Itaú Unibanco Sustainability Management

Information as of December 2017
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1. Governance, Policies and Structure

2. Environmental & Social Risk and Climate Changes

3. Client Management, Education and Financial Inclusion

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5. Ethics, Integrity and Human Rights

6. Impact Measurement

7. Sustainable Development Goals (SDGs)

8. Corporate Citizenship and Philanthropy
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Sustainability Timeline

- **2000**: First cell for analysis of environmental and social risks
- **2005**: Creation of operating committees
- **2007**: Sustainable performance in corporate vision
- **2008**: Itaú Unibanco Merger
- **2010**: Central Bank Regulation
- **2013**: Revision of the sustainability strategy
- **2014**: Sustainability at the board of directors’ Strategy Committee
- **2016**: Superior Ethics and Sustainability Committee
- **2017**: Sustainability Governance (executive level)
- **2007**: Sustainability Committee (officers level)

Notes:
- Central Bank Regulation
- Sustainability at the board of directors’ Strategy Committee
- Superior Ethics and Sustainability Committee
- Sustainability Governance (executive level)
- Sustainability Committee (officers level)
Itaú Unibanco Corporate Governance

Stockholders’ Meeting

Fiscal Council

Board of Directors

Composition

1 executive member
5 independent members
6 non-executive members

Audit Committee
Personnel Committee
Related Parties Committee
Nomination and Corporate Governance Committee
Risk and Capital Management Committee
Strategy Committee
Compensation Committee
International Advisory Board
Digital Advisory Board

Board of Officers

Disclosure and Trading Committee

Internal Audit

Independent Audit

Integration of challenges, strategy and trends related to business sustainability
Sustainability Governance

Board level
Definition and monitoring of the sustainability strategy

Executive level
Integration of challenges and trends into businesses
Decision on and prioritization of projects

Officers level
Management of projects by specific topics

Operational level

Environmental and Social Risk Committee
Meets on a quarterly basis and is responsible for suggesting institutional positions and internal procedures on the exposure to the environmental and social risk.

Working Groups
Members/Executives of departments involved in sustainability projects

Board of Directors
Members of the Board of Directors
Periodicity: annual

Superior Ethics and Sustainability Committee
Members of the Executive Committee
Periodicity: semi-annual

Sustainability Committee
Members Officers of departments involved in the sustainability agenda
Periodicity: bimonthly

Diversity
Internal Management - Ecoefficiency
Responsible Investment
Integrity and Ethics
Reporting
Financial Education
Foundations and Institutes
The Sustainability and Inclusive Businesses corporate area counts on 54 employees* who are responsible for addressing the strategy in partnership with other partner areas.

*Total active employees in April 2018
Sources of knowledge and trends

Responsible Bank
- UNEP Finance Initiative
- PSI
- PRI
- CNseg

Integrity and Ethics
- Pacto pelo Esporte
- InPACTO
- Instituto ETHOS

Climate Change
- EPC
- Programa Brasileiro GHG Protocol
- CDP

Reporting and Transparency
- IR
- Global Reporting Initiative
- AA1000 Assurance Standard 2008

Diversity
- Mulher360
- GBA

Sustainable Development
- Cebds
- The Global Compact

Network Brazil WE SUPPORT
- Objetivos de Desenvolvimento Sustentavel
Recognition | Sustainability Indexes

Global Context

- The only Latin American bank to be part of the DJSI portfolio since its inception in 1999.
- Part of the Euronext Vigeo portfolio since 2015.

Brazilian Context

- Part of the ISE portfolio since its inception in 2005.
- Part of the ICO2 portfolio since its inception in 2010.
Sustainability in Latin America

**2015**

**Sustainability LATAM**
Support to countries in addressing and prioritizing the topics on a local basis by means of a set of practices and step-by-step implementation procedures.

**2016**

**Diagnosis LATAM**
A diagnosis to assess adherence of these countries to this model (level of maturity related to the topic and preparation of local action plans).

**2017**

**Developments in plans currently in progress**
Developments in the governance and strategy implementation, and inclusion of Colombia in the diagnosis phase.

**2018**

**Review of the sustainability franchise**
Continuity of the aligned plans and review of the Latam sustainability franchise.

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**Governance**

**Brazil**

**Sustainability Area**
Provides support to LATAM countries regarding sustainability guidelines.

**LATAM Area**
Discusses the “sustainability” topic with the board at each country.

**Latam Countries***

**Sustainability Area**
Defines plans, implementation and reporting to the head office.

**Board**
Committees with the Sustainability area to make initiatives feasible.

*Argentina, Chile, Colombia, Paraguay and Uruguay*
Policies, guidelines and studies

**Corporate Governance**
- Corporate Governance Policy

**Environmental and Social Responsibility and Climate Change**
- Policy for Sustainability and Social Environmental Responsibility
- Environmental and Social Risks and Opportunities – Itaú’s Position
- Climate Change commitment
- Water Shortage and its Economic Impacts
- Revision of the Energy Rationing Risk*
- Social and Environmental Risk Policy – Credit Corporate Clients
- Social and Environmental Risk Policy – Insurance*

**Ethics, Integrity and Human Rights**
- Code of Ethics
- Integrity and Ethics Corporate Policy
- Illicit Acts Prevention and Combat Corporate Policy
- Anti-Corruption Corporate Policy
- Information Security Corporate Policy
- Commitment to Human Rights

**Diversity**
- Policy to include people with disabilities (internal)
- Internal Diversity Appreciation Policy (internal)
- Commitment to Diversity*

**Aging**
- Aging Position (Live Longer Dialogue)*

**Financial Education**
- Choices and Money – Study on financial behavior and decisions

**Suppliers**
- Procurement Policy*
- Supplier Relationship Code*

*Document in portuguese
| 1. | Governance, Policies and Structure |
| 2. | **Environmental & Social Risk and Climate Changes** |
| 3. | Client Management, Education and Financial Inclusion |
| 4. | Employee Management |
| 5. | Ethics, Integrity and Human Rights |
| 6. | Impact Measurement |
| 7. | Sustainable Development Goals (SDGs) |
| 8. | Corporate Citizenship and Philanthropy |
Climate Changes

Brazil – Main Goals Assumed

- Reduce GHG emissions by 43 percent by 2030 (base year 2005)
- Zero deforestation in Legal Amazon and recover 12 million hectares of forests by 2030
- Increase the share of renewable sources in the energy mix to 45 percent
- Zero the emission of pollutant gases by 2100

Main Work Fronts in the Topic

Targets and metrics

Together with UNEP FI and other 15 banks, we are studying the impact of climate change on our loan portfolios, considering different scenarios of temperature increase. The financial sector still need to determine what measurement system is the most efficient and, accordingly, develop targets based on global temperature increase.

