



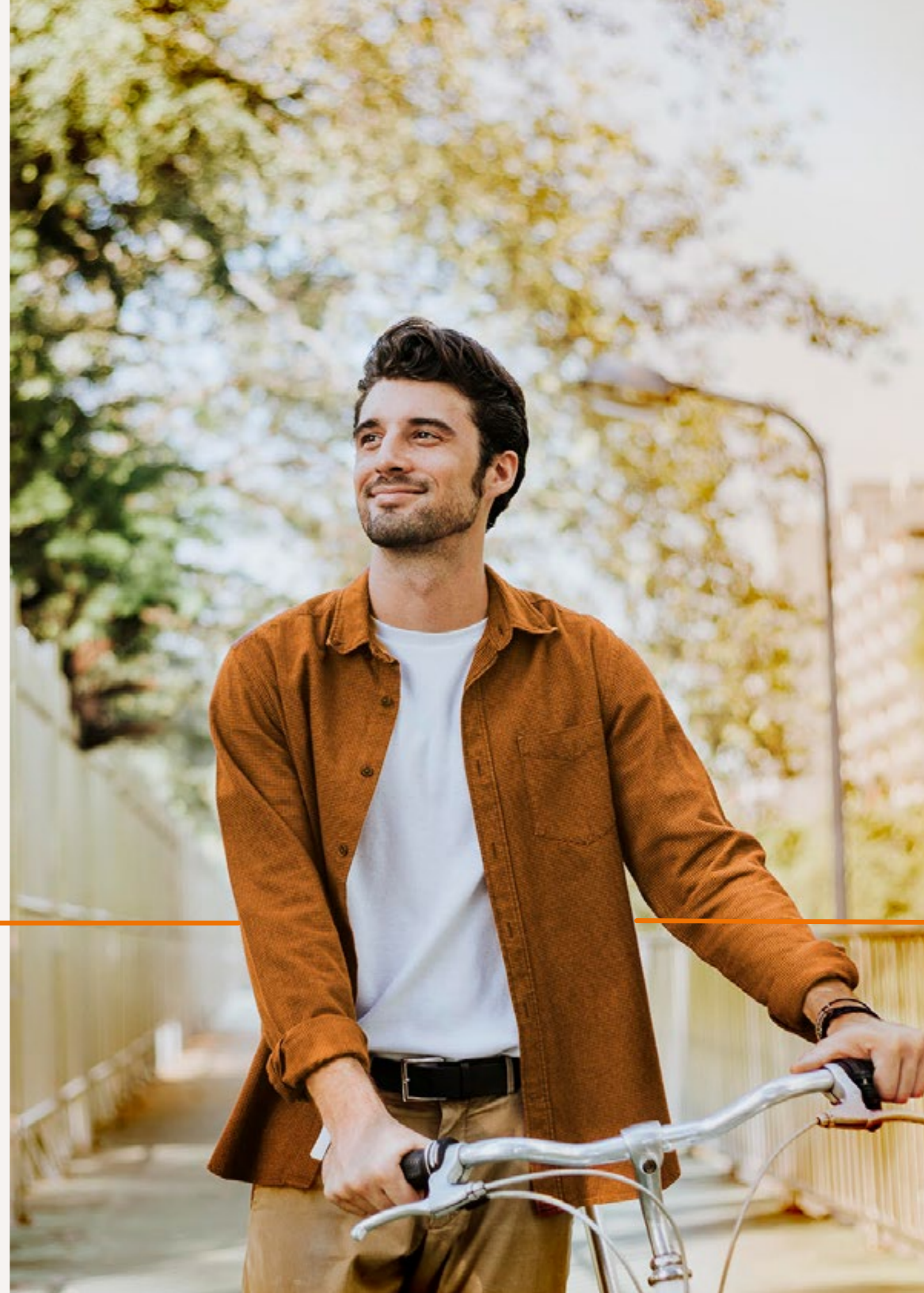
# Positive Impact Commitments





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## What is our role in changing the world?

Today, the world is taking a new look at sustainability. In the past, sustainability was about making up for damage done and making contributions to the same extent. Today, however, the relationships companies have with society have moved forward. We are living in an age of challenges that calls for more initiatives. And, with that, the role companies play in the world has changed as well. Today's environmental, social and economic challenges have created a tough state of affairs for our future. Every initiative makes a difference. As a result, people's awareness of sustainability is increasing every single day. In 2020 we witnessed a great expansion of ESG (Environmental, Social and Governance) topics: environmental, social and governance principles reshaping the way companies operate. This ideal is a novelty for many. But for us, it is a long-established principle. This new stance companies are taking on sustainability is consistent with the reality of the current situation in the world. The responsibility and commitment of the public and private sectors are not only essential but also urgently needed to ensure a better future. Business and people have started to wake up to the individual impacts they can

have on how to overcome the environmental, social and economic challenges facing the world today — impacts that, in the aggregate, represent a watershed moment to shape the future of all. This progress shows that companies may go beyond by always creating more opportunities. Financial institutions may fund this development and bring about benefits for society. This means creating changes for the better and ensuring this positive effect is carried all the way through society — which is crucial to create Positive Impact.

### Itaú against a backdrop of change

The financial system pervades all tiers of society and sectors alike. This reality — added to our 96 years of history, to our influence as the most valuable brand in Brazil, our broad range of products and services, and our wide reach to people and business of all sizes and profiles nationwide — highlights the great responsibility we have as an agent of transformation. We recognize this, and it has been the starting point for us to take a new stance.

We have fully engaged in global challenges, conducted surveys and discussed with experts, employees, leaders, clients, stockholders, suppliers and citizens to analyze and find out how Itaú can act to help build a better future. It has been two years full of work, and we have come out of this journey by taking a major step in 2019 to boost all this progress: we have defined **Itaú's Positive Impact Commitments**, supporting people and business through everything we do and redefining our vision and strategy towards the sustainable evolution of the bank, society and the environment. Therefore, we have publicly assumed these crystal-clear targets and goals — as this could not be otherwise. Because transparency from inception is vital for the impact we want to promote with all and for all.

### Itaú's Positive Impact Commitments

These are the commitments guiding our decision-making by ensuring a wider

vision of business-inherent risks and opportunities. These are the ones that shape the products and services we provide, with the assumption that they will always generate environmental and social benefits. Our commitments are also about taking a new look inside: at our people. They are the ones who develop our products and services and represent us before clients and society every day — therefore, they are key to meeting our goal. Aware of this fact, we understand that a great deal of our potential to create positive impact lies in offering a healthy, inclusive, and diverse environment that encourages and recognizes the professional and human development of our over 90,000 employees. The Positive Impact Commitments guide our business essence and operation crosswise by putting into practice our vision of the future in the day-to-day of the bank and of all around us. This is how, by acting on positive change opportunities, we may together make a better and more attainable future, with an unconditional look at the environment and people alike.

These Commitments replace our former sustainability strategy and step up our contribution to people and the world. It is one more step towards the consolidation of our bank's strategy as a whole, based on the sustainability principle.

Defining our Commitments is a recent endeavor, but our commitment to society and positive E&S (Environmental and Social) impacts created by the business go way back in our history of learning. It has been 21 years since Itaú first joined the Dow Jones Sustainability Index and 16 years since it first joined the Business Sustainability Index (ISE) of B3.

In recent years we have set up governance and a series of internal processes focused on sustainability. In line with this approach, we have also developed actions integrated into our business and management model, with the launch of E&S products and services. We have signed up to sector protocols and global commitments, such as the Equator Principles (2004), the Principles for Responsible Investment (PRI) (2008), the Principles for Sustainable Insurance (PSI) (2012), and the Principles for Responsible Banking (PRB) (2019).

