



Sustainable Investment at Itaú Asset Management

Our mission is to help our clients achieve their long-term financial goals, contributing to the evolution of the sustainability in investments through our entire products and services platform.

With over R836 billion assets under management, we are the largest private asset manager in Brazil. Our 60-year history is defined by ongoing market innovations, and our team is made up of more than 280 qualified professionals. By continuously attracting talent and remaining close to our clients, we offer solutions to a wide range of investor profiles, with sophisticated and democratic strategies. Our Responsible Investment Policy guides our activities related to sustainability in our investments and ESG integration. SASB FN-AC-410a.2

We have always understood sustainable investments and ESG integration to be strategic and essential to enable us positively to contribute to developing a more efficient and sustainable capital market in Brazil.

Our SI and ESG journey started in 2004 with the setting-up of Fundo Itaú Excelência Social (FIES). In 2008 we stepped ahead and signed up to the UN Principles for Responsible Investment (UN PRI). We have consistently improved the integration of ESG into all our investment decisions, not only for specific products or strategies.

We describe below our advances on issues such as ESG integration, engagement with companies, voting in general shareholders' meetings of investees and new products dedicated to ESG and to sustainable investments. GRI G4-DMA Product portfolio (former FS5)

We have developed ESG models for company valuations since 2010. The pragmatic approach to these models is aimed at estimating the financial impact of material ESG issues on each investee. In 2013 and 2014, white papers with our ESG integration models for fixed income and listed equities were prepared and publicly disclosed. In 2016 we helped develop the Stewardship Code of the Brazilian Association of Investors in Capital Markets (AMEC).

We integrate ESG issues into company valuations for fixed income and listed equities, into our voting activities and into individual and joint engagements with investees.

We believe that ESG issues are key performance drivers in the long-term, whether due to the opportunities that arise or due to the expected risk mitigation.

Sound corporate sustainability, corporate governance and Stewardship practices are essential to creating value to companies and contributing to more transparent and efficient financial and capital markets. By Stewardship, we understand excellence in managing and monitoring securities held on behalf of our clients.



Innovation in ESG integration

GRI 102-15 | GRI G4-DMA Product portfolio (former FS5)

In 2022 we reached 99.75%* ESG coverage for all Itaú Asset Management's eligible assets. This historical milestone was reached ten years after we started our ESG journey, highlighting our long-term dedication and commitment to sustainable investment. GRI G4-FS11

ESG analysis is the responsibility of the dedicated ESG team, and these are shared with all portfolio managers and sector analysts, who are responsible for knowing the ESG risks identified and take them into account during the investment process.

Our CIO and CEO are responsible for supervising the topics Stewardship, ESG integration, proxy voting and engagements. Additionally, our ESG goals and targets are reassessed every year.