Offset of Greenhouse Gas (GHG) Emissions

We issued the call notice Commitment to the Climate for carbon offsetting, in partnership with Brazilian company Natura, aimed at together offsetting 500,000 ton of CO2 through independent projects, which correspond to the emissions of both companies between 2016 and 2018.

Carbon Pricing

Our analysts simulate the levy of a tax on CO2 emissions in carbon-intensive industries and products. The estimated rate is used to measure the financial impact on these companies’ costs and, consequently, on the price of their shares.

Portfolio Analysis

We improved the E&S risk analysis methodology by using a sector approach applied to the corporate loan portfolio (CIB), so as to reassess the relation between E&S and credit risks. The analysis of the portfolio used the climate change impact on sectors in the short and long terms as one of its assumptions.

*Document in portuguese
## Task Force on Climate-related Financial Disclosures (TCFD)

We highlight our activities related to the TCFD strategic pillars

<table>
<thead>
<tr>
<th>Governance</th>
<th>Strategy</th>
<th>Risk Management</th>
<th>Targets and Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board of Directors guides our internal Sustainability and Environmental and Social Responsibility Policy for risks and opportunities related to climate change</td>
<td>We participate in multi-sector discussion groups, such as CEBDS, UNEP-FI, FEFRABAN and FGV</td>
<td>Climate variables are taken into account in the analysis of the Environmental and Social Risk for the corporate segment and of the financing of large projects</td>
<td>Development of indicators and tools to strengthen the assessment and disclosure of risks and opportunities related to climate change by the UNEP-FI work group on the recommendations of the TCFD</td>
</tr>
<tr>
<td>The Sustainability Governance addresses risk management and the identification of opportunities related to the climate change agenda</td>
<td>A study was carried out about the climate change impact on our corporate loan portfolio in medium and long-term scenarios</td>
<td>Itaú Asset Management takes Climate Change topics into account in its ESG integration methodology for investment analysis</td>
<td>A study was carried out to identify the business risks and opportunities in view of the global climate change, with 10-year projections</td>
</tr>
<tr>
<td>The Superior Ethics and Sustainability Committee resolves on the actions to be taken by the institution to meet the climate change agenda</td>
<td>A study was carried out about Emissions financed based on the Portfolio Carbon Initiative guidelines</td>
<td>We take into account climate issues in pricing our insurance products (corporate)</td>
<td>Launch of the Asset calculator to compare emissions of our portfolios with benchmarks</td>
</tr>
<tr>
<td>The topic is also discussed by the Sustainability Committee, the main Sustainability forum in the organization</td>
<td>Participation of the UNEP-FI work group to implement the recommendations of the TCFD considering different climate scenarios</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The initiative, headed by the Financial Stability Board (FSB), encourages the organizations to become aware of the physical, liability and transition climate risks to which they are exposed.
Our operations | Eco-efficiency

**Ton Carbon avoided**
Over 2017, 5,381.60 ton carbon was avoided through projects for reducing energy consumption and own emission.

**Sustainable Actions Committee**
Specialists and the areas involved in the group share experiences and discuss and analyze projects related to eco-efficiency.

**Environmental Management System**
In 2017, our coverage in Environmental Management System certificates increased to 40% from 15% last year.

**Greenhouse Gas (GHG) Emissions Offsetting Program**
Biannual program that enables us to meet our commitment to the promotion of a low-carbon economy.

**Sources of energy consumption of Itaú Unibanco**
- 58% of our energy consumption comes from our branches.
- 42% of our energy consumption comes from our Administrative Buildings and Technological Centers.
- Still do not use renewable energy.
- 95% of the electricity consumed in these facilities are from renewable sources.

**Certifications of administrative buildings**
The Business Center was certified in 2017.
The Tatuapé Center is certified since 2011.
Our data center and Faria Lima building are certified.

In 2018 we will buy carbon credits to offset our 2016/2017 emissions.
Goals

- Reduce our water consumption by 43% per R$1 million of banking products between 2013 and 2020
- Reduce our energy consumption by 42% per R$1 million of banking products between 2013 and 2020
- Reach, by 2020, a Power Usage Effectiveness (PUE) of 1.60, 11% lower than in 2013
- Acquire, by 2020, 96% of energy for the administrative buildings from renewable sources
- Reduce our Scope 1 emissions by 34% per R$1 million of banking products between 2013 and 2020
- Reduce our Scope 2 emissions by 39% per R$1 million of banking products between 2013 and 2020
- Reduce by 28% our business travel indicator, which shows the km traveled per R$1 million of banking products between 2013 and 2020
- Reduce by 32% the allocation of waste from our administrative units to landfills between 2012 and 2020
- In 2016, the estimated generation of 178 tons of REEE in 2020 was defined. This estimate includes the data from Branch (ATMs) and Central Management – Microcomputing (desktops)