All these experiences have contributed to mature the ESG agenda at our bank — and driven our ongoing mission to take on a central role in changing society.

**Learn more about Itaú's Positive Impact Commitments.**

Our annual report is a public document detailing how the entire process to define our Positive Impact Commitments has come to pass.



The 2019 edition is right here for you whenever you want it.



Commitments that guide how we will be **held accountable**

Commitments that create **positive impact** through business

Commitments that are the basis for our **conduct and way of acting**



## ESG and Positive Impact

Factoring in ESG aspects is key for a business to flourish in the world today.

Accordingly, governments, companies and institutions worldwide are reshaping their attitudes and long-term strategies to adopt having a positive impact on society as the basis for growth.

This practice and developments have proven beneficial on all fronts. In addition to effectively contributing to a better future, companies that embrace ESG issues crosswise in business have been associated with greater strength, greater resilience to E&S risks and lower cost of capital.

In the **environmental** scope, in which the key criterion is performance and the management of their impacts on nature, companies take measures that either reduce the use of natural resources or ensure safety from environmental risks in their processes. Concurrently, they may contribute to the prosperity of green areas and forests, generating environmental wealth

that goes beyond merely making up for negative impacts.

The **social** scope concerns respect for the universal human rights of employees, suppliers and communities. This is put in practice, for example, with the careful assessment of suppliers to prevent compulsory labor or unhealthy conditions for those engaged in the entire process. Concurrently, fostering the development of employees and their health and wellbeing are attitudes that give rise to positive impact.

**Governance**, in turn, is about the assessment of business management in connection with compliance and anti-corruption processes, in addition to the long-term strategy, independence and diversity of board members, among other issues related to how the company operates. Therefore, this index offers huge clarity to both investors and society. The transparent disclosure of key information and data in communication illustrates how to put this ESG pillar into practice.





# Positive Impact Commitments

On the next few pages you will find the context of each Commitment assumed, related targets and initiatives.





## Inclusion and entrepreneurship

Improving financial inclusion for micro, small and medium entrepreneurs through products and services.



## Context

In the last 30 years, micro and small enterprises (MSEs) in Brazil have become increasingly important to the market. According to studies by Sebrae, the Brazilian Service of Support for Micro and Small Enterprises, in partnership with Fundação Getulio Vargas (FGV), today such companies account for 30% of the value added of Gross Domestic Product (GDP).\* Their importance goes even further: this survey has found that small businesses account for over half of the formal jobs in Brazil.

Even with their huge importance for Brazil's economic development, MSEs face a series of challenges to keep afloat in the market. According to Sebrae,

most companies close their doors only two to four years after having opened. Women-led companies face even fiercer challenges. Even if they start their entrepreneurship journeys with capital and funds similar to those of men, women entrepreneurs face more difficulties in flourishing along the way, according to 2017/2018 Global Entrepreneurship Monitor (GEM) data.

Gender issues go even further. According to the 2019 Feminine Entrepreneurship in Brazil report prepared by Sebrae, the share of women who are pushed by to open their own business is greater, and 44% of them do so through necessity against 32% being the case for men. Even so, these women-

led businesses have a higher level of failure - compared to men-led businesses, the rate is down 40%.

Itaú is aware that entering into entrepreneurship poses its own challenges. This is why our responsibility, as a financial institution, is to support those who are travelling this path: by smoothing the way and widening access to financial services and solutions, in addition to offering credit, training and content for male and female entrepreneurs across Brazil. By supporting MSEs, we boost more than just business — we make people and regions flourish. And, with them, the economy of the entire country.

## Find out about some inclusion and entrepreneurship related initiatives

### Microcredit

A low-cost credit line ranging from Brazilian Real (R\$)400.00 to R\$20,000.00, with a repayment term of up to 15 months. This type of credit line offers accessible rates, ideal for small business owners or entrepreneurs who work on their own. There is no need to be registered as a corporate taxpayer or have a bank account to be entitled to this credit — one just needs to be over 18 years of age, have been in the business activity for at least six months, and have gross revenue or income of up to R\$360,000.00 a year. Microcredit encourages investments in small business by providing additional value and income, and boosting the entrepreneur's wellbeing and self-esteem. Therefore, society also benefits from this favorable impact, with the regional economic development and higher tax revenue driven by a rise in formal businesses.

Opportunities such as these make it possible to generate a positive impact in the world.

Learn more about microcredit [here](#).

\* Survey-based data: [https://datasebrae.com.br/wp-content/uploads/2020/04/Relat%C3%B3rioParticipa%C3%A7%C3%A3o-mpe-pib-UF2\\_compressed.pdf](https://datasebrae.com.br/wp-content/uploads/2020/04/Relat%C3%B3rioParticipa%C3%A7%C3%A3o-mpe-pib-UF2_compressed.pdf) and <https://datasebrae.com.br/wp-content/uploads/2020/04/Relat%C3%B3rio-Participa%C3%A7%C3%A3o-mpe-pib-Na.pdf>

Itaú Microcredit is available in the city and metropolitan regions of São Paulo (SP), Rio de Janeiro (RJ), Campina Grande (PB) and cities on the border with the state of Rio Grande do Norte (RN), Fortaleza (CE), Montes Claros (MG), Teresina (PI), and cities on the border with the state of Maranhão (MA).



## Itaú Mulher Empreendedora (Itaú Women Entrepreneurs) program

Itaú Mulher Empreendedora (Itaú Women Entrepreneurs) is a program aimed at creating opportunities for the development of women-led business, with solutions, references, inspiring role models, means of training, and encouragement to networking. Operating since 2014, this program features powerful tools that boost its reach, as it has already impacted thousands of people nationwide. By 2019, the online platform ItaúMulherEmpreendedora (Itaú Women Entrepreneurs) had been visited by over 23,000 participants and trained over 27,000 women entrepreneurs with its Growth Plan course. In 2020, we held the third edition of the Aceleração

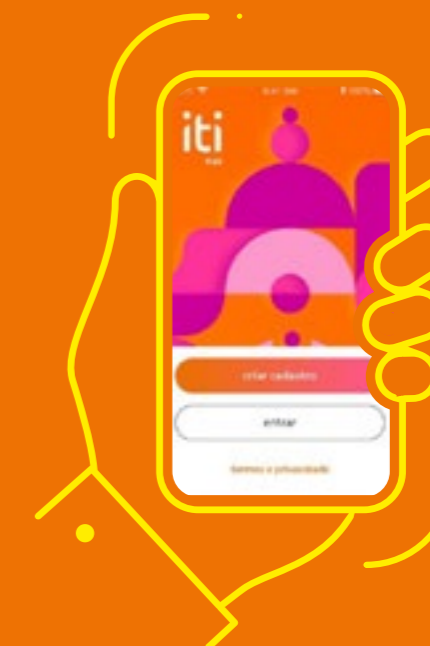
Itaú Mulher Empreendedora (Itaú Women Entrepreneur Acceleration) program, focused on boosting business that generates social impact. It featured six women short-listed to go on a three-month mentoring and training journey aimed at fostering their entrepreneurship. After just two months of the program, these entrepreneurs had already reached 27% of their annual revenue, networked with over 23 businesses and assigned a 9.6 NPS (Net Performance Score) to the solution. 11 employees worked as mentors and sponsors for 11 different engaged areas and three new work agendas were outlined for the Entrepreneurship team.

Learn more about the Itaú Mulher Empreendedora program [here](#).

