achieving Success for a total of 1,122 hours and 104 leaders participated in the FirstLeadership Development Program for a total of 1,564 hours.**

Innovation Academy

Our Innovation Academy is designed with the primary objective of empowering teams to acquire and develop tools that enhance their performance and yield better results in the workplace. The academy emphasizes immersion in an agile environment, fostering adaptation and continuous growth. Through this experience, our colleagues cultivate a heightened capacity for self-management, effective communication, and critical thinking, ultimately contributing to the overall success and advancement of our organization.



CRITICAL THINKING

- Diversity in teams
- Decision making
- Design Thinking
- Innovation Mindset



COMMUNICATION

- Giving and receiving feedback
- Time Boxing
- Writing
- Assertive Communication
- Golden Circle



COLLABORATION

- Teamwork
- Agile Methodology
- Project Management
- Conflict Management



INNOVATION AND TECHNOLOGY

- Creative Thinking
- Tool Innovation and Business Intelligence
- Change Management
- OutSystems



Mentoring Program

At the end of 2023, we announced the launch of the Mentoring Program, tailored for the development of specific skills within our Corporation. This program is open to individuals seeking targeted training and guidance to enhance specific aspects of their careers. Through this initiative, the skills, and competencies of the mentees are comprehensively evaluated, enabling them to identify and focus on areas for improvement. Selected candidates are paired with a leader who excels at the skills the applicant aims to develop.

We prioritize making an ideal match between mentor and mentee. The mentorship process plays a crucial role in shaping the future professional and personal trajectories of our colleagues, providing them with valuable insights and support to advance in their careers and achieve their long-term goals.



Coaching Program

The Coaching Program is designed to develop management skills. It is open to those who seek special consultative support in key and specific aspects of their careers. This program’s objective is to retain talented employees and improve the leadership competencies and readiness of the internal talent pool. Participation in the Coaching Program is voluntary and needs to be approved by the colleague’s manager and the Human Resources Department. The coaching experience can be internal, through which First BanCorp leaders provide coaching to other leaders in different areas of the organization, or it can be external, through which leaders receive coaching from people outside of the Corporation.

By investing in development, we aim to cultivate a skilled, knowledgeable, and empowered workforce capable of driving our company’s success and innovation in the ever-evolving financial landscape.



Talent and Retention



Talent Management

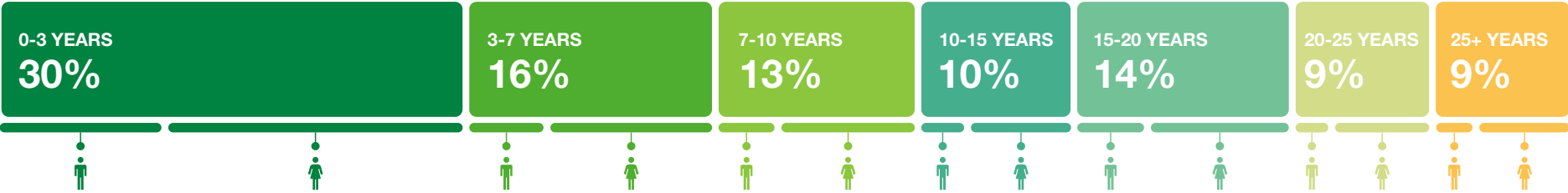
Our Performance Management Program (PMP) is structured to align with corporate, departmental, and individual objectives, ensuing a cohesive approach to goal setting and evaluation. At the outset of each year, our colleagues establish their goals, which are then reviewed through periodic performance assessments. This continuous evaluation process allows for ongoing monitoring of both goals and competencies, facilitating timely feedback and support. At the end of each year, the annual review process begins with a self-assessment by the employee, further complemented by a comprehensive evaluation of goals and competencies conducted by the supervisor. This multifaceted approach to performance management fosters clarity, accountability, and growth, enabling our colleagues to thrive and contribute effectively to the overall success of the organization. In 2023, 100% of the eligible colleagues participated in the PMP.

Recruitment and Retention

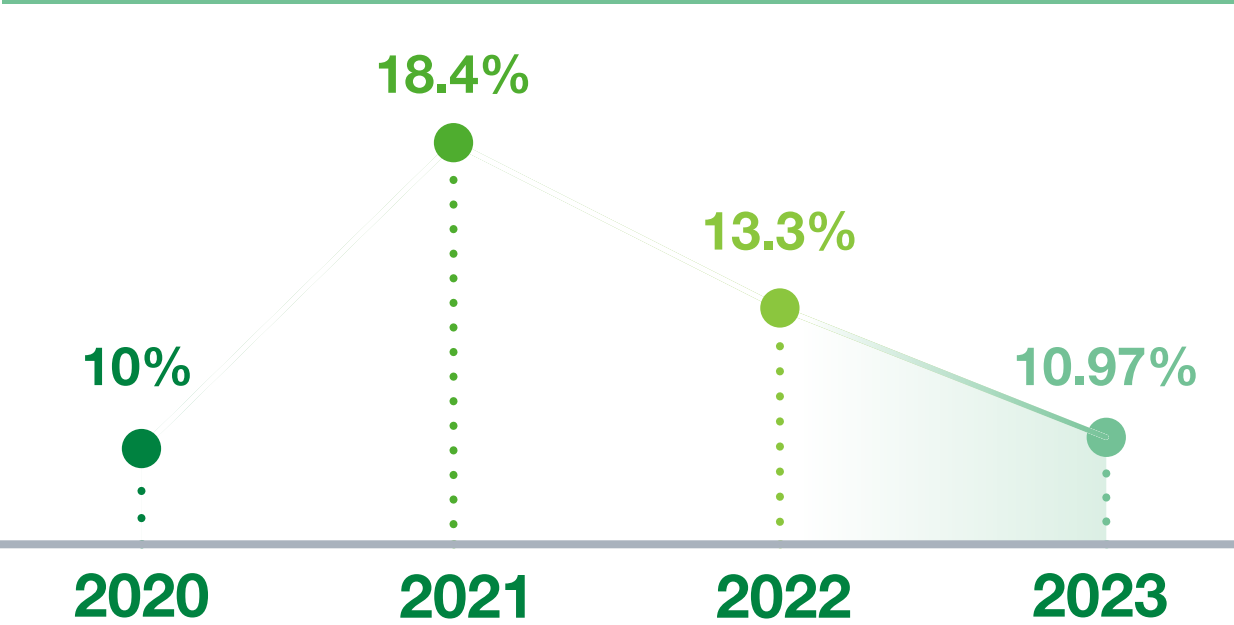
Our recruitment strategy is focused on attracting high-potential candidates early in their professional careers, recognizing the importance of nurturing and developing emerging talent. To achieve this, we maintain strong partnerships with several universities and actively participate in job fairs, career forums, and other educational events. These collaborations not only allow us to engage with prospective candidates but also enable us to identify individuals who align with our organizational values and goals, ensuring seamless integration into our team and a strong foundation for future growth and success.