<table>
<thead>
<tr>
<th>Consumption</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water (m³)</td>
<td>1,472,460.63</td>
<td>1,410,592.40</td>
<td>1,390,142.00</td>
<td>✓ Reduce our water consumption by 43% per R$1 million of banking products between 2013 and 2020</td>
</tr>
<tr>
<td>Energy (MWh)</td>
<td>717,779.51</td>
<td>630,245.26</td>
<td>604,976.00</td>
<td>✓ Reduce our energy consumption by 42% per R$1 million of banking products between 2013 and 2020, Reach, by 2020, a Power Usage Effectiveness (PUE) of 1.60, 11% lower than in 2013, Acquire, by 2020, 96% of energy for the administrative buildings from renewable sources</td>
</tr>
<tr>
<td>Emissions (tCO2e)</td>
<td>227,547.00</td>
<td>164,791.00</td>
<td>242,877.00</td>
<td>✓ Reduce our Scope 1 emissions by 34% per R$1 million of banking products between 2013 and 2020, Reduce our Scope 2 emissions by 39% per R$1 million of banking products between 2013 and 2020</td>
</tr>
<tr>
<td>Transportation (KM)</td>
<td>192,588,882.89</td>
<td>187,051,908.00</td>
<td>229,088,191.00</td>
<td>✓ Reduce by 28% our business travel indicator, which shows the km traveled per R$1 million of banking products between 2013 and 2020</td>
</tr>
<tr>
<td>Waste (t)</td>
<td>1,460.32</td>
<td>1,084.01</td>
<td>22,373.16¹</td>
<td>✓ Reduce by 32% the allocation of waste from our administrative units to landfills between 2012 and 2020, In 2016, the estimated generation of 178 tons of REEE in 2020 was defined. This estimate includes the data from Branch (ATMs) and Central Management – Microcomputing (desktops)</td>
</tr>
</tbody>
</table>

¹ Figure updated considering the branch network with 100% coverage of our facilities in Brazil.
## Integration of ESG into businesses

<table>
<thead>
<tr>
<th>1</th>
<th>Governance</th>
</tr>
</thead>
</table>
| **Policies** | - Sustainability and environmental and social responsibility policy
- Environmental and social risk policy |
| **Committees** | - Sustainability committee
- Environmental and social risk committee
- Operational committees (Internal Management, Investment, Reporting, and Financial Education) |

<table>
<thead>
<tr>
<th>2</th>
<th>Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Analysis methodologies</strong></td>
<td>Based on the principles of relevance and proportionality</td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
<td>Engagement of institutions that are relevant for building knowledge</td>
</tr>
<tr>
<td><strong>Studies</strong></td>
<td>Development of studies in conjunction with institutions in the sector</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>Training of teams on environmental and social issues and training to all employees on the sustainability and policy concepts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Role of the compliance area</strong></td>
<td>Measure the quality of the process and exposure to risk, all areas are monitored for adherence to policies, and the results are reported to the committees</td>
</tr>
<tr>
<td><strong>Regulatory bodies</strong></td>
<td>External assessments by regulatory bodies</td>
</tr>
</tbody>
</table>

![Image of logos for UNEP, World Bank, IFC, CDP, PRI, Equator Principles, and FEBRABAN]
Credit Granting Process

1st Step: Internal check on non-involvement in prohibited activities.
- Activities that encourage slave or child labor or prostitution.
- Credit relationship denied.

2nd Step: The client is internally assessed to determine whether its environmental and social compliance may be analyzed, including clients in the list of restricted activities and rural clients.
- List of activities: Manufacture and sale of military hardware, firearms and ammunition, extraction of wood from native forests, fishing activities, extraction and industrialization of asbestos, slaughterhouses and beef packaging plants.
- Restricted list: If the client's activity is included in the list, it will be subject to a specific analysis, in accordance with the existing guidelines.

02 Choice of the products offered
- Depending on the products offered to the client, a specific pre-contract diligence may be necessary.

Product assessment: In order to identify products that may represent some environmental or social risk for the bank, the Environmental and Social Risk Management (EPRM) team works as an integral part of the Wholesale and Retail Product approval governance.

Example: In the event of project financing, some information may be requested prior to the approval of the credit line or before the transaction is contracted (licenses, criteria for the application of the Equator Principles (EP), Environmental Rural Register, etc.).

03 Definition of guarantees
- If any credit product or condition requires a collateralized real estate property, whether under fiduciary assignment or mortgage lien, the property must be assessed based on the answers in the Preliminary Real Estate Environmental Assessment Questionnaire.
- If indications of contamination are found, a more detailed analysis will be necessary.

04 Approval of the credit line
- Environmental and Social Analysis completed!
- You are ready to proceed with the approval of the credit line!

05 Reassessment
- Whenever the credit line is renewed, the process starts again.
- The process is regularly audited and the front office teams (commercial and products) are trained via e-learning.
Environmental and Social Risk Policy

Integration of ESG into businesses

The Environmental and Social Risk Policy contains the criteria for the analysis of clients and projects and the establishment of real estate guarantees and the inclusion of covenants. To this end, we must consider:

List of prohibited activities
We do not carry out new loan operations with companies involved in:
• Labor in conditions similar to slave labor;
• Child labor in violation of legislation;
• Encouragement of prostitution.

List of restricted activities
We have specific guidelines for making an environmental and social risk analysis in the following segments:
• Firearms and ammunition;
• Activities of extraction and production of wood, firewood and charcoal from native forests;
• Fishing activities;
• Extraction and industrialization of asbestos;
• Cold storage plants and cattle slaughterhouses.

Guarantees
Specific requirements for the establishment of real estate guarantees.

Covenants
We consider the environmental and social risks associated with the type of credit and the subject matter of the financing in the formalization of loans and financing.

Client analysis (small and medium businesses)
We have guidelines for the analysis of environmental and social compliance for small and medium businesses in accordance with the risk related to the category of the environmental and social impact of the companies’ segments. (A – High Risk; B – Medium Risk and C – Low Risk)

Approval authority
In accordance with our Environmental and Social Policy for Corporate Credit, the technical departments assess and classify the environmental and social risk according to its potential impact: high, medium and low.

Project financing
We follow the criteria determined in accordance with the type of operation/project.
Analysis of projects

In 2017, we did not have any project-related transaction rejected due to E&S issues

Project related corporate loans (Corporate Finance) closed and assessed by using Environmental and Social Policy criteria

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Projects</th>
<th>Total investment (R$ million)</th>
<th>Itaú Unibanco’s share (R$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B</td>
<td>1</td>
<td>123,46</td>
<td>45,00</td>
</tr>
<tr>
<td>C</td>
<td>6</td>
<td>1.324,79</td>
<td>407,20</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>1.448,25</td>
<td>452,20</td>
</tr>
</tbody>
</table>

Project finance (1)(2) closed (Equator Principles III criteria)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Projects</th>
<th>Total investment (R$ million)</th>
<th>Itaú Unibanco’s share (R$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1</td>
<td>409,79</td>
<td>125,21</td>
</tr>
<tr>
<td>B</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>C</td>
<td>1</td>
<td>2,00</td>
<td>0,34</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>411,79</td>
<td>125,55</td>
</tr>
</tbody>
</table>

(1) Project Finance as per Basel definition at [www.bis.org/publ/bcbs107.pdf](http://www.bis.org/publ/bcbs107.pdf).
(2) One of the Project Finance transactions did not fall into Equator Principles because of its financial volume.
We currently cover 99% of companies listed on Ibovespa, IBrX-100, and the Business Sustainability Index (local acronym ISE) of Bovespa. 90% of corporate fixed income securities are also covered by this methodology. The target for the coming years is periodically updating the analysis for variable income securities and expanding the coverage in corporate fixed income securities to 95%.

