

Integrated Report 2020

ITAÚSA





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About this report

This report is in accordance to the GRI and the IIRC guidelines and principles

With its 2020 Integrated Report, Itaúsa summarizes the main highlights of its performance in the year by addressing environmental, social and governance (ESG) issues as well as its financial performance.

The pages below outline the way the Company sought to create value to stockholders and society in 2020, a period overshadowed by the Covid-19 pandemic and its impacts on both economy and society. This Report comprises information on the year's results for Itaúsa and its portfolio companies, the progress in compliance and integrity, and people management and environmental and social (E&S) responsibility initiatives.

The 2020 Integrated Report has been prepared in accordance with the Global Reporting Initiative (GRI) guidelines and designed according to the principles of contents issued by the International Integrated Reporting Council (IIRC). Therefore, the topics material for Itaúsa – **efficient capital allocation, business continuity, and shared culture** – are the ones driving this report, as recommended by GRI.

The IIRC's elements of contents do so likewise, including the Company's organizational vision, its strategy, business model, risk management and future prospects.

We hope that all stakeholders of this Integrated Report (stockholders, portfolio companies, employees, regulators and others) enjoy their reading.



Message from the management

GRI 102-14

Facing the challenges presented by the pandemic, we reinforced the trust on our strategic pillars



2020 has brought a handful of challenges to the whole world. Brazil was no exception to that, as it was subject to the massive socioeconomic impacts of the Covid-19 pandemic. At Itaúsa, we have responded to such a complex scenario by underlying the trust we have on our strategic pillars – **efficient capital allocation, business continuity** and **shared culture** – and by reviewing the way we operate to minimize the effects of the pandemic. We have prioritized our employees' health and safety by closely addressing the ESG issues of our activities.

We kicked off 2020 with good prospects but, already by the end of the first quarter, when restrictive measures against the coronavirus pandemic caused the pace of economy to slow down, it became clear that we would have challenging months ahead. The impact on

some of our portfolio companies was massive. Itaú Unibanco needed to make significant adjustments to its provision for loan losses and renegotiate contracts. Duratex and Alpargatas witnessed a drop in demand and idle plants over the peak period of social distancing measures. NTS, in turn, was the least hit due to the nature of its operation (natural gas transportation under ship-or-pay agreements).

At the end of the second quarter, consumption strongly resumed and turned the most pessimistic prospects around, especially for non-financial investees Duratex and Alpargatas posted improved performance over the year, mostly driven by good decision-making on operating and financial management. Even though such turmoil was evidenced in Itapúa's results for 2020, we may say that the tough

scenario taking shape early in the year turned out to become more positive as of the second half of 2020.

The **efficient capital** allocation has guided our assessment of market opportunities. We have ramped up caution over the entire allocation process, from measuring risk and potential return to proper asset pricing – a challenge, given the uncertainty experienced over the year. Financial discipline is one of our strategic values, which was exercised in 2020 with great effort in connection with the macroeconomic scenario and performance of each potential new investment and management of our investees.

An example of the **efficient capital allocation** approach in 2020 was our completing the investment in Copagaz, which enabled it to

acquire Liquigás. This is an asset suitable to our strategy, which is now leader in the segment it operates, in addition to providing good cash generating capacity, attractive return and opportunity of growth in other segments. In 2021, we will strengthen our relationship with Copagaz to improve its governance by closely monitoring and bringing contributions through the participation in its Board of Directors and advisory committees.

In addition to **efficient capital allocation**, a highlight was compliance with a second pillar of our management, that is, **business continuity**. The Company reviewed its financial processes, seeking to bring about more efficiency, standardization and automation, by implementing the cutting-edge version of SAP (SAP S4/Hana) ERP, with focus on the ongoing

improvement of its processes and internal controls at all times. Investees also focused on higher operational efficiency and strengthening digital transformation strategy, which will enable them to grow and create permanent value. We work on an ongoing basis to improve our assets in terms of management, governance and E&S responsibility. This positively impacts our investees' ability to create value and keep their financial and operational sustainability in the long term.

In troubled times as those experienced in 2020, there is no lack of opportunities for the corporate world to make a difference. Beyond business, our work in the **shared culture** front – the third of our strategic pillars –, both internally and among investees, was intensive. Our performance in this pillar has a very strong social and governance bias, with incentives for our portfolio companies to invest in positive impact actions and strengthen management and governance. For our team of employees, personal and professional appreciation and

development are ongoing targets. All of this is evidenced in the moves we make to rise up to the coronavirus pandemic, including remote working arrangements and the ongoing monitoring of employees' health, as well as professional training and qualification investments.

On the social front, it is worth mentioning the initiatives taken by Itaúsa, investees and their controlling stockholders to minimize the effects of the pandemic on society, through the thoughtfulness with the employees' health and safety and donations made in the total approximate amount of R\$1.5 billion. Itaú Unibanco donated R\$1 billion-plus that made the Todos pela Saúde (All for Health) program feasible and benefitted thousands of municipalities nationwide. Our efforts were represented by a R\$ 100 million donation to this initiative, of which half was donated by Itaúsa and half by Itaúsa's controlling families. Our other investees (Duratex, Alpargatas and NTS) have also showed their engagement through

donations and other initiatives. These actions reinforce the historical vocation of this group of companies to take the lead in corporate social responsibility.

In the governance front, we set up the Corporate Governance Committee, responsible for keeping the Company up to date in good ESG practices, which has been engaged in internal discussions on governance of transactions with related parties, as well as the review of the competence of Itaúsa's current governance advisory bodies. We have signed up to the Instituto Ethos' Business Integrity and Anti-Corruption Pact. We have also set up the Integrity Program to monitor compliance with our Code of Conduct and implementation of the Compliance and Integrity Policy. These initiatives have contributed for Itaúsa to make up for the first time the London Stock Exchange's FTSE4Good, an index gathering companies with outstanding ESG performance.

Encouraging the strength of governance and exchanging successful experiences have been a constant in our engagement with investees, as we seek to align these companies' performance with our own sustainability vision. It is through the Social Impact Committee that we seek to work with these companies to identify opportunities for positive changes in the E&S field. All of this is an integral part of our ESG management and paramount to assessing the

real value companies add to society.

We anticipate a 2021 even more challenging. We believe, however, that we are even more prepared thanks to the work carried out in 2020. We will carry on seeking to diversify our portfolio by assessing opportunities in the non-financial sector. We will also work together to make headway in the financial management, governance and sustainability of investees and remain focused on stockholder value creation. In 2020 we reached the mark of estimated 900,000 stockholders – mostly individuals and small investors with whom we must have a transparent, responsible relationship. Accountability initiatives, such as the publication of this Integrated Report, only adds up to this journey.

Thank you very much and enjoy your reading.

Alfredo Setubal

CEO and Investor Relations Officer

Henri Penchas

Chairman of the Board of Directors

Financial discipline was exercised with caution, in connection with the macroeconomic scenario and the assets' ESG aspects

Profile

ON THIS CHAPTER

[ABOUT ITAÚSA]

[BUSINESS MODEL]

[MATERIALITY]

[GOVERNANCE, COMPLIANCE AND ETHICS]



Itaúsa

Set up in December 1974 and named Investimentos Itaú S.A., Itaúsa S.A. operates as a publicly-held investment holding company headquartered in the city of São Paulo, São Paulo state, and is present in 20 countries through companies in which it holds equity interest. Renamed Itaúsa – Investimentos Itaú S.A. in 1991, the Company has now Itaúsa S.A. as its corporate name since 2020. **GRI 102-1, 102-3, 102-4, 102-5, 102-6**

The main companies of Itaúsa’s portfolio stand out in a number of sectors and industries: Itaú Unibanco Holding S.A. in the financial sector, through the operations of Itaú Unibanco and its subsidiaries, since the bank has (in addition to Itaú BBA) other companies in the financial segment; Alpargatas and Duratex in the consumer goods and finishing materials for the

civil construction industry; and NTS and Copagaz in the infrastructure and energy industry. **GRI 102-2**

Itaú Unibanco is the largest private bank in Brazil in total assets and the leading bank in Latin America in market value; Alpargatas is one of the largest Brazilian footwear and apparel companies in Latin America and the holder of renowned brand Havaianas; Duratex, in turn, is the largest wood panel producer in the Southern Hemisphere and one of the leaders in the Brazilian bathroom fixtures and fittings market. NTS gas pipelines connect the states of Rio de Janeiro, Minas Gerais and São Paulo (accountable for approximately 50% of the natural gas consumed in Brazil). In 2020, Copagaz, another leading company in the LPG segment, joined Itaúsa’s investee portfolio. **GRI 102-7**

The companies in Itaúsa's portfolio stand out in several sectors



Operating based on three strategic pillars – **efficient capital allocation, business continuity and shared culture** – in 2020 Itaúsa had approximately 900,000 direct stockholders, one of the five largest stockholding bases in Brazil. With shares traded on B3 – Brasil, Bolsa, Balcão since

1977 (ITSA4 and ITSA3), Itaúsa has its most liquid asset among the 10 largest assets of the Bovespa Index (IBOV) **GRI 102-7**

Itaúsa strategic drivers

GRI 102-16

Commitment to sustainable long-term value creation

- Business continuity and sustainability
- Consistent cash generation
- Leading brands in the segments it operates
- New investments with disciplined capital allocation and value creation awareness

Investment in significant business with positive impacts on society

- Leading brands; sound and well-established business
- Diversified portfolio
- Ongoing monitoring of assets
- Structured actions adopted and coordinated by a Committee, with adoption of good ESG practices recognized by top market indices and initiatives

Strategic and financial decision-oriented portfolio management

- ESG engagement
- Human capital appreciation

Fostering the adoption of sustainable practices

- Fostering good corporate governance practices
- Influencing the decision-making of our operating investees, through participation in boards and committees

Distinctive governance culture based on ethical values, risk management and human capital appreciation

- Compliance with strict ethical principles

The five commitments to the right define Itaúsa’s strategic drivers. The diagram below shows how the strategic drivers are connected with Itaúsa’s unique features:

Ownership structure and portfolio

By late 2020, Itaúsa completed the acquisition of a 48.5% stake in Copagaz, with the latter becoming the leader in its sector after combining operations with Liquigás. Therefore, Itaúsa's exposure to the energy sector was increased.

Also in early 2021, after the announcement of the corporate restructuring involving Itaú Unibanco's investment in XP Inc., Itaúsa entered into an agreement with XP and its controlling stockholders, setting out Itaúsa's rights in this investment, which should then be directly and indirectly held by Itaúsa after the completion of Itaú Unibanco spin-off, which is still pending compliance with conditions precedent. Learn more about this business in chapters Strategy, Investments and Reputation and sustainability

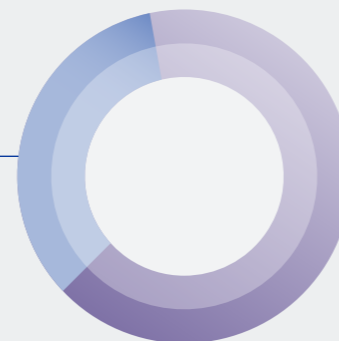


LEARN MORE

Details on those business can be found at chapters *Strategy*, *Financial Capital* and *Reputation Capital*

ITAÚSA'S OWNERSHIP STRUCTURE

ESA FAMILY 34%
Controlling partners



66% FREE FLOAT

Brazilians stockholders: 69% (46% of total)
Foreign stockholders: 31% (21% of total)

COMPANY	STANCE AND UNIQUE FEATURES	VALUE OF INTERESTS ¹	% HELD BY ITAÚSA
Itaú	The largest privately held financial institution in Brazil, serving approximately 55 million clients	R\$ 115.5 billion ²	37.4
ALPARGATAS	The largest footwear and apparel company in Latin America, holder of brands Havaianas and Osklen	R\$ 7.1 billion ²	29.2
Duratex	The largest producer of wood panels in the Southern Hemisphere and leader in the ceramic tiles, bathroom fixtures, laminate floors, and electric showers segments.	R\$ 4.8 billion ²	36.6
COPAGAZ	Provider of innovative energy solutions for Brazilian society. One of the leading players in the liquefied petroleum gas (LPG) cylinder filling, distribution and sales market.	R\$ 1.2 billion ³	48.5
ntr	Responsible for natural gas transportation in the Southeast region, connecting Brazil's most industrialized region (accounting for approximately 50% of the gas consumed in Brazil).	R\$ 1.5 billion ⁴	7.7
TOTAL		R\$ 130.1 billion	

1. Interests include the approximate directly and indirectly interest held in companies on December 31, 2020, except for treasury shares.
2. Market value based on the closing quote of preferred shares, such is the case for Itaú Unibanco and Alpargatas, and common shares, such is the case for Duratex. It is already adjusted based on the interest held by Itaúsa (directly and indirectly).
3. Acquisition cost of the investment in Copagaz
4. Fair value of interest, calculated by Itaúsa and recorded in Financial Assets in its Balance Sheet as of December 31, 2020.

Business model and value creation

Efficient capital allocation, business continuity and shared culture are strategic pillars of the Itaúsa's business model. These pillars are reflected in the value chain of the Company, represented by the following topics:

:

Itaúsa

- > Conducts effective portfolio management investments
- > Manages business with soundness and ethics, in addition to having a robust risk management
- > Shares its values across companies Invested
- > Contributes to reducing the cost of capital

EFFICIENT CAPITAL ALLOCATION

- > Access to capital
- > Capturing economic value higher than in the market
- > Dividend Generation

BUSINESS CONTINUITY

- > Operation in governance
- > Sharing ethical values
- > Soundness and reliability

SHARED CULTURE

- > Consistent results
- > Ability to assess risks
- > Human Capital attraction and appreciation
- > Presence in governance bodies of investees

I Business Model

Itaúsa's business model focuses on long-term value creation. Accordingly, it operates with three strategic pillars: **Efficient capital allocation, Business continuity and Shared culture.**

STRATEGIC CAPITALS

Financial

Own and third party resources mobilized and available for investments.

Reputational/Social

Recognized experience in the financial market and solid business reputation of senior management and controlling stockholders.

Human

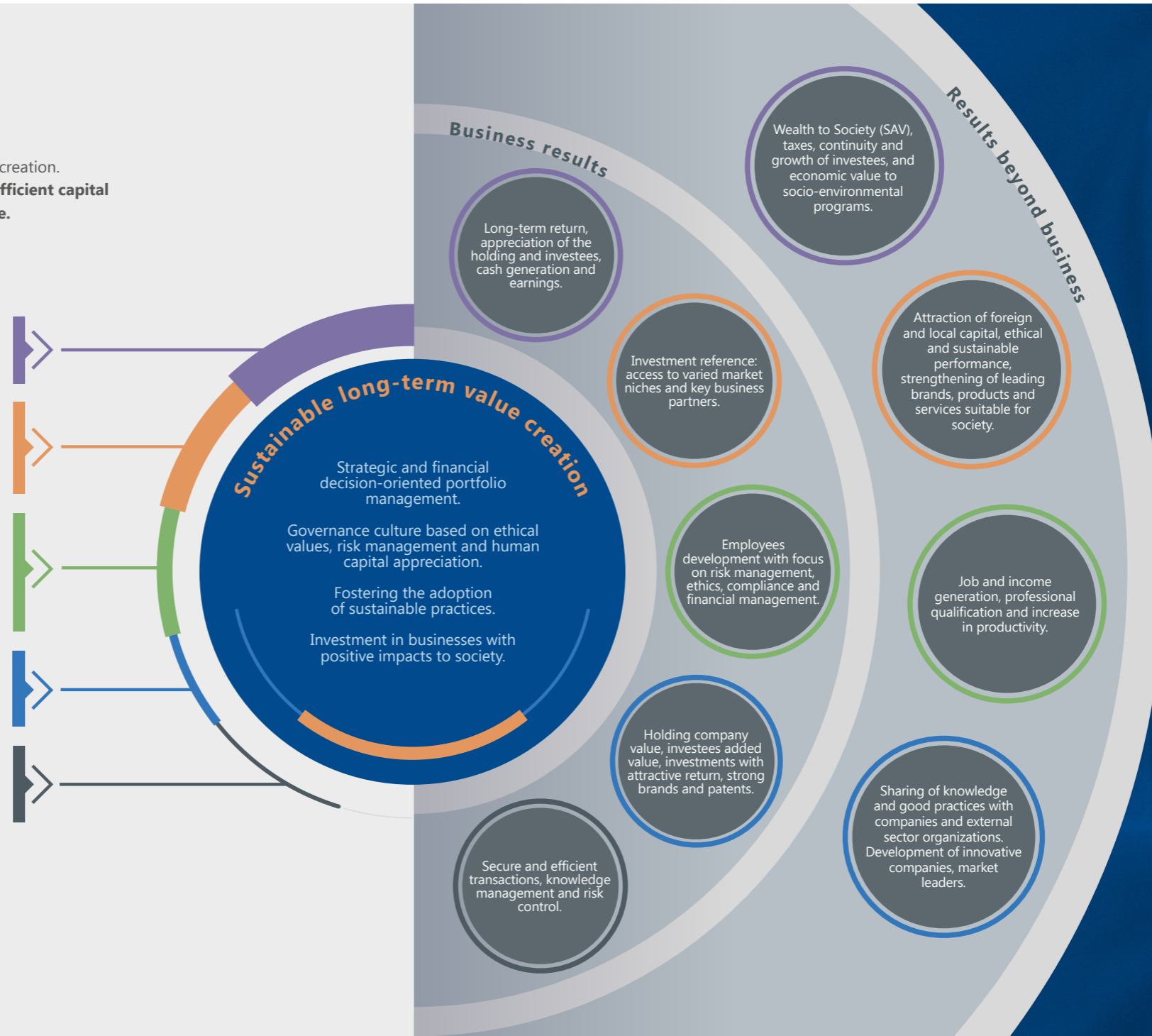
Competence in business development, risk management and governance, with performance in line with Itaúsa culture and ethical commitment.

Intellectual

Vocation in developing businesses guided by expertise in financial and strategic decisions.

Manufactured

Use of technologies and systems that add operations security, reliability and agility.





Materiality

GRI 102-15, 102-21, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 103-1

An organization’s materiality is the overview of issues reflecting significant impacts arising from this organization’s work and able to influence the evaluations and decisions made by its stakeholders. In 2017, Itaúsa revisited the definitions of its materiality through a process based on consultations to its main executives and investors, in addition to opinion makers from a number of areas.