We take pride in our ability to foster a supportive and rewarding work environment that encourages long-term commitment and loyalty. Approximately 42% of our workforce has been with us for more than 10 years, a testament to our dedication to employee satisfaction, career development, and overall well-being. This impressive retention rate reflects our ongoing efforts to create a workplace where employees feel valued, motivated, and empowered to contribute their best, driving the sustained success and stability of our Corporation.

WORKFORCE TENURE



Turnover Rate



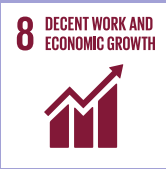
42% of our workforce has been with us for more than 10 years

First Internship Program

For the past 12 years, the First Internship Program has served as one of our most effective recruiting tools, providing valuable opportunities for emerging talent to gain hands-on experience and insight into our industry. Throughout the year, we offer three starting dates for internships and typically hire around 30 interns annually. We have established fruitful partnerships with esteemed educational institutions, such as the University of Puerto Rico’s Mayagüez and Río Piedras campuses and the Polytechnic University. These collaborations enable us to attract high-caliber candidates and cultivate a pipeline of potential future employees who are well equipped with the skills and knowledge to contribute to our organization’s ongoing success and innovation in the financial sector. In 2023, **28 interns participated in our program, four of the interns received and accepted a full-time position with First BanCorp, and nine of them received temporary contract extensions.**

SUPPORTING OUR COMMUNITIES

Our contributions to UN SDGs



Community Development
Volunteer Program and Community Engagement



We are committed to making a positive and meaningful impact beyond our organizational boundaries. We believe that actively engaging with and investing in our communities not only strengthens social bonds but also fosters economic resilience and growth. By partnering with local organizations, implementing community development projects, and encouraging employee volunteerism, we strive to address local needs and contribute to community development.

Community Development

CRA Donations

We understand that to be a successful financial institution, we need to grow financially and geographically and offer a variety of innovative products and services that respond to the needs of the communities we serve. Therefore, it is our mission to provide support and contribute to numerous charitable organizations in Puerto Rico, the U.S. Virgin Islands, and Florida to promote community development and neighborhood stabilization. With that in mind, we formed the CRA Donations Committee, which focuses on initiatives that comply with CRA requirements. The CRA Donations Committee meets on a quarterly basis to review and approve donations by agreement of most of the committee members. On an annual basis, a donations budget is established to invest in initiatives that directly touch our communities and help individuals achieve their goals. CRA donations focus on serving LMI individuals, families, and communities where we do business. Under this program, the areas of interest are, among others:

- Education and financial literacy
- Housing and economic development
- Community and social development
- Environment and community revitalization
- Health
- Art



2023 Corporate Donations to Nonprofit Organizations

	Under CRA Program	Non-CRA Donations	Total by Region
Financial Donations	Donation Value	Donation Value	Donation Value
Puerto Rico	\$799,152	\$364,755	\$1,163,907
U.S. Virgin Islands	\$103,999	\$10,000	\$113,999
Florida	\$70,984	\$14,750	\$85,644
Total Financial Donations	\$974,045	\$389,505	
Used Equipment Donations	\$46,610	N/A	
TOTAL	\$1,020,655	\$389,505	\$1,410,160

As of December 31, 2023, we contributed over \$1.4 million, including donations under the CRA program, and benefited over 130 nonprofit organizations in the regions where we work:

\$799,152 to 90 non-profit organizations in Puerto Rico

\$103,999 to 16 non-profit organizations across the U.S. Virgin Islands Region

\$70,984 to 15 non-profit organizations across the Florida Region

\$46,610 in used equipment and computers, impacting a total of eight nonprofit orgaizations

Community Partnerships

YOU F1rst Scholarship Program

The YOU F1rst Scholarship Program aims to support Puerto Rico’s future workforce through a strategic alliance with various universities. This initiative confirms our institution’s commitment to higher education through key initiatives that involve learning experiences and diverse opportunities to set goals for students’ present and future development. Under the Corporation’s CRA donations budget, we pledged \$65,000 in scholarships in 2023 to students with outstanding academic performance and limited economic resources. **Since the program's inception in 2021, we have granted over \$165,000 in scholarships.**

The participating universities in 2023 were:

- Pontificia Universidad Católica de Puerto Rico
- Universidad Ana G. Méndez
- Universidad Politécnica
- Universidad del Sagrado Corazón
- Universidad Interamericana de Puerto Rico- Bayamón Campus
- Universidad Interamericana de Puerto Rico- Metropolitan Campus
- Universidad Interamericana de Puerto Rico- San Germán Campus
- Universidad de Puerto Rico- Rio Piedras Campus
- Universidad de Puerto Rico- Mayagüez Campus
- Universidad de Puerto Rico- Arecibo Campus

Entrepreneurship Programs

We provide donations and services to support economic development within our communities. We recognize that small and medium-sized businesses are the fuel of a prosperous economy. We focus our efforts on helping these businesses overcome the hurdles and challenges of building a successful business. To that end, we partnered with several nonprofit organizations to develop initiatives aimed at helping these businesses and to provide education to small business owners and entrepreneurs.



1ÉXITO

For the sixth year in a row, we joined forces with the nonprofit INprende, to launch “1ÉXITO”. The focus of this program is to empower business owners with the necessary tools to ensure the success of their businesses through educational virtual workshops.



1ÉXITO Entrepreneurs Workshops

1ÉXITO Entrepreneurs is a business training program that offers tools and free virtual workshops for Puerto Rican entrepreneurs so they can optimize their businesses. Training was offered virtually, it also included the opportunity for an in-person mentorship bootcamp and raffles up to \$5,000. The participants benefited from four virtual training courses with experts in their respective fields, and they had the opportunity to ask questions to the experts. All participants who attended the four workshops received a commercial deposit account with no service charges for one year. Approximately 545

entrepreneurs were impacted through this educational program comprised of the following workshops:

- Learn to Manage Your Finances
- Marketing Masterclass
- ABCs of Entrepreneurship
- Entrepreneurial Innovation

1ÉXITO Mentorship Bootcamp

In October 2023, we celebrated the closing of 1ÉXITO, an event that integrated workshop trainings and the experience of networking with a variety of professionals. In this mentorship bootcamp, four business leaders provided training on human resources, legal and financial structures, business leadership, sales practices, and coaching. As part of the initiative, we delivered \$1,000 to five entrepreneurs who responded in an innovative way to the following question: Why is my business “1ÉXITO”? The event impacted approximately 40 entrepreneurs who were ready to lead their businesses and communities into the future.



Learn, Act and Inspire Summit

For the first time, we organized an educational event specifically tailored to nonprofit organizations, attracting over 150 representatives from nonprofits in Puerto Rico. The full-day event took place at the Convention Center and featured various forums addressing topics focused on enhancing the operational effectiveness of nonprofits.



EnterPRize business-building competition

We continued our partnership with Grupo Guayacán, a private-sector nonprofit organization whose mission is to foster, promote, and develop private equity in Puerto Rico. Through its EnterPRize business-building competition, it provides startups with access to workshops, mentoring, and equity-free seed capital. In 2023, we continued to support this initiative by providing grants to competing participants, and a special cash prize in the Environment and Conservation category. Our financial support over the years has exceeded \$170,000 and has allowed EnterPRize to increase its impact in the local business community. Our First BanCorp’s commercial officers offered coaching sessions to all participants on finances, pricing, profitability, sustainability, crisis management, and other topics.