**ESG valuation methodology**

Proprietary methodology to include ESG issues in the valuation of fixed income securities and the pricing of active management funds, taking into account: materiality, relevance for the industry, risks and opportunity rating, metrics, and management.

**Integration of ESG issues in fixed income**

**Integration of ESG issues in assessment of companies**
Environmental and Social Opportunities

Our Strategy

In 2017, the Wholesale segment allocated 2.92 billion in loan operations that promote E&S benefits, accounting for approximately 1.76% of the loan portfolio. The contracting of environmental and social operations increased 1.92% compared to 2016.

Green Bonds
In 2017, we took part in the issue of one more green bond of the Brazilian market. In this operation, Klabin contracted US$500 million (approximately R$1.745 billion), in an operation with bonds distributed in the U.S. market.

Fixed Income
Ecomudança Fund: allocates 30% of the management fee to GHG emission reduction projects. Since 2009, the Ecomudança program has invested approximately R$5.3 million in 46 projects.

Fundo Itaú Futura: between 2010 and 2017, Fundo Social Itaú Futura donated more than R$2.6 million to educational projects developed by Roberto Marinho Foundation’s Futura TV channel, which accounts for 30% of its management fee.

Floating Income
FIES: allocates 50% of management fee to educational projects. Since 2004, more than R$30 million was transferred to 165 NGOs, benefiting over 36,500 children and youth, in addition to 3,400 educators.

IT Now ISE: reflects the performance of the Corporate Sustainability Index (ISE).

IT Now IGCT: reflects the performance of the Trade Corporate Governance Index (IGCT)

Clean Energy
We offer our clients financing lines related to mitigation of climate change, reduction of GHG emissions, renewable energy, improvements in the energy transmission and distribution (energy efficiency), bio-fuels, infrastructure, and in the logistics systems, basic sanitation, sustainable agriculture, and recovery of sugarcane cultivation land.

Onlending from the Brazilian Social and Economic Development Bank (BNDES)
In 2017, we allocated R$169.80 million to projects related to the recovery of sugarcane cultivation land and introduction of new sugarcane plantations, agriculture and financing aimed at GHG emission reduction.

Credit for environmental and social benefits
In 2017, the Wholesale segment allocated 2.92 billion in loan operations that promote E&S benefits, accounting for approximately 1.76% when compared to the loan portfolio at the end of 2017.
Evaluating and developing new products and services

**Governance**

**Alignment Forum**
In-person meeting at which product or service developers submit proposals to the other areas impacted according to division of business segments.

**Risk Management Analysis (AGR) Portal**
Any project that modifies or creates products and services is subjected to a rigorous analysis focused on risk management.

**Retail Products Committees**
Composed by the evaluating areas’ officers, this forum meets periodically to discuss projects that have disparities in the evaluation.

**Flow of products and services evaluation**

- A proposal is submitted through the AGR portal
- Evaluation according to division of business segments
- An opinion is issued by the area in charge
- Governance issues an opinion
- Approved with a condition
- The evaluating area issues an opinion
- The product manager inserts action plan / document
- The evaluating area validates the opinion and follows the action plan

**Role of the sustainability department**
Evaluates and suggests adjustments to ensure that products and projects are aligned with three work pillars:
- Transparency
- Environmental and social risks
- Financial education

**Total projects evaluated**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>227</td>
<td>327</td>
<td>108</td>
</tr>
</tbody>
</table>
Management of Suppliers

Profile

Main Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance, works and equity</td>
<td>29.1%</td>
</tr>
<tr>
<td>Marketing</td>
<td>13.4%</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

Total amount purchased (R$ billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Evaluation process

Supplier Relationship Code

Transparency, legality, quality and reliability in the interactions with our suppliers and service providers. They are required to adhere to the guidelines of the code, ensuring alignment of principles in the business relationship.

We have been taking part in the CDP Supply Chain program for two years, and invited our largest suppliers to provide information related to their activities and climate change.

A partnership to bring very small and small companies from minority groups closer to large companies. We have already been in contact with 212 companies.
| 1. | Governance, Policies and Structure |
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Customer satisfaction

Benchmarking surveys to evaluate customer satisfaction with the banking services provided by specific business units

<table>
<thead>
<tr>
<th>Overall Satisfaction Rate (%)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.02</td>
<td>7.96</td>
<td>8.05</td>
</tr>
</tbody>
</table>

The results of such surveys directly influence the variable compensation of both executives and teams at the branches.

Transparency

We are committed to providing guidance on our financial services and products and suit our offer to the client’s profile and moment in life.

Credit Guider

Online tool designed to help determine the best credit product according to the client’s need and their moment in life.

Quality in Sales Program

Improve sales quality by identifying and managing possible misconduct by employees from commercial and operation departments.

Behavioral Finance Program

The program aims at disseminating among employees knowledge about the biases, emotions and behaviors of clients so that we can develop the best solutions for their financial lives.

Complaint management

External Ombudsman role

Integrate the client service system and act when a client is not satisfied with a position received from standard channels (call centers, Customer Service Centers or internet).

2017 Results

- 94.2% of the incidents were solved in up to 10 days
- Around 98.4% of these incidents were solved in up to five working days (BACEN requires that a solution is provided in up to 10 working days)
Our Strategy

Enable actual achievements

Provide transparent products, services and offers that help our clients make more conscious decisions with money, to enable them to reach personal goals.