PILLAR	MATERIAL TOPICS	ASSESSMENT OF MATERIALITY AND IMPACTS OF THE TOPIC (OUTSIDE/INSIDE ITAÚSA)	INTEGRATION INTO CAPITALS
Efficient capital allocation	Expected ROI, expansion strategy and portfolio management	Priority; impacts inside Itaúsa	<ul style="list-style-type: none"> • Financial (Investments) • Social (Reputation and sustainability) • Intellectual (Brands, innovation and expertise) • Manufactured (Brands, innovation and expertise)
	Aligning corporate governance with good international practices	Very important; impacts inside and outside Itaúsa	
	Due diligence in new investments	Very important; impacts inside and outside Itaúsa	
	Macroeconomic scenario and impacts on the organization’s strategy	Very important; impacts inside and outside Itaúsa	
Business continuity	Enhancing controls, compliance and internal processes	Very important; impacts inside and outside Itaúsa	<ul style="list-style-type: none"> • Financial (Investments) • Social (Reputation and sustainability) • Intellectual (Brands, innovation and expertise)
	E&S impact on business portfolio	Very important; impacts inside and outside Itaúsa	
	Monitoring investments and interests	Very important; impacts inside and outside Itaúsa	
	Long-term vision in decision-making	Very important; impacts inside and outside Itaúsa	
	Risk management beyond the financial aspect	Very important; impacts inside and outside Itaúsa	

PILLAR	MATERIAL TOPICS	ASSESSMENT OF MATERIALITY AND IMPACTS OF THE TOPIC (OUTSIDE/ INSIDE ITAÚSA)	INTEGRATION INTO CAPITALS
Shared culture	Impact on investees' strategy and governance	Very important; impacts inside and outside Itaúsa	<ul style="list-style-type: none"> • Human (People) • Financial (Investments) • Social (Reputation and sustainability) • Intellectual (Brands, innovation and expertise) • Manufactured (Brands, innovation and expertise)
	Value creation capability in investees	Very important; impacts inside and outside Itaúsa	
	Improving people management in Itaúsa and investees (talent retention and development, health, safety and wellbeing management)	Very important; impacts inside Itaúsa	

This work has been condensed into a list of topics considered material for Itaúsa's management and strategy, and subject to a prioritization stage according to the viewpoint of investors' representatives, civil society organizations and sector associations. Broken down into three pillars (**business continuity,**

shared culture and efficient capital allocation), these topics have been approved by the Company's senior management. In 2019, the list of material topics was subject to one-off adjustments, particularly definitions, remaining however unchanged for the present Integrated Report cycle.

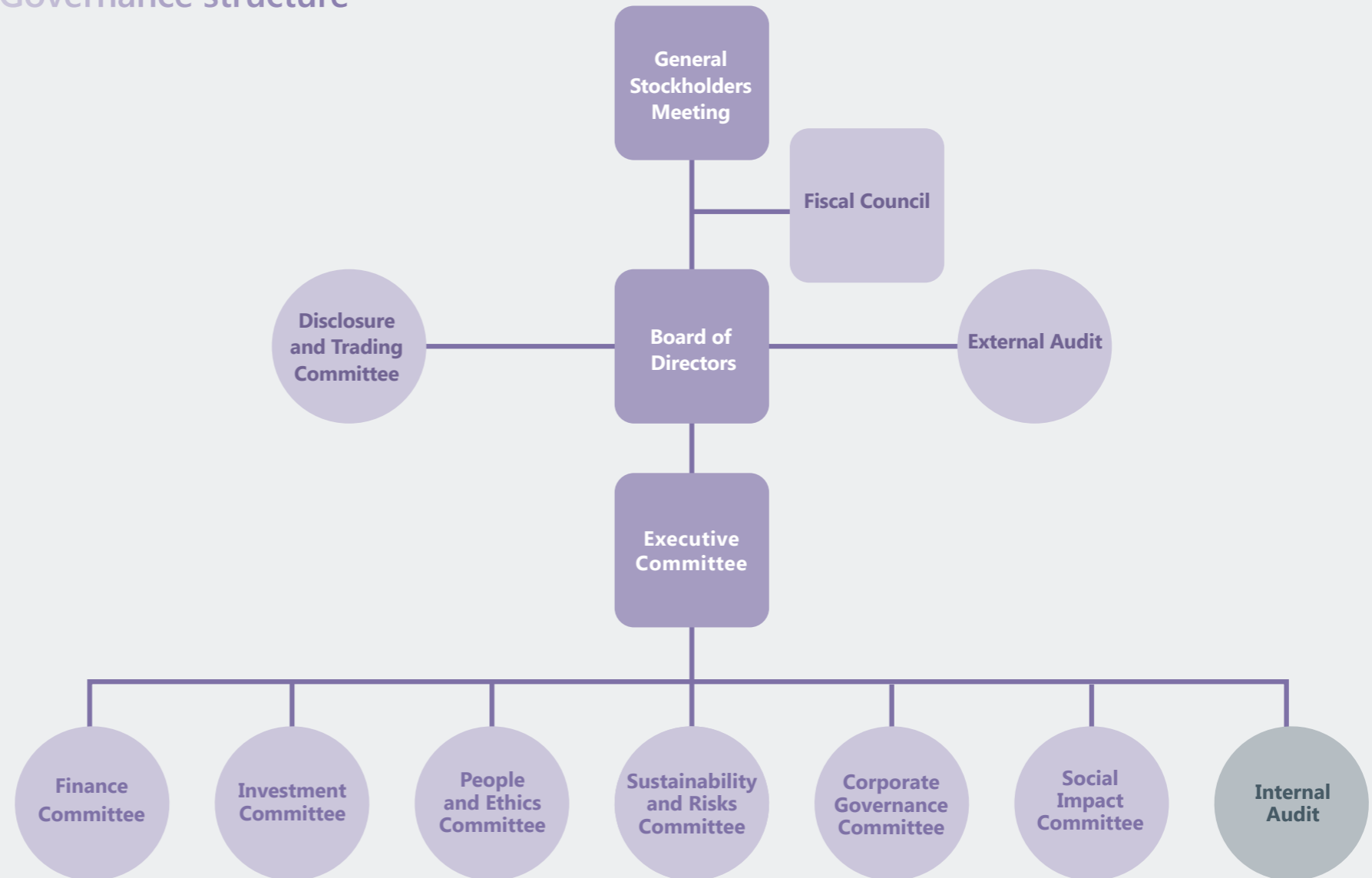
The material topics have been approved by Itaúsa's senior management and integrated to the Company's strategy

Governance, compliance and ethics

Itaúsa's corporate governance and management processes are based on ethical values, risk management and human capital appreciation these topics integrates company's business continuity strategy. Itaúsa's value creation vision involves good governance practices as the companies' support in the long term. The consolidation of a shared culture between the Company and investees includes sharing these practices by participating and influencing boards of directors, boards of officers and committees, and specialized working groups.

Itaúsa's bylaws sets out two top management bodies (Board of Directors and Board of Officers), whose activities are monitored by the General Stockholders' Meeting and the Fiscal Council. **GRI 102-18**

Governance structure



The **Board of Directors** sets out general business guidelines, elects members to the Board of Officers, supervises the activities of officers and has powers to call General Meetings, among other functions. In 2020 it was composed of as follows:

The **Board of Officers** is composed of seven executives, four of whom are also members of the Executive Committee. It is responsible for structuring and guiding Itaúsa’s management, setting out internal rules, proposing future investments to the Board of Directors, and coordinating the execution of the strategic planning.

The **Fiscal Council**, operating on a permanent basis, supervises the activities of top management members and is responsible for issuing opinions on the financial statements and transactions with related parties of Itaúsa, among other functions.

Members*	Position
Henri Penchas	Chairman
Alfredo Egydio Setubal	Vice-chairman
Ana Lúcia de Mattos Barretto Villela	Vice-chairwoman
Paulo Setubal Neto	Effective member
Rodolfo Villela Marino	Effective member
Victório Carlos De Marchi	Effective member

* In 2020, the Board of Directors: had the following deputy members: Ricardo Egydio Setubal, Ricardo Villela Marino, and Edson Carlos De Marchi.

Board of Officers	Member	Position
Executive Committee	Alfredo Egydio Setubal	CEO
	Alfredo Egydio Arruda Villela Filho	Executive Vice President
	Roberto Egydio Setubal	Executive Vice President
	Rodolfo Villela Marino	Executive Vice President
Other officers	Frederico de Souza Queiroz Pascowitch	Managing Officer
	Maria Fernanda Ribas Caramuru	Managing Officer
	Priscila Grecco Toledo	Managing Officer

Members	Position
Tereza Cristina Grossi Togni	President
Eduardo Rogatto Luque	Member
Guilherme Tadeu Pereira Júnior	Member
Isaac Berensztein	Member
Marco Túlio Leite Rodrigues	Member

* In 2020, the Fiscal Council had the following deputy members: Carlos Eduardo de Mori Luporini, Felício Cintra do Prado Júnior, João Costa, and Vicente José Rauber. Fiscal Council was attended by Flávio César Maia Luz until December 2020, replaced by Guilherme Tadeu Pereira Júnior since then.

Advisory committees

In a supporting role to the Board of Directors, Fiscal Council and Board of Officers, Itaúsa has a Disclosure and Trading Committee and six sector committees. These bodies are structured as follows:

SUPPORTING BODY	MAIN FUNCTIONS	TOP MANAGEMENT BODY TO WHICH IT REPORTS
Disclosure and Trading Committee	It reviews the Disclosure Policy, resolves on matters of interpretation and advises the Board of Directors and the Investor Relations Officer on the Policy	Board of Directors
Investment Committee	It assesses opportunities for mergers and acquisitions consistent with strategy criteria; assesses new investment risks and scenarios	
Finance Committee	It monitors cash management and budget performance, as well as the performance of Itaúsa and its portfolio companies	
People and Ethics Committee	It sets out Itaúsa’s people management and human capital policies and practices	
Sustainability and Risks Committee	It assesses the effectiveness of internal controls and recommends improvements in these processes, and monitors the activities of the Internal Audit and the Compliance and Corporate Risk Department	Board of Officers
Social Impact Committee	It guides the performance of portfolio companies in connection with E&S issues by identifying positive social impact opportunities	
Corporate Governance Committee	It handles governance structure related topics and spreads good practices in Itaúsa’s and investees’ management processes	

Corporate Governance Committee

The Corporate Governance Committee was set up in 2020 with the main responsibility of monitoring market trends and benchmarks, including internationally recognized best practices and new corporate governance related regulations. The set-up of this committee reinforces the Company’s integrity and compliance management, under an ongoing process to review and update its internal Corporate Governance Policy.

Within the scope of the strategic pillar of **business continuity**, the Corporate Governance Committee engages in internal discussions on topics such as improvement of the Company’s corporate governance system, including internationally recognized best practices, and monitors market trends and benchmarks, and new Corporate Governance regulations, thus providing insights for sharing high standards and good governance practices with portfolio companies.

WORKING GROUPS

In addition to these committees, Itaúsa counts on some thematic and permanent Working Groups. Their periodic meetings provide for the exchange of experiences, monitoring of market trends, sharing of best practices and constant update with changes to regulations and legislation.

In 2020, in addition to the four groups (Accounting, Compliance, Tax Studies and Human Resources) working in 2019, Itaúsa set up a fifth group: the Investor Relations working group, which brings together IR professionals working in the holding company and in the investees listed on B3.

WORKING GROUP	OPERATION
Accounting	It discusses the application of accounting practices between Itaúsa and investees by aligning and sharing processes, and it monitors any changes to accounting standards
Compliance	It monitors the efficiency of internal controls based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and proposes action and improvement plans
Tax Studies	It promotes debates on legal theses and proposes actions to be taken by Itaúsa and investees
Human Resources	It monitors market trends and recommends initiatives to keep Itaúsa’s people management up to date, focusing on employee satisfaction and performance
Investor Relations	It discusses IR practices and promotes the exchange of experiences on IR related issues (sustainability, regulation, governance, capital markets, among others)

Integrity and compliance

Itaúsa's Integrity Program promotes good corporate ethical practices

The governance of internal integrity mechanisms and procedures at Itaúsa is carried out by the Compliance and Corporate Risks department, the Internal Audit, the Sustainability and Risks Committee, the Board of Officers and by the Board of Directors. Reporting to the Sustainability and Risks Committee, the Internal Audit works as a third line in the identification of potential control weaknesses, by factoring in business, management and IT issues.

Itaúsa has formal guidelines to promote good corporate ethical practices. These are evidenced in the Itaúsa Integrity Program, approved in November 2020, which includes measures to prevent, detect and mitigate frauds, conflicts of interest and other ethical misconduct. These initiatives are guided by

the Code of Ethics and the Compliance and Integrity Policy, approved and published in June 2020. The Integrity Program was unveiled during the 2nd Good Practices Week, Itaúsa's top corporate culture event held every year since 2019 (learn more about it in Human capital). **GRI 102-16**

The Code of Conduct sets out the rights and duties of management members and employees straightforwardly, as well as those of third parties with relationships with Itaúsa. The Compliance and Integrity Policy in turn consolidates compliance and ethics principles

and practices and sets out guidelines for compliance with laws, regulations and internal policies.

The 54 principles of the Brazilian Corporate Governance Code, published by the Brazilian Institute of Corporate Governance (IBGC), also guide Itaúsa's leadership in good management practices. Every year Itaúsa publishes its **Brazilian Code of Corporate Governance**, which summarizes the level of compliance with each of these principles.

Itaúsa's internal stakeholders goes under

periodic training to measure their knowledge of the Code rules; other anti-fraud and anti-corruption training sessions are also held from time to time. All new employees go under an onboarding process in connection with these topics, followed by their adherence to the Company's major policies. Other documents formalize the compliance management and can be accessed by the public **here**.



REPORTING CHANNEL

GRI 102-17, 103-2, FN-CB-510A.2

Itaúsa has a Reporting Channel to receive reports of attitudes that breach its Code of Conduct, which is open to internal and external stakeholders (employees, management members and third parties with relationships with the Company, including their investees and respective stakeholders). This Channel has been operated by an independent expert firm since 2018. Anonymous reporting and protection against reprisals are guaranteed, and any cases reported are investigated on a strict confidential basis.

Any reports investigated found to be (even partially) legitimate are submitted for the People and Ethics Committee to assess

facts and the history of the parties involved. Cases may be reported by telephone (0800 721 9574), email or in the website <https://ethicspeakup.com.br/itausa/>. A summary of the calls reported is prepared at least twice a year and submitted to Itaúsa's Sustainability and Risks Committee.

In 2020, a total of 51 reports related to Itaúsa and portfolio companies were received by the Channel, involving complaints, frauds, moral harassment, conflicts of interest and unethical behavior. Out of this total, 50 were duly addressed and only one had not been resolved, and most of them involved our investees.

The Reporting Channel is open to all internal and external stakeholders

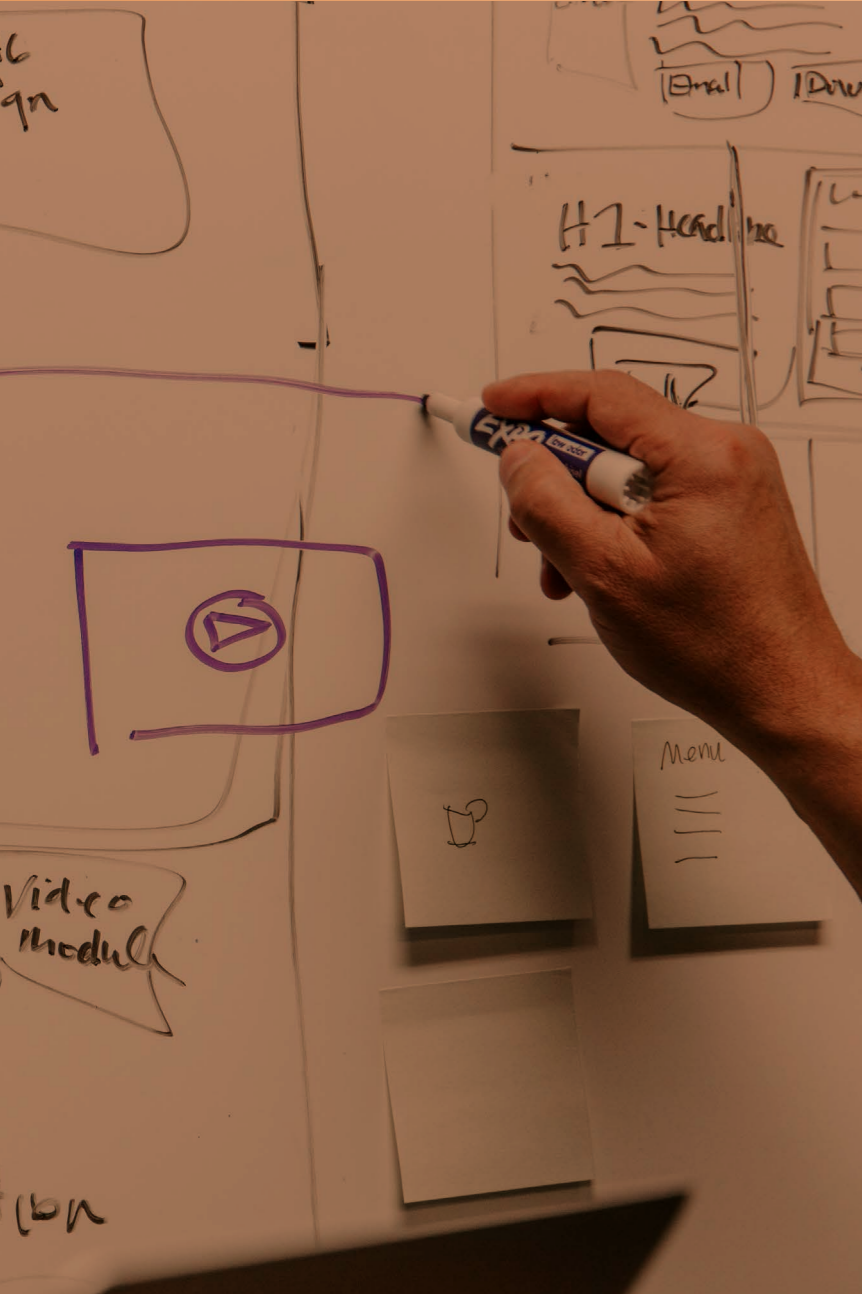
BRAZILIAN GENERAL PERSONAL DATA PROTECTION ACT (LGPD)

The Brazilian General Personal Data Protection Act (LGPD or Law No. 13709) came into force in August 2020. Among its provisions, we highlight that any company generating third parties' personal databases must have formal governance rules. Itaúsa has prepared itself over the year to ensure

its conformity with LGPD with the support of an external consulting firm. Legal, risks and IT aspects associated with all processes using external personal data have been analyzed. By late 2020, under the supervision of the Compliance department, a working group dedicated to conformity with LGPD was set up and a data protection officer was nominated.