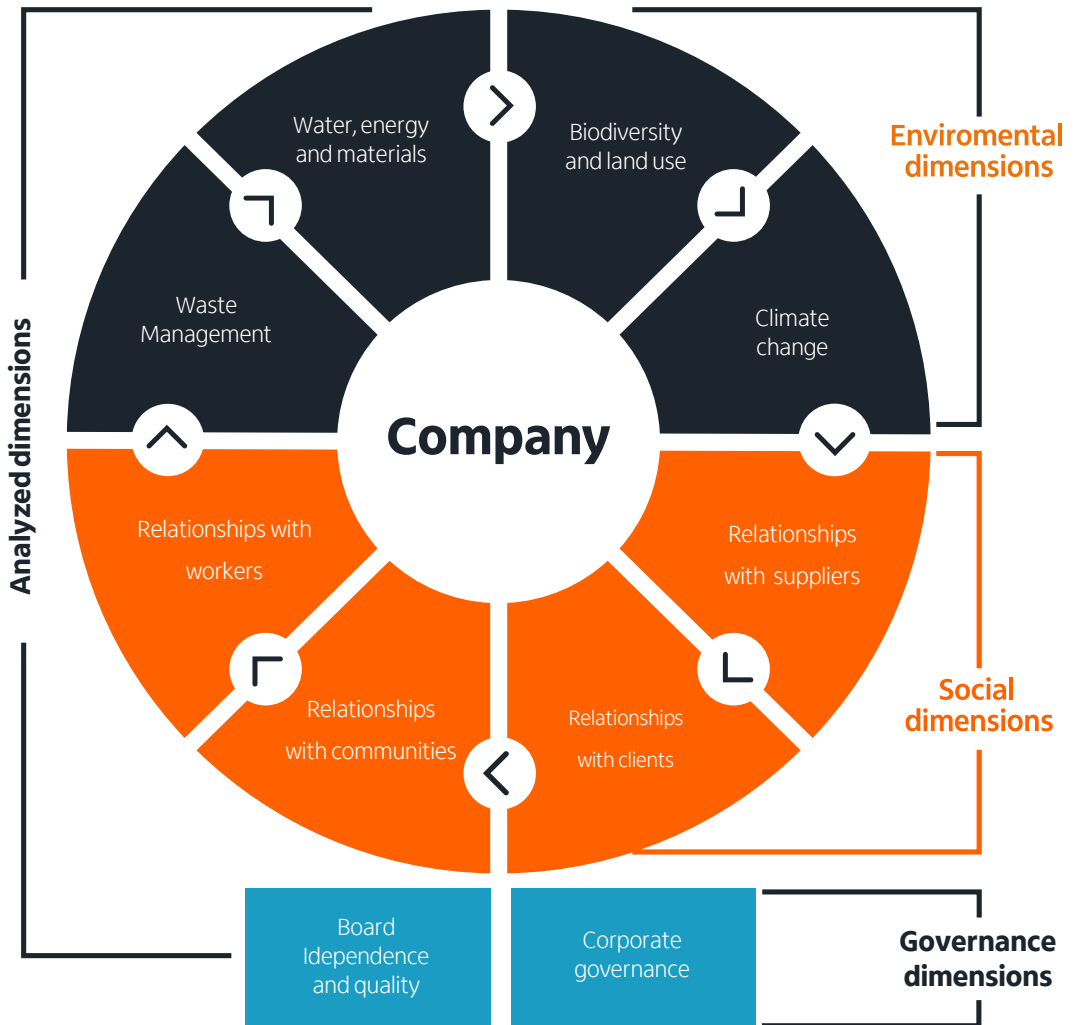
Our ESG models for companies are aimed at estimating and integrating the financial impact of E&S issues according to traditional valuation models. This assessment identifies eight multi-sector dimensions and prioritizes the critical variables to each sector when evaluating companies. Additionally, our ESG approach is in line with international initiatives, such as the Global Sustainable Investment Alliance (GSIA). SASB FN-CB-410a.2 | SASB FN-AC-410a.2

The following issues are taken into account when evaluating the performance of each company:

- **Potential impact on cash flow;**
- **Manageability; and**
- **Availability of information.**

*considering only Itaú Asset Management's assets, excluding derivatives, currency and ETFs

ESG integration model



ESG model for listed equities

This ESG model provides an estimate of the impact on the fair value of the company at the evaluation date. The anticipation and financial estimation of material ESG issues can help identify events with the potential to create or destroy company value. Our white paper on ESG integration in listed equities describes the topic in detail.

ESG model for fixed income – corporate issuers

The model provides an estimate of the impact on the company's cash flow at the valuation date, used by the credit portfolio managers and analysts as an additional input in estimating the cash flow of the companies under analysis. Our white paper on ESG integration into fixed income describes the topic in detail.

Corporate governance rating

As a supplement to these models, in both listed equities and fixed income – corporate issuers, we also use an internal corporate governance rating calculated based on information about the company's board and governance structure.

The relevance of Climate Change

Climate change has the potential to increase the frequency and severity of extreme weather events, change precipitation patterns, impact agroforestry productivity and demand significant resilience and adaptation investments by companies. Therefore, understanding the potential financial impact of these and other climate change topics is one of the goals of our ESG model, which embodies one dimension dedicated to the topic. When we analyze companies, we develop scenarios and financial estimates for each of the material issues identified: physical damage, the spread of disease, changes in the water cycle, carbon pricing, agricultural and forest production, and the development of new products and services focused on a new low carbon economy.

One of the major factors in our analysis is carbon pricing. To this end, the estimated price is entered as a variable into our model to estimate the cost of GHG emissions incurred by companies. On that basis, we calculate the financial impact of these emissions on the company's market value and, as a result, on their share prices. We believe that this approach, in addition to encouraging the adoption of best practice by investees, allows investors to assess the risks and opportunities involved more accurately.