Financial Guidance

- 108 products and services for financial guidance, transparency and customer satisfaction;
- Financial guidance aligned with preventive actions, focused on clients who will likely not settle debts, through the offer of credit more suitable to their needs.
- Development of a financial education program for people in debt; and
- 33,371 employees trained online on Financial Education.

Empower for making better decisions

Provide content, tools and solutions that help employees and banking and non-banking clients to make better choices with their money, according to their needs and moments of life.

Program for employees and banking and non-banking clients

- Digital platforms with content for financial education: more than 3 million views since it was launched in 2014;
- Online financial guidance course on a partner platform with tips and content to achieve and maintain financial balance: more than 15,000 people interested in 2017;
- Financial Education Program to employees since 2009. Includes communication campaign, in-person and distance learning and financial advice; and
- Financial Education Program offered without charge to more than 500 corporate clients in Brazil, with managers who multiply the topic. More than 24,000 clients already impacted.

Enhance the topic across society

Contribute to the discussion of the topic across society, and inspire people to make better decisions with their money, promoting individual and collective prosperity.

Volunteering Program “Uso Consciente do Dinheiro” (Conscious Use of Money).

- Launched in 2015, it has around 1,100 active volunteers in Brazil and Latin America.

Campaigns

- Entertainment campaign for financial guidance on social media. In 2017, we launched two episodes of the Real Life TV webseries that impacted 65.8 million people.

Guidance to employees, clients and society, supplying tools for them to make the most suitable financial decisions for their moments in life, and products to support actual achievements.
Guided productive microcredit

Itaú Microcredit is available in economically disadvantaged areas in São Paulo and Rio de Janeiro metropolitan regions. The lowest credit amount is four hundred reais (R$400.00) and the highest is fourteen thousand five hundred reais (R$14,500.00).

Structure review

In 2017, the microcredit operation structure was reviewed, with the resulting creation of commercial and product planning cells, in addition to the commercial operation.

Results

Liability
2% of all demand deposits must be directed to microcredit

Release
All funds released to the end microcredit client

Banking inclusion
24% of current account holder clients opened account after hiring microcredit.

<table>
<thead>
<tr>
<th>Year</th>
<th>Liability (millions of reais)</th>
<th>Release (millions of reais)</th>
<th>Banking inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>327,1</td>
<td>27,6</td>
<td>24%</td>
</tr>
<tr>
<td>2016</td>
<td>307,4</td>
<td>16,2</td>
<td>76%</td>
</tr>
<tr>
<td>2017</td>
<td>310,9</td>
<td>16,5</td>
<td>24%</td>
</tr>
</tbody>
</table>

Data from 2003 to 2017
Financial Inclusion | Itaú Women Entrepreneurs

Objective of the program
Empower female entrepreneurs in Brazil through in-person and online solutions to train, inspire and connect them.

Number of participants in the program

<table>
<thead>
<tr>
<th>Year</th>
<th>Goal 2018</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,200</td>
<td>3,393</td>
<td>5,997</td>
<td>8,056</td>
</tr>
</tbody>
</table>

Solutions

Online Platform
- Contents related to enterprise management and leadership
- Management tools
- Motivational videos.

In-person Actions
- Networking events
- Business rounds
- Workshops

80 actions carried out through 2017

Partnerships
Partnerships that help provide financial and non-financial solutions to women entrepreneurs

- IDB (Inter-American Development Bank)
- IFC (International Finance Corporation)
- GBA (Global Banking Alliance for Women)

Representation in GBA’s Board.
Impact of the Itaú Women Entrepreneurs Program

Conclusions of the impact assessment*

By analyzing controlled groups, we reached the following conclusions in relation to the program:

- Women who participated in the program were more involved in networking with other entrepreneurs and within their supply chain.
- Networking helped them to solve problems and search for business opportunities.
- These women are investing more in mentorship, including compensating professionals for adopting a more professional management.

Impact assessment for the bank

<table>
<thead>
<tr>
<th>Comparison base</th>
<th>Investment margin</th>
<th>Service margin</th>
<th>Insurance margin</th>
<th>Days in default</th>
<th>Is (not)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women entrepreneurs participants</td>
<td>+142%</td>
<td>+7%</td>
<td>+55%</td>
<td>-9</td>
<td>-5%</td>
</tr>
<tr>
<td>Women entrepreneurs non-participants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Analysis performed every two years
We have developed countless initiatives intended to promote the autonomy and the economic development of person with special needs:

- **Hearing impairments**
  - **TTD**\(^1\) device
    - The system enables clients to send and receive text messages about the following services:
      - Current and savings account balance;
      - Recent entries;
      - Position of investments;
      - General information;
      - Complaints and suggestions for products and services.

- **Visual impairments**
  - **Products and services**
    - Cards in Braille which are sent to the client together with the purchase agreement in the audio format
    - Monthly credit card invoice in Braille
    - Letters containing general information on the account
    - Voice command navigation with headsets connected to the ATMs
    - Tactile keyboard, card readers and bar codes
    - Dispensers of vouchers and notes.

- **Internet**
  - A voice synthesizer (software) installed on the client’s computer, which captures and transforms the customer’s account information into audible answers.
  - Services available:
    - Current and savings account balance;
    - Recent entries;
    - General Conditions of Itaú Universal Account and Services, available in PDF, audio and video formats.

---

\(^1\)TDD – Telecommunication Device for the Deaf
An essential part of the digital transformation is the increasing use of mobile devices with access to the Internet, which directly reflects on the exponential growth in the use of mobile banking, as evidenced by the 29% increase of use for individuals and 43% growth for companies, when compared to 2016.

**Digital Bank**

Mobile is the most fast-growing channel, which makes access easier for people who do not use banking services (58% of transactions are performed using mobile devices and Internet).

**Application**

Light application (around 1MB) to serve low-income persons

We reached more than 500,000 users in 2017

**Digital Card**

Credicard ZERO

The product has no annual fee and comes with a number of benefits, such as discounts with partners like Uber and Netshoes, among others. Customer experience is 100% digital through the mobile application.

**Application**

Itaucard application

This application brings functionalities, such as Virtual Card that simplifies online shopping, enables transactions to be viewed in real time, features spending control by category, provides virtual assistance, among others.
Digital Advisory Board
This committee was created to provide the Board with inputs, thus supporting the latter’s reflections on customer experience, as impacted by the evolution of technology and world trends.