Mother’s Day Community Pop Up Bazaar

We organized two bazaars exclusively for our colleagues, offering them the chance to purchase Mother’s Day gifts crafted by local microentrepreneurs. These women entrepreneurs are alumni of the business incubation programs at the Sila María Calderón Foundation in San Juan and the Coordinadora Paz para la Mujer in Adjuntas.



| Volunteer Program and Community Engagement



Community Outreach and Public Feedback

We are committed to fostering and supporting ongoing engagement with community-based organizations. We engage in meetings with community groups and leaders, where we discuss our progress and strategies to enhance our lending, investment, and service initiatives. We also actively encourage feedback from the community on our CRA activities and document any comments or suggestions.

Board Participation

We understand we play a vital role in positively impacting the social, economic, and environmental well-being of our communities, customers, and colleagues. As part of our community engagement, we encourage our people to perform volunteer work in the different communities we serve. Currently, 30 of our colleagues are members of the boards of directors of nonprofit organizations across our three regions and, in 2023, offered approximately 2,000 hours of services, including:

- Coaching
- Providing technical services
- Organizing fundraising events
- Working to keep students in school by helping to provide integrated, technologically enhanced, rigorous, and relevant curriculum
- Participating in meetings to discuss work plans and strategies
- Providing knowledge in making credit decisions for commercial loan requests for small companies
- Holding treasury positions
- Conducting administrative duties

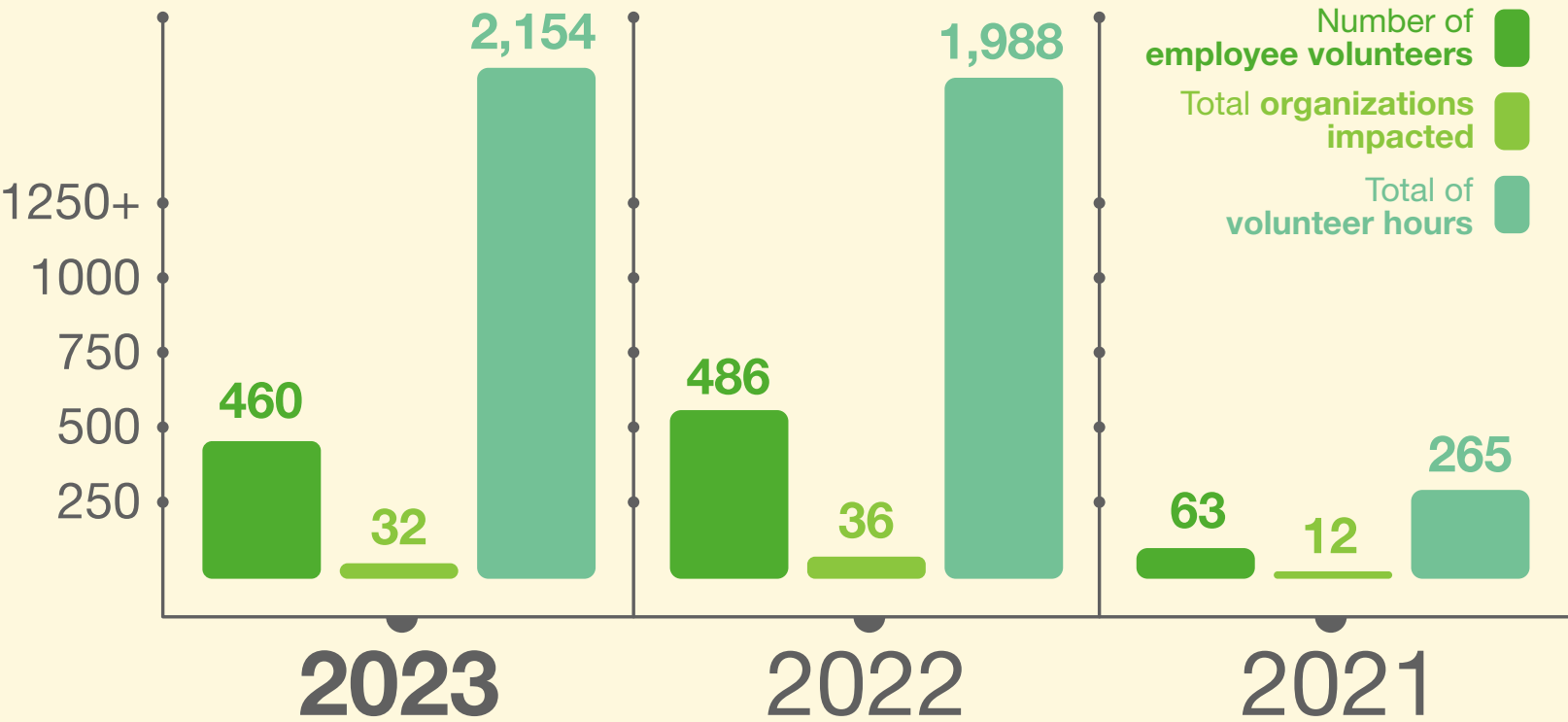
These nonprofit organizations provide financial education, economic development, affordable housing, and educational and social services for at-risk populations. Some of the nonprofit organizations are Juan Domingo en Acción, MUMAS, Habitat for Humanity, Boys & Girls Clubs, Hogar Mis Primeros Pasos, Centro Inés, COFFEC, Florida Association of Nonprofits, Hogar CREA, and Virgin Islands Housing Authority, among others.



“I am FirstBank”
Employee Volunteering Program

Our volunteer program, “I am FirstBank,” has experienced significant growth over the years, reflecting our unwavering commitment to supporting and enriching the communities we serve. We recognize the importance of giving back and are dedicated to fostering community revitalization and stabilization through our philanthropic efforts. Through our volunteer initiatives, our colleagues are empowered to contribute their time and skills to meaningful projects and causes, creating a positive and lasting impact on the communities in which we operate. In 2023, we impacted over 30 nonprofit organizations in more than 60 activities with a result of 2,154 volunteer hours and 460 volunteers.

Employee Volunteering



APPENDIX


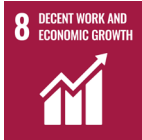
- United Nations Sustainable Development Goals
- Sustainability Accounting Standards Board
- Task Force on Climate-Related Financial Disclosures /
International Financial Reporting Standards S2 Disclosure





United Nations Sustainable Development Goals

In 2021, we started the process of aligning our ESG activities to the SDGs outlined below to help stimulate action and impact through 2030 with our business strategy, products, and services. The SDGs are a collaborative, global effort to build a better tomorrow. These 17 global goals and 169 corresponding targets address challenges of poverty, inequality, climate change, environmental degradation, peace, and justice.