The percentage of our assets allocated to sectors that do not pose risks to consumers or third parties, or that have not been allocated to the production or distribution of fossil fuels and by-products was above 98% in 2022.





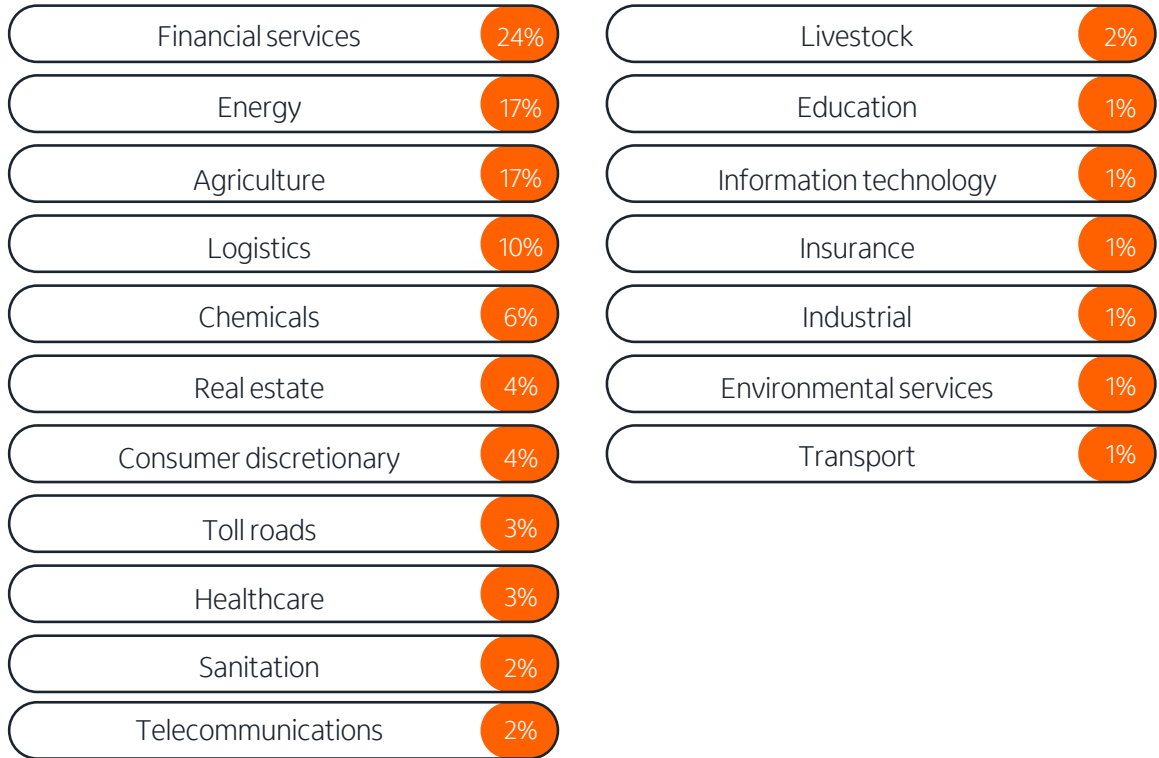
Engagement with investee companies

We believe engagement with investee companies is an adequate way to increase our knowledge and promote best practices. The purpose of such engagement is to promote constructive dialogue and deepen the understanding of how certain ESG issues may impact the cash flow of investees.

We encourage the adoption of management and corporate governance best practices to reduce risks, protect our clients' interests and foster a more efficient and transparent capital market. Additionally, we encourage investees to disclose material ESG information that could impact their financial performance. Accordingly, investments made through Itaú Asset Management encourage increased transparency and the adoption of ESG best practice by the companies.

In 2022, 173 ESG engagements with companies operating in 22 economic sectors were conducted, aimed at obtaining material ESG information to the investment process and promoting best practices.

Percentage engagement by economic sector



We take part in collective engagements, to join forces with other investors who share our vision regarding the relevance of sustainable investment.

We participate in collective engagements considering the potential positive impact of the initiative, and our exposure to the targeted companies.