Signing up to the Business Integrity and Anti-Corruption Pact GRI 102-12

In addition to setting up the Corporate Governance Committee and publishing the Compliance and Integrity Policy, another milestone in 2020 was Itaúsa's joining the Business Integrity and Anti-Corruption Pact in January. Set up by Instituto Ethos de Empresas e Responsabilidade Social, this Pact is based on a set of anti-corruption guidelines and commitments already adopted by over 700 Brazilian companies.



Strategy



ON THIS CHAPTER

- [PORTFOLIO MANAGEMENT]
- [MACROECONOMIC SCENARIO]
- [OUTLOOKS]

Built upon three pillars – **efficient capital allocation, business continuity and shared culture** – Itaúsa’s strategy follows assumptions that address potential long-term return, with increase in margins and cash flows, soundness and materiality of portfolio assets, risk exposure and management, and engagement in the best ESG practices.

In these companies, we have representatives appointed by Itaúsa in the people committees and board of directors and our engagement is mostly felt by a proactive participation in the discussions, definitions, and monitoring of talent attraction and retention guidelines,

business culture, profile adjustment and identification of employee training needs, always based on the strengthening of meritocracy-based evaluation and performance measures.

In the development and retention of talents, since 2018, as part of the culture of meritocracy, Itaúsa adopted a system to formalize and record feedback in its process to evaluate the holding company’s employees’ skills and competences.

Based on this, the Individual Development Plans (IDPs) are discussed and established, which guide training and development actions and serve as a reference for guiding the career of professionals, aligned with Itaúsa’s needs.

In addition, it also has a compensation program for key positions based on Long-Term Incentive, which allows for better alignment of leaders and employees with the interests and objectives of the Company.

Regarding investees, we believe that a proper human capital management is essential to achieve the maximum potential of long-term sustainable value creation in the assets base.



- > **Identification of opportunities** according to strategy priority criteria
- > **Attractive profitability in the long term, with stockholder value creation**
- > **Improvement of internal controls and processes** at investees and Itaúsa
- > **Long-term vision in decision-making of portfolio companies, under Itaúsa’s monitoring and influence**
- > **Influence on strategy and governance of invested assets**
- > **Development of people at portfolio companies, according to the best shared culture practices**
- > **Ongoing monitoring of risks, compliance and sustainability management**

Efficient capital allocation

Business continuity

Shared culture

Portfolio management

Itaúsa's portfolio management is carried out by the M&A and Monitoring departments dedicated to assess the performance and position of each asset and to study potential new investment opportunities. This work is carried out by qualified professionals who keep permanently up to date with their functions (learn more about it in Financial capital and Human capital).

To expand its portfolio, Itaúsa seeks large investments (from R\$ 1 billion to R\$ 2 billion), handpicked among outstanding companies (or leaders) in their sectors. It also favors investments that imply a minority interest but which would provide it with significant influence, regardless of participation in the controlling group. A number of aspects and indicators of these companies are assessed over this assessment process, such as the company's history of results, the strength of its brands, and cash generation and return potential. Also factored in are the business' and their partners' reputation and whether they suit Itaúsa's purpose and strategic vision, including ESG issues, and the prospects on the segment of operation, including exposure to regulatory issues.



LEARN MORE

In the *Financial Capital* chapter there are more details about each of the assets of the Itaúsa's portfolio and its highlights in the year 2020.

MAIN CHARACTERISTICS OF PROJECTS SOUGHT BY ITAÚSA

Investments between R\$ 1 billion and R\$ 2 billion

Leading companies or those in an outstanding position in their industries and holders of strong brands, with a consistent history of results and good cash flow generation

Industries significant to the economy, with limited regulation exposure

Assets with good value creation prospects

Partners with expertise in their respective industry, unblemished reputation, cultural and strategic fit

Participation in the controlling group or minority stockholder with significant influence

Itaúsa's portfolio management principles include as follows:

- > **Sustainability commitment.** Assessment of E&S impacts - including corporate ethics and integrity initiatives - is given priority in investment portfolio management and Itaúsa's management itself.
- > **Sharing good governance practices.** Itaúsa shares with its portfolio companies the best management and governance practices, benchmarked in acknowledged standards in Brazil and in the world.
- > **Long-term vision.** Priority in investment decisions lies with assets capable of creating value permanently, with prospects of holding the asset in the long-term buy & hold.
- > **Diversification and strength.** The assets portfolio comprises companies from various industries, market leaders with strong brands and consolidated reputation, mitigating the effects of possible pressures on specific economic sectors or segments.
- > **Monitoring the management and strategy of investments made.** Itaúsa's influence on its investees' strategic and financial decisions is exercised through its representatives in boards of directors and advisory committees, monitoring business plan preparation and implementation, and its influence on financial and strategic decisions.

Following the premises of **efficient capital allocation**, market opportunities are assessed by the Investment Committee, which reports to the Executive Committee and is responsible for analyzing and recommending the approval of investment decisions to the Board of Directors. The M&A department analyzes the market sector in which the asset operates and the suitability of a potential new investment to the strategy and interests of Itaúsa and its stockholders. The investment report is submitted to the Investment Committee. If the business opportunity is screened in by the Investment Committee, the operation is submitted to the approval of the Board of Directors; if approved, the business goes ahead.

The investment rationale usually includes an outlook of the related industry, the company's operating and financial performance, growth and value drivers, competitive scenario, and main risks and challenges, in order to ensure its consistency with Itaúsa's culture and management.

After the investment is made, the performance of the asset, its strategic value to Itaúsa and the investment rationale are monitored by the M&A and Investment Monitoring departments. Periodic reports prepared by the departments are submitted to Itaúsa's representatives in the investees' governance structure and top management of the Company.

This is where another strategic pillar, **business continuity**, steps forward. By monitoring performance and participating in boards of directors and management committees, Itaúsa seeks to ensure the financial sustainability of assets in the long term and monitor the progress of these companies in ESG issues.

It is through the **shared culture** that Itaúsa seeks to influence investees by sharing good corporate governance practices and efficient management, as well as by encouraging E&S responsibility initiatives.

Risk management

GRI 102-15

In 2020, the Risk department started a wide revision of its processes and methodology. A ranking including key risks is being finalized, factoring in potential for impact and the Company's vulnerability. The Risk Management Policy was revisited in 2021.

For its performance and for being a pure holding company, Itaúsa has limited tax risk, however, it monitors them frequently.

To remain in compliance with legislation in force and in strict conformity with guidelines on principal and accessory tax obligations, Itaúsa adopts a preventive approach. Changes to legislation that might impact business are monitored on a daily basis. In the case it has questions on the application of a certain rule, Administrative and Finance Directorate will forward an inquiry to applicable tax authorities or will discuss the subject in class entities.

Specifically concerning tax risks, these are identified through tax assessments on collection of taxes received from government bodies. The demand and risk likelihood are analyzed based on criteria set out in an internal policy approved by Management. Management controls over tax risks that actually occurred are outlined in reports and monthly shared with the tax and accounting

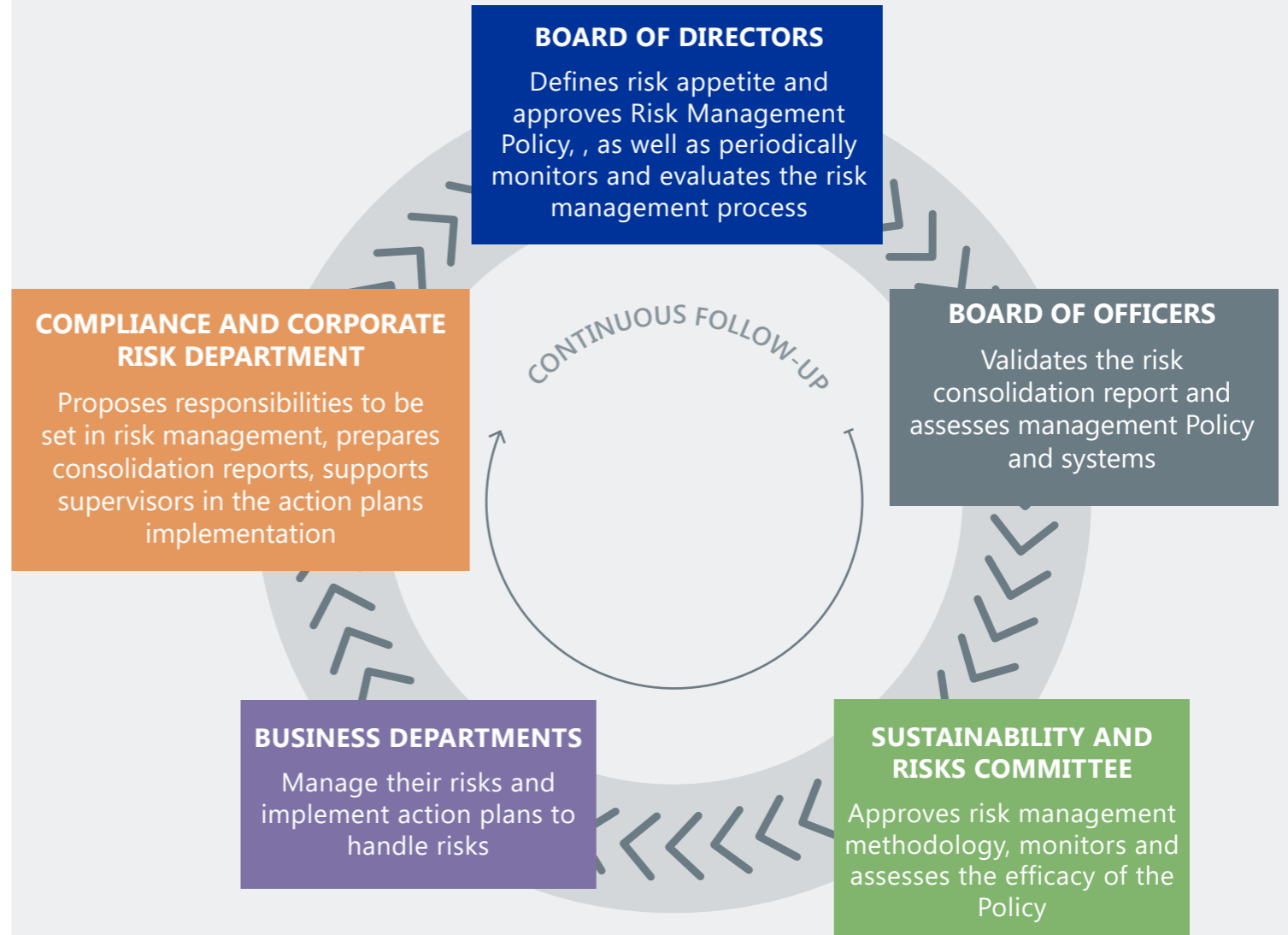
departments. These reports are periodically audited by independent auditors and discussed in meetings of the Fiscal Council.
GRI 103-2, 103-3, 207-1, 207-2 e 207-3

TYPES OF RISKS IDENTIFIED		DESCRIPTION
Strategic		Associated with management's decision-making and that may give rise to large losses of its economic value
Financial	Liquidity	Risk of failing to honor obligations upon maturity or only being able to do so by bearing massive losses
	Market	Assesses the possibility of economic losses driven by changes in market factors impacting asset prices
	Credit	Possibility of losses due to failure to receive amounts raised from third parties over the latter's lack of financial capacity
Operational		Related to people, processes, systems and events outside of the Company and that may affect its operational efficiency
Regulatory		Related to compliance with legislation applicable to the sector it operates, as well as with general laws
Cybernetic		Related to technology and information security

Itaúsa has a Risk Management Policy that outlines the risk management process, with the following steps: identification, analysis, assessment, handling and monitoring.



Flowchart of Itaúsa's risk management



Macroeconomic scenario

GRI 102-15

Defined as an “international emergency” in January 2020 by the World Health Organization (WHO), the global Covid-19 pandemic has adversely impacted most of economic sectors worldwide, and Brazil was not spared. Faced with the pandemic crisis, Itaúsa’s response has been driven to the continuity and financial health of our investees and on **efficient capital allocation**, a pillar that advocates a thorough analysis of the economic scenario, assessment of the portfolio position and risk and return expectations – data that are key in times of turmoil.

The sharp plunge in the economic activity in the second quarter (a 9.7% GDP fall) was followed by an equally sharp recovery, with shops reopening and demand for products and services resuming accordingly. Emergency

Itaúsa's priority was to preserve the safety and the health of its employees, and maintaining financial discipline in its business

measures to make access to credit easier and the grant of the so-called Emergency Aid Package, which benefitted 67 million people, endeavored to mitigate the fall in income and the record increase in the number of jobless people (14.5 million in August). GDP soared in the third quarter (yet insufficiently to recover losses for the year) has brought relative optimism to the markets, in spite of unemployment and inflation still raging.

Even in the face of market volatility, Itaúsa has assessed a number of new business opportunities. Priority was given to keeping discipline in the analysis and approval of new investments, seeking to preserve long-term value creation.



CHANGES TO THE PORTFOLIO IN 2020/2021 GRI 102-10

Completion of the investment in Copagaz with the acquisition of Liquigás

On December 23, 2020, Itaúsa informed that it had completed its investment in Copagaz, a company with over 60 years' market experience, in the amount of R\$ 1.23 billion for 48.5% of the latter's capital.

This investment reinforces the move to expand its portfolio to non-financial strategic sectors, such as the energy industry, with an asset in its segment (distribution of liquid petroleum gas (LPG) to over 35 million residential consumers) and steady cash flow generation.

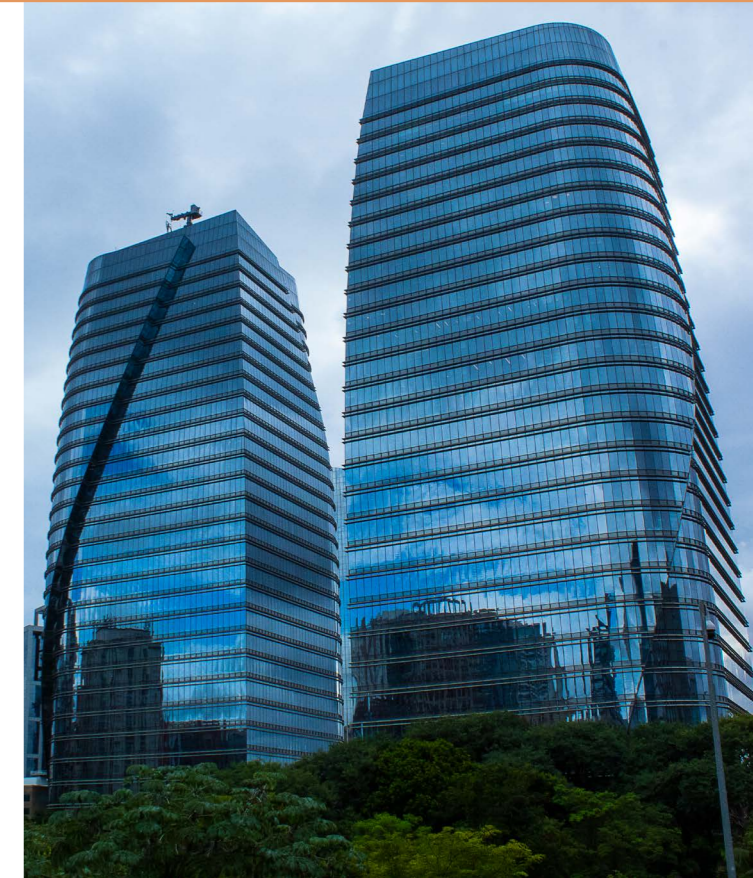
According to the Stockholder Agreement executed, Itaúsa is entitled to appoint two (of a total of five) members to the Board of Directors of Copagaz and its Audit and People and Compensation Committees. This will enable Itaúsa to influence financial and strategic decisions and contribute to strengthening the company's governance by providing a stricter alignment with Itaúsa's values and practices (as stated in pillar **shared culture**).

The interest acquired in Copagaz expands Itaúsa's presence in energy segment

Corporate reorganization related to investment in XP Inc.

In November 2020, Itaú Unibanco unveiled its intention to carry out a corporate restructuring aimed at segregating the equity interest in XP Inc. and set up a new company, named XPart. In early 2021, Itaú Unibanco proceeded with the spin-off of assets so that, upon completion of the whole transaction, which is still pending approval from FED, Itaúsa will become the holder of approximately 15% of XP's capital stock, directly and indirectly.

Moreover, Itaúsa entered into an Agreement, together with XP and its controlling stockholders, XP Inc. and its controlling stockholders, comprising the main terms and conditions to come into force after the proposed corporate restructuring is completed, including the right to nominate some members to XP Inc's Board of Directors and Audit Committee.



Through a Material Fact, Itaúsa announced to the market that it had no plans to sell a significant interest stake in XP in the short term, although it does not deem the investment to be strategic in the long term, mainly because it is a financial sector asset and Itaú Unibanco is its exclusive vehicle for investment in the financial sector.

OUTLOOKS

The prospects for the Brazilian economy in 2021 signal at the recovery of growth following the atypical scenario in 2020. Even with the risk of the pandemic not fully removed, GDP should reach 3% (as forecast by the World Bank). Highlights already forecast by the market include caution to fiscal imbalance in government accounts, the enduring depreciation of the Real, and the basic interest rate to be kept at low levels.

Itaúsa will continue seeking for investment opportunities in non-financial assets. The intention is to increase its exposure in less cyclical, steady sectors as compared to the banking segment, which makes up most of the portfolio, seeking for assets able to strengthen its business continuity.