## Access to the financial services platform:

Iti is a platform that makes it easier to access payment means. Small entrepreneurs are able to receive cash right away, with accessible rates, in the simplest way possible. You need not even have a bank account to use Iti. You just have to download the app and voilà! more money coming and going around, and more value to all society.

Learn more about Iti [here](#).



## Entrepreneur Platform

Itaú has been building a new solution to deliver a full business development and acceleration ecosystem. In 2021, the Entrepreneur Platform will provide content, tools, products and services, in addition to networking to support entrepreneurs on their management journey.

## Targets



**Impacting 70,000 entrepreneurs with management**, training and virtual or in-person networking solutions by 2020

**STATUS** **51,762** entrepreneurs engaged in our training programs. | June 2020



**Integrating 5 million consumers into a low-cost financial services platform by 2021\***

**STATUS** **1.557 million** clients in our financial services platform. | June 2020



**Including 300,000 entrepreneurs in a low-cost financial services platform by 2021**

**STATUS** **110,000** clients in our financial services platform. | June 2020



**Increasing credit volume for women-led small and medium-sized businesses\*\*, reaching R\$ 11 billion\*\*\* in credit by 2024 (21% of total portfolio)**

**STATUS** **R\$8.2 billion** in credit provided to women entrepreneurs. September 2020

\* This target was originally part of "Financial Citizenship". After an internal decision was made, it is now part of the Positive Impact Commitments.

\*\* Small and medium-sized companies in Itaú's segments are those with revenues up to R\$ 30 million / year.

\*\*\* The previously established target of R\$ 9 billion was adjusted to R\$ 11 billion, challenging us to further support these companies.





## Financial citizenship

Promoting customers' satisfaction with the bank and their financial life.



## Context

Default rates in Brazil have hit an all-time high. According to the National Confederation of Trade of Goods, Services and Tourism (CNC), in August 2020 total households in default reached 26.7%, outstripping 26.3% in July 2020, a first-ever figure.

The Covid-19 pandemic has contributed to this indebtedness level, due to the effects of the economic downturn that has led to a drop in household income. But that is not the only reason — the high proportion

of financially illiterate people in Brazil has also led to such a dreadful scenario. According to a survey conducted in 2016 by the OECD (Organisation for Economic Cooperation and Development), Brazil ranks 27th when it concerns financial education, evidencing a huge gap in relation to other countries.

We want and we must help to preserve people's financial health. The most effective way of doing so is by designing and offering tools to facilitate and guide

everyone along the road towards a better relationship with their own finance by creating new growth opportunities. This potential may even have the possibility to go further: a trained person may pass on their knowledge by providing financial guidance to those around them, either at work or at home. We picture this scenario as a great opportunity to create positive impact. Because when everyone grows in a sustainable way, the world flourishes together.

## Find out about some Financial Citizenship related initiatives



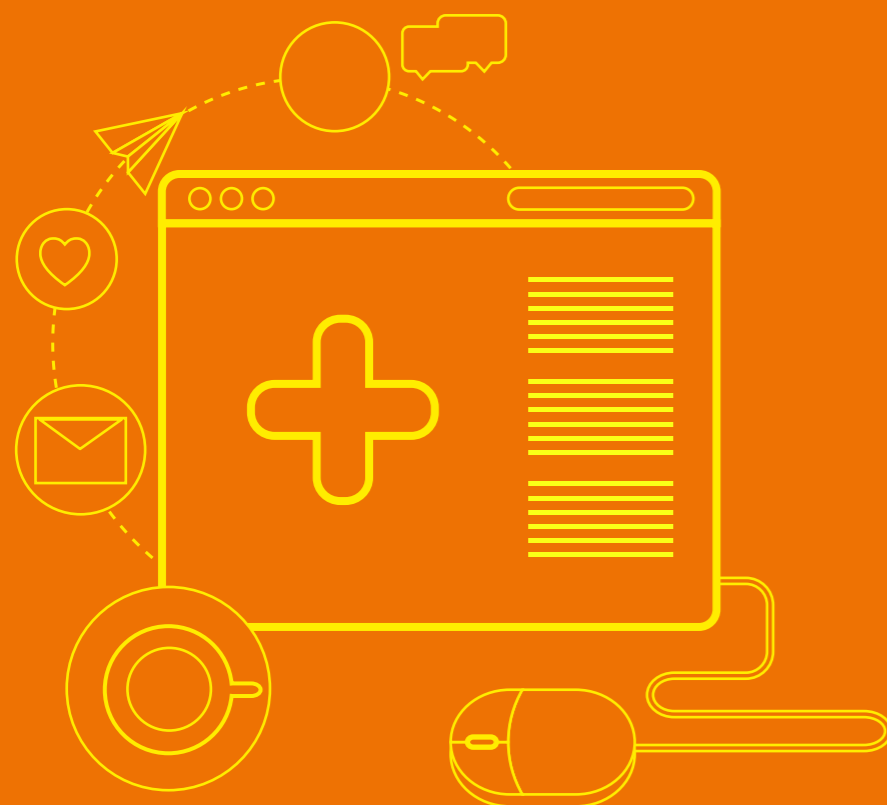
### Travessia (crossing) program

The Travessia (crossing) program has been designed to help up to 20 million individual clients and over one million small and medium-sized businesses to keep afloat through escalated solutions focused on rescheduling grace and repayment periods, in addition to renegotiating fees and guarantees.

Learn more about the Travessia program by [clicking here.](#)

### Agenda Positiva Newsletter

During the pandemic, Itaú has set up a channel to keep on communicating with clients, by making financial guidance content regularly available.



## New Financial Education content channels

With digital inclusion making headway, the internet and social networks have become a direct source of communication with people. Thinking about this reach, we have launched a new website to consolidate the bank's actions in relation to society, clients and employees.

- We have designed a blog with content and tools to help use and manage money based on contextual and behavioral factors.
- We have started to address this topic in our social networks, based on texts, videos on the Covid-19 crisis and the Travessia program.

**Website:** [www.itaubr.com.br/educacao-financeira](http://www.itaubr.com.br/educacao-financeira)

**Blog:** [www.itaubr.com.br/planejamentofinanceiro/](http://www.itaubr.com.br/planejamentofinanceiro/)

## Active Management – Recurring indebtedness follow-up

Our client data are regularly monitored in our endeavor to prevent default. From this perspective, it is possible to monitor signs of financial imbalance and, if required, act preventively towards recovery.

## Extra Income and Spending during the Pandemic booklet

As a way to support people's financial wellbeing, we are designing booklets to help guide clients on their financial health during the pandemic. Awareness-raising is the way to do this.



## Somar (Adding) Podcast

This is Itaú's podcast on financial health, designed to encourage people to inform themselves and organize their financial lives, whenever and wherever they are. It is one more initiative born out of the will to positively impact both people's lives and life in society.

You can listen to the Somar podcast by [clicking here](#).



## Targets

2020 was a year marked by multiple challenges driven by the pandemic, with social and economic effects.

In line with this moment, our actions focused on the Travessia (crossing) program, aimed at helping people make it through this difficult time and reorganize their financial lives.

This program has led to renegotiation of over 4 million contracts so far, totaling over R\$19 million in renegotiated amounts.

Additionally, we have reached over 5 million views of the content generated on our new channels. We are revisiting our financial citizenship targets for 2021 to extend and adjust our performance based on this new scenario and on people's needs and challenges.