We participate in the following collective engagement initiatives:

- 1. Carbon Disclosure Project (CDP):** encouraging increased transparency of reporting information on climate risk management for companies around the world;
- 2. IPDD -** The Investors Policy Dialogue on Deforestation (IPDD) is a collaborative investor initiative set up in July 2020 to engage with public agencies and industry associations in selected countries on the issue of deforestation.
- 3. Investidores pelo Clima (IPC – Pro-Climate Investors):** encouraging increased transparency in reporting information on climate risk management by Brazilian companies; and

The target for the coming year is to advance our engagement activities with invested companies.

Voting at investee companies general shareholders' meetings (proxy voting)

Good corporate governance practices deliver greater alignment between the company's and investors' interests.

We adopt a policy of voting at general shareholders' meetings, also known as proxy voting. Developed in accordance with the ANBIMA's self-regulation code, the policy details our voting activities. GRI G4-DMA Active ownership (former FS12)

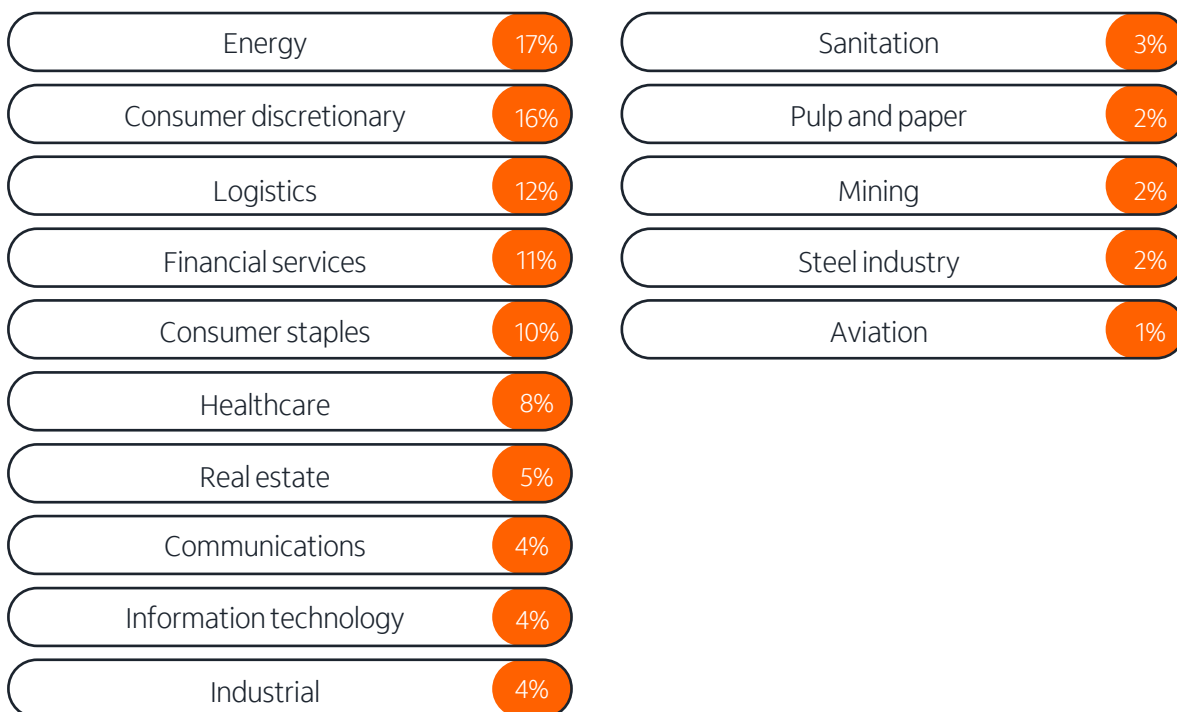
When exercising voting rights, we consider business sustainability issues guided by three pillars: acting proactively regarding environmental protection, social development, and promoting good corporate governance.

The Policy establishes that voting rights will be exercised when funds hold over 3% of a company, or when a single company holdings exceed 10% in a portfolio. Shareholder meetings are analyzed in advance by the ESG Unit and portfolio managers. Voting activities are public, as companies publish their meeting minutes. GRI G4-DMA Active ownership (former FS12)

In 2022, Itaú Asset Management attended 277 general shareholders' meetings. The chart below details our participation in investee companies' general meetings, by sector of activity:



Percentage of participation in general stockholder’s meetings of investees per sector



ESG and Sustainable Investment funds (GRI G4-DMA Economic performance)

Itaú Asset Management has a set of ESG, and thematic investment products dedicated to the Brazilian and foreign markets, and in 2022 we launched the Itaú ESG Global Equity fund. The purpose of these products is to provide our clients with investment opportunities that contribute to a more transparent and efficient capital market. Currently, our ESG and SI offerings are composed of the following products:

ETF ISUS11

ETF ISUS11 is a listed equities exchange traded fund. The purpose of the fund is to track the B3 Corporate Sustainability Index (ISE).