The new investments sought by Itaúsa are mainly companies with strong brands or significant market share, a consistent history of results and good cash flow generation. In line with its long-term investment horizon, Itaúsa studies opportunities for acquiring interest in companies operating in industries significant to the economy.

Over the last years, aimed at finding opportunities

for capital allocation in assets with good value creation potential, assets of different industries have been analyzed.

In addition to the guidelines provided by the aforementioned pillars, shared culture remains a major factor in the segments Itaúsa already has investments, on the grounds of its influence on the governance of investees and the exchange of experiences and practices for a more efficient management. In view of the Company's top results, attention is drawn to the changes undergoing in the financial sector – with increased digitalization and new players entering the market and offering breakthrough products and services.

Itaú Unibanco has made massive investments in its digital channels and ESG engagement, agendas that should remain in focus over the administration of Milton Maluhy Filho, nominated the institution's CEO in October 2020. Itaú Unibanco has made a massive investments in digital strategy, ESG engagement and has sought leaps in operational efficiency, agendas that should remain in focus under the management

Within its strategy, Itaúsa will seek to diversify its portfolio in the next years



of Milton Maluhy Filho, recently nominated as CEO.

Operating in the industrial and consumer goods sectors, Alpargatas and Duratex are more exposed to changes to the population's consumption habits, still impacted by falling income and high unemployment over the pandemic. Alpargatas will focus on its strategic fronts, which include strong expansion abroad and improved profitability, in addition to advancing its digital strategy. Duratex will continue to benefit from the strong recovery in the real estate sector, leveraged by the credit expansion, and will endeavor to conclude the construction

of the largest soluble cellulose plant in the world, with the first production expected to early 2022..

With the acquisition of interest in Copagaz, Itaúsa has increased its market share in the energy industry. Economic recovery in 2021 is likely to be followed by higher consumption of LPG (particularly driven by demand of large consumers). Among the factors to influence the energy industry, we highlight the opportunities to arise with the New Gas Market and the debates on Draft Bill No. 6,407/2013 (Gas Act) in the Brazilian Senate.



Performance in 2020



ON THIS CHAPTER

[**INVESTEES' RESULTS**]

[**ITAÚSA'S RESULTS**]

[**VALUE CREATION HIGHLIGHTS**]

Investees' results

In 2020, the financial KPIs of Itaúsa reflected the impacts of the pandemic of Covid-19, which fell on all sectors of the Brazilian economy

In 2020, the main financial indicators of Itaúsa evidenced the impacts of the Covid-19 pandemic, which have hit all of Brazilian economic sectors.

Itaúsa's results are basically derived from its Equity in the Earnings of Investees, determined based on the net income of its investees and revenues from investments in financial assets.

After a first half with sharp falls in general economic activity and increased unemployment and default, the scenario

has resumed as of the second half of the year, mainly for investees in the industrial area. Itaúsa and its investees focused on cost control, higher efficiency, business digital transformation and other operating and financial management measures, by favoring the maintenance of operations and proper equity and liquidity positions and the focus on business that create value in the long term.

In spite of the impacts of the pandemic in the first half of 2020 on the portfolio companies' results, the recovery observed

from mid-year on allowed most of our investees to achieve good operating results and profitability, which implies high adaptability and responsiveness of these companies when facing adverse scenarios.

Over the year, Alpargatas and Duratex have recorded significant recovery in sales volume, margins and results, with industrial

INVESTEES NET INCOME [UNDER IFRS, R\$ MILLION]

Company	Itaúsa's equity interest on 12/31/2020	Accounting			Recurring		
		2019	2020	Change	2019	2020	Change
Itaú Unibanco	37.4%	27,113	18,896	-30.3%	26,311	19,077	-27.5%
Alpargatas	29.2%	274.1	140.2	-48.9%	450.5	448.9	-0.4%
Duratex	36.6%	405.7	454.0	11.9%	275.1	528.2	92.0%
NTS	7.7%	2,218	2,528	14.0%	2,218	2,528	14.0%



LEARN MORE

For more details on the 2020 results, access the Company's Management Report Itaúsa by clicking [here](#)

plants resuming full capacity operation and outstanding online sales, even with the reopening of physical channels, thus evidencing that the trend to use online channels should be consolidated.

In spite of lower interest rates and increased volume of loan renegotiations having resulted in lower financial margins, Itaú Unibanco witnessed strong growth in the loan portfolio in 2020, favored by credit to individuals – especially credit lines for vehicles and real estate – and very small, small, middle-market and large companies. Itaú Unibanco has become increasingly more efficient, with remarkable investments in technology focusing on digital, thus leading to lower general and administrative expenses in Brazil.

NTS's results, in turn, grew mainly driven by the annual inflation adjustment of gas ship-or-pay agreements.

The control of expenses, the search for greater efficiency and the investment in digital transformation provided good operating and profitability results in investees



Itaúsa's results

On 2020, Itaúsa's investment on the companies in the portfolio went up 6.5%

GRI 103-2, 103-3

Itaúsa's administrative expenses totaled R\$128 million, up 2.4% on a year on year basis. This change, below the inflation for the period, was mainly driven by increase in personnel expenses, mostly from the resolutions taken at the 2020 ESM, higher share bookkeeping expenses, due to the 140% increase in the stockholder base, and IT expenses.

Tax expenses totaled R\$236 million in 2020, a reduction from the previous year, mainly driven by lower PIS/COFINS expenses due to lower interest on capital received from Itaú Unibanco in the period. Finance result totaled R\$26 million in expenses, down 47% on a year-on-year basis, driven by the effect of lower interest rate on debt and adjustment of contingent liabilities.

Profit and, consequently, short-term return indicators of Itaúsa were mainly impacted by lower equity in the earnings of Itaú Unibanco, the reasons for which were mentioned above. Profit was R\$7.1 billion in 2020.

Itaúsa has the practice of conservatively managing cash and keep adequate debt levels, in line with an adequate liquidity level of cash and cash equivalents and limiting exposure to the market, credit, liquidity, and operational risks, focusing on capital preservation.

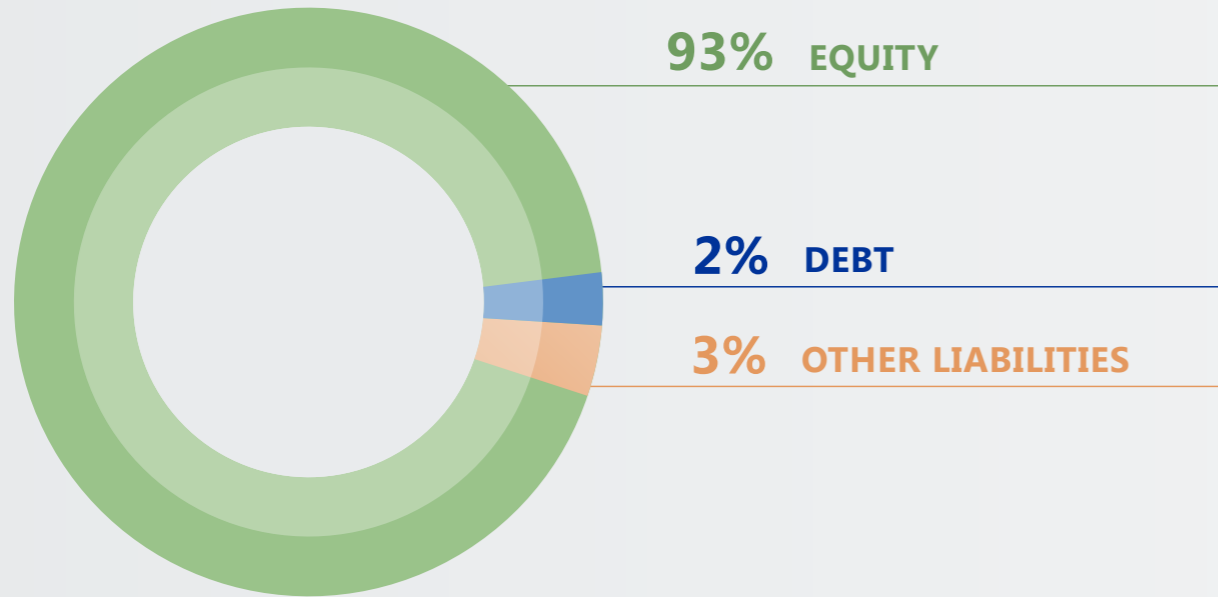
Itaúsa issued R\$1.3 billion in debentures to finance its contribution to Copagaz, to make the purchase of Liquigás feasible. This issue was structured in such a way to provide the best capital structure to the company. The

term of the unsecured non-convertible debentures issued is ten years and their cost is equivalent to 100% of CDI + 2.40% per year. In spite of these efforts, Itaúsa closed 2020 with low leverage, with total debt accounting for 2% of its Liabilities and Stockholders' Equity.



Capital structure

Parent company Balance Sheet on 12/31/2020



Liquidity maintenance

Hight leverate capacity

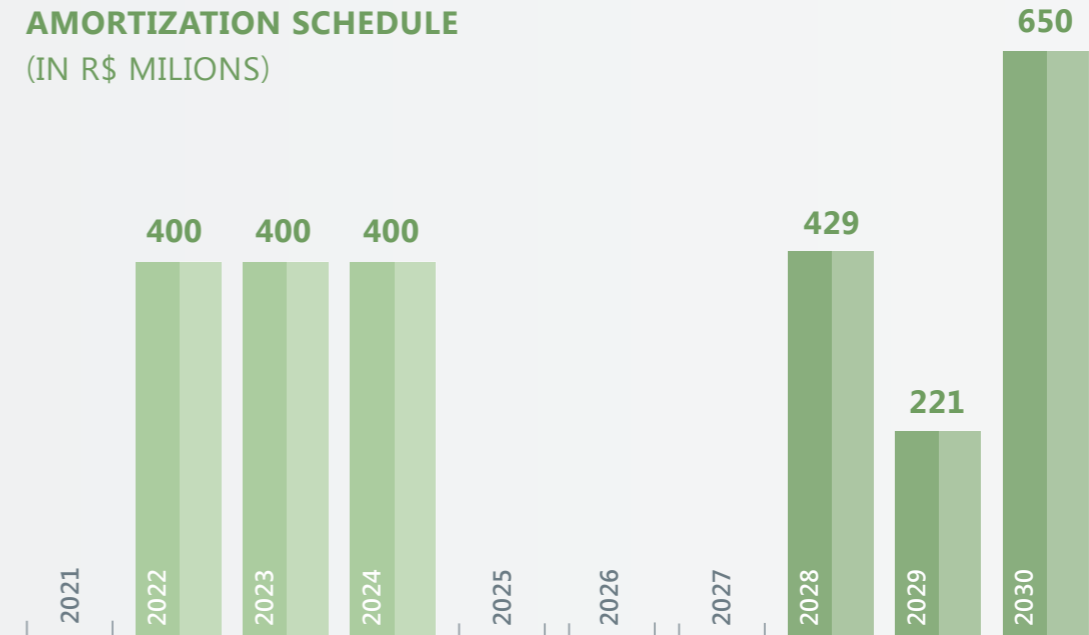
Conservative financial management

MAIN DEBTS

DEBENTURES	2 ND Issuance	3 RD Issuance
Issuance Date	May/2017	December/2020
Amount	R\$ 1.2 billion	R\$ 1.3 billion
Term	7 years	10 years
Cost	106,9% of CDI	CDI + 2.4% p.y.

AMORTIZATION SCHEDULE

(IN R\$ MILIONS)



VALUE CREATION HIGHLIGHTS

Itaúsa's investments totaled approximately R\$58 billion in 2020, already including the investment in Copagaz. This amount represents a 6.5% positive change compared to the end of 2019. Itaúsa's profit was R\$ 7.1 billion, down 31.6% on a year-on-year basis. The payout ratio in 2020 was 25%, driven by the temporary restrictions imposed on financial institutions by the Central Bank of Brazil.

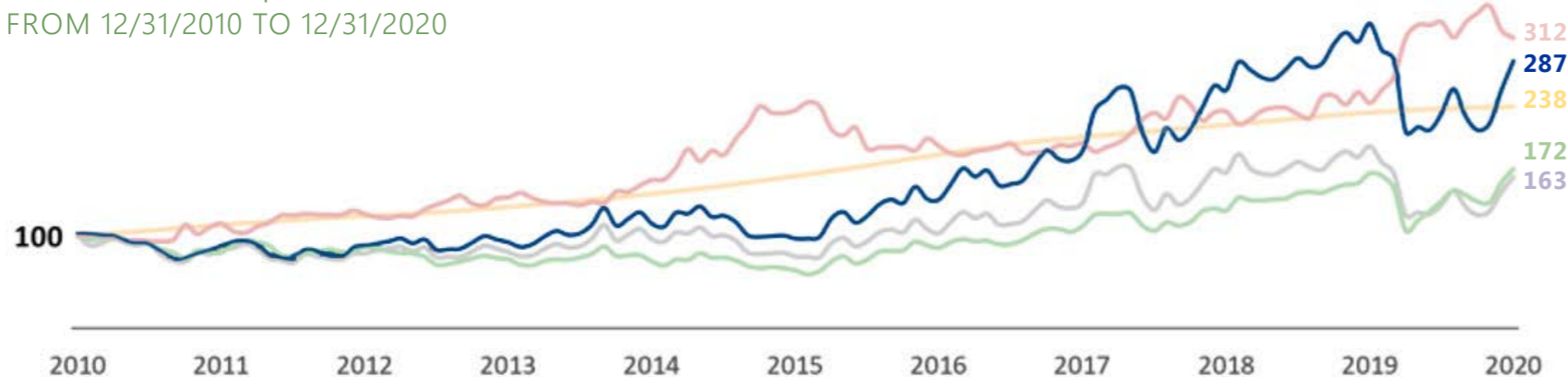
In spite of the short term impact caused by the effect of the pandemic, Return on Equity (ROE) remained at two digits and was above the company's cost of capital, reaching 13% at the end of 2020.

Stockholders who remained in the base in the last 12 month period ended December 31, 2020 were paid a total of R\$0.6450 in dividends and interest on capital paid/declared (gross), which, divided by the preferred share quoted on December 31, 2020, resulted in a 5.5% dividend yield, still one of the highest among the shares traded on B3.

As Itaúsa's focus, stockholder value creation in the long term remains attractive. Total Stockholder Return – TSR¹ in the last ten years was 187%, significantly higher than Ibovespa's return that appreciated only 72% in the period.

EVOLUTION OF R\$ 100 INVESTED

FROM 12/31/2010 TO 12/31/2020



US DOLLAR

Itaúsa
Adjusted by dividends

CDI

Ibovespa

Itaúsa
Not adjusted by dividends

1. Total Stockholder Return (TSR) – equal to the close price of preferred share ITSA4, divided by the initial price and adjusted by earnings. It includes reinvestment of earnings paid in the period.

DIVIDENDS AND INTEREST ON CAPITAL

According to the Stockholder Remuneration Policy, Itaúsa pays out at least 25% of the profit earned each year. The temporary limitation imposed on financial institutions by the Central Bank of Brazil over 2020 limiting the payment of dividends and capital set aside carried out by virtue of the crisis have led to a reduction in payments received from Itaú Unibanco in 2020, thus impacting Itaúsa's distribution of earnings.

Reduction in payout and the reasons why have been informed to stockholders with transparency and in a timely manner. At the end of 2020, dividend yield was 5.5%, one of the highest at Ibovespa and above the basic interest rate.

VALUE OF ASSETS AND DISCOUNT

Market capitalization at the end of 2020, based on the price of the most liquid share (ITSA4), was R\$98.7 billion, whereas the sum of interests in investees (at market value, fair value or investment value) totaled R\$127.6 billion as of the same date. The difference between the market value of the company and the sum-up of its interest in investees totaled approximately 23%, slightly higher than in 2019.

Despite some foundations that justify the current discount level (such as Itaúsa's maintenance expenses and taxes levied on a fraction of earnings received), Itaúsa's management understands that it is in fact not justified and does not reflect the proper indicator level.

CAPITAL MARKETS

The market value of Itaúsa (calculated based on the closing quote of preferred shares) dropped by 16.7% from 2019. As a result of the performance of Itaú Unibanco's negotiable instruments, Itaúsa's shares were outperformed by Ibovespa. Otherwise, with the increase in the number of investors and recovery of B3 indices as from the third quarter of 2020, the average financial volume traded in Itaúsa's shares (ITSA4) has increased, as has the number of stockholders, which reached 885.6 (up over 140%). It is worth mentioning, however, that Itaúsa's Total Stockholder Return (TSR) remained attractive, as mentioned in section "Value Creation Highlights".

BUYBACK PROGRAM

Early in 2021, the Share Buyback Program was approved for the repurchase of up to 250 million shares representative of approximately 4.5% outstanding shares, which will remain exercisable until mid-2022 based on the recent increase in the net asset value detached from the market value of Itaúsa and the potential value creation of all its portfolio companies.

STOCKHOLDERS (000)

2018 | **132.9 TOTAL**
2.9 Companies
129.9 Individuals

2019 | **366.7 TOTAL**
3.2 Companies
363.5 Individuals

2020 | **885.6 TOTAL**
4.3 Companies
881.3 Individuals

PAID AND PAYABLE

	2019	2020
Dividend and Interest on capital (R\$ million) paid and payable (base period).	7,315	1,871
<i>Payout ratio</i>	75%	28%
Dividends and interest on capital, gross (R\$ per share)	1.1908	0.6450
<i>Dividend yield</i>	8.5%	5.5%



Financial Capital

ON THIS CHAPTER

[ITAÚ UNIBANCO]

[ALPARGATAS]

[DURATEX]

[COPAGAZ]

[NTS]

[FINANCIAL CAPITAL]

Investments

How Itaúsa selects and contributes for the management of assets that make up its portfolio

GRI 103-2, 103-3

Itaúsa's **financial capital** comprises own and third parties' funds available for capital allocation: dividend distribution, share buyback, new investments or increased interest held in current investments. Itaúsa's investments are managed according to the premises of efficient capital allocation, applied to strategic decisions.