SDG	Target Description	First BanCorp’s Position	Report Section
	End poverty in all its forms everywhere.	We serve LMI individuals, families, and communities through our CRA program. We prioritize targeted lending to LMI communities and small businesses, providing them with access to affordable credit and financial resources to start, grow, and sustain their ventures. By increasing access to financial products and services and promoting financial literacy and empowerment, we help build wealth, improve financial stability, and create opportunities for economic growth and prosperity for families in our communities.	Please see the Small Business and Community Development Lending, Financial Wellness and Economic Inclusion, Community Development, and Affordable Housing sections of this report for more information.
	Ensure inclusive and equitable high-quality education and promote lifelong learning opportunities for all.	<p>We invest in the future of our communities through our You First Scholarship Program and Internship Program. We pledged \$65,000 in scholarships to students with limited resources, enabling them to pursue higher education, pursue their dreams, and unlock new opportunities for personal and professional growth.</p> <p>During 2023, we provided 338 workshops, investing over 426 hours across the regions and impacting more than 6,926 individuals of all ages by enhancing their financial skills. With these initiatives, we aim to cultivate the next generation of talent and promote lifelong learning.</p>	Please see Community Development and Financial Wellness & Economic Inclusion sections of this Corporate Sustainability Report for more information.

SDG	Target Description	First BanCorp’s Position	Report Section
	Achieve gender equality and empower all women and girls.	<p>We are taking proactive steps to promote gender equality and to create a more inclusive and equitable workplace.</p> <p>During 2023, we offered specialized DEI training courses, including “Diversity, Inclusion, and Unconscious Bias” and “Respect in the Workplace,” to foster a culture of understanding, respect, and inclusivity. We also conducted 11 DEI focus groups to gather insights, identify areas for improvement, and engage employees in meaningful conversations.</p> <p>We conducted a pay equity review across the Corporation to identify and address gender-based disparities. This led to salary adjustments to rectify revealed disparities and ensure fair and equal compensation for all employees, contributing to closing the gender pay gap and promoting economic empowerment and financial security for women in the workplace.</p> <p>In our workforce, 67% of employees are women, and 64% of our management positions are held by women, reflecting a similar percentage.</p> <p>We remain committed to equal representation at all levels of the organization.</p>	Please see the Diversity, Equity and Inclusion section of this Corporate Sustainability Report for more information.
	Promote sustained, inclusive and sustainable economic growth, full and productive work employment for all.	<p>We continue to implement initiatives that promote fair labor practices, economic empowerment, and sustainable economic growth.</p> <p>Our internship program engaged 28 interns in 2023, providing them with valuable hands-on experience, mentorship, and professional development opportunities. This helps reduce unemployment, bridge the skill gap, and foster a skilled labor force.</p> <p>We have issued a Human Rights Statement that includes provisions in our Service Provider Code of Conduct to prohibit child and forced labor, stipulate fair wages, and establish working-time parameters, ensuring safe and fair working conditions.</p> <p>In 2023, we provided 1,290 small business loans to support entrepreneurs, startups, and small enterprises in accessing affordable financing, expanding their operations, and driving economic growth and job creation in their communities.</p>	Please see the Talent and Retention, Human Rights, Small Business and Community Development Lending and Community Development sections of this report for more information.

SDG	Target Description	First BanCorp’s Position	Report Section
	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	<p>We have continued to implement sustainability in our business operations.</p> <p>Our Commercial Loan Credit Policy includes ESG objectives to support the development of permanent community structures and sustainable technologies. We conduct additional due diligence for specific loan categories to assess and mitigate environmental and social risks, aligning our lending practices with sustainable development principles. In 2023, we directed \$345 million toward loans that advanced several SDG goals.</p> <p>We enhanced accessibility by equipping all ATMs with Braille keypads and voice guides, as well as redesigning our website to be ADA compliant.</p>	Please see the ESG Integration within Commercial Credit and Financial Wellness and Economic Inclusion sections of this report for more information.
	Reduce inequality within and among countries.	<p>Through the CRA program, the Corporation takes steps to address systemic barriers and promote social inclusion.</p> <p>In 2023, we granted \$459 million in community development loans across all regions, supporting economic growth, job creation, and infrastructure development in underserved communities.</p> <p>Through our CRA investments, we target affordable housing development and strengthen LMI communities. By December 31, 2023, we maintained \$192.3 million in CRA qualified investments, contributing to reducing inequalities, promoting inclusive growth, and fostering equitable access to financial resources and opportunities for individuals and communities across our footprint.</p>	Please see the Small Business and Community Development Lending section of this report for more information.

SDG	Target Description	First BanCorp’s Position	Report Section
	Take urgent action to combat climate change and its impacts.	<p>During 2023, the Corporation prioritized energy and water management, leveraging monitoring and analysis to identify opportunities to reduce consumption and enhance efficiency, contributing to mitigating our environmental impact and promoting climate resiliency. Ninety-five percent of our facilities are currently equipped with LED lighting.</p> <p>We expanded our recycling program to include organic waste, as well as heavy metals and single-stream plastics, promoting responsible waste management and resource conservation.</p>	Please see the Sustainable Operations and Climate Resilience sections of this report for more information
	Protect, restore, and promote sustainable use of terrestrial ecosystems; sustainably manage forests; combat desertification; and halt and reverse land degradation and biodiversity loss.	<p>In October 2023, we launched Rescate Costero, pledging to plant 25,000 trees along the coastal lines of Puerto Rico, and we planted around 2,790 trees in the span of two months.</p> <p>Additionally, we continue with our 2021 commitment to donate \$5,000 annually until 2026 for the reforestation of the San Patricio Urban Forest, supporting biodiversity, ecosystem restoration, and land conservation.</p>	Please see the Climate Resilience section of this report for more information.

Sustainability Accounting Standards Board

In developing this report, we aligned our disclosures with SASB Standards related to the commercial banks industry (FN-CB) and relevant topics from the consumer finance (FN-CF) industry to ensure that we address the ESG factors most relevant to our business. All data is as of December 31, 2023, unless otherwise noted.