Net Assets of Fund:
BRL 15,845,189.29

ETF GOVE11

ETF GOVE11 is a listed equities exchange traded fund. The purpose of the fund is to track the B3 Corporate Governance Index (IGCT).

Net Assets of Fund:
BRL 28,693,905.86

ETF REVE11 | Green Revenues 50

The REVE11 ETF invests in the top 50 global companies with the highest share of revenue deriving from green products and services, in line with the EU Green Taxonomy. The top 50 companies are selected from the Russel 1000 Green Revenues Index.

Net Assets of Fund: BRL 9,498,561.10

ETF YDRO11 | Hydrogen Economy

The YDRO11 ETF is positioned to benefit from the transition to a more carbon efficient economy where hydrogen will play an important role. Green hydrogen has the potential to reduce carbon emissions across different sectors and industries using already existing infrastructure.

Net Assets of Fund: BRL 8,013,446.96

Itaú Active Fix ESG

The Itaú Active Fix ESG is a fixed income fund investing in sectors that generate positive externalities to society and the environment. The fund uses the Sustainable Development Goals as a framework to invest in sectors such as health, sanitation, education, clean energy, affordable housing and green bonds.

Net Assets of Fund: BRL 36,491,504.40



Fundo Carteira Itaú ESG Internacional (Itaú International Allocation ESG Fund)

The Fundo Carteira Itaú ESG Internacional derives from the successful Fundo Carteira Itaú, an asset allocation fund aimed at offering a full investment portfolio through diversification, with investments in Brazil and abroad. The Fundo Carteira Itaú ESG Internacional seeks to invest in the ESG versions of mainstream indices and funds. In this way, Itaú Asset Management enabled a diversified asset allocation fund with significantly improved ESG criteria. Main investment types: Brazilian fixed income; Brazilian equities; Multi-market funds with third-party selection; Currency; Foreign fixed income; World equities and gold; and Brazilian shares with third-party selection.

Net Assets of Fund: BRL 31,960,207.32

Fundo Itaú Index ESG Água H2O (Itaú ESG water Index Fund)

Access to water is an ongoing challenge to governments, companies and individuals worldwide, not only in high water-stress regions. Mass urbanization, climate change and more recently the COVID-19 pandemic have shown the importance of this asset to public health and the private sector. The Fundo Itaú Index ESG Água purpose is to invest in 50 global companies operating in the water segment, fostering positive externalities to society and the environment.

Net Assets of Fund: BRL 24,243,890.21



Fundo Itaú Index ESG Energia Limpa (Itaú ESG Clean Energy Index Fund)

The transition to a more carbon-efficient economic system is one of today's major global challenges. Against this backdrop, energy sources deemed clean tend to be developed at a more accelerated pace compared to the market as a whole, particularly in countries with ambitious CO₂ emissions targets. The purpose of the Fundo Itaú Index ESG Energia Limpa is to invest in 30 global companies operating in the clean energy generation segment, such as biofuels, solar energy and wind energy.

Net Assets of Fund: BRL 13,474,365.94

Fundo Itaú Ações Momento ESG (Itaú ESG Moment Fund – Equities)

Integrating ESG issues into the investment process and into allocation decisions has been a reality at Itaú Asset Management since 2010. However, the Fundo Itaú Ações Momento ESG goes beyond this, and its purpose is to provide clients with an unconstrained investment strategy for listed equities, which seeks a full return in the long-term, and includes the use of Itaú Asset's ESG integration model to select companies. The strict ESG company assessment process carried out by this fund is aimed at avoiding investments in companies currently involved in controversial ESG issues. The streamlined portfolio uses an investment process based on ESG-oriented investigative assessment. It combines the search for companies with high-quality business and management with the flexibility to explore market opportunities.