### Engaging 2 million clients "by 2020"

in the recurring use of financial management tool **Minhas Finanças** (my finance)



### Increasing renegotiations with delinquent clients by 35%

in critically indebted situations by offering differentiated rates and discounts "by 2020"



### Preventing

by adopting a preventive approach, 1,2 million non-delinquent clients from falling into over-indebtedness



### Making available to our clients

after renegotiation, the financial reorganization material "by 2020"



### Setting up "by 2020"

a process to include delinquent clients back into the credit cycle



## Financing positive impact sectors

Continuing to step up our financing and services in positive impact sectors.



## Context

Debates on climate emergency, sustainability and the roles of companies and governments in this area are increasingly present in the global agenda. The top issue discussed at the World Economic Forum Annual Meeting in Davos in 2020 was the connection between the economy and the environment — the first time ever that the top five risks in this event's global risk report affect all environmental issues.

Against this backdrop, financial institutions are key to providing for sustainable change in the economic

system. As major sources of loans and investments, financial institutions are able to redirect capital towards companies supporting environment and society related initiatives, to the detriment of those posing E&S risks. By assessing risks and capturing trends in their strategies, banks contribute to the market and encourage other companies to also adopt positive practices, such as transparency.

Looking at sustainability in this way gives rise to multiple possibilities. Today, one of the ways to invest in sustainability is investing in green bonds, which

totaled US\$ 323 billion worldwide in 2019, according to risk rating agency Moody's. Transactions involving green bonds in Brazil totaled R\$ 11.4 billion in 2019 (approximately US\$ 3 billion). These amounts are likely to increase, in view of climate-related meetings and agreements becoming more and more significant.

Aware of our importance as a financial institution, we seek to widen our credit offer to impact positive sectors. And therefore strengthen and foster the build-up of a better future.

## Find out about some Financial Citizenship related initiatives



### E&S Risk Assessment

As a key credit-granting factor, Itaú assesses E&S risk associated with business. This risk is calculated based on the probability of damage to society and the environment arising from a company's processes. This factor is also assessed in credit-granting and is in compliance with the Equator Principles, a set of E&S guidelines adopted by Itaú for over 16 years.

### Green Finance

Itaú's governance is aimed at addressing the so-called green finance products in a number of business lines.

**Green Bonds:** regarding fixed-income products in 2020, the bank was involved in the trading of a number of green bonds issued to raise funds for sustainability projects.

**CBios:** in the agribusiness area, Itaú has been engaged in structuring CBios (commercialization of decarbonization credits) since its regulation.

## Targets



**Taking into account the risk,** return and effect of E&S issues variables in our loan portfolio by 2025, and continuing to foster positive impact on the economy.

#### STATUS

In 2020, we set up a working group aimed at integrating ESG issues into the portfolio as well as an ESG business committee with the wholesale banking's executives for monitoring purposes.



**Allocating R\$100 billion, through products and services, to positive impact sectors by 2025**

#### STATUS

**R\$38.6 billion**

August 2019 to September 2020



**Allocating R\$15 billion, through products and services, to renewable energy generation and services by 2025**

#### STATUS

**R\$5.2 billion**

August 2019 to September 2020



## Responsible investment

Expanding our offer and distribution of products and services to a more responsible and impact-positive economy.



## Context

Resource managers in Brazil and worldwide are increasingly aware of their responsibility for boosting the best ESG practices. Therefore, working to integrate ESG issues into the investment process is a significant milestone that helps identify risks and opportunities when we think about investments.

As managers of our clients' assets, we are responsible for investing these assets ethically and responsibly,

seeking a full understanding of the opportunities and risks involved in our decisions. Integrating ESG issues into the assessment of companies is aimed at creating value by obtaining a return more tailored to the risk of portfolios.

Companies attentive to these issues are likely to be more efficient and transparent, and may contribute to better evaluate investors.

Against this backdrop, financial institutions are a key link to change the mindset of the market.

Our focus is widening the ESG assessments of our assets, in addition to increasing the offer of responsible investment products and positive-impact business that may spearhead this purpose.

## Find out about some Financial Citizenship related initiatives



### ESG Integration

ESG issues are integrated into the investment process through a proprietary analysis methodology, started in 2010 and improved ever since. Developed by Itaú Asset Management to integrate ESG issues into traditional valuation models, this methodology aims at pricing material ESG-related issues. This assessment identifies multi-sector dimensions and prioritizes material dimensions for each area, factoring in potential cash flow impacts — the outcome of which is an estimate of the positive or negative impact on the company's fair value on the assessment date. Previous knowledge and pricing of ESG issues are key to help identify any events with potential to create or destroy value.

## Momento ESG (ESG Moment)

Momento ESG is a variable income fund that includes an ESG filter for selecting companies. It combines the search for companies with high-quality business and management with the flexibility to explore market opportunities. Therefore, it is a win-win situation for everyone: the world, society and investors.

## Targets



**Carrying out ESG assessments** on 100% of applicable assets, externally certified, by 2022.

### STATUS

We achieved 100% in the ESG assessment of our assets (Itaú Asset Management – IAM) and started the assessment of potential external certifiers to achieve the target in 2022 | September 2020)



Having a regular **offer of impacting responsible investment** products in our portfolio for Brazil by 2022.

### STATUS

In 2020 we launched a new responsible investment offer. The Fundo Momento ESG – Estratégia de Renda Variável, a variable income fund, with a prospective target of R\$1 billion, seeks full return in the long term and includes the ESG filter of Itaú Asset to select companies.



**Fostering and distributing impacting responsible investment** products to reach 3% of our total assets under management (WMS) by 2022

### STATUS

R\$350 million of our assets are under management (IAM) in September 2020. We will continue to involve the WMS departments to meet this target by 2022.



## Inclusive Management

Improving our employee experience and promoting a diverse, inclusive and healthy workplace.



## Context

Minorities have historically faced greater barriers to becoming included in a number of sectors in society. The lack of representativeness in the cultural and academic environment and in the labor market is still an issue of paramount importance — and one that must be addressed accordingly. After all, in addition to improving life in society and companies, social inclusion brings benefits for the entire market.

In 2019, US consulting firm McKinsey & Company made available a survey showing that companies with more diverse staff are 35% more likely to have a greater financial return.

According to this survey, companies with a balanced gender ratio increase their profitability by up to 41%. Another study, conducted by DDI and Ernst & Young (EY), has also reached a favorable conclusion for companies featuring more diversity: the chance for leaders working in a collaborative way to solve issues is doubled.

With employees from different backgrounds and with diversified

characteristics, the level of creativity, innovation and engagement is broadened, which allows a healthier environment with new views of the world. Accordingly, the company boosts its market competitiveness, evidencing that diversity and inclusion are key factors to sustainable growth.

In 2020, a new scenario was brought to light, even for many of those companies and employees: home working.

With the novel coronavirus pandemic and the recommendation for people to refrain from mass gathering in enclosed spaces, many offices and companies have found in home working a way to continue operating.

Although this model had existed before, home working had not previously been so present in people's day-to-day lives. According to current surveys, home working has come to stay: according to a study by FGV, 30% of Brazilian companies are likely to keep employees working from home in their working hours, even after the pandemic ends.

When we look at Itaú, one thing is for sure: our bank is made up of people. And it needs to be diverse. We understand that a great part of our potential to create positive impact lies in our capacity to offer a healthy and inclusive workplace, always supporting and respecting our employees. We encourage the professional and human development of our entire team by providing ongoing training, discussions and improvement.

During the pandemic, our stance has been adjusted to this new reality: by recognizing the challenges of home working, Itaú has developed a set of programs to help our team grow through this new way of working. And in respect to the health of all, we have already announced that home working for administrative staff will be extended until 2021. In the meantime, we will improve our physical spaces and technology structure to prioritize remote working even when we get back to the office. These are only some of the changes connecting Itaú to the future of work and the world.