Blockchain
We are involved in 100% of blockchain applications in progress in Brazil to advance the financial market.

We created a Blockchain Lab, the bank’s largest initiative in order to develop business’ solutions utilizing blockchain technology. In this laboratory, we have already begun to develop, in the form of an internal prototype, a specific solution for our stock bookkeeping product.

A connection hub in Brazil created by Itaú-Unibanco in partnership with Redpoint to find opportunities to generate competitive advantage and evolve as a digital bank

- Encourage knowledge sharing among contributors and entrepreneurs
- Provides new business opportunities
- Contributes to a more agile and collaborative culture
- Connection with new talents
- Opportunity to innovate in products and services

2017 Result
• 54 startups
• More than 1,000 jobs created
• R$150 million invested in companies

Cubo is increasing its capacity fourfold to approximately 210 startups
## Contents

1. Governance, Policies and Structure
2. Environmental & Social Risk and Climate Changes
3. Client Management, Education and Financial Inclusion
4. Employee Management
5. Ethics, Integrity and Human Rights
6. Impact Measurement
7. Sustainable Development Goals (SDGs)
8. Corporate Citizenship and Philanthropy
Organizational climate, attraction and retention

Total employees

The number of employees increased in 2016 mainly due to the consolidation of Itaú CorpBanca.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>90,320</td>
</tr>
<tr>
<td>2016</td>
<td>94,779</td>
</tr>
<tr>
<td>2017</td>
<td>90,183</td>
</tr>
</tbody>
</table>

Talent attraction and retention

Since 2009, ranked among the Best Companies to Work for by the main specialized publications in Brazil (Você S/A, Época and Valor Carreira magazines).

Trainee Program
143 trainees recruited in 2017, with 97% retention

Internship Program
2,094 interns recruited in 2017, with 48% retention

Organizational Climate

Confidential annual survey that measure employees’ satisfaction with the working environment and people management.

<table>
<thead>
<tr>
<th>Year</th>
<th>Overall Satisfaction Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>82%</td>
</tr>
<tr>
<td>2016</td>
<td>85%</td>
</tr>
<tr>
<td>2017</td>
<td>86%</td>
</tr>
</tbody>
</table>

The results of the survey are evaluated by employees and managers of the areas, who are encouraged to develop action plans to improve the organizational climate.

Turnover Rate

The turnover rate (ratio of the number of employees hired to the number of employees terminated in each year) has decreased gradually. This number is monitored by the Executive Committee on a monthly basis, and the Connecting People program is the main channel whereby employees are reassigned to other areas.

<table>
<thead>
<tr>
<th>Year</th>
<th>Involuntary</th>
<th>Voluntary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.4%</td>
<td>8.1%</td>
</tr>
<tr>
<td>2016</td>
<td>1.9%</td>
<td>8.5%</td>
</tr>
<tr>
<td>2017</td>
<td>2.2%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>
How the topic is managed by the bank

Internal policies
- Internal Diversity Appreciation Policy
- Diversity Appreciation Policy
  - Inclusion Program for Persons with Disabilities
  - Apprentice Program
- Commitment to Human Rights

Diversity working group
Periodic meetings between the Sustainability, Human Resources, Communication and Marketing, Governmental Relations, Legal, Compliance, and Foundations and Institutes areas, to discuss all diversity topics in the organization from the standpoint of employees, clients and society.

Women’s Health Program:
Several benefits are granted to pregnant women and mothers returning to work after maternity leave:
- Additional 60 days of maternity leave;
- A space for pumping breast milk;
- Specialist nurse’s visit after birth;
- Course on nutrition and first aids.

Participants in the course:

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>1,500</td>
<td>1,329</td>
<td>1,740</td>
</tr>
</tbody>
</table>

The percentage of employees returning from maternity leave in 2017 and remaining in their jobs for at least 12 months upon their return was:

- 2015: 86%
- 2016: 88.7%

Extension of paternity leave: a benefit that allows the employee to extend the paternity leave by 15 days in addition to the five statutory days.

Commitment to diversity

*Document in portuguese
Performance evaluation and development

**Meritocracy Cycle**

Annual evaluation based on achievements and behaviors aligned with the organization's culture.

**Strategic People Plan**
Consolidation of scores related to the evaluation of goals and behavioral attitudes to analyze the relative performance against the employee’s peers on a group basis. For 2016, 43,535 employees were evaluated.

**Trilhas (career paths)**
For cashiers and employees working in the branches, an evaluation of behaviors, achievements and readiness is performed. In the first six-months of 2017, 31,931 employees were evaluated.

**Feedbacks**
Honest and transparent feedbacks are part of this exercise.

**Individual Development Plans**
Designed to ensure their continuous and structured development, in 2017, 81.75% of officers, 39% of superintendents and 45.15% of managers prepared their own Individual Development Plan (PDI).

**Consequence management**
For promotions and salary increases, the employee’s consistent performance is taken into consideration.

**Training and Development**

**Leadership training**

**Target to have 95% of coordinators and managers** trained on people management and performance, ethics, good labor practices in the management of people, clients, risks, and banking business.

<table>
<thead>
<tr>
<th>% of leadership training</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>95%</td>
<td>87%</td>
</tr>
</tbody>
</table>

**Amounts invested in training employees (million of reais)**

- 2015: 128
- 2016: 131
- 2017: 232
**Employees | Health and Safety**

**Initiatives to promote the employee’s health**

**Fique OK (Be OK) Program**
Under this program, support is provided by psychologists, lawyers, nutritionists, physiotherapists, and financial advisors to employees and their family members. In 2017, 56,400 persons (employees or family members) were assisted through this channel.

**Professional Rehabilitation Program**
Designed to reintegrate employees under leave of absence by the Social Security Department who need assistance to resume their original activities: 1,500 employees in 2017.

**Working day – Compensation system**
To enable employees to take care of their personal issues, the compensation system allows them flexible working hours, leaving or arriving before or after regular hours, whenever necessary, and they can compensate these hours another day.