Accounting Metric	SASB Code	2023 Report Response	Report Reference
Topic: Data Security			
1) Number of data breaches, (2) percentage involving personally identifiable information, and (3) number of account holders affected	FN-CB-2301a.1	Please refer to our Form 10-K for the fiscal year ended December 31, 2023, for more information.	For more information, please see the Data Privacy and Cybersecurity section of this report.
Description of approach to identifying and addressing data security risks	FN-CB-230a.2	<p>We manage cybersecurity risk through technology platforms, adequate resources, and effective governance controls. Our processes to identify, assess, and monitor material risks from cybersecurity threats are part of the ERM Program, which is documented as part of the Corporate Incident Response Program and under which we have implemented a comprehensive Corporate Information Security Program (CISP).</p> <p>Cybersecurity risk is managed as part of the overall information technology risk, under the direction of the Corporate Security Office (CSO), led by the Corporate Security Officer (CSO Officer), who directly reports to the Chief Operations Officer. The CSO Officer also serves as Chief Information Security Officer. The CSO provides the Board’s Risk Committee with regular reports and engages in discussions throughout the year on the effectiveness of the CISP, including risk mitigation strategy and progress. The Risk Committee reviews and approves the CISP annually and receives a report on the security safeguards annually, in accordance with the Gramm-Leach-Bliley Act.</p> <p>The CISP is aligned with well-renowned frameworks, such as the International Organization for Standardization ISO 27000 series, ISO 27001, and the National Institute of Standards and Technology Cybersecurity Framework. As such, it guides the implementation of security safeguards across the Corporation and its subsidiaries. The CISP also addresses cybersecurity breaches and procedures for appropriate response efforts, including any required notification, depending on the severity of the specific security incident.</p> <p>Periodic scans and penetration tests are conducted using different tools and providers to detect and correct security vulnerabilities. These are remediated using a risk-based approach and at the management level, monitored through the Vulnerability Management Committee and Patch Management Board, which report to the Board’s Risk Committee periodically. In the case of potential security incidents, our Corporate Incident Response Program includes a risk-based escalation process to manage corporate incidents, including cybersecurity incidents, and to notify the Board’s Risk Committee and applicable stakeholders, as appropriate.</p> <p>We conduct multiple annual external and internal independent audits and report information security key performance indicators periodically to the Board’s Risk Committee. As part of our information security and cybersecurity risk evaluation, we continuously assess how new products, technology deployments, internal changes, external events, and threat evolution might impact our information security framework, and determine if additional resources, processes, or technology are needed. This ongoing process’s purpose is to modify or enhance our layers of defense as needed and to remediate any vulnerabilities.</p> <p>An independent cybersecurity assessment of our risk and preparedness is performed and validated by our regulators on an annual basis. In the event of a cybersecurity event, the Corporation is committed to complying with applicable laws and regulations, including notifying data subjects, if applicable. Please refer to our Form 10-K for the fiscal year ended December 31, 2023, for more information.</p>	

Accounting Metric	SASB Code	2023 Report Response	Report Reference
Topic: Financial Inclusion & Capacity Building			
(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	2023 Small Business Loans Number of loans: 4,316 Amount outstanding: \$178,748,334.45 2023 Community Development Loans Number of loans: 53 Amount outstanding: \$260,686,887.04	For more information, please see the Small Business and Community Development Lending and the Financial Wellness and Economic Inclusion sections of this report.
(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	2023 Number of loans: 96 Outstanding balance past due / nonaccrual: \$4,809,422	
Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	We do not offer a no-cost retail checking account. We do, however, offer “Cuenta UNO”, a low-cost retail checking account.	
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240.4	During 2023, under the Corporation’s financial literacy program, we provided 338 workshops, assisting more than 6,926 individuals of all ages in enhancing their financial skills.	

Accounting Metric	SASB Code	2023 Report Response	Report Reference
Topic: Incorporation of Environmental, Social, and Governance Factors in Credit Analysis			
Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Please refer to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023, for a discussion of our credit management.	For more information, please see the ESG Integration within the Commercial Credit Process section of this report.
Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	<p>During 2023, we integrated certain ESG considerations into the Corporation’s Commercial Loan Credit Policy. This policy prohibits or limits lending to certain entities, operations within certain industries, and/or for certain purposes. The policy was expanded to promote growth of the number of clients involved in the development of sustainable technologies, products, and services that support a green economy, as well as establishing a specific appetite for renewable energy loans.</p> <p>The Commercial Loan Credit Policy was expanded to achieve the following ESG-related objectives:</p> <ul style="list-style-type: none">• Serve the needs of customers in our communities• Aid in the expansion of economic activity in the local communities• Assist in the development of permanent structures within the communities• Support the development of the economic activities of our customers• Develop and support sustainable technologies, products, and services that support a green economy <p>Our Commercial Loan Credit Policy includes additional requirements for due diligence in specific loan structures and industries. Loans related to agriculture, land acquisition, oil and gas, weapons, and gambling must be evaluated and require the sign-off of the Corporation’s Chief Credit Officer or higher lending authority.</p> <p>We have an Environmental Risk Program to establish the guidelines to manage environmental issues we may face in our lending activities, including loan originations, participations purchased from other financial institutions, workout loans, or accepting a deed in lieu of foreclosure on real estate or foreclosure proceedings. We provide training for credit officers to ensure they have sufficient knowledge to determine and evaluate the potential environmental concerns that may affect a transaction and/or the interests of the Corporation. If a particular transaction or environmental issue raises concerns, we will engage an environmental consultant or external counsel.</p>	

Accounting Metric	SASB Code	2023 Report Response	Report Reference
Topic: Business Ethics			
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	We did not experience material losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	For more information, please see the Business Ethics and the Serving Customers Responsibly sections of this report.
Description of whistleblower policies and procedures	FN-CB-510a.2	<p>We also have an established Whistleblower Policy that includes “Protecting What Is Ours”, an anonymous reporting hotline for suspected fraudulent activity, violations of laws and regulations, violations of the Code, conflicts of interest, and retaliation or retribution.</p> <p>The Whistleblower Policy applies to all members of the Corporation, including part-time, temporary, or agency-contracted colleagues. The policy also covers suppliers and service providers of the Corporation. Reporting can be done directly to the Corporation’s General Auditor or through the independent hotline. Complaints are quickly escalated for internal investigation by our Corporate Internal Audit Department. The issues are tracked, and their progress and resolution are presented on a quarterly basis to the Board’s Audit Committee.</p>	

Accounting Metric	SASB Code	2023 Report Response	Report Reference
Topic: Systemic Risk Management			
Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	First BanCorp is not a G-SIB.	For more information, please see the Risk Management and Compliance section of this report.
Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	<p>Although First BanCorp is not subject to the U.S. Dodd-Frank Act supervisory stress test requirement, we have established and implemented a Capital Policy that provides a comprehensive review of the Corporation’s capital planning process, capital deployment strategies, capital limits, triggers, and contingency action under distressed conditions.</p> <p>We have a comprehensive Capital Management Policy that provides a framework, defines objectives, and establishes guidelines to maintain an appropriate level and composition of capital in both business-as-usual and stressed conditions. Our capital management framework is designed to provide us with the information needed to comprehensively manage risk and develop and apply projected stress scenarios that capture idiosyncratic vulnerabilities, with a goal of holding sufficient capital to remain adequately capitalized even after experiencing a severe stress event. We have established a comprehensive governance structure to manage and oversee our capital management activities and compliance with capital rules and related policies. Please refer to our Form 10-K for the fiscal year ended December 31, 2023, for more information.</p>	

Accounting Metric	SASB Code	2023 Report Response			
(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	2023 Personal Checking Number of accounts: 359,574 Amount: \$2,724,370,303	2023 Personal Savings Number of accounts: 171,367 Amount: \$2,297,903,275	2023 Small Business Checking Number of accounts: 15,828 Amount: \$248,291,600	2023 Small Business Savings Number of accounts: 1,130 Amount: \$25,360,534
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	2023 Personal Loans Number of loans: 77,597 Value of loans: \$513,923,641	2023 Small Business Loans Number of loans: 6,117 Value of loans: \$379,066,131	2023 Corporate Loans Number of loans: 437 Value of loans: \$3,122,441,827	