## Find out about some Inclusive Management related initiatives

### Actions for employees during the pandemic

Bearing in mind people's health and compliance with health recommendations, we have guided our administrative departments to work from home until 2021. Aimed at enabling the full operation of this new scenario, Itaú's technology department has contributed by addressing technical issues, and office chairs have also been loaned to ensure employees are comfortable and enjoy a proper ergonomic environment. Additionally, the bank has provided online medical and psychological support for the entire team and created content for live-stream events dedicated to mental health in our internal communication channels. This has provided for maintaining the best work conditions, even during the pandemic.

### Awareness-raising and education initiatives

Projects, events, development of programs and moves aimed at enhancing employees' engagement and awareness-raising, focused on each pillar of action: unconscious biases, gender, race, people with disabilities (PWD) and LGBT+. These are opportunities to address challenges, barriers, responsibilities and advancements on these topics, in and out of Itaú. In 2020, over 80 events were held, with approximately 15,000 attendees, guests and employees, enriching discussions and enabling new insights into the world.



### Learning platform

In addition to several development experiences over the year, we also launched the new Degreed learning platform that provides different experiences and content to our employees so that they have the opportunity to continuously develop. We want to encourage our employees to take a leading role in their journey of learning and developing new skills, by providing them with information about the company's strategy and the skills that have fostered our change.



### Fique Ok (Be Ok) program

A personal support program for our employees and their family members, available by telephone 24 hours/day, offering a confidential free-of-charge service. The Fique Ok program provides psychologists, social workers, lawyers, nutritionists, physiotherapists, personal trainers, and pet consultants.

# Targets



**Ensuring we achieve a high score in employee satisfaction** and engagement surveys

## STATUS

We achieved 88% at Pulso, our main employee satisfaction survey. October 2020



**Fostering employee development** through training programs and inspiring a culture of learning

## STATUS

The Degreed platform launched for employees comprises over three million informal learning activities.



**Encouraging the ongoing build-up of a healthy work environment.**

## STATUS

Originally scheduled actions for this Commitment have been impacted by the Covid-19 pandemic. We have focused our actions on preserving our employees' health during the pandemic.



**Increasing employees' engagement in physical and mental wellbeing programs.**

## STATUS

22,340 employees were assisted by telemedicine services, and we recorded a monthly average of approximately 9,000 appointments in the Fique OK (Be OK) program. We held online talks for employees on Mental Health, Ergonomics and support for Covid-19 during the Covid-19 pandemic. Assessment Period: April to August 2020

Due to the pandemic scenario, hiring processes have been impacted, affecting the planned improvement of our internal diversity target indicators.





**Increasing the number of black employees in our organization**

**STATUS**

22.7% % of black employees.  
October 2020

Awareness-raising activities with over 4,000 employees and talent attraction actions aimed at fostering diversity and racial inclusion.



**Increasing the number of women in leadership positions**

**STATUS**

51.4% of women in management positions\*.  
13.4% of women in officer positions.  
October 2020

In 2020, we held a number of remote rounds of chats and training on gender-related topics. Over 7,000 employees attended these activities.

\* Total women with management career.



**Improving PWD employee attraction, selection and development programs**

**STATUS**

4.76% of PWD employees.  
October 2020

In addition to awareness-raising activities, in 2020 we focused on initiatives prioritizing the special care to our employees during the pandemic, such as providing transparent masks to facilitate interaction with hearing-impaired employees, using Brazilian sign language interpreters in video streams, and making ergonomic adjustments for people working from home.

**Diversity**

**Over 3,000 employees have been directly impacted** by our actions up to October 2020.



**810 supervisors attended the Inclusive Management course up to October 2020**



**1,205 employees attended the Diversity and Inclusion Basic Concept workshop**



**533 employees attended the Inclusive Communication workshop**



**We started a pilot project for training PWD in programming**

In addition to the above-mentioned topics, over 600 people attended the Unconscious Biases training, including 46 people who were involved in the evaluation of candidates to our Trainee program.



## Responsible management

Improving the performance of our operations and promoting sustainable practices in our supply chain.

## Context

Environmental impacts have increasingly been factored into topics discussed worldwide over recent years, mainly with the United Nations Sustainable Development Goals (UN SDGs) and the Paris Climate Agreement signed in 2015. Both of these initiatives point at the same direction: the overwhelming need to implement responsible business management. This demand has been dramatically highlighted with the Climate Emergency declared by the community of scientists in 2016. Since then, awareness-raising of the climate change issue among people and companies has become increasingly evident.

A survey carried out by the Union for Ethical BioTrade (UEBT) showed

that 92% of interviewees prefer environmentally-friendly companies. For financial institutions, this may be reflected in their control over indirect environmental impacts, such as managing waste generation, and water and energy consumption.

All this contributes to stepping up the search for more sustainable energy sources. In 2019, renewable sources in Brazil accounted for 46.1% of the entire Brazilian energy mix, up 0.6% from the previous year, according to the Brazilian Ministry of Mines and Energy. The demand for solar energy grew 92% and for wind energy, 15.5%. This is why Brazil has one of the cleanest energy mixes in the world.

We are aware of the impacts we generate every day, and we take concrete actions to reduce them accordingly, by means of conscious energy consumption and waste generation control. Despite being a service company, our operations still depend on natural resources and the entire supply chain, which involves the primary responsibility for choosing and maintaining relationships with our suppliers, ensuring that we always partner with companies that contribute to environmental health. From using disposable cups to consuming renewable energy, we, at Itaú, play our role in ensuring the sustainability of our operations.

## Find out about some Responsible Management related initiatives

### Clean energy



Today, Itaú operates by using 100% clean renewable electricity, including all its administrative buildings, branches and data centers. This target was first met in 2019 with the purchase of RECs Brazil: certificates that track energy consumption and guarantee their renewable sources. Beforehand, from 2012 to 2015, offsetting initiatives achieved 100% for scope 1 and part of scope 2 — and from 2016 onwards total emissions for both scopes have been offset with carbon credits.



# EKOS BRASIL

## Climate Commitment

Itaú, Instituto Ekos Brasil (Ekos Brazil Institute) and other companies have joined efforts to offset greenhouse gas (GHG) emissions. Since 2017, this partnership has issued call notices to select projects focused on reducing emissions and generating environmental and social benefits. In 2018, B3 and Lojas Renner joined this program. The projects supported by these institutions are introduced on the Ekos Social platform as active agents in reducing GHG emissions on the planet. Considering 2017 and 2018 alone, 217 families have benefited from these projects, R\$460,000.00 in income has been directly generated to community members, 132 people have been trained by these projects, 1,300,000 liters of clean water have been saved, 31,976,000 kilograms of waste have been reused, and 3,355 hectares of forests have been preserved, with a lot more still to come.



## Waste reduction

In addition to promoting a campaign to reduce the use of disposable plastic cups, Itaú has distributed reusable cups to all its employees. Across the whole company, plastic cups for visitors have also been replaced with biodegradable paper cups. A series of small changes that make a great difference at the end of the day.

## Suppliers

We have designed the **Environmental and Social Responsibility and Positive Impact Guide for Suppliers**, aimed at sharing our E&S guidelines and fostering sustainable practices in our supply chain. We hope that the good practices described in this guide inspire companies and society to follow a successful path of sustainable performance and positive impact.