---

**Relevant Goals**

**Occupational medical examinations:** The purpose of this program is to promote and preserve the employee’s health as well as to prevent and secure an early diagnosis of diseases related to activities linked to the workplace or the employee’s work itself.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of employees submitted to occupational medical examinations</td>
<td>75%</td>
<td>85%</td>
<td>97%</td>
<td>98%</td>
</tr>
</tbody>
</table>

**Occupational Health and Safety (NR-1)**
Employees are provided via e-learning all guidelines relating to the prevention of work accidents and diseases.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Safety Training – NR1</td>
<td>76%</td>
<td>76%</td>
<td>83%</td>
<td>85%</td>
</tr>
</tbody>
</table>

**Occupational Safety Representatives (RSLT)**
E-learning on issues relating to the prevention of work accidents and occupational diseases designed for branch managers and supervisors.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSLT Training</td>
<td>62%</td>
<td>79%</td>
<td>83%</td>
<td>85%</td>
</tr>
<tr>
<td>1.</td>
<td>Governance, Policies and Structure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Environmental &amp; Social Risk and Climate Changes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Client Management, Education and Financial Inclusion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Employee Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Ethics, Integrity and Human Rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Impact Measurement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Sustainable Development Goals (SDGs)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Corporate Citizenship and Philanthropy</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Ethics

Ethics is present in our business and is reflected in the transparency, respect and honesty in the relationship with our stakeholders, in the quality of our services and products and in the concern with financial performance and environmental and social responsibility.

Code of ethics

Established to provide guidance on and prevent and resolve ethical dilemmas and conflicts of interests in the context of our activities and internal relations, and provides for our commitment to the topics in the ILO’s fundamental conventions and other international agreements, such as the following:

- Elimination of child labor
- Combat against discrimination
- Appreciation of Diversity
- Prevention of sexual harassment in the workplace
- Respect to the rights to free union association and collective bargaining agreements

Adherence to the term of acknowledgment and to the corporate integrity policies (%)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>92%</td>
<td>98%</td>
<td>93%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Training for employees and management members (e-learning, seminars on ethics for senior management)

<table>
<thead>
<tr>
<th></th>
<th>2017 Goal</th>
<th>2017</th>
<th>2018 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85%</td>
<td>88%</td>
<td>85%</td>
</tr>
</tbody>
</table>

In 2017, we were selected again to compose the 2017 Pro-Ethics Company list (Empresa Pró-Ética 2017) promoted by the Ministry of Transparency, Inspection and General Controllership of the Federal Government.

Integrity and Ethics Corporate Policy

To establish guidelines additional to the Itaú Unibanco’s Code of Ethics related to the following:
- Ethics Corporate Program
- Additional Guidelines – Conflicts of Interests
- Communication of Departures from the Code of Ethics
- Protection to Persons Using the Whistleblowing Channels

Integrity and Ethics Corporate Policy
External Ombudsman’s Office

Ruled by commitment, dialogue, transparency, owner’s mind, integrity and ethics, the purpose of the Internal Ombudsman’s Office is to help employees resolve interpersonal conflicts and conflicts of interest in the work environment, ethical misconduct and nonconformities with related institutional policies.

2017 Highlights

- 39 Meetings and lectures held by the Ombudsman’s Office management, covering a total of 1,784 employees.
- Executives’ message – broadcasting videos recorded by the bank’s President and executives, with messages on the importance and interdependence of the channel work.
Combating Corruption

Based on global best practices, our purview of corruption covers illegal acts between public and private agents, as well as those involving private agents only.

Anti-Corruption Corporate Policy

The purpose of our Anti-Corruption Corporate Policy is to reinforce our commitment to cooperate proactively with initiatives to prevent and combat corruption, and also to establish guidelines for the conception, implementation and continuous improvement of training and development programs, whistleblowing channels and awareness campaigns.

Integrity and Ethics Corporate Program

Established for the development of corruption prevention, monitoring and combat practices, using whistleblowing channels and promoting awareness campaigns and training programs on the topic:

✓ Whistleblowing channel for employees and stakeholders
For suspicious transactions that may result in dismissal or termination of agreement.

In 2017, we maintained our in-person and online continuing education program, especially for the departments most sensitive to the corruption risk, which have relations with government and suppliers. The percentage of adherence of employees and senior management to distance training achieved 93% in 2017. See the table below for the breakdown per job level by the end of 2017:

<table>
<thead>
<tr>
<th>Job level</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management (1)</td>
<td>89</td>
<td>82</td>
</tr>
<tr>
<td>Middle Management (2)</td>
<td>91</td>
<td>83</td>
</tr>
<tr>
<td>Workforce (3)</td>
<td>93</td>
<td>84</td>
</tr>
</tbody>
</table>

(1) Officers and above.  
(2) Superintendents, managers and supervisors.  
(3) Without management position.
Financial institutions play a key role in preventing and fighting illicit acts, which includes money laundering, terrorism financing and fraud.

Illicit Acts Prevention and Combat Corporate Policy

The objective of this document is to consolidate the principles and guidelines of Itaú Unibanco Holding S.A. relating to the prevention and combat of money laundering, terrorism financing and fraud, in accordance with the prevailing legislation and regulations and the best local and global market practices.

Program to prevent and fight illicit acts

In order to be compliant with the corporate policy guidelines, Itaú Unibanco established a program to prevent and fight illicit acts, which includes the following pillars:

- Customer Identification Process
- "Know Your Customer" Process (KYC)
- "Know Your Partner" Process (KYP)
- "Know Your Supplier" Process (KYS)
- "Know Your Employee" Process (KYE)
- Risk Assessment on New Products and Services
- Transaction Monitoring
- Reporting Suspicious Transactions to Regulators and Authorities
- Training
Information Security

Information is what supports the entire banking operation. Therefore, we have the commitment to protect corporate information and ensure the privacy of clients in all transactions.

Corporate Information Security Policy
Ensure the application of the information and intellectual property principles and guidelines of the organization, clients and the general public.

Information Security Initiatives

Role of the Information Security area
- Monitor and handle any type of attack and security incidents
- Management of accesses to systems
- Joint work with business and technology departments to keep up with the trends of the digital world market

Training on Information Security for employees
In-person and/or online training on information confidentiality, integrity and availability.

Cyber Security

We use cutting-edge technology to protect our network and data, as well as other barriers, such as restricted access to our servers, facilities and virtual environments, through the use of firewalls, protection by password and encryption.