Task Force on Climate-Related Financial Disclosures / International Financial Reporting Standards S2 Disclosure

Reporting Recommendation	Response
	<div><div>Governance</div><div>Disclose the company’s governance around climate-related risks and opportunities.</div></div>
a. Describe the board's oversight of climate-related risks and opportunities	<p>The Corporation is committed to effectively managing the ESG factors that impact our business. Our Board sets the tone at the top for this commitment to ESG and responsible business practices, including climate considerations.</p> <p>Four of our five Board committees play a role in climate oversight and consider climate-related risks, opportunities, and impacts within their respective remits:</p> <ol style="list-style-type: none">1. The GNC Committee has direct oversight of ESG policies, practices, and disclosures, in addition to oversight of corporate governance and operational risks related to human capital.2. The Risk Committee is responsible for the oversight of the Corporation’s enterprise risk framework and is responsible for establishing the Corporation’s risk tolerance and risk profile. This includes oversight of certain key company risks, including emerging risks.3. The Credit Committee has oversight of the Corporation’s policies related to all aspects of the lending function and credit risk management, including climate-related risks that may impact our lending activities.4. The Asset/Liability Committee has oversight of policies and practices relating to asset and liability management, including the Corporation’s investment portfolio management. <p>Oversight of ESG through the Board and its committees strengthens our ability to effectively manage climate-related risks, opportunities, and impacts.</p>

Reporting Recommendation

Response

Governance

Disclose the company’s governance around climate-related risks and opportunities.

b Describe management’s role in assessing and managing climate-related risks and opportunities

The implementation and management of our ESG framework and strategy, including relevant climate considerations, has been delegated to our ESG Committee, a management committee composed of a cross-functional team of senior management. This group considers climate risks and opportunities related to banking, underwriting activities, and our operations.

The ESG Committee is composed of leaders from our Corporate Strategy and Investor Relations, Corporate Affairs, Credit, Marketing, Human Resources, Finance, Risk Management, and Compliance Teams. The ESG Committee aligns ESG priorities with initiatives for the year for GNC Committee approval, sets long-term objectives and goals, and leads the annual reporting process on ESG-related topics.

The ESG Committee meets periodically and reports to the Chief Executive Officer and the GNC Committee. In 2023, the ESG Committee reported to the GNC Committee twice. These reports and action items included considerations for enhancing our operational environmental footprint, including LED lighting, a new recycling program, the viability of renewable energy installations within our branches, and the integration of certain ESG-related risks into our credit policy.

The Corporation’s Sustainability Policy outlines our ESG focus areas, including energy management and climate change risk. This policy applies to all Corporation employees, the Board, and other relevant stakeholders. It is updated at least once every two years and is reviewed and approved by our management team and the Board.

In addition to our ESG Committee, there are several management-level committees that support risk oversight. These committees include the following:

- **Executive Risk Management Committee:** Oversees risk governance across the corporation at the management level
- **Current Expected Credit Losses (CECL) Committee:** Oversees CECL-related processes, resources, models, and calculations
- **Management Investments and Asset-Liability Committee:** Assists the Board in its oversight of the Corporation’s policies and procedures relating to asset and liability management
- **Vendor Management Committee:** Oversees the Corporation’s policies, procedures, and practices relating to the Corporation’s vendor management efforts and evaluates the risks of third-party providers
- **Business Continuity Management Committee:** Oversees our enterprise Business Continuity Management program to ensure continued business operations in the event of a major disruption
- **Emergency Committee:** Activates emergency and disaster recovery procedures to ensure the safety of personnel and the continuity of critical services

Our Risk Management Policy guides our risk management processes and ongoing efforts to identify and realize opportunities.

Reporting Recommendation

Response

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the company’s businesses, strategy, and financial planning where such information is material.

a. Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term

The Corporation understands that the key to climate resilience lies within our ability to manage potential climate risks and maximize climate-related opportunities. We have identified several risks and opportunities, outlined below, and have processes in place to take appropriate action in the pursuit of long-term sustainability.

RISKS

Through our ERM process, we have identified potential business risks that may be exacerbated by climate-related drivers. These risks may fall into one or more categories of risk, including policy and legal risk, reputational risk, market risk, and physical risk (acute and chronic).

We are subject to ESG risks that could adversely affect our reputation and the market price of our securities.

There is an increased focus from certain government regulators, investors, customers, business partners, and other stakeholders concerning ESG matters, and the expectations related to ESG matters are rapidly evolving. The increased focus by investors and other stakeholders on the ESG practices of publicly traded companies, like us, has included or may in the future include expanding mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change, human capital, labor, and risk oversight and could expand the nature, scope, and complexity of matters that we are required to control, assess, and report. These requirements would likely result in increased ESG-related compliance costs, which could result in increases in our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, our ability to do business with certain partners, and our stock price.

For example, we may be exposed to negative publicity based on the identity and activities of those to whom we lend and with whom we otherwise do business and the public’s view of the approach and performance of our customers and business partners with respect to ESG matters. Any such negative publicity could arise from adverse news coverage in traditional media and could also spread through the use of social media platforms. The Corporation’s relationships and reputation with its existing and prospective customers and third parties with whom we do business could be damaged if we were to become the subject of any such negative publicity. This, in turn, could have an adverse effect on our ability to attract and retain customers and employees and could have a negative impact on our business, financial condition, and results of operations. In addition, we could be criticized by ESG detractors for the scope or nature of our ESG initiatives or policies or for any revisions to these policies. We could also be subjected to negative responses by governmental actors (such as anti-ESG legislation or retaliatory legislative treatment) or consumers (such as boycotts or negative publicity campaigns) that could adversely affect our reputation, results of operations, and financial condition.

Our results of operations could be adversely affected by natural disasters, public health crises, political crises, negative global climate patterns, or other catastrophic events.

Natural disasters, whose nature and severity may be impacted by climate change, such as hurricanes, floods, extreme cold events, and other adverse weather conditions; public health crises; political crises, such as terrorist attacks, war, labor unrest, other political instability, trade policies, and sanctions, including the repercussions of the ongoing conflict in Ukraine, the conflict between Israel and Hamas, and the possible expansion of such conflicts to surrounding areas and potential geopolitical consequences; negative global climate patterns, especially in water-stressed regions; or other catastrophic events, such as fires or other disasters occurring at our locations, whether occurring in Puerto Rico, the U.S., or internationally, could cause a significant adverse effect on the economy and disrupt our operations. Certain areas in which our business is concentrated, including Puerto Rico and the USVI, are particularly susceptible to earthquakes, hurricanes, and major storms. Further, climate change may increase both the frequency and severity of extreme weather conditions and natural disasters, which may affect our business operations, either in a particular region or globally, as well as the activities of our customers. The Corporation is also not able to predict the positive or negative effects that future events or changes to the U.S. or global economy, financial markets, or regulatory and business environment could have on our operations.

Reporting Recommendation

Response

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the company’s businesses, strategy, and financial planning where such information is material.

a. Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term

Climate change, and efforts to mitigate its long-term effects, may materially adversely affect the Corporation’s business and results of operations.