Itaú Unibanco

Itaú Unibanco is the largest private bank in Brazil, the largest financial institution in Latin America¹ and one of the world's largest financial institution

Present in other 17 countries, in 2020 Itaú Unibanco reached the milestone of approximately 56 million clients in retail by operating in Retail Banking (financing, loans and credit offers, current account services, payment means, consortia, brokerage, pension plans and premium bonds, investments, insurance, and capital markets), Wholesale banking (private banking, investment banking and asset management) and in other business in Latin America.

Besides being the leader in the market, Itaú Unibanco plays a leading role in sustainability and E&S responsibility in the Brazilian banking industry. As a recognition to its practices, Itaú Unibanco has made up the Dow Jones Sustainability Emerging Markets Index (which gathers outstanding companies in ESG management in emerging markets) since 1999 and the B3's Business Sustainability Index (ISE) since 2005.

1. Largest bank in market value.
2. In October 2020.



Main brands



Itaú Unibanco in 2020

[IN NUMBERS]



R\$ 308.9 billion
in market value
(US\$ 59.4 billion)



Approximately
96,000
employees and



56 million
retail clients²
Present in South,
Central and North
Americas, and in
Europe

4,300
branches and client
service branches
[CSBs] in Brazil and in
the world

[HIGHLIGHTS OF THE YEAR]

> Digital transformation:

In 2020 Itaú Unibanco passed the mark of 14.3 million account holders [individuals] and 1.2 million companies that regularly access its digital channels. Significant rise in the number of accounts opened through digital channels [231% in the two last years]. Itaú Unibanco has proceeded with investments in technology and training of employees in digital tools.

> A new CEO:

At the end of October 2020, Itaú Unibanco announced the appointment of Milton Maluhy Filho as the new CEO, taking over Candido Bracher, who has reached the age limit for the position [62]. Mr. Bracher, who returned to Itaú Unibanco's Board of Directors in 2021, had taken over as CEO in 2016 and led the renewal of the bank's strategic focus on the client.



Alpargatas

Largest manufacturer of footwear and clothing in Latin America, Alpargatas concentrates some of the most well-known brands Brazilian companies in the segment, such as Havaianas and Osklen

With a 114 year history and a workforce of 16,800 employees, Alpargatas, owner of brands Havaianas, Osklen and Dupé, focused its efforts in 2020 to develop the four business pillars guiding the company's growth: global, digital, innovation and sustainability.

As owner of iconic brands with strong emotional connection, and as Havaianas is deemed to be an essential product and present in multi channels, Alpargatas was resilient in the face of the commercial challenges during the pandemic.

In 2020, Alpargatas hit record results and celebrated a year of growth and margin increase, and significantly made headway in strategic pillars: expansion in global markets, digital acceleration, global scale innovations and development of sustainable solutions.



havaianas

OSKLEN

Alpargatas in 2020

[IN NUMBERS]



R\$ 24.3 billion

in market value



236 million

of clothing and footwear items sold



4 plants

in Brazil and

9 offices

abroad - Europe, the United States, Hong Kong, Colombia



R\$ 187.1 million

investments

capacity and maintenance, digital transformation and projects on plant and supply chain efficiency gain

[HIGHLIGHTS OF THE YEAR]

> Discontinuation of operations in Argentina:

In the first quarter of 2020, Alpargatas carried out the final write-off of the investment held in Alpargatas Argentina. Accordingly, the company completed the discontinuation process in Argentina.

> Sale of Mizuno operations in Brazil:

In September 2020, Alpargatas entered into an agreement for the sale of all Mizuno brand operations in Brazil - a deal valued at approximately R\$200 million. The completion of this transaction is subject to compliance with certain conditions precedent.



Duratex

With 16 industrial units in Brazil (and three more plants installed in Colombia) and over 200,000 hectares of internationally certified planted forests, Duratex is the largest producer of wood panels, and bathroom fixtures and fittings in the Southern Hemisphere

Holder of six different brands (Durafloor, Duratex, Deca, Hydra, Ceusa and Portinari), Duratex has significantly changed over the years.

Over 2020, Duratex sought to mitigate the economic effects of the pandemic, endeavored to ensure the rollout of the company's strategic planning by optimizing assets and reducing costs and

operational expenses. In addition to the full consolidation of Cecrisa's results, the faster-than-expected economic recovery (in the sectors of reforms and construction), driven by government measures and lower interest rates, allowed Duratex to report significant sales growth in all Divisions in the year, resulting in greater cash flow generation and reduced leverage.



 Duratex *Soluções para melhor viver*

deca  | hydra  | ceusa  | durafloor  | duratex  | PORTINARI
AMBIENTES COM EMOÇÃO

Duratex in 2020

[IN NUMBERS]



R\$ 13.2 billion
in market value



19 plants
16 in Brazil, 3 in Colombia

7 forest units

in Brazil



13,200 employees



R\$ 1 billion
in investments:
Capex + expansions

[HIGHLIGHTS OF THE YEAR]

> Assertive stance

Economic recovery on the third quarter enabled Duratex to speed up its commercial pace, ensuring market share gains. The improved operations brought record results for the year, as well as major investments.

> Dissolving wood pulp (DWP) plant:

the works at the DWP plant of LD Celulose [a joint-venture between Duratex and Austrian company Lenzing AG], expected to be completed in early 2022, were carried out in accordance with schedule. Built up at the Triângulo Mineiro region in the Minas Gerais state, the unit received a R\$523.1 million investment in cash in 2020. According to the project, when the unit becomes fully operational, it will be able to produce 500,000 metric tons of DWP per year, intended for export purposes.

> Merger of Cecrisa:

In 2019, Itaúsa purchased Cecrisa Revestimentos Cerâmicos S.A., owner of brand Portinari, with annual production capacity of 20 million sqm. Over 2020 the merger of Cecrisa into Ceusa - brand already held by Duratex - was completed with the capture of significant synergies that were part of the merger project. In the market, the brand Ceusa makes products with maximalist and casual design and Portinari has minimalist collections but without relinquishing sophistication. The consolidation is aimed at making Duratex Brazil's best ceramic tile company.



Copagaz

Since December 2020, Itaúsa has held approximately 48.5% of Copagaz's capital stock, Liquigás' controlling stockholder – a company set up in 1953 and today's leader in the distribution of liquid petroleum gas (LPG) cylinders in the Brazilian market

Over 35 million households are served. The company also provides LPG in bulk to industrial, commercial, agricultural and livestock, and services industries. In 2020 Copagaz distributed over 50,000 metric tons of LPG per month under its own brand.



LIQUIGÁS

Copagaz in 2020

[IN COMBINED NUMBERS]



R\$ 8.8 billion

net revenue*



**Approximately
90,000**

direct and indirect employees



Operations in

24 Brazilian states and
the Federal District



A 25% share

in the LPG distribution market

* Estimated pro forma, considering the results from Liquigás, acquired by the company in 2020.

[HIGHLIGHTS OF THE YEAR]

> Merger with Liquigás:

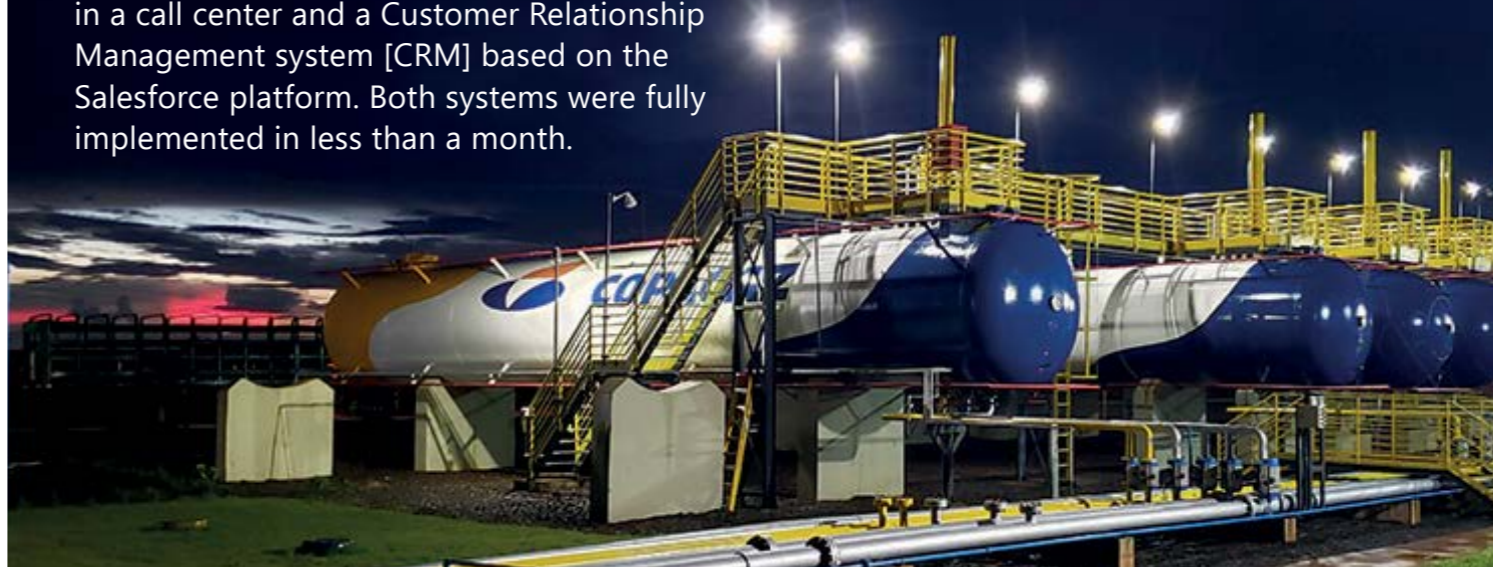
in 2020, after approval by CADE (Brazilian antitrust authority), Copagaz focused on the consolidation of Liquigás operations. In 2020, after approval by CADE, Copagaz, together with Nacional Gás, fully acquired Liquigás. The acquisition made the company the national leader in bottling, distributing and selling of LPG.

> Implementation of CRM and call center:

facing increased demand of customer service during the pandemic, the company invested in a call center and a Customer Relationship Management system [CRM] based on the Salesforce platform. Both systems were fully implemented in less than a month.

> New digital channels:

in 2020, Copagaz also developed two digital customer service tools, which started off full operations in January 2021. The Customer Portal can be accessed on <https://copagaz.com.br/portais/portal-do-cliente/> and provides features to dealers and corporate clients. On social network Facebook - <http://facebook.com/copagaz>- the company's profile has now a chatbot to answer questions and help scheduling technical visits.



NTS

Nova Transportadora do Sudeste S.A. (NTS) is a carrier of natural gas operating in three states of the Brazil's Southern region (Rio de Janeiro, Minas Gerais and São Paulo), ensuring gas supply in the most industrialized area in Brazil, accounting for 50% of the gas consumed in Brazil

Headquartered in Rio de Janeiro, the company operates under long-term permits with 100% contracted capacity (through ship-or-pay contracts). The nature of its operations has enabled NTS to hold positive financial results in 2020. In view of the announcement of Petrobras divestiture in the company (the state-owned company holds 10% of NTS capital stock) and changes brought by the New Gas Market regulatory framework, Itaúsa has analyzed the scenario to determine the next steps to take concerning this asset. .



NTS in 2020

[IN NUMBERS]



R\$ 1.21 billion

in fair value (regarding the Itaúsa's stake of 7.65%)



2,048 km

of gas pipelines



Approximately 50%

of the natural gas consumed in Brazil are carried through the company's network



Aproximately 1,000

direct and indirect field workers, and over 100 new direct jobs generated

[HIGHLIGHTS OF THE YEAR]

> New receiving site:

one major NTS infrastructure project in 2020, the construction of a new receiving site for natural gas in the Municipality of Guapimirim (Rio de Janeiro state) was completed in the fourth quarter of 2020. The new unit is set to receive the gas processed at the Natural Gas Processing Unit (NGPU) of Rio de Janeiro Petrochemical Complex, extracted from the pre-salt fields.

> Capital Reduction:

in August 2020, NTS capital reduction was approved through capital reimbursement to stockholders with no cancellation of shares, with the number

of shares and stockholding percentage of each stockholder in the Company's capital remaining unchanged.

> Funding:

in the same quarter, a loan of R\$60 million was raised to optimize the return on two projects, the acquisition of a compression station (in Mantiqueira, Rio de Janeiro state) and the aforementioned construction of the gas receiving site in the Municipality of Guapimirim.



Reputation Capital

ON THIS CHAPTER

[RESPONSE TO THE COVID-19 PANDEMIC]

[ITAÚSA INITIATIVES AND INVESTEE COMPANIES]

[TODOS PELA SAÚDE]

[OTHER ESG HIGHLIGHTS]



[REPUTATION CAPITAL]

Reputation and sustainability

Itaúsa's social capital encompasses the value created by the Company to Brazil through its environmental, social and governance (ESG)-related activities, including own efforts and influence on the portfolio companies towards an efficient ESG management. In a year overshadowed by the socioeconomic effects of the Covid-19 pandemic, Itaúsa's historical vocation to carry out positive impact was put to test – and the Company rose up to the challenge.

In all segments of the economy, addressing ESG issues has increasingly grown in importance in latest decades. Itaúsa's strategic stance has followed up this progress in its relationships with portfolio companies, internal actions and engagement in E&S

responsibility initiatives. Analyses of potential new investments address issues such as environmental management, social initiatives taken and asset sustainability practices. This work is part of the **shared culture** work and, in the scope of Itaúsa's long term planning, contributes to the Company's **business continuity**.

Internally, the care with Corporate Governance topics was strengthened with the set-up, in 2020, of the Corporate Governance Committee (learn more about it in section

Itaúsa's vocation to carry out actions positive impact made the difference in 2020

Governance, compliance and ethics). This body teams up with the Sustainability and Risk, People and Ethics, and Social Impact Committees (set up in 2019) to identify opportunities for ESG activities in Itaúsa and investees. In 2020, the Company and its controlling shareholders engaged in the pandemic relief efforts with the donation of the total amount of R\$100 million to the Todos pela Saúde (All for Health) program (learn more about it in *Response to the Covid-19 pandemic*).

All of this has resulted in the inclusion of Itaúsa in some of the top corporate sustainability indices. Since 2003, the Company has made up the Dow Jones Sustainability Index (DJSI) World and, in October 2020, it was included for the first time ever in the FTSE4 Good of the London Stock Exchange (which gathers companies with outstanding ESG practices around the world). In Brazil, for the 14th consecutive year, Itaúsa was selected to make up B3's Corporate Sustainability Index (ISE).

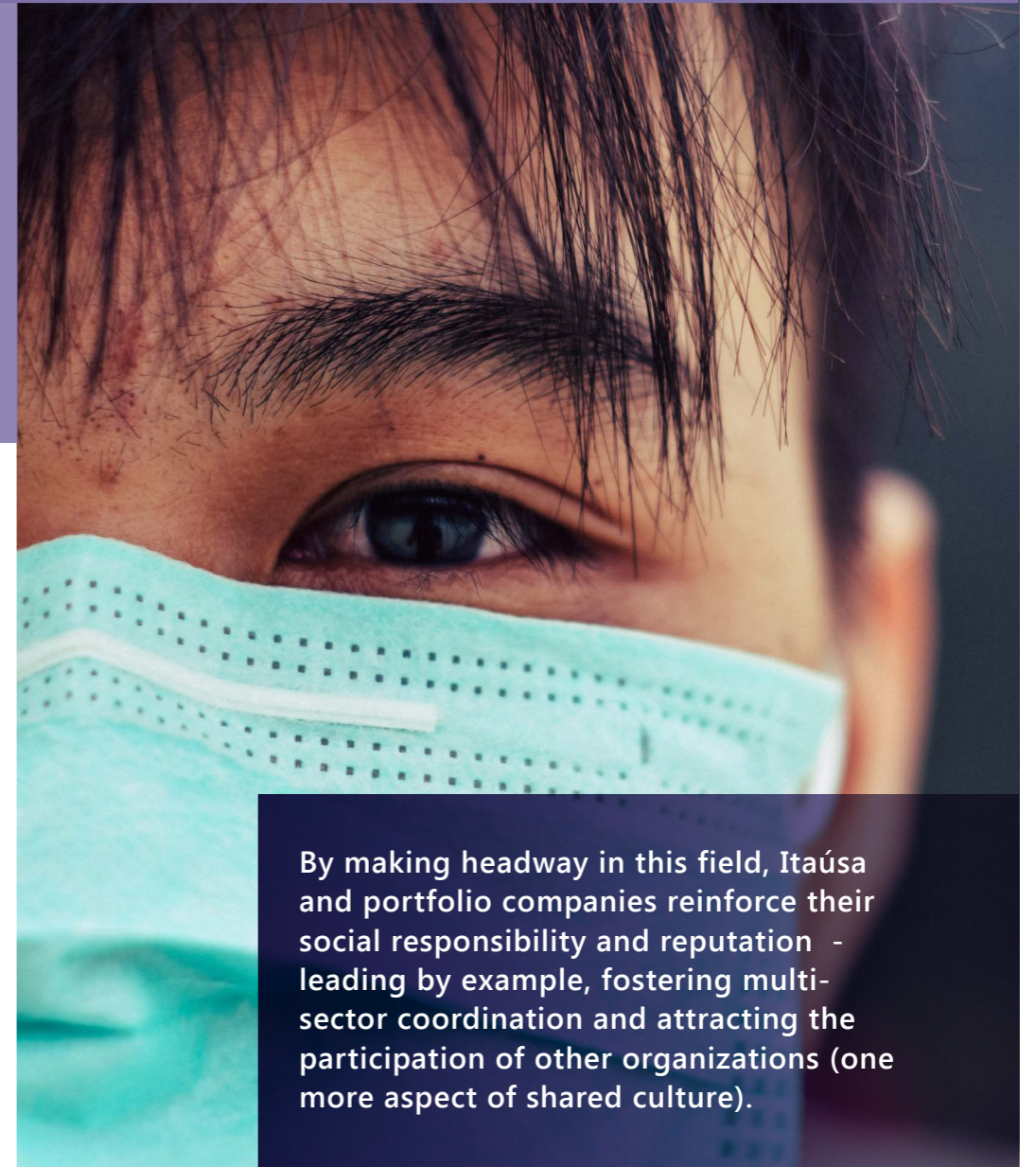


Response to the Covid-19 pandemic

Itaúsa, its portfolio companies, foundations and institutes, as well as the controlling group families contributed to the relief efforts with the disease with donations in the amount of R\$ 1.5 billion, social mobilization campaigns, training programs direct support to the population and other actions.