Net Assets of Fund: BRL 17,876,428.08

2022

Itaú ESG Global Equity Fund

Launched in 2022, the fund invests in global companies with the best ESG performance in their sectors (best in class). The fund is indexed by MSCI World SRI, which integrates quantitative and qualitative aspects related to ESG themes in the selection of companies and their analysis. The index also excludes companies that are part of controversial sectors or are involved with ESG controversies in their operations, products and services (negative screening).

Net Assets of Fund: BRL 53,303,074.62

Detailed information about total of assets under management (AuM) of RI funds and Itaú Asset Management on 12/2022.

Total AuM under Itaú Asset 's management (R\$,12/22)	836,386,280,000.00
Net assets of the ESG and Responsible Investment funds (R\$, 12/22)	275,980,788.59
% of ESG and Responsible Investment Funds	0.03%



Detailed information about ESG funds and Responsible Investment:

Fund ID	Category	Responsible Investment Funds	Net Assets of Fund– 31/12/22
07.686.680/0001-98	Thematic investing	ITAÚ GOVERNANÇA CORPORATIVA AÇÕES - FUNDO DE INVESTIMENTO	36,580,214.81
11.184.136/0001-15	Thematic investing	IT NOW IGCT FUNDO DE INDICE	28,693,905.86
12.984.444/0001-98	Thematic investing	IT NOW ISE FUNDO DE INDICE	15,845,189.29
37.802.092/0001-33	ESG Integration	ITAÚ MOMENTO ESG AÇÕES FUNDO DE INVESTIMENTO	17,876,428.08
38.428.104/0001-74	Thematic investing	ITAÚ ESG ENERGIA LIMPA AÇÕES INVESTIMENTO NO EXTERIOR FUNDO DE INVESTIMENTO	13,474,365.94
38.401.374/0001-91	Thematic investing	ITAÚ ESG H2O AÇÕES INVESTIMENTO NO EXTERIOR FUNDO DE INVESTIMENTO	24,243,890.21
38.440.349/0001-17	Asset Allocation	CARTEIRA ITAÚ ESG INTERNACIONAL FUNDO DE INVESTIMENTO MULTIMERCADO INVESTIMENTO NO EXTERIOR	31,960,207.32
42.264.597/0001-21	Thematic investing	IT NOW S&P® KENSHO® HYDROGEN FUNDO DE ÍNDICE - YDRO11	8,013,446.96
41.054.432/0001-62	Thematic investing	IT NOW RUSSELL® 1000 GREEN REVENUES 50 FUNDO DE ÍNDICE - REVE11	9,498,561.10
35.500.650/0001-80	Thematic investing	ITAÚ ACTIVE FIX ESG CRÉDITO PRIVADO MULTIMERCADO FUNDO DE INVESTIMENTO	36,491,504.40
42.737.194/0001-52	Best in class	ITAÚ AÇÕES GLOBAIS ESG INVESTIMENTO NO EXTERIOR FUNDO DE INVESTIMENTO	53,303,074.62
		Total	275,980,788.59

Fund ID	Category	Equities – Responsible Investment Funds	Net Assets of Fund– 31/12/22
07.686.680/0001-98	Thematic investing	ITAÚ GOVERNANÇA CORPORATIVA AÇÕES - FUNDO DE INVESTIMENTO	36,580,214.81
11.184.136/0001-15	Thematic investing	IT NOW IGCT FUNDO DE INDICE	28,693,905.86
12.984.444/0001-98	Thematic investing	IT NOW ISE FUNDO DE INDICE	15,845,189.29
37.802.092/0001-33	ESG Integration	ITAÚ MOMENTO ESG AÇÕES FUNDO DE INVESTIMENTO	17,876,428.08
38.428.104/0001-74	Thematic investing	ITAÚ ESG ENERGIA LIMPA AÇÕES INVESTIMENTO NO EXTERIOR FUNDO DE INVESTIMENTO	13,474,365.94
38.401.374/0001-91	Thematic investing	ITAÚ ESG H2O AÇÕES INVESTIMENTO NO EXTERIOR FUNDO DE INVESTIMENTO	24,243,890.21
42.264.597/0001-21	Thematic investing	IT NOW S&P® KENSHO® HYDROGEN FUNDO DE ÍNDICE - YDRO11	8,013,446.96
41.054.432/0001-62	Thematic investing	IT NOW RUSSELL® 1000 GREEN REVENUES 50 FUNDO DE ÍNDICE - REVE11	9,498,561.10
42.737.194/0001-52	Best in class	ITAÚ AÇÕES GLOBAIS ESG INVESTIMENTO NO EXTERIOR FUNDO DE INVESTIMENTO	53,303,074.62
		Total	207,529,076.87