Concerns over the long-term effects of climate change have led and will continue to lead to governmental efforts around the world to mitigate those impacts. Consumers and businesses also may voluntarily change their behaviors as a result of these concerns. The Corporation and its customers will need to respond to new laws and regulations as well as consumer and business preferences resulting from climate change concerns. The Corporation and its customers may face cost increases, asset value reductions, and operating process changes. The impact on our customers will likely vary depending on the type of business and other attributes, including reliance on our role in fossil fuel activities. Among the impacts to the Corporation, we could face reductions in creditworthiness on the part of some customers or in the value of assets securing loans. The Corporation’s efforts to take these risks into account in making lending and other decisions, including increasing our business with climate-responsible companies, may not be effective in protecting the Corporation from the negative impact of new laws and regulations or changes in consumer or business behavior.

OPPORTUNITIES

We have identified opportunities within our business to act as a financing provider for companies engaged in clean and renewable energy sectors. We aim to continue driving lending and investments in areas that are aligned with responsible climate risk management and that are within our credit policies and parameters.

b. Describe the impact of climate-related risks and opportunities on the company’s businesses, strategy, and financial planning

The Corporation incorporates ESG and climate considerations into how we manage our business. The following aspects of our business and strategy have been influenced by climate-related risks and opportunities:

- **Products and Services:** Climate-related risks to our loan portfolio are managed via our credit governance processes. We have expanded the mandate for the Corporation’s Commercial Loan Credit Policy to further strengthen our ability to assess the downside risk of our credit investments while considering the transition and fiscal risks of our credit investments. Further, loans to entities within the oil and gas industry now have stricter approval requirements since updating our policy in 2023. We have set a clear path toward focusing on companies that value environmental and community stewardship. For more information, see [ESG in the Commercial Credit Process](#).
- **Operations – Adaptation and Mitigation Activities:** The Corporation has invested in a robust Business Continuity Management Program that enables us to mitigate losses associated with, among other aspects, physical climate events. This program, linked to our ERM structure, facilitates swift identification of potential impacts that may threaten our operations and provides a framework for effective responses and adaptation measures that safeguard our business and other key stakeholders. The program is comprehensive and incorporates business impact analyses, disaster recovery strategies, and emergency preparedness and response plans. For more information, see [Business Continuity Management](#).

c. Describe the resilience of the company’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The Corporation has not undergone a specific climate-related scenario analysis; however, we have worked to build climate resilience within our business strategy and operations by integrating climate considerations into the management of our credit and loan portfolios and taking adaptive measures within our facilities that are most likely to be impacted by acute and chronic physical climate risks.

Reporting Recommendation

Response

Risk Management

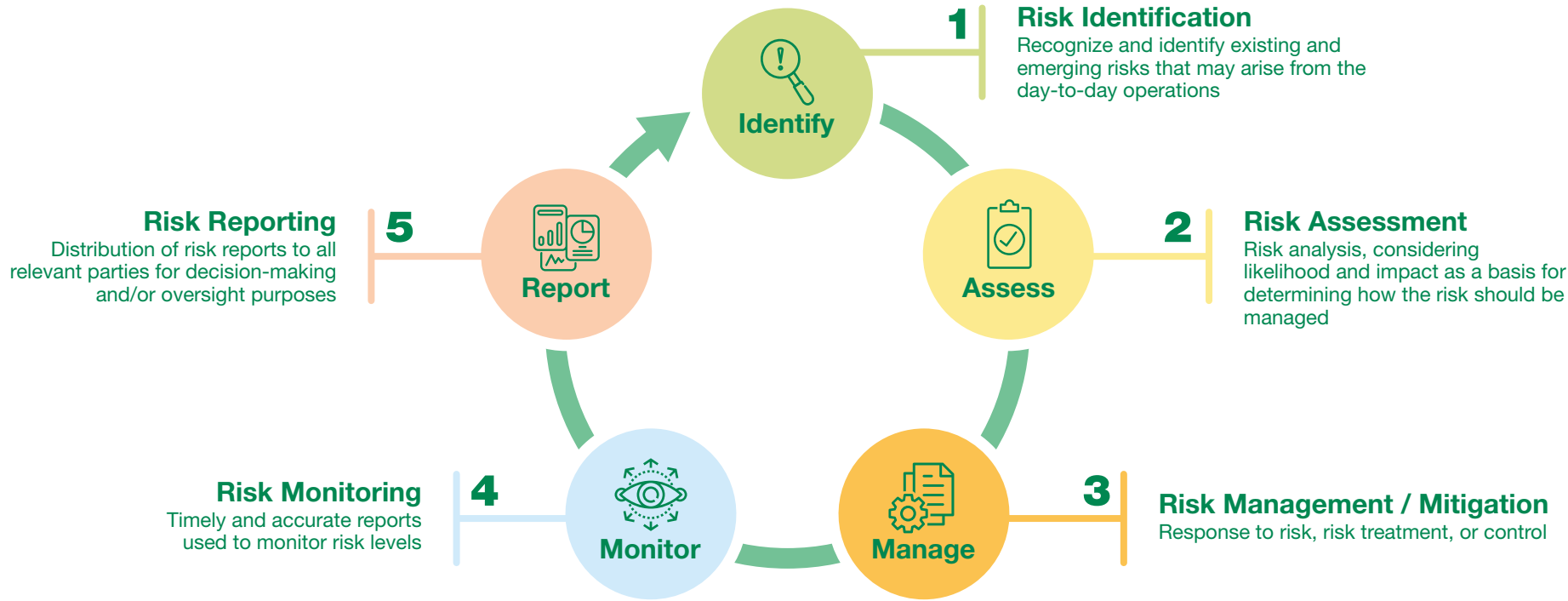
Disclose how the company identifies, assesses, and manages climate-related risks.

- a. Describe the company’s processes for identifying and assessing climate-related risks
- b. Describe the company’s processes for managing climate-related risks
- c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company’s overall risk management

The Corporation’s process for identifying, assessing, and managing climate-related risks is embedded within our ERM Program. Our ERM Program, which leverages the Committee of Sponsoring Organizations ERM framework, defines a comprehensive process that is applied enterprise-wide to identify potential events that may affect the organization, manage risk to be within our risk appetite, and inform strategic planning efforts.

RISK MANAGEMENT MODEL

Our risk management model focuses on five key areas outlined below:



Reporting Recommendation

Response

Risk Management

Disclose how the company identifies, assesses, and manages climate-related risks.

RISK TAXONOMY

Our internal risk taxonomy guides our risk identification process. This taxonomy includes the following risk categories at its highest level: legal and regulatory, credit, liquidity, market and interest rate, model, reputational, strategic, capital, operational, and technological.

RISK APPETITE

The Corporation’s risk management processes are completed within the context of our Risk Appetite Statement, which outlines the strategic, regulatory, operational, and financial parameters that reflect our corporate risk appetite and collective business judgment regarding risk-taking activities. The Risk Appetite Statement is driven by the corporate strategic objectives delineated by the Board and management, reflecting a combination of short-term stakeholder expectations and longer-term corporate strategies.