With the confirmation of the first cases of Covid-19 infection in Brazil, all the authorities and institutions rallied to mitigate the negative effects of the global pandemic on the population's health. Itaúsa, its portfolio companies, foundations and institutes, as well as the controlling group families contributed to the relief efforts with donations in the amount of R\$ 1.5 billion, social mobilization campaigns, direct population support programs and other actions, in addition to many actions focused on the employees' health and safety.

Actions focused on the national emergency have showed the importance of companies and investors working in the social responsibility field, a move that is part of Itaúsa's strategy. Creating shared value and bringing the private sector together for the population's benefit is also part of our search for **business continuity**.



By making headway in this field, Itaúsa and portfolio companies reinforce their social responsibility and reputation - leading by example, fostering multi-sector coordination and attracting the participation of other organizations (one more aspect of shared culture).

Itaúsa initiatives and investee companies

ITAÚSA

- > Adhesion to remote working system
- > Crisis Committee Institution
- > Donation of R\$ 100 million, together with the controlling group shareholders, to the Todos pela Saúde initiative
- > Monitoring the physical and mental health of the employees
- > Online labor gymnastics
- > Round of talks with HR department
- > Online employee's birthday celebrations



- > Adhesion to remote working system
- > Crisis Committee Institution
- > Donation of R\$1 billion for the creation of the Todos pela Saúde initiative
- > Anticipation of Christmas bonus and granted early vacations for employees
- > Increased availability and convenience of digital customer service channels
- > Support to customers through flexible loan payment conditions (Travessia and 60+ Programs)
- > Transfer of funds from government incentive programs (Pronampe)



- > Adhesion to remote working system
- > Crisis Committee Institution
- > Donation of R\$ 10 million including financial resources, and hygiene products items
- > Compliance with strict safety and social distance protocols in industrial plants
- > Implementation of a daily employee access channel (Portal Cuidando Juntos) to mitigate risks and take emergency measures, when necessary



- > Adhesion to remote working system
- > Support for health and vulnerable communities through the Alpargatas Institute, totaling more than R\$60 million.
- > Adaptation of operations (factories and physical stores) to preserve the safety and health of employees and customers



- > Adhesion to remote working system
- > Donation of R\$6 million for the acquisition of PPE, hospital equipment and beds
- > Donation of food staples and hygiene kits
- > Internal volunteering actions for collection of food staples to socially vulnerable families

Todos pela Saúde - All for Health's program

The milestone in 2020 was Todos pela Saúde (All for Health) program, a multidisciplinary initiative set up in April by Itaú Unibanco with the main purpose of taking on the effects of the pandemic in Brazilian society.

PERFORMANCE PILLARS

1. INFORMING	2. PROTECTING	3. PREPARING	4. CARING
Awareness and guidance campaigns for mask-wearing and protection measures, reaching 175 million people	Distribution of 50 million masks to health care professionals Over 25,000 tests per day* 14 million masks to users of public transport, elderly, indigenous and homeless people. Over 90 Programs' national coverage million personal protective equipment (PPE)	Support for epidemiologic research Investment in the new Fiocruz's and Butantan's vaccine plants	105,000 oximeters 44,000 tests and actions for truck drivers 2,500 pieces of hospital equipment Purchase of oxygen plants in the amount of R\$ 8.5 million donated to the city of Manaus, Amazonas state

* Testing Center started off operations on July 31 and August 7, 2020 in the Rio de Janeiro and Ceará states, respectively.



The initial donation of R\$ 1 billion, the highest amount allocated to a charitable cause in Brazil, was made by Itaú Unibanco. Funds have been allocated to different projects approved by the specialists of the Todos pela Saúde program through Fundação Itaú Social. Itaúsa and its stockholders have contributed with R\$ 100 million, Alpargatas and Duratex have also donated to the program.

The table above shows the investments and the main initiatives associated with each of the four pillars of the Todos pela Saúde program in 2020 (Informing, Protecting, Preparing and Caring).



LEARN MORE

For more information on Todos pela Saúde, visit [webpage only in Portuguese]: [here](#).

Other ESG highlights

Itaú Unibanco

As an E&S responsibility benchmark in Brazil, Itaú Unibanco drives its ESG-related activities based on nine commitments: financing in positive impact sectors, responsible investment, inclusion and entrepreneurship, financial citizenship, transparency in communication, ethics in relationships and business, inclusive management, responsible management, and private social investments.

Like other commitments, the Private Social Investments commitment is consistent with the U.N. Sustainable Development Goals (SDGs) and focus on four large work fronts: Education, Culture, Mobility, and Longevity.

Fostering gender equality: in 2021, for the fifth consecutive year, Itaú Unibanco made up the Bloomberg Gender - Equality Index (GEI), a global index acknowledging publicly-held companies that support gender equality. In Brazil, Itaú is one of four companies included in GEI 2020.

Amazon Plan: set-up of the Amazon Advisory Board, a body for the support of the implementation of measures proposed by the banks to foster the sustainable development of the Amazon region. The projects discussed take into account different knowledge about E&S issues of that region. The Plan will prioritize four areas of activity: encouraging sustainable chains, land regularization, fighting deforestation in the meat production chain, and fostering bioeconomy.

Signing up the Coalition Brazil Climate, Forests and Agriculture: also, in October Itaú Unibanco has signed up to Coalition Brazil Climate, Forests and Agriculture. The purpose of the movement is implementing actions aimed at fostering a new development model towards a low-carbon economy.

Instituto Unibanco's bid notices: Instituto Unibanco launched two bid notices in 2020. The Bid Notice for Institutional Strengthening offered technical and financial support to 30 organizations committed to ensuring the right to education. The Youth Connection Bid Notice selected six 26-minute documentary projects with inspiring public high school education stories.

FUNDAÇÃO ITAÚ PARA A EDUCAÇÃO E A CULTURA (“ITAÚ FOUNDATION FOR EDUCATION AND CULTURE”)

The establishment of Itaú Fundação Itaú para a Educação e a Cultura consolidated three segments of action in corporate social responsibility: Itaú Social, Itaú Cultural, and Education and Work. These are actions to promote education, culture, social assistance, defense and guarantee of rights, as well as strengthening civil society.



Itaú Social

Established 27 years ago, Itaú Social develops, implements and shares social technologies to contribute to the improvement of Brazilian public education. The strategies are divided into two lines: Training of Education Professionals and Strengthening Civil Society.

2020 HIGHLIGHTS

- 132,000 education professionals trained in 3,887 municipalities, benefiting 4.4 million students
- 57,900 professionals trained in the Strengthening of Civil Society line, with support to approximately 2,000 organizations in 3,059 municipalities
- R\$ 169.9 million invested

Itaú Cultural

In more than 30 years of operation, Itaú Cultural has been dedicated to research, mapping, incentive, production and dissemination of manifestations in the most diverse areas of expression. It holds exhibitions, cinema shows, performing arts shows, literary activities, music shows, educational programs, courses for teachers, on-site and distance learning, among other initiatives.

2020 HIGHLIGHTS

- 45,143 enrolled in the series of Multiple Emergency Calls, and 1,100 selected
- Opening of Escola Cultural Itaú (Itaú Cultural School): 3,500 students enrolled in online courses
- 45 million accesses to the Itaú Cultural Encyclopedia of Brazilian Art and Culture website
- 11,246 projects enrolled in the 2019-2020 Rumos program, from all states of Brazil and countries such as Argentina, Canada, Germany, Ecuador, Macau, Venezuela, France and Spain
- 123,662 visitors to Itaú Cultural's headquarters in São Paulo
- R\$ 80.1 million invested

Itaú Educação e Trabalho [Itaú Education and Work]

In 2020, Itaú Itaú Educação e Trabalho (“Itaú Education and Work”) consolidated itself as a superintendence, continuing investments focused on the formulation of a new model of High School, flexible and articulated to Technical and Vocational Education - TVE.

2020 HIGHLIGHTS

- Public policies on Education and Work
- Ecosystem of institutions that work with Education and Work
- Curricular Articulation and Entrepreneurial Projects
- Young people and adults Program integrated to professional education
- Continuous Itinerary
- Professional Learning
- High School and TVE Policy design
- Curriculum and New High School Initiatives
- Studies, Research, Educational and Instructional Materials
- Methodology to support the Implementation of Professional and Technological Education
- R\$ 23.0 million invested



Actions in 2021 will continue to focus on Education and Culture, with direct actions in programs, or supporting public policies, always seeking to reduce the negative impacts produced by the pandemic and social distance

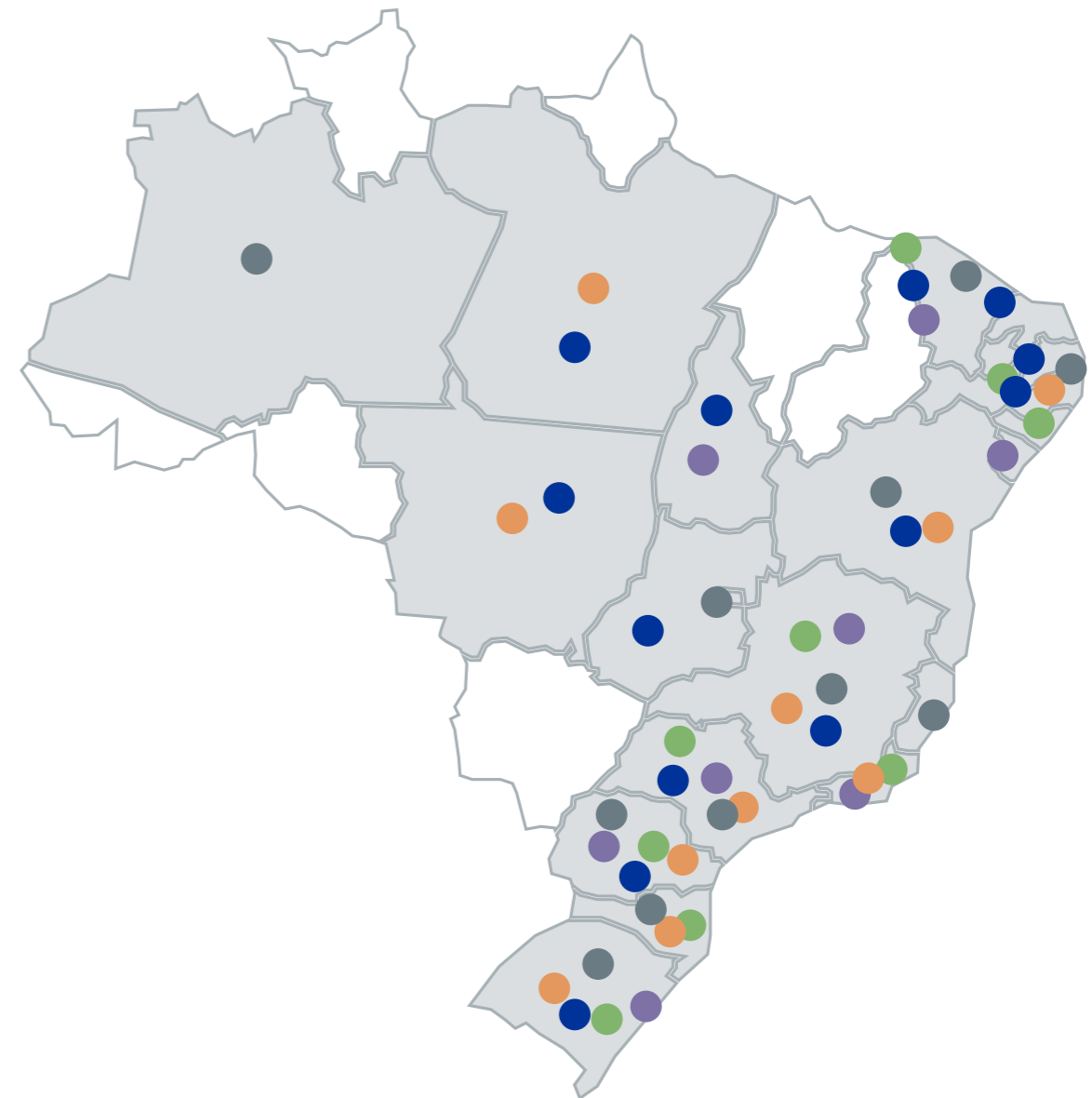
Incentive programs

In 2020, private social investment becomes even more relevant, encouraging initiatives necessary to overcome this difficult period. In the period, the resources allocated through incentive funds from tax benefits, such as the Rouanet Law (culture), the Federal Sports Incentive Law (sports), the Elderly Law (elderly), PRONAS (health), PRONON (health) and FUMCAD (education) represented approximately 5% of Itaú Unibanco's total private social investment.

Programs encouraged by the Brazilian government

Program	Investment (R\$ million)	Number of Projects	Benefited People (000)
Culture	47.6	117	20.0
Health	14.9	16	22.7
Elderly	11.4	18	11.8
Education	11.3	34	9.4
Sport	11.3	31	10.6
Total	96.5	216	74.5

PROGRAMS' NATIONAL COVERAGE



Other ESG highlights



Alpargatas

With respect to environmental sustainability, the brand Havaianas has launched a Reverse Logistics pilot project. Stores and gated communities received proper used Havaianas disposal boxes and, in partnership with Trash In, a circular chain start-up, send the collected products for the production of new items, such as floors and tires, as well as for tests seeking different solutions for our production chain.

Havaianas also supports Instituto Ipê in conservation projects for the Atlantic Forest, Amazon and Pantanal, and collaborates with NGO Conservação Internacional, which develops scientific research in the sea of Abrolhos (Bahia state).

The brand Osklen, in turn, has worked with sustainability for over 20 years developing actions based on the ASAP (As Sustainable As Possible, As Soon As Possible) principle. In 2020, the brand launched three flags that consolidate their legacy: Regenerate life, Re-design waste and Respect our people.

At the social responsibility field, in addition to leading the coronavirus relief efforts, Instituto Alpargatas has developed three major actions focused on education, culture and volunteering in the states of Paraíba, Minas Gerais and Pernambuco.

Duratex

Duratex has a sustainability strategy supported by four pillars: People, Processes, Products and Services, and New Business Models. Each one addresses ESG-oriented aspirations, topics and objective goals to be achieved by 2025. On the whole, 45 commitments have been assumed, with their status reported to the market on an annual basis.

Through its Environmental and Social Program, Duratex aims at ensuring that its new business is adjusted to the sustainability strategy. In 2020, the company made further headway towards the improvement of its transparency levels and started to report its progress in ESG issues in an Integrated Report.

Over 2020, the company's initiatives were recognized by different entities specialized in ESG issues, such as:

25 years of FSC: on July 1, 2020, it has been 25 years that Duratex received the responsible forest management certification from the Forest Stewardship Council (FSC), the first planted forest industry company in the world to achieve such milestone. Obtaining the seal and assuming a commitment with the responsible management of forest resources bring positive impacts to date for the company and the environment and population living in the forests surrounding Duratex.



Transparency recognized by SPOTT: in August, the SPOTT program (Sustainability Policy Transparency Toolkit, set up by the Zoological Society of London (ZSL), England) recognized Duratex as the most transparent company in Brazil and Americas in ESG commitments in the wood and pulp industry. In addition to the leadership in Brazil and in the Americas, Duratex was ranked the world's fourth in 2020.

S&P/B3: in October the company joined the S&P/B3 index, launched in partnership between S&P DJSI and B3 to award stock exchange listed companies adopting material ESG practices. Like Itaúsa, Duratex makes up B3's ISE index and in 2020 it made up this index for the 13th consecutive year.

Signing up to the Integrity Pact: together with Itaúsa, in 2020 Duratex became a signatory to the Corporate Pact for Integrity and Against Corruption. Compliance with the Pact guidelines is internally monitored by Duratex Corporate Governance Department.

NTS

Since 2019 NTS has focused its actions on ten municipalities handpicked to be part of a plan for bringing them closer to the company, scheduled to be implemented by 2021. These municipalities have been selected based on a social diagnosis of 33 communities surrounding the company's facilities, particularly taking into account socioeconomic and strategic issues.

Contribution to social projects: NTS published in 2020 a notice bid for sponsoring social projects. These selected actions should contribute to the sustainable development of municipalities in the states of Minas Gerais, Rio de Janeiro and São Paulo, where the company operates. In 2020 approximately 22,000 people were benefited by projects supported by NTS, with an investment of R\$14 million and set to be carried out by 2021.





Human Capital

ON THIS CHAPTER

[PEOPLE MANAGEMENT]

[HUMAN CAPITAL]

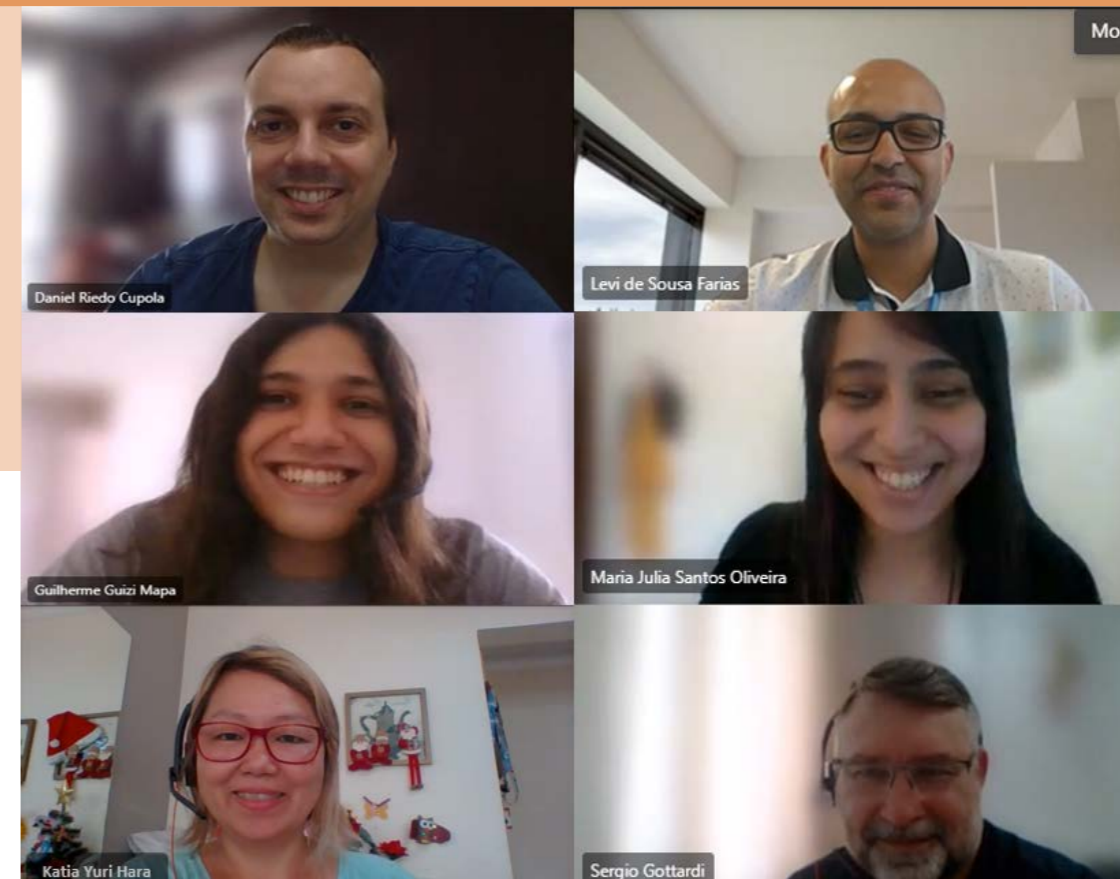
People

Itaúsa's **human capital** is the sum-up of knowledge, attributes and skills used by the Company's work force in the economic value creation process. This human capital is the core of the strategic pillar of **shared culture**: executives, officers, supervisors and other employees who implement planned actions, monitor the management of investees and evaluate their ability to create value in the long term.