## Targets

### Reducing Water Consumption



**Reducing by 51% our water consumption** by BP<sup>1</sup> between 2013 and 2021.

**Reducing by 13% our absolute water consumption** between 2013 and 2021.

#### STATUS

Relative reduction of 48% between 2013 and December 2019. Absolute reduction of 22% in the same period.

	2013 Baseline	2019
Absolute (cubic meters)	1,675,032	1,308,143
Relative	21.345	10.989



**Reducing by 52% our energy consumption** by PUE<sup>2</sup> between 2013 and 2021

**Reducing by 15% our absolute energy consumption** between 2013 and 2021

#### STATUS

Relative reduction of 44% between 2013 and December 2019. Absolute reduction of 15% in the same period.

	2013 Baseline	2019
Absolute (MWh)	643,122	554,680
Relative	8.195	4.660

<sup>1</sup> BP (Banking Product) is the sum of Managerial Financial Margin, Commissions and Fees and Revenues from Insurance, Pension Plan and Premium Bond Operations before Retained Claims and Selling Expenses.

<sup>2</sup> PUE (Power Usage Effectiveness ratio). In 2020, consumption dropped due to the Covid-19 scenario. We are alert to the possibility of "false positive" results for Covid-19.

# Targets

## Reducing Pollutants



**Reducing by 28% our Scope 1 emissions by BP<sup>1</sup> between 2018 and 2021**

**Absolute reduction of 4% in the same period**

### STATUS

Relative reduction of 42% between 2018 and December 2019. Absolute reduction of 32% in the same period.



**Reducing by 29% our Scope 2 emissions by BP<sup>1</sup> between 2018 and 2021**

**Reducing by 6% our absolute Scope 2 emissions between 2018 and 2021.**

### STATUS

With the purchase of RECs, we ascertain that our energy comes from 100% renewable sources.



**Reducing by 4% the disposal of waste by our administrative units in landfills between 2017 and 2021**

### STATUS

7,763 tons of waste in the first half of 2020. In 2019, 25,454 tons. Expected reduction in 2020/21.

## Travel



**Reducing by 30% the number of kilometers driven by BP<sup>1</sup> between 2018 and 2021**

**Reducing by 7% the absolute number of kilometers driven between 2018 and 2021**

### STATUS

In 2020, consequences arising from working remotely, reducing transportation routes (between administrative centers), and reducing shuttle services (facilitators) may lead to expected targets being met. Expected reduction in 2020/21.

## Efficiency



**Reaching a PUE<sup>2</sup> of 1.73 in 2021.**

### STATUS

We have kept the same ratio of 1.79 this year. We are revisiting this target due to the migration to cloud services.



**Purchasing, by 2020, 96% of energy for administrative buildings from renewable sources**

### STATUS

#### TARGET MET

With the purchase of RECs, we ascertain that our energy comes from 100% renewable sources.

## Suppliers



**Encouraging our supplier chain to adopt positive environmental and social impact commitments and practices**

### STATUS

In 2020, 93% of our suppliers signed up to the CDP Supply Chain program. Up 25% from 2018.

Recurrent target to be assessed annually.



**Fostering and managing our critical suppliers in their compliance with environmental and social criteria**

### STATUS

In 2020, we worked on diagnoses and action plans. We are defining critical categories and suppliers to be audited in 2021.

Recurrent target to be assessed annually.

<sup>1</sup> BP (Banking Product) is the sum of Managerial Financial Margin, Commissions and Fees and Revenues from Insurance, Pension Plan and Premium Bond Operations before Retained Claims and Selling Expenses.

<sup>2</sup> Indirect emissions from electricity consumption.

Scope 1 emissions – Direct emissions of GHG.

Scope 2 emissions – Indirect emissions from electricity consumption.

In 2020, consumption dropped due to the Covid-19 scenario. We are alert to the possibility of “false positive” results for Covid-19.



## Ethics in relations and business

Ethics are non-negotiable. We recognize our role of responsibility.



## Context

Ethics in business has been a paramount topic in the current market. Discussions about the need for companies to have a fair stance, with transparent relationships, have triggered a number of changes in both the market and Brazilian companies. Compliance programs — namely, a set of measures to ensure compliance with the law and internal rules — already in place in some companies in Brazil since the early 2000's have increasingly gained momentum.

Nevertheless, Brazil still has corruption concerns. Based on the 2019 Corruption Perceptions Index (CPI), developed by Transparency International, Brazil ranked 106th, its worst ranking since 2012.

Against this backdrop, financial institutions play a key role in fighting illegal acts — including by monitoring suspicious practices and promoting a more ethical and fairer society. For us at

Itaú this is one of the most invaluable aspects of our operations, especially because without ethics it would be impossible to promote any other positive impacts.

We comply with the laws, rules and regulations in force in the countries where we operate. We have policies and practices to prevent and fight all types of corruption, including transnational corruption. We comply with the guidelines on ethics and self-regulation of the corporate associations of which we are members.

We foster in our management members and employees the perception that laws, rules and regulations do not run through all ethical implications in all situations.

That is why we encourage our employees to think about how our actions, from an ethical point of view,

impact our stakeholders, society and the environment, beyond the mere compliance with laws.

Therefore, we work on different fronts providing training and effective reporting channels. With our far-reaching transformative role, this attitude is part of our culture.

Additionally, this topic also reaches other dimensions in the digital universe, particularly in view of companies' relations with personal individual data, including that of clients and third parties. In 2020, the Brazilian General Personal Data Protection Act (LGPD) came into force to protect personal individual information (Personal Data). Holders of personal data may now challenge companies and public bodies on how their data are stored, handled and used, and exercise their rights regarding their Personal Data.

## Find out about some Ethics in Relations and Business related initiatives

### Last three editions of the Empresa Pró-Ética (Pro-Ethics Company) (2016, 2017 and 2018/2019)

Pró-Ética is an initiative aimed at encouraging companies to voluntarily adopt integrity measures – by publicly recognizing those companies, regardless of size and areas of operation, that are committed to implementing measures for preventing, detecting and remediating corruption and fraud.

### Internal Ombudsman's Office

The Internal Ombudsman's Office is our internal ombudsman channel, an independent department operating with full autonomy in the organization and reporting directly to the CEO. Guided by the foundations of trust, dialogue, transparency, owner's mindset, integrity and ethics, the Internal Ombudsman's Office seeks to help employees resolve interpersonal conflicts and conflicts of interest in the workplace, ethical misconduct and noncompliance with related institutional policies, such as moral or sexual harassment, discrimination in all diversity spheres, favoritism and behaviors contrary to risk management, always based on three pillars: confidentiality, neutrality and independence. The Internal Ombudsman's Office has completed its 12th anniversary and over this period more than 27,000 employees were assisted.

### Transparency – Integrity Page

Itaú Unibanco's Integrity and Ethics Page provides information on our Integrity and Ethics Program, with indicators, material documents and pillars of the program, as well as related topics.

Learn more by [clicking here](#).

### Data protection

We comply with the LGPD to ensure the highest levels of personal information security in our environments and the privacy of individuals, thus also providing the holders of Personal Data with an environment where they can exercise their rights.





# Targets



**Being recognized as an ethical company in its relationships with all stakeholders** (sundry, clients, employees and suppliers).

**STATUS**

**TARGET MET\***

Itaú was recognized as a Pro-Ethics company in 2018/2019.



**Cultivating a fair and ethical attitude through its engagement in campaigns** focused on communication and training on the following programs: Integrity, Anti-corruption, Money Laundering Prevention, Information Security, Compliance and Supplier Relationship, among others.