Fund ID	Category	Fixed Income – Responsible Investment Funds	Net Assets of Fund– 31/12/22
35.500.650/0001-80	Thematic investing	ITAÚ ACTIVE FIX ESG CRÉDITO PRIVADO MULTIMERCADO FUNDO DE INVESTIMENTO	36,491,504.40
Total			36,491,504.40

Fund ID	Category	Asset allocation – Responsible Investment Funds	Net Assets of Fund– 31/12/22
38.440.349/0001-17	Asset allocation	CARTEIRA ITAÚ ESG INTERNACIONAL FUNDO DE INVESTIMENTO MULTIMERCADO INVESTIMENTO NO EXTERIOR	31,960,207.32

Source: CVM e ANBIMA, 31/12/2022

Education

During our ESG journey, we have sought to educate investors through participation in events and preparing white papers outlining our ESG models and describing how we assess the importance of specific topics, such as climate change, the water crisis, the UN Sustainable Development Goals (SDG), among others. The purpose is to spread knowledge and demonstrate the importance of factoring in ESG issues and the companies’ relationships with their stakeholders over the investment process.

In 2022, we published a new white paper addressing Biodiversity, soil use and investments. The purpose of the study is to reinforce the relevance of the Biodiversity and soil use when considering investments as to how both relate to one another and how does Itaú Asset integrate this matter into its investment process.

All the following Itaú Asset Management ESG white papers are available in the links below:

Integrating ESG issues into company valuation

<https://www.itaubr.com.br/relacoes-com-investidores/Download.aspx?Arquivo=BltdHXnT6TVqk5LahbDIAQ==&linguagem=en>

Integrating ESG issues into fixed income research

<https://www.itaubr.com.br/relacoes-com-investidores/Download.aspx?Arquivo=iJHX/dJtocC1MWHkSXWfEq==&linguagem=en>

Impacts of Climate change

<https://www.itaubr.com.br/relacoes-com-investidores/Download.aspx?Arquivo=Xe+iMJSn6aWLFJXOp1Kjzw==&linguagem=en>

Responsible Investment through the SDGs lens

<https://www.itaub.com.br/relacoes-com-investidores/Download.aspx?Arquivo=7+Tnz7ZK8A8028fJqstuvw==&linguagem=en>

Responsible investment in COVID times

<https://www.itaub.com.br/relacoes-com-investidores/Download.aspx?Arquivo=9a4OMF+iTQgl14cHJnUsmQ==&linguagem=en>

Integration of Climate Scenarios at Itaú AM

<https://www.itaubassetmanagement.com.br/content/dam/itaub-asset-management/content/pdf/white-papers/wp-integracao-cenarios-climaticos-investimentos-itaub-asset.pdf>

Biodiversidade, uso do solo e investimentos

<https://assetfront.arquivosparceiros.cloud.itaub.com.br/ISG/Biodiversidade-uso-do-solo-e-os-investimentos.pdf>

Itaú Asset Management's recognitions

PRI Annual Report

The Itaú Asset Management's Principles for Responsible Investment report was ranked top (A+) in 2020 regarding its strategy and governance dimension. This is a very significant recognition that reflects how seriously we conduct our sustainability related investment activities. PRI Annual Report 2022 and its ranks are under development by the PRI Initiative.

[https://stpublic.blob.core.windows.net/pri-ra/2020/Investor/Public-TR/\(Merged\)_Public_Transparency_Report_Ita%C3%BA%20Asset%20Management_2020.pdf](https://stpublic.blob.core.windows.net/pri-ra/2020/Investor/Public-TR/(Merged)_Public_Transparency_Report_Ita%C3%BA%20Asset%20Management_2020.pdf)

Signatory of:



ALAS20 2022 award

In 2022, we received the ALAS Institution Brazil award. This award is only granted to investors who show evidence of leadership, consistency and excellence in the public disclosure of information on their responsible investment, corporate governance and sustainability research practices. The award is supported by PRI, and we were ranked first in the following categories:

- Leading Institution in Responsible Investment, Brazil;
- Leading Institution in Corporate Governance, Brazil; and
- Leading Institution in Sustainability Research, Brazil.