It is a continuous investment in updating and developing people, aimed at engaging talents and preserving the wellbeing and

satisfaction of internal stakeholders. In view of such a challenging and complex 2020, these 95 professionals showed resilience and ability to adapt.

The People and Ethics Committee is responsible for defining HR- related guidelines and policies at Itaúsa, including compensation, training and performance evaluation policies. The group includes one external expert who contributes with analyses of market trends and benchmarks.



Women account for 58% of Itaúsa's total professionals

People management GRI 103-2, 103-3

Over the last years, Itaúsa has carried out a continuous review of its people management processes. Good practices have also been shared and discussed with the portfolio companies. In 2020, Itaúsa kept in touch with the People Management departments of the investees - which together employ over 120,000 people. In addition to the effects of the pandemic, discussions included topics such as digital transformation, diversity and health plans.

MEASURES TO FIGHT THE PANDEMIC

Itaúsa's people management department prioritized protection measures to fight coronavirus. In accordance with the rules set forth by public health authorities and services, the Company established an active communication channel with people with updated information on the pandemic scenario and social distancing and hygiene rules. At the

end of March 2020, after quick mobilization, all employees adopted home working.

In addition to technology and infrastructure support, Itaúsa has also made available a personal support program ("Fique OK" – Be OK), with open channels to address psychological support, nutrition, physical conditioning and other topics. The "Fique OK" program also gives advice to employees and their family members on how to plan their personal finance and family budget. The regular health care schedule remained unchanged, including vaccination against the flu in April, health mapping in June, and online workshops and talks about breast cancer (part of the Pink October campaign), and topics such as ergonomics, remote working management and mental health. **GRI FS16**

Four surveys "Diz aí, Itaúsa" (Say it, Itaúsa)



– Remote Working edition were conducted between May and September 2020 to assess employees' adjustment to the new reality. With a 93% response rate from internal stakeholders, the latest survey showed effective communication between teams and supervisors and a more flexible routine as the main remote working advantages.

Initially expected to be adopted until mid-April 2020, remote working arrangements were extended indefinitely. In the second half of 2020, an office-return protocol was applied to adjust offices to all coronavirus prevention measures. Employees were trained through

information videos and a guidebook and received a prevention kit at home. In the event of occasional work or gradual return to office, employees were tested for Covid-19.



LEARN MORE

See [here](#) the detailed KPIs related to Itaúsa's human resources [GRI Annex](#)

TALENT DEVELOPMENT AND RETENTION

GRI 404-2

Performance evaluation cycles were maintained over 2020 with online meetings and feedback. Itaúsa started to review its employee performance management process and the new format to be implemented will provide the sharing of corporate targets among teams and people, thus encouraging team cooperation. Approved after a drill carried out with the Board of Officers, the model will be adopted by all internal stakeholders in 2021.

One innovation in 2020 was a survey specifically to evaluate supervisors. Employees could provide feedback on the leaders of their teams, identifying strengths and improvement opportunities. The information gathered will be used in a new development plan to be adopted in the 2021 Leadership Program.

LEADERSHIP PROGRAM

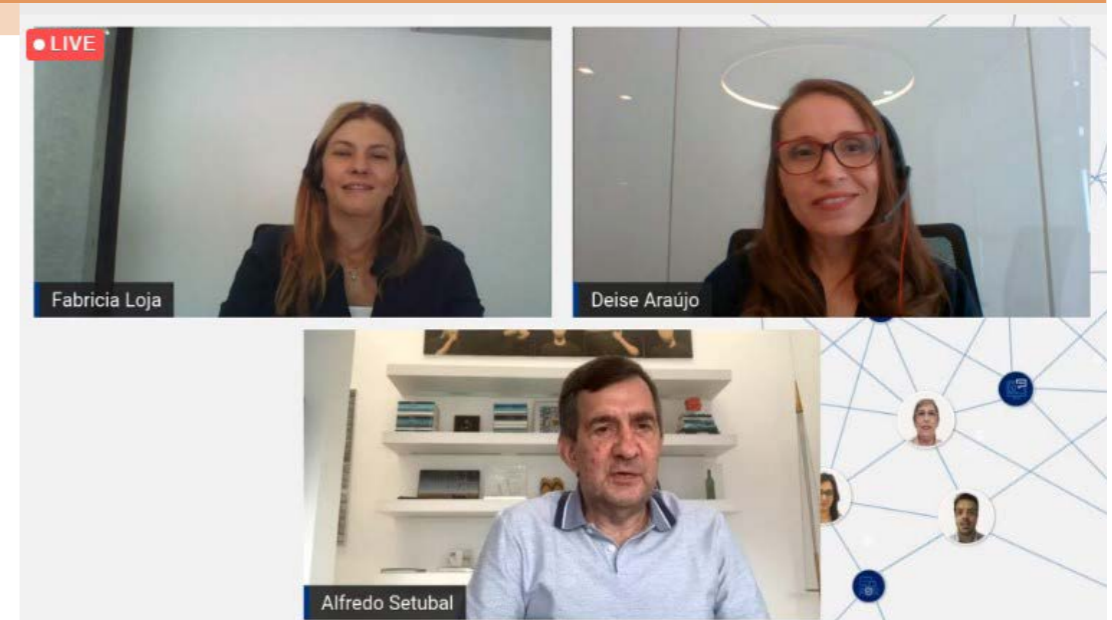
Launched in 2019 to improve the development of Itaúsa's supervisors, in 2020, the Leadership Program focused on the skills required for team management under remote working arrangements. To help developing activities, adjusting performance metrics and establishing communication between leaders and teams, two online training modules were used. Additionally, four coaching programs were offered to help supervisors get ready for future challenges.

COMPENSATION AND BENEFITS

In 2020, the review of the employees' fixed and variable compensation architecture, which was started in 2019, was completed. A comparative study with other companies of the industry supported changes in the job and salary structure and a better alignment with market good practices. Additionally, the benefits offered to employees with permanent employment contract for full-time work include life insurance, health insurance, disability and invalidity coverage, meal aid, Gympass, parental leave and retirement provision. **GRI 401-2**

Supervisors' and senior management members' compensation includes a variable portion, proportionally to the achievement of certain metrics (such as return on equity indicators, budget performance and other performance issues of Itaúsa and investees).

Itaúsa does not adopt a stockbased compensation approach to its executives, as the Board of Directors understands that, as these professionals may also be part of the controlling group, they are already exposed to the Company's performance in capital markets.



2nd GOOD PRACTICES WEEK

The second edition of Itaúsa's Good Practices Week was held online on November 10 and 13, and was the main learning and discussion forum on the Company's internal culture in 2020. This annual event featuring talks and training on ethics and integrity aims at strengthening Itaúsa's integrity culture. The CEO Alfredo Setubal opened the event, which was dedicated to the launching of Itaúsa's Integrity Program (learn more about it in Governance, compliance and ethics). Rodolfo Marino, the Company's Executive Vice President, closed the event.

In 2020, even with remote work, the average hours of training increased approximately 50%, reflecting the SAP S/4 HANA implementation (SOMA 2.0 Project)

ITAÚSA'S INTERNSHIP PROGRAM 2020

Among the initiatives for developing and training new talents, in July, Itaúsa started the selection process for students attending undergraduate courses in Administration, Accounting, Law, Psychology, Economics, Information Technology/Systems and Computer Engineering/Science. The Internship Program is one of the ways Itaúsa's staff is renewed. After a process including tests, group dynamics, panels and interviews (carried out in an online manner), in November, the names of the new interns were announced who will join Itaúsa for a two-year cycle, which underwent an onboarding process.

YOUNG APPRENTICE PROGRAM

Another initiative that enables students to join Itaúsa is the Young Apprentice program, through which Itaúsa, in partnership with organizations for professional training for youngsters, creates opportunities for the first job. The purpose is providing these youngsters with differentiated opportunities for their careers.

In 2020, two young female apprentices were hired and have been trained to carry out administrative activities. Another young apprentice was given the chance to migrate to the Itaúsa's Internship Program.



DIVERSITY IN ITAÚSA AND ITS PORTFOLIO GRI 103, 103-2, 103-3

Nowadays, fostering diversity is one of the key points when companies discuss on ESG issues. In Itaúsa, ESG issues are embedded in its multi-age work force, which is composed of employees from different age groups working together, and in the female presence in its internal stakeholder (women account for approximately 60% of the team). Social and cultural diversity has been fostered in people attraction processes and in the Internship Program and Young Apprentice program, which have sought candidates with different profiles.

The Nomination Policy for the Members of the Board of Directors includes a reference to meeting diversity criteria, whenever possible.

The Company monitors the progress in diversity issues in the portfolio companies, particularly in Itaú, Duratex and Alpargatas, which have a large number of employees and have been carrying out awareness raising programs, especially focused on gender and ethnic issues.



Intellectual and manufactured capitals

ON THIS CHAPTER

[**STAKEHOLDER ENGAGEMENT**]

[**HIGHLIGHTS OF THE COMPANIES IN 2020**]

[INTELLECTUAL AND MANUFACTURED CAPITALS]

Brands, innovation and expertise

Itaúsa's **intellectual capital** comprises the Company's knowledge and expertise applied to financial and strategic decisions and to the identification of management improvement initiatives (internally and in portfolio companies). Itaúsa's participation in governance bodies of portfolio companies allows this knowledge to be shared with these other companies and contributes to the development and **business continuity** of these investees. Value created by this capital also results in an increased stockholders base and Itaúsa's and its spokespersons' positive image in the media and in awards and public recognition – as well as in competitive edge and efficiency gains for the Company and investees.

Intellectual capital is associated with Itaúsa's manufactured capital, which comprises technologies that add operations security, reliability and agility to the Company's management. Accounting and financial transactions are carried out in updated environments and systems, which integrate information technology (IT) and cybersecurity breakthroughs. Employees are trained in processes and protocols for these technologies, including Brazilian General Personal Data Protection Act (LGPD) related issues.

SENIOR MANAGEMENT QUALIFICATION

The Board of Officers, Board of Directors are composed of professionals with recognized expertise in areas such as financial management, investor relations, administration, accounting, human resources, strategy and law. Board members are chosen based on the criteria of the Nomination

Policy for the Members of the Board of Directors, which prioritize highly qualified professionals, with outstanding experience (technical, professional, academic) and aligned with Itaúsa's values and culture.

Management department	Related capitals	Members' areas of expertise*
Financial/accounting	Financial	100%
Corporate governance	Reputational, financial	83,3%
Risks and compliance	Financial	66,7%
Sustainability	Social, financial	66,7%
Strategy	Social, financial	66,7%
Communication with the market	Reputational, social, financial	50,0%
People management	Human	50,0%
Technology and innovation	Manufactured, intellectual	33,3%
Law	Intellectual, financial	16,7%

*Considers the percentage of board members who have expertise in each management area

Intellectual capital also comprises the qualification of Itaúsa's staff and the strength of the Company's corporate governance (including compliance and internal control processes). These are major components of

Itaúsa's ability to create value and, through the **culture shared** between the Company and investees, they contribute to improving these companies' management.

INTELLECTUAL CAPITAL DEVELOPMENT AND UPDATE GRI 103-2, 103-3

The Human Resources department develops and makes available training programs, disclosing information and managing the whole course delivery cycle. Training programs for Itaúsa's employees are designed based on individual development plans (IDP) of each employee. Corporate team training is scheduled as required. An outplacement program is in place to help the transition of dismissed employees.

Employees interested in external training and courses may apply for financial subsidies. The employee's request is dependent on the approval (resolved on by the People and Ethics Committee) from their immediate supervisor and the course being suitable to the employee's IDP and Itaúsa's goals.

The continuing education subsidy policy comprises undergraduate, post-graduate, master and PhD courses, language courses, in-person courses for supplementing technical and behavioral knowledge, leadership, and other open courses. The employee is responsible for ensuring their own regular attendance, whereas the HR department should monitor the employee's attendance and performance.

SOMA 2.0 Project

In spite of the challenging scenario as the one faced in 2020, Itaúsa has carried on with the SOMA 2.0 Project, aimed at reviewing all its financial processes and updating Itaúsa's corporate management system to the SAP S/4 HANA platform, SAP's cutting edge platform. New tools will help reduce operational risks –including in internal control processes and other governance issues– and foster the Company's general agility and productivity.

Many processes in all departments will be automated, particularly the financial management processes – with expected gains in time and efficiency in accounting, fiscal area, cash flows and budgeting, among other activities. The project has involved 46 mapped processes, over 14,00 working hours and more than 50 professionals, in addition to 1,766 hour training.

This was one of the only projects carried out on a fully online basis and we became a SAP study case given our excellent performance.

Stakeholder engagement

Corporate Communication department endeavored to increase engagement with all stakeholders

Itaúsa takes accountability for its management, results, strategy and other material facts and reports it in different formats – presentations, newsletters, reports, releases and likewise. The official website www.itausa.com.br includes in-depth documents about the Company's financial performance, internal policies and rules, announcements, minutes of General Meetings, meetings of Board of Directors and Board of Officers, and other Company's institutional data.

The website has also a FAQ section based on the topics most frequently addressed to the Investor Relations team (www.itausa.com.br/FAQ). Investors can monitor the performance of their assets with an online investment simulator. (www.itausa.com.br/investment-simulator).

GRI FS16

A new corporate website - more modern and meeting accessibility requirements – was developed in 2020 and launched in February 2021. laun-

ched in February 2021. More up-to-date, dynamic, intuitive and fully integrated, the new website facilitates access for users and promotes self-service. Now is possible to access detailed content about the Company, its results, model of business, corporate governance structure and it has an area dedicated to the press and integrated to the company's social media, in addition to information about the portfolio companies and services to investors.

Set up in 2019, in 2020, the Corporate Communication department endeavored to increase its engagement with both internal (employees) and external stakeholders. Itaúsa has expanded its presence in the social network, strengthening the update of profile on LinkedIn and setting up a YouTube channel. With a massive increase in the number of individual stockholders – almost 900,000 by the end of the year –, direct communication through network have become increasingly strategic.

KEY MEANS OF COMMUNICATION WITH STAKEHOLDERS

Communication means	Target audience	Content and frequency
Earnings conference calls	Capital market analysts and investors	Semiannual, supplement the earnings release
Public meetings	Investors, analysts and the media	Annual, to discuss results, strategies and prospects
Announcements by email	General public (through registration on the website)	Sent when required to disclose announcements, material facts, notices to stockholders and other important communications
Ações em Foco (Shares on Focus) newsletter	General public	Quarterly newsletter published on the website, with analysis of results and indicators
Social networks (LinkedIn, YouTube, Instagram)	General public	Material facts and highlights of Itaúsa's activities are published on the networks on a regular basis
Integrated report	Key stakeholders (stockholders, investors, portfolio companies, analysts and employees)	Annual, disclosed on the website
Announcements on the websites of the Brazilian Securities and Exchange Commission (CVM) and B3	Regulators and other capital market entities	Published whenever applicable to provide legal information to the market and regulators
Website	General public	Updated whenever applicable to keep information about Itaúsa and its portfolio companies up to date, as well as its results, business model, governance structure, history of earnings, and to have a department dedicated to the media and general public
Reference Form	Key stakeholders and regulators	Updated annually, contains operational and governance data. Disclosed on Itaúsa's and CVM's websites
Brazilian Code of Corporate Governance	Key stakeholders	Updated annually on https://www.itausa.com.br/Corporate-Governance-Report , it summarizes Itaúsa's status on critical governance aspects

Specifically for investors, Itaúsa has a Investor Relations team dedicated to answering and clarifying questions related to the Company: business, modeling financial and strategy, among other matters.

Itaúsa also works with its **shared culture** through membership in trade associations of significance to the Brazilian economy, such as the Brazilian Association of Publicly-Held Companies (Abrasca), Brazilian Confederation of Industries (CNI), Brazilian Institute of Investor Relations (IBRI), Brazilian Institute of Corporate Governance (IBGC), and Institute of Studies for Industrial Development (IEDI). **GRI 102-13**

Panorama Itaúsa 2020

The 20th edition of Itaúsa's annual public meeting 2021 Itaúsa Outlook – was held on September 23, 2020. Broadcast on YouTube, this event was followed by over 17,000 people. Alfredo Setubal, Itaúsa's CEO, and the CEOs Candido Bracher (Itaú Unibanco), Roberto Funari (Alpargatas) and Antonio Joaquim (Duratex) presented a summary of the companies' performance and the prospects of 2020 results. The panel also included Mário Mesquita, Itaú Unibanco's chief economist.

2020 Itaúsa Outlook sent shock waves through the Brazilian media. A total of 95 articles about the event was published on 69 vehicles, including press, digital media, radio and TV. These publications impacted an estimated 3.3 million people. At the end of the event, the audience was able to interact with the speakers in the Q&A session.