**Training 90% of employees in topics impacting the Integrity and Ethics Program every two years**

**STATUS**

**TARGET MET\***

Employees trained in topics impacting the Integrity and Ethics Program – 93% (July 2020). A new training system was launched in August 2020.



**Cultivating a fair and ethical attitude through policies**

**Ensuring that at least 95% of employees sign up to the Integrity Policies**

**STATUS**

**TARGET MET\***

Employees renew their agreement with the Integrity Policy every year — 98% (August 2020).



**Keeping the reporting channel public and accessible to all audiences**, to receive and investigate calls or suspected breaches of integrity and ethics

**STATUS**

**TARGET MET\***

Our reporting channel remains accessible to all audiences on our website, and calls are promptly addressed.



**Training employees on the conscious use of data and developing a specific personal data protection policy**

**STATUS**

Developing new policies for compliance with the LGPD.  
Training employees on key LGPD and Privacy by Design concepts.

\* Recurrent target to be assessed annually.



## Reporting and communication transparency

Strengthening business transparency beyond financial results, conveying value to our stakeholders.



## Context

Consumers' interest in the social responsibility of companies is increasingly gaining strength every day.

This attention to corporate attitudes tracks the everyday needs of the world and society. Nowadays, clients, employees, investors and partners want to know not only a company's financial results but also how those results are achieved.

Therefore, transparency is a key factor for the security and partnership of all

parties against this backdrop. The role of communication in companies has also gained more and more significance. After all, transparent communication is a basic element when it comes to governance practices. This is how companies are able to develop relationships of trust and open dialogue with all of society.

This is why Itaú's commitment to transparency is paramount: it is a crosswise commitment that makes all other commitments more evident. We

are constantly improving how we publish our information, all the time objectively and directly presenting the results of our actions accordingly. For us this has always been the case, but we still want to reaffirm our commitment to being clear by incorporating the best practices in the market at all times. This is transparency. And this is what makes our Positive Impact downright positive.

## Find out about some Reporting and Communication Transparency related initiatives

### ESG issues in the Sustainability Report

To provide more transparent reporting on the bank's sustainability initiatives and actions, Itaú adopts SASB (Sustainability Accounting Standards Board) indicators: voluntary reporting based on key parameters to assess ESG at companies. Accordingly, Itaú's Sustainability Report discloses 12 Commercial Banking indicators. Another novelty is the integration of the Sustainability Report into the Integrated Annual Report, therefore consolidating the most significant ESG information in a single document.

You can access the 2019 Integrated Annual Report [here](#).



## Targets



**Disclosing material financial and non-financial information on the bank's business in a simple, clear and objective way, enabling our stakeholders to make more effective decisions.**

### STATUS

#### TARGET MET\*

SASB indicators in the Annual Report 2020: 12 indicators of the Commercial Bank category reported (out of 14).

A podcast with investors, 19 episodes recorded since its launch with over 7,000 listeners (January – September 2020).



**Continually and consistently integrating ESG issues that are material to the market into our main accountability, thus impacting Itaú Unibanco and its stakeholders.**

### STATUS

#### TARGET MET\*

ESG is on the recurring agenda during our quarterly earnings conference calls.

ESG content rated at 4.7/5.0 (overall average 4.6).



**Reviewing processes and reports for the next cycle by systematically monitoring the investor community's ESG demands.**

### STATUS

#### TARGET MET\*

We have revisited the way we prepare our Integrated Annual Report to make it more efficient.



**Including TCFD (Task Force on Climate-related Financial Disclosures) recommendations on climate-related strategy, governance, risk management, targets and metrics by 2022.**

### STATUS

Compliance with TCFD's recommendations at 70.4% in December 2020.



## Climate Finance Governance

Addressed by the Climate Finance Squad, Climate Finance aims including TCFD (Task Force on Climate-related Financial Disclosures) recommendations. In line with these recommendations, the Corporate E&S Risk Management works on including both physical and transition climate risks into Itaú's E&S risk governance. The bank's Environmental and Social Risk Committee has determined that climate risk decisions be included in the scope of its operation, under the supervision of the Chief Risk Officer (CRO). It is the bank's full vision of the future focused on sustainability.

\* Recurrent target to be assessed annually.

\*\* This target was originally part of the "Financing Positive Impact Sectors". After an internal decision was made, it is now part of the Positive Impact Commitments.



## Looking at the moment

Taking the first steps towards the Positive Impact Commitments was even more challenging in this year of so many changes. But this has only reaffirmed the importance of readily addressing environmental and social issues in a significant way for all.

To strengthen our commitment to this role, in 2019 we signed the Principles for Responsible Banking (PRB) of UNEP-FI, the Financial Initiative of the United Nations Environmental Program. This attitude strengthens the basis of our Positive Impact Commitments, which we have publicly assumed. And, accordingly, creating and encouraging initiatives that impact everyone has become part of our business, driving society forward towards a more sustainable future.

**Find out below about some of the latest initiatives focused on the most pressing issues in Brazil.**



# Positive Impact beyond the Commitments

## Amazon Plan

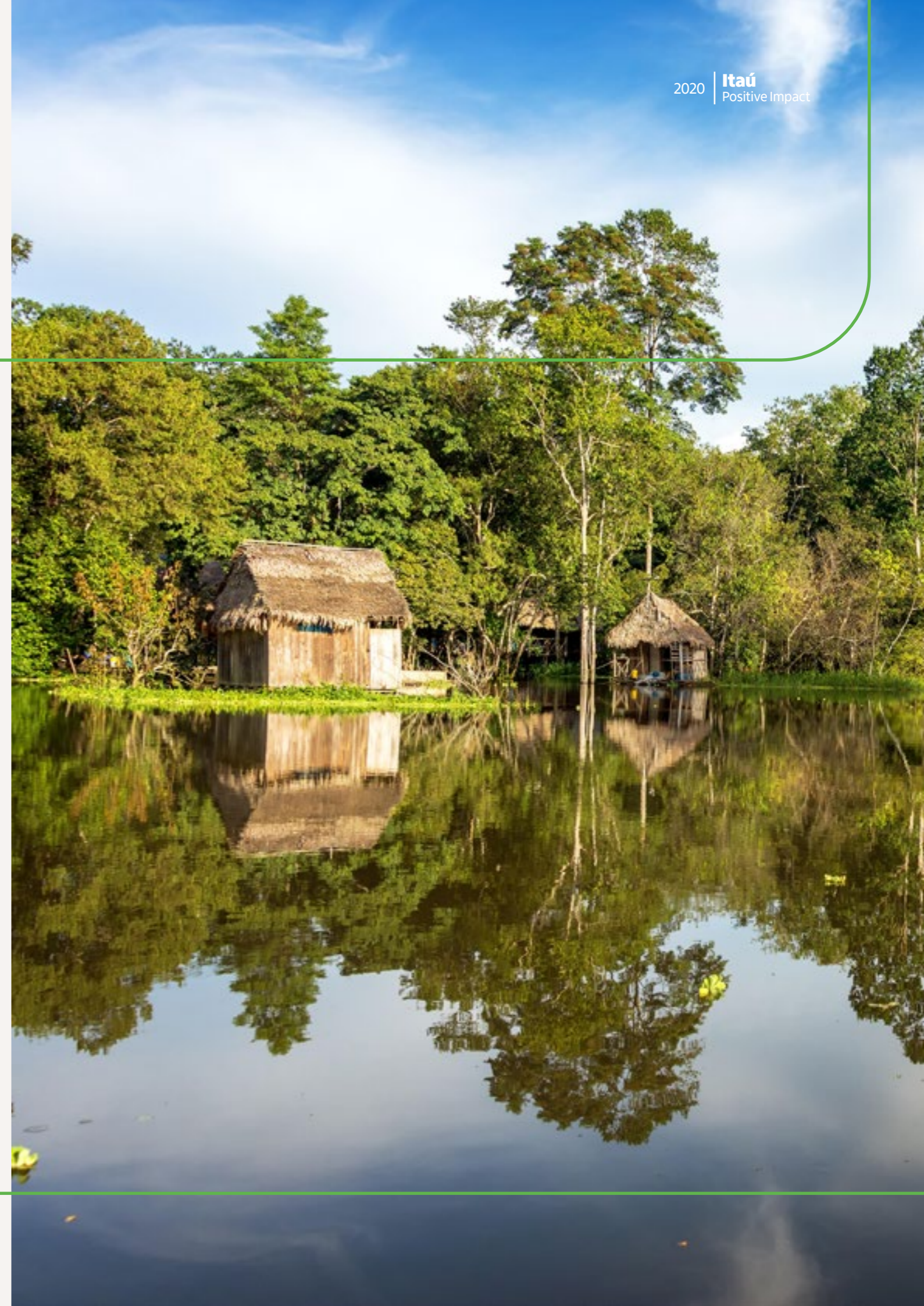
The Amazon Plan has arisen from a joint plan between Itaú, Santander and Bradesco, three large banks with a common clear goal: promoting effective actions to ensure the sustainable development of the Amazon region.