RISK CULTURE AND REPORTING

The Corporation leverages various methods to build and maintain our strong risk culture and communicate our risk strategy to internal and external stakeholders. These methods include internal trainings, regular enterprise risk profile reports to the Board and its Committees, and public disclosure of material risks to external stakeholders in the form of our SEC filings and voluntary sustainability reporting initiatives.

BUSINESS LINE AND CORPORATE RISK ASSESSMENT

At an enterprise level, the Corporation completes a Business Line and Corporate Risk Assessment exercise at least once every two years. This exercise enables us to identify and assess material risks faced by the Corporation and develop action plans to manage top risks.

Identification

We deploy a top-down and bottom-up approach to identify potential risk factors within the parameters of our risk taxonomy. Each business line completes a self-assessment to identify risks in the context of its operating environment. At the corporate level, risks are identified through a collaborative process that leverages industry resources, such as the American Bankers Association Risk Library, to populate a comprehensive universe of possible risks and that engages risk managers and subject-matter experts throughout the Corporation to identify risks most relevant to our business. Identification processes at both the business line and corporate levels come together to create a well-informed view of identified enterprise risks.

Assessment

Our Business Line and Corporate Risk Assessment exercise involves a risk assessment process that enables us to anticipate the likelihood and severity of identified risks. Through this process, we evaluate material enterprise risks, the likelihood of occurrence, and the adequacy of existing controls to determine appropriate countermeasures and mitigating activities. The assessment considers the inherent risk, controls, and residual risk exposure. Review and challenge processes are conducted throughout the execution of this exercise.

Management and Mitigation

The final aggregated Corporate Risk Assessment, along with action plans and top risks, is reviewed by ERM and Operational Risk Director and is presented to the Executive Risk Management Committee and Board Risk Committee for final review.

Reporting Recommendation

Response

Risk Management

Disclose how the company identifies, assesses, and manages climate-related risks.

STRESS TESTING

The Corporation periodically conducts enterprise-level stress-testing exercises to account for idiosyncratic and event-driven risks related to ongoing business operations based on internally generated stress. We leverage scenarios tailored to our business and risks to assess potential impacts on our financial condition, including losses, earnings, cash flows, capital, and liquidity. The Corporation macroeconomic scenarios baseline forecast includes climate change assumptions that are consistent with a weighted average of the assumptions underpinning a range of scenarios, including those from the Network for Greening the Financial System. In the baseline forecast for the macroeconomy, the following climate risk assumptions were adopted:

- Global CO2 emissions will fall by 64% from their pre-pandemic level by 2100
- The global mean temperature will rise 2.5°C above its pre-industrial level by 2100
- Global carbon prices will rise from \$3 to \$325 per ton by 2100
- The global percentage of non-carbon-emitting energy consumption will rise from 17% to 71% by 2100
- Chronic physical risk will shave six basis points from global gross domestic product growth per annum, adding up to a cumulative 5.1% reduction by 2100
- Economic loss due to acute physical risk will accelerate, rising from an estimated \$129 billion in the U.S. to nearly \$500 billion annually by 2050

CORPORATE BUSINESS CONTINUITY MANAGEMENT PROGRAM

Our Corporate Business Continuity Management Program is committed to:

- Making the Corporation more resilient to potential threats
- Enabling the Corporation to resume or continue operations under adverse or abnormal conditions

This is accomplished through the introduction of appropriate resilience strategies to reduce the likelihood and impact of a threat and the development of plans to respond to and recover from threats that cannot be controlled or mitigated.

The Corporation’s Business Continuity Plan is developed, tested, and kept current following the recommendations in the Federal Financial Institutions Examination Council Business Continuity Management Booklet and the best practices in Disaster Recovery Institute (DRI) International’s [Professional Practices and Business Continuity Institute](#).

Each business unit is responsible for developing and implementing a training and communication program to establish and maintain awareness of the unit’s Business Continuity Plan (BCP) and to train the unit’s staff members so that they are prepared to respond during an event. Plans must include cross-training of staff members to permit flexibility of assignment during an emergency. The Business Continuity Manager assists the business units by providing BCP and Disaster Recovery Plan training to designated Business Unit Coordinators on an annual basis.

Reporting Recommendation

Response

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a. Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process

The Corporation is committed to assessing and managing our climate-related risks and opportunities and tracks several climate-related metrics within our facilities to serve as indicators for environmental performance. The Corporation plans to discuss other climate-related metrics and targets in future reporting.

b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

ELECTRICITY CONSUMPTION (KWH)	
Puerto Rico	18,781,778
Eastern Caribbean Region	2,150,876
Florida	887,203
TOTAL	21,819,857.00

WATER USAGE (GAL)	
Puerto Rico	4,801,854.44
Eastern Caribbean Region	265,240
Florida	256,828
TOTAL	5,323,922.44

RECYCLING METRICS (LBS)	
Electronic Waste Recycling	26,510
Wood Recycling	18,500
Paper Recycling	843,092
Carpet Tile Recycling	18,000
Heavy Metals Recycling	15,000
Single-Stream Plastic and Cardboard Recycling	7,740
Battery Recycling	4,776
Organic Waste Recycling	2,160

c. Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets

Forward-Looking Statements and Materiality

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. These statements are related to the Corporations’s future economic, operational, and financial performance and can be identified by the words “expect,” “anticipate,” “intend,” “should,” “would,” “believe,” “may,” “will,” “plans,” and similar expressions as well as variations of these words. These statements are based on First BanCorp’s current views and expectations and involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. These factors include, but are not limited to, uncertainties relating to the impact of adverse changes in general economic conditions in Puerto Rico, the U.S., the U.S. Virgin Islands, and the British Virgin Islands; climate-related conditions and natural disasters; an adverse change in the Corporation’s ability to attract new clients and retain existing ones, including through its digital banking initiatives; technological advancement; the reputational risk associated with our ESG activities and sustainability initiatives or perceived lack thereof, including negative publicity; new laws and regulations that address ESG matters, including, but not limited to, climate change concerns; failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards relative to ESG concerns; and other risks discussed in our 2023 Form 10-K and in our other filings with the Securities and Exchange Commission (SEC). The Corporation cautions readers not to place undue reliance on such statements, which speak only as of the date made, and advises readers to consider such various factors, some of which are in the Corporation’s control and some of which are not. These factors could cause actual results to differ materially from those expressed in or implied by such statements. The forward-looking statements contained in this report reflect our views as of the date hereof. The Corporation does not undertake and specifically disclaims any obligation to update any forward-looking statements after the date of such statements, except as required by law.

The goals, plans, targets, and commitments discussed in this report are aspirational. We are committed to achieving them but cannot guarantee or promise that they will be achieved. Data pertaining to disclosures includes estimates and may be based on assumptions. Additionally, some figures in this report may be unaudited. This report uses certain terms, including “material,” to reflect the issues of greatest importance to the Corporation. Used in this context, these references are not the same as “material” as defined by or construed in accordance with U.S. federal securities laws and SEC rules and regulations. No reports, documents, or websites that are cited or referred to in this document shall be deemed to form part of this report.



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