Highlights of the companies in 2020

Itaúsa's portfolio companies are renowned by their leadership in the markets they operate, the strength of their brands and the innovation added to their products and services.



Itaúsa stands out among the world's best companies to work for

The Forbes magazine published in October a list of the best companies to work for in 2020. Itaúsa was ranked 358 in the world and second among Brazilian companies. The survey included 750 companies from 45 countries – only seven Brazilian companies. Itaúsa has stood out because of its stance in the Covid-19 pandemic and people management initiatives, including talent development and diversity fostering.

In 2020, the highlights of the portfolio companies were as follows:

Itaú Unibanco

The most valued brand in Brazil:

according to the Brandz Brasil ranking survey, published in September, Itaú was recognized as the most valuable brand in Brazil. In spite of the 1% drop in estimated brand value (US\$ 8.3 billion) from 2019, this result was enough to improve the bank's position in the ranking – to 1st from 2nd. Based on another valuation methodology, Interbrand consulting firm ranked Itaú in the first place, valued in R\$37.4 billion.

Sustainability Finance Framework: launched in 2020, the Itaú Unibanco Sustainability Finance Framework drives the bank's activities in the issue of sustainability bonds, aimed at financing projects that help mitigate climate change and/or create positive social value. US\$500 million were raised by January 2021 to be allocated to renewable energy, sustainable transportation, water management, pollution control, management of natural resources, green buildings, access to essential services and inclusive finance undertakings.

Alpargatas

Alpargatas makes up the list of most valuable brands:

Havaianas has been included in the 2020 ranking of the most valuable brands of Brazil prepared by Interbrands. According to this survey, the company ranked 17th, with an estimated brand value of R\$ 740 million (up 1% from 2019). The following criteria were analyzed: financial performance, perception and influence.

Positive impact initiatives during the pandemic:

A survey conducted by consulting firms TM20 and Brazil Panels, unveiled in December 2020, has nominated the 10 Brazilian companies that, from the consumer's perception, most contributed to the Covid-19 relief efforts. Alpargatas (together with Itaú Unibanco) has been handpicked in view of its social and health initiatives (learn more about it in chapter Reputation and Sustainability).

Duratex

Prêmio Valor Inovação [Innovation Value Award]:

in September, Duratex's innovative initiatives were recognized and awarded in the Prêmio Valor Inovação. Organized by Strategy& in partnership with Valor Econômico newspaper, this survey provides an annual ranking of Brazil's most innovative companies.

B3's Best Companies:

the Stock Exchange's Best Companies award, organized by InfoMoney portal and adopting a methodology developed by Economática and Ibmecc, elected Duratex as "the best company in Basic Materials in 2020".

NTS

Best transportation company:

NTS was ranked the top transportation company by the most renowned business rankings in Brazil. In October, for the third consecutive year, the company was first in its industry in the Valor 1000 award. In November, for the second consecutive year, NTS was ranked the best company in the transportation industry in the 2020 edition of the Melhores & Maiores (Best and Largest) award of Exame magazine.



GRI content index





[GRI CONTENT INDEX]



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Portuguese version of the report.

General contents

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
ORGANIZATIONAL PROFILE	GRI 101: Foundation 2016	GRI 101 has no Contents			
	GRI 102: General disclosures 2016	102-1 Name of the organization	7		
		102-2 Activities, brands, products, and services	7		1, 5, 8, 16
		102-3 Location of headquarters	7		
		102-4 Location of operations	7		
		102-5 Ownership and legal form	7		
		102-6 Markets served	7		
		102-7 Scale of the organization	7		
		102-8 Information on employees and other workers	83		8, 10



General contents

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
ORGANIZATIONAL PROFILE	GRI 102: General disclosures 2016	102-9 Supply chain	As a holding company, Itaúsa does not have direct operations, but rather invests in operating companies.		
		102-10 Significant changes to the organization and its supply chain	27		



General contents

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
ORGANIZATIONAL PROFILE	GRI 102: General disclosures 2016	102-11 Precautionary principle or approach	Economic, environmental, and social commitments assumed by Itaúsa and its investees, as well as the membership in associations and other bodies, satisfy criteria that involve the specific activities of each company. Investees have specific environmental protection policies, in accordance with their area of activity.		
		102-12 External initiatives	19		
		102-13 Membership of associations	68		



General contents

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
STRATEGY	GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	4		
ETHICS AND INTEGRITY	GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	8 and 18		16
GOVERNANCE	GRI 102: General disclosures 2016	102-18 Governance structure	14		
		102-40 List of stakeholder groups	12		
STAKEHOLDER ENGAGEMENT	GRI 102: General disclosures 2016	102-41 Collective bargaining agreements		Percentage of total employees covered by collective bargaining agreements is 77%. In 2019, percentage was 77% and in 2018 it was 81%.	
		102-42 Identifying and selecting stakeholders	12		
		102-43 Approach to stakeholder engagement	12		



General contents

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
STAKEHOLDERS ENGAGEMENT	GRI 102: General disclosures 2016	102-44 Key topics and concerns raised	12		
		102-45 Entities included in the consolidated financial statements	Itaúsa's consolidated financial statements include the following entities: Itaúsa S.A. Duratex S.A. Itautec S.A. ITH Zux Cayman Ltd.		
REPORTING PRACTICE	GRI 102: General disclosures 2016	102-46 Defining report content and topic Boundaries	12		
		102-47 List of material topics	12		
		102-48 Restatements of information	None		
		102-49 Changes in reporting	None		
		102-50 Reporting period	01/01/2020 to 12/31/2020, except where specified		
		102-51 Date of most recent report	06/02/2020		

General contents

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
REPORTING PRACTICE	GRI 102: General disclosures 2016	102-52 Reporting cycle	Annual		
		102-53 Contact point for questions regarding the report	investor.relations@itausa.com.br		
		102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option		
		102-55 GRI content index	70 to 80		
		102-56 External assurance	The report was audited by PricewaterhouseCoopers (PwC).		



Material topics

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
ECONOMIC PERFORMANCE	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	12		
		103-2 The management approach and its components	32 and 37		1, 5, 8, 16
		103-3 Evaluation of the management approach	32 and 37		
		201-1 Direct economic value generated and distributed	click here		
TAX	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	12		
		103-2 The management approach and its components	24		1, 5, 8, 16
		103-3 Evaluation of the management approach	24		
	GRI 207: Tax 2019	207-1 Approach to tax	24		
		207-2 Tax governance, control, and risk management	24		
		207-3 Stakeholder engagement and management of concerns related to tax	24		
		207-4 Country-by-country reporting	Not applicable		



Material topics

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
EMPLOYMENT	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	12		
		103-2 The management approach and its components	61		1, 5, 8, 16
		103-3 Evaluation of the management approach	61		
	GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84 and 85		5, 8, 10
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	62		3, 5, 8



Material topics

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals	
TRAINING AND EDUCATION	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	12			
		103-2 The management approach and its components	66		1, 5, 8, 16	
		103-3 Evaluation of the management approach	66			
	GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	89			4, 5, 8, 10
		404-2 Programs for upgrading employee skills and transition assistance programs	62			8
		404-3 Percentage of employees receiving regular performance and career development reviews	86			5,8,10
	G4-DMA - GRI Product and service labeling: Initiatives to enhance financial literacy by type of beneficiary	G4-DMA - GRI Product and service labeling: Initiatives to enhance financial literacy by type of beneficiary (FS16)	61 and 67			4,5,8



Material topics

	GRI Standard	Contents	Page number/URL	Omission	Sustainable Development Goals
DIVERSITY AND EQUAL OPPORTUNITY	GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	12		
		103-2 The management approach and its components	63		1, 5, 8, 16
		103-3 Evaluation of the management approach	63		
	GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	87 and 88		5, 8
		405-2 Ratio of basic salary and remuneration of women to men	Ratio of basic salary and remuneration of women to men at Itaúsa is one to one.		5,8,10
	ADDITIONAL INDICATORS - SASB	Whistleblower policies and procedures	FN-CB-510a.2 - Description of whistleblower policies and procedures	19	

Sustainable Development Goals [SDGs]

1. No poverty

2. Zero hunger

3. Good health and well-being

4. Quality education

5. Gender equality

6. Clean water and sanitation

7. Affordable and clean energy

8. Decent work and economic growth

9. Industry, innovation and infrastructure

10. Reduced inequalities

11. Sustainable cities and communities

12. Responsible consumption and production

13. Climate action

14. Life below water

15. Life on land

16. Peace, justice and strong institutions

17. Partnerships for the goals



GRI Annex



Human resources indicators

GRI 102-8

EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER

Type of contract	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	41	44	85	37	53	90	35	48	83
Temporary	–	–	–	–	–	–	6	9	15
Total	41	44	85	37	53	90	41	57	98

EMPLOYEES BY EMPLOYMENT TYPE, BY GENDER

Employment type	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	39	41	80	35	46	81	36	50	86
Part-time	2	3	5	2	7	9	5	7	12
Total	41	44	85	37	53	90	41	57	98

EMPLOYEES BY EMPLOYEE CATEGORY*

	2018	2019	2020
Board of Directors and Board of Officers	11	10	10
Management	17	17	17
Specialists	13	16	17
Administrative	39	38	39
Interns/apprentices	5	9	12
Total	85	90	95

* Third-party employees are not considered. All employees work in the Brazilian Southeast region.

Employee turnover*

GRI 401-1

EMPLOYEES HIRED, BY AGE GROUP

	2018		2019		2020		
	Number	Rate %	Number	Rate %	Total number	Number	Rate %
< 30 years old	7	50	11	58	23	14	61
From 30 to 50 years old	5	10	7	13	53	3	6
> 50 years old	1	5	1	6	19	–	–
Total	13	15	19	21	95	17	18

* Para o cálculo de todas as tabelas, foram considerados os colaboradores com contrato permanente. Todos os colaboradores trabalham na região Sudeste.

ND: não disponível.

Employee turnover*

GRI 401-1

EMPLOYEES WHO LEFT THE COMPANY, BY AGE GROUP

	2018		2019		2020		
	Number	Rate %	Number	Rate %	Total number	Number	Rate %
< 30	1	7	5	26	23	6	26
From 30 to 50	3	6	7	13	53	3	6
> 50	4	18	3	18	19	–	–
Total	8	9	15	17	95	9	32

EMPLOYEES WHO LEFT THE COMPANY, BY GENDER

	2018		2019		2020		
	Number	Rate %	Number	Rate %	Total number	Number	Rate %
Men	4	1	11	3	40	3	7
Women	4	9	4	8	55	6	11
Total	8	9	15	17	95	9	9

*For calculation of all tables, employees with permanent contract were included. available.

Performance evaluation GRI 404-3

EMPLOYEES BY EMPLOYEE CATEGORY WHO RECEIVED A REGULAR PERFORMANCE REVIEW [%]*

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board of Directors and Board of Officers	25	66.67	36.36	14.29	66.67	30	14.29	66.67	30
Management	100	100	100	100	100	100	100	100	100
Specialists	100	100	100	100	100	100	100	100	100
Administrative	100	100	100	100	100	100	100	100	100
Interns/ Apprentices	–	–	–	–	–	–	–	–	–
Total	80.49	90.91	85.88	78.38	84.91	82.22	72.5	85.45	80

*For calculation, employees with permanent contract were included.

Itaúsa's diversity* GRI 405-1

INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES, BY GENDER (%)		BOARD OF DIRECTORS
2018	Men	83.33
	Women	16.67
	Total	100
2019	Men	83.33
	Women	16.67
	Total	100
2020	Men	83.33
	Women	16.67
	Total	100

*For calculation, employees with permanent contract were included. From 2018 to 2020, there were no disabled employees.

INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES, BY AGE GROUP (%)		BOARD OF DIRECTORS
2018	< 30	–
	From 30 to 50	33.33
	> 50	66.67
	Total	100
2019	< 30	–
	From 30 to 50	33.33
	> 50	66.67
	Total	100
2020	< 30	–
	From 30 to 50	33.33
	> 50	66.67
	Total	100

EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER (%)

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Board of Directors and Board of Officers	72.73	27.27	70	30	70	30
Management	41.18	58.82	35.29	64.71	29.41	70.59
Specialists	61.54	38.46	56.25	43.75	58.82	41.18
Administrative	41.03	58.97	34.21	65.79	33.33	66.67
Interns/ Apprentices	40	60	22.22	77.78	41.67	58.33
Total	48.24	51.76	41.11	58.89	42.11	57.89

EMPLOYEES BY EMPLOYEE CATEGORY AND AGE GROUP (%)

	2018			2019			2020		
	< 30	30 to 50	> 50	< 30	30 to 50	> 50	< 30	30 to 50	> 50
Board of Directors and Board of Officers	–	45.45	54.55	–	50	50	–	50	50
Management	–	64.71	35.29	–	70.59	29.41	–	70.58	29,41
Specialists	7.69	76.92	15.38	6.25	81.25	12.5	5.88	76.47	17.64
Administrative	20.51	58.97	20.51	23.68	63.16	13.16	25.64	58.97	15,38
Interns/ Apprentices	100	–	–	100	–	–	100	–	–
Total	16.47	57.65	25.88	21.11	60	18.89	22.58	56.98	20.43

*For calculation, employees with permanent contract were included. From 2018 to 2020, there were no disabled employees.

Training indicators* GRI 404-1

AVERAGE TRAINING HOURS OF EMPLOYEES, BY GENDER

	2018	2019	2020
Men	13.80	20.39	24.40
Women	8.08	29.77	43.46
Total	10.84	25.91	36.10

AVERAGE TRAINING HOURS PROVIDED FOR EMPLOYEES BY EMPLOYMENT CATEGORY

	2018	2019	2020
Board of Directors and Board of Officers	–	–	9.81
Management	20.44	29.15	46.23
Specialists	–	29.15	33.92
Administrative	–	29.15	24.04
Interns/ Apprentices	8.08	29.15	43.46
Total	20.44	25.91	35.43

*For calculation, employees with permanent contract were included.

**The increase in the average hours of training compared to 2019 (plus 36.7% more) was mainly due to the training related to the Soma project, which implemented a new version of Itaúsa's integrated management system..

Independent auditor's limited assurance report on sustainability information in the 2020 Integrated Report

To the Board of Directors and Stockholders
Itaúsa S.A.
São Paulo – SP.

Introduction

Itaúsa S.A. ("Itaúsa" or "Company") engaged us to present our limited assurance report on the compilation of sustainability information presented in the 2020 Integrated Report of Itaúsa S.A. for the year ended December 31, 2020.

Management's responsibilities

Management of Itaúsa is responsible for the preparation and fair presentation of the information in the 2020 Integrated Report, presented in accordance with the Global Reporting Initiative (GRI-Standards) and for such internal controls as it determines

necessary to prepare of information free from material misstatement, whether due to fraud or error.

Independent auditor's responsibilities

Our responsibility is to express a conclusion on the information included in the 2020 Integrated Report based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial

information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical and independence requirements, and other responsibilities, including in relation to the Brazilian Standard on Quality Control (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including formal compliance policies and procedures for ethical requirements, professional standards and legal and regulatory requirements.

These standards also require the work to be planned and performed to obtain limited assurance that the information included in the 2020 Integrated Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the Company involved in the preparation of the sustainability information, as well as applying analytical procedures to obtain evidence that enables the issue of a limited assurance conclusion on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead the auditor to believe that the information taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation and presentation of the information in the 2020 Integrated Report, other engagement circumstances and our analysis of the areas in which significant misstatements might exist. The following procedures were adopted:

(a) Planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control

systems used to prepare the information in the Company's 2020 Integrated Report;

(b) Understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the information;

(c) Applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2020 Integrated Report; and

(d) Comparing the financial indicators with the financial statements and/or accounting records.

The limited assurance engagement also included tests to assess compliance with the guidelines and criteria of the Global Reporting Initiative (GRI- Standards) applied in the preparation of the sustainability information included in the 2020 Integrated Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less detailed than those applied in a reasonable assurance engagement, the objective of which is the issuance of an opinion on the sustainability information in the 2020 Integrated Report. Consequently, we were not able to obtain reasonable assurance that we might have become aware of all significant matters, compared to those matters that might have been identified in an assurance engagement, the objective of which is the issue of an opinion. Had we performed an engagement with the objective of issuing an opinion, we might have identified other matters and possible misstatements in the sustainability information in the 2020 Integrated Report. Therefore, we do not express an opinion on this information.

Non-financial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore,

we did not carry out any work on data reported for prior periods, nor for projections or future goals.

The preparation and presentation of the sustainability indicators performed pursuant to the criteria of the GRI- Standards and, therefore, do not aim to provide assurance with regard to the compliance with social, economic, environmental, or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our limited assurance report should be read and understood in this context, which is inherent to the criteria selected (GRI- Standards).

Conclusion

Based on these procedures, no matter has come to our attention that causes us to believe that the information included in the 2020 Integrated Report of Itaúsa S.A. has not been compiled, in all material respects, in accordance with the Global Reporting Initiative (GRI - Standards).

São Paulo, 31 March, 2021

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5

Emerson Laerte da Silva

Contador CRC1SP171089/O-3

Independence statement

To the Board of Directors and Stockholders

Itaúsa S.A.

São Paulo, 31 March, 2021

In connection with the issue of the Independent Auditor's Limited Assurance Report on the sustainability information included in the Integrated Report 2020 of Itaúsa S.A., we state that PricewaterhouseCoopers Auditores Independentes is independent in relation to Itaúsa S.A. and that there has been no conflicts of interest during the verification of environmental and social data related to sustainability information in accordance with the Code of Ethics for Professional Accountants issued by the International Federation of Accountants (IFAC) and with the local NBC PO 900 Resolution issued by the Brazilian Federal Accounting Council (CFC).

Yours faithfully,

São Paulo, 31 March, 2021

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5

Emerson Laerte da Silva

Contador CRC1SP171089/O-3

Credits

An **Itaúsa publication**, coordinated by the Investor Relations Office (relacoes.investidores@itausa.com.br)

GRI Consulting and <IR>, writing and design: **rpt.sustentabilidade** (www.gruporeport.com.br)

Images: **Itaúsa's image database. All the pictures on this Report were produced before the pandemic.**

Proof-reader: **Ana Paula Cardoso**

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