In addition to being a vital region for the health of the world climate, the banks' partnership Amazon Plan was developed in a particularly critical year for this territory. The National Institute for Space Research (INPE) has disclosed that deforestation in the Amazon region was up 34% between August 2019 and July 2020 from the same period in the 12 previous months.

Seven experts make up the Advisory Board, which meets every three months to discuss the dynamics in the region and the effectiveness of the proposed actions. Together, these multidisciplinary professionals guide the banks' decision-making to reduce risks in this region vital for the future of the world.

## A ten-measure plan

The Amazon Plan includes ten measures designed to meet three action fronts essential for the sustainable development of the region: environmental conservation and bio economy development, sustainable infrastructure investments, and basic rights guaranteed for the Amazon region population. These measures are essential for preserving and ensuring the prosperity of the region, its population and economy.



## Ten measures for the Amazon region

**01** Making efforts towards zero deforestation in the meat production chain by strengthening internal diligence, supporting transition and coordinating the creation of sector-specific commitments with companies and associations.

**02** Encouraging sustainable chains, such as cocoa, açai berry and chestnut, through differentiated financing lines and financial and non-financial tools.

**03** Encouraging the development of a more sustainable transportation infrastructure, such as river transportation, by setting environmental targets in exchange for differentiated financing conditions.

**04** Enabling investments in basic infrastructure for the social development of the region, such as access to energy, the internet, housing and sanitation.

**05** Fostering projects aimed at economic development and environmental preservation through green financial instruments, such as Payment for Environmental Services (PES) and Carbon Credits.

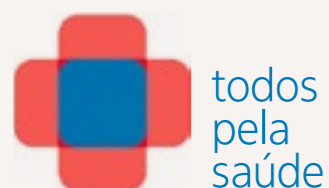
**06** Integrating climate change impacts into credit and long-term investment policies and highlighting this point in our reporting.

**07** Expanding the scope of business by promoting financial inclusion and guidance in the region.

**08** Coordinating and supporting the implementation of an information system to register land regularization.

**09** Coordinating the creation of a fund for local actors and leaders working in social and economic development projects in the region.

**10** Attracting investments that promote partnerships and technology development to foster bio economy.



## Todos pela Saúde (All for Health) initiative

The Todos pela Saúde project aims at supporting and strengthening the coronavirus relief efforts in Brazil by reaching all tiers of society, as well as supporting public health sector initiatives, such as the Brazilian unified health system(SUS), in such a challenging time.

To accomplish this purpose, the Todos pela Saúde initiative draws on the expertise of the most renowned professionals in Brazil, from different health sectors and under the leadership of Dr. Paulo Chapchap, Director-General of Hospital SírioLibanês.

The group work is guided by four pillars supporting the project: Informing, Protecting, Caring, and Resuming. These guidelines allow more accurate and effective moves to foster the fight against Covid-19.

Itaú has started this project with the largest philanthropic donation ever made by a Brazilian company: the bank has donated R\$ 1 billion to make the project come true. Out of this amount, R\$ 790 million has already been allocated to the novel coronavirus relief efforts. In addition to the initial donation, the initiative has already collected over R\$ 18 million in donations from companies and individuals across Brazil.

All this has yielded and continues to yield good results in strengthening Brazilian health, with over 90 million items of PPE distributed in major Brazilian cities and by expanding the testing capacity, which is now at 25,000 tests per day. It is also responsible for promoting a nationwide campaign on the effectiveness of face mask use. And this project will keep on operating even after the end of the pandemic, thus generating long-lasting benefits to the entire population.

**R\$100 million**  
invested in updating and expanding Fiocruz and Instituto Butantã vaccine plants.

**R\$180 million**  
in new testing centers for massive laboratory testing.

**New Fiocruz laboratories:** one in the city of Rio de Janeiro, state of Rio de Janeiro, and another in the city of Eusébio, state of Ceará.

**Delivery of 300 oxygen cylinders, 174 hospital beds, and 1,000 lodging beds for indigenous people and refugees.**

**Donation of 105,000 oxymeters** to over 5,000 Brazilian municipalities, thus improving the infrastructure of the Health Basic Units (UBS) in all Brazilian regions.

**Over R\$35 million in scientific research** in connection with Covid-19 treatment and vaccine rollout strategies.

### Get to know the members of the Todos pela Saúde initiative

#### Paulo Chapchap

Director-General of Hospital Sírio Libanês

#### Dráuzio Varella

Doctor, scientist and writer

#### Gonzalo Vecina Neto

Former President of the National Agency of Sanitary Vigilance (Anvisa)

#### Maurício Ceschin

Former President of the National Agency of Supplementary Health (ANS)

#### Eugênio Vilaça Mendes

Health Secretary Committee (CONASS) Consultant

#### Sidney Klajner

President of Hospital Albert Einstein

#### Pedro Barbosa

President of Instituto de Biologia Molecular do Paraná (IBMP)

Learn more about the TODOS PELA SAÚDE initiative by [clicking here.](#)



# Positive Impact

## made by all and for all

Everything we do has an impact on the world, and our challenge is making this impact more and more positive. We have already taken the first step by adopting these Commitments and disclosing clear and transformative targets for each of them.

Our journey goes on, and we want to keep up this Positive Impact culture in everyone's routine: employees, clients, suppliers, stockholders, investors and all of society.

From the moment we publicly assumed clear targets, we opened this dialogue. Because we want to come together with people on this journey, at all times with transparency, collaboration and awareness of our responsibility as a bank – by preserving the environment, providing wellbeing, development and safety for our employees and clients, and ensuring a fair operation through unfailingly respectful and reliable relationships with all.

In this first year of Itaú's Positive Impact, we have learned a great deal and one thing has stood out: the power of transformation is in action. And by acting together we become empowered to take larger steps.

This is our purpose: engaging people and institutions, from all places, profiles and backgrounds so they become active agents of this transformation.

Accordingly, Itaú's Positive Impact Commitments are invitations for change.

**Have you already thought about how you can create a positive impact?**





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[www.itaun.com.br/sustentabilidade](http://www.itaun.com.br/sustentabilidade)