NBR ISO/IEC 27001 Certification
A Brazilian standard developed to ensure the protection and privacy of information provided by clients and other sources.
Human Rights in Itaú

We are committed to preventing any attitudes that violate the rights of people with whom we relate.

Commitment to Human Rights

- Provides guidelines for preventing Human Rights risks we are exposed to in our relations with employees, clients and suppliers. It is driven by the UN Guiding Principles on Business and Human Rights, under the “Protect, Respect and Remedy” framework.

Action plans

- We monitor and supervise the impacts of our activities on Human Rights, incorporating activities associated with this topic into our policies and procedures.

- In 2018, a squad was created in the sustainability department exclusively to manage this topic.
**Human Rights - Due Diligence**

The purpose is to ensure respect to human rights, according to the United Nations Guiding Principles on Business and Human Rights.

<table>
<thead>
<tr>
<th>No.</th>
<th>Departments involved in the Due Diligence process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pesquisa e mapeamento</td>
</tr>
<tr>
<td>2</td>
<td>Definição de prioridades</td>
</tr>
<tr>
<td>3</td>
<td>Anáise de GAPs dos princípios orientadores da ONU</td>
</tr>
<tr>
<td>4</td>
<td>Conclusões e recomendações</td>
</tr>
</tbody>
</table>

**Main topics in human rights:**
- Labor analogous to slavery
- Child labor
- Moral and sexual harassment
- Health and Safety
- Diversity
- Discrimination
- Education and Culture
- Compensation
- Corruption, extortion and bribery
- Free union association
- Labor rights

**Due Diligence - Biannual**

- Work completed in 2017 in partnership with an independent third party in order to:
  - Identify possible impacts on our stakeholders
  - Prepare improvement plans for our processes
  - Monitor compliance with our Commitment to Human Rights.

- **Meetings:** 11
- **Documents reviewed:** +70
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Environmental impacts of Itaú’s operations in Brazil in 2016

Study developed by the Sustainability department to: Measure the main environmental impacts of the bank’s operations and report them to the stakeholders

Calculation of the impact generated in the Brazilian economy by Itaú’s supply chain and the credit products offered to clients, individuals and companies, in 2016 (does not include Rede).

Products covered by the study

<table>
<thead>
<tr>
<th>Individuals</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal credit</td>
<td>Working capital</td>
</tr>
<tr>
<td>Payroll loans</td>
<td>Direct Consumer Credit/Lease/FINAME</td>
</tr>
<tr>
<td>Credit cards</td>
<td>Credit cards</td>
</tr>
<tr>
<td>Mortgage loans</td>
<td>Mortgage loans</td>
</tr>
<tr>
<td>Vehicle financing</td>
<td>Vehicle financing</td>
</tr>
</tbody>
</table>

Supply chain

The 100 largest local suppliers were considered based on the amount spent.

Results obtained

- CO2 footprint
- Water footprint
- Fossil fuels
- Energy consumption
Findings from the Impact Study

Supply chain (R$10.1 bi spent)

- 938,600 t CO₂
- 9.6 mi³
- 157,569 t
- 5,897 GWh

Corresponds to the emissions generated by all vehicles in São Paulo in a three-month period

Sufficient to supply 3 million homes in Brazil for a one-year period

Products – Individuals and Companies (R$91.2 bi granted)

- 10.4 million t CO₂
- 301.8 mi³
- 1,763,405 t
- 68,336 GWh

Sufficient to meet water demand of approximately 4.9 million people in Brazil for a one-year period

Equivalent to the weight of 12 million barrels of oil
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Itaú’s actions associated to the SDGs

Global agenda that guides the actions of companies, government and society for the sustainable development.

**Context**
- **Launch of the 2030 / SDG Agenda**

**Itaú’s Actions**
- **2015**
  - Materiality matrix and GRI indicators taking the SDGs into consideration

- **2016**
  - Development and application of the workshop on training SDG Compass in partnership with the Brazilian Network of the Global Compact
  - SDGs are taken into consideration in Itaú’s actions towards Sustainability
  - SDGs as the umbrella for the strategy of the institutes and foundations

- **2017**
  - Launch of the “Integração dos ODS na estratégia empresarial” (Integration of the SDGs in the corporate strategy) Compass study in partnership with the Brazilian Network of the Global Compact
  - Beginning of the review of the bank’s sustainability strategy based on the SDGs
  - Engagement of employees (Brazil and Latam) in workshops
  - SDGs in training and for trainee project

- **2018**
  - Development of the SDG matrix cross-referencing strategic challenges and business operations.
  - Detailed reporting of SDGs in the Consolidated Annual Report

**Itaú’s main challenge:**
To impact the SDG’s goals through projects that connect Itaú’s strategic challenges with its business
Relation between SDGs and Itaú Unibanco’s strategic fronts

Customer Centricity
- SDG 5: Gender Equality
- SDG 8: Good Jobs and Economic Growth
- SDG 9: Innovation and Infrastructure
- SDG 10: Reduced Inequalities
- SDG 12: Responsible Consumption

Risk Management
- SDG 1: No Poverty
- SDG 3: Good Health
- SDG 4: Quality Education
- SDG 5: Gender Equality
- SDG 6: Clean Water and Sanitation
- SDG 7: Renewable Energy
- SDG 8: Good Jobs and Economic Growth
- SDG 9: Innovation and Infrastructure

Digital Transformation
- SDG 8: Good Jobs and Economic Growth
- SDG 9: Innovation and Infrastructure
- SDG 13: Climate Action

People Management
- SDG 3: Good Health
- SDG 4: Quality Education
- SDG 5: Gender Equality
- SDG 8: Good Jobs and Economic Growth
- SDG 10: Reduced Inequalities

Internationalization
- SDG 6: Clean Water and Sanitation
- SDG 7: Renewable Energy
- SDG 8: Good Jobs and Economic Growth
- SDG 10: Reduced Inequalities

Sustainable Profitability
- SDG 8: Good Jobs and Economic Growth
- SDG 9: Innovation and Infrastructure
- SDG 12: Responsible Consumption
- SDG 17: Partnerships for the Goals
Main impacts of the SDGs on Itaú Unibanco

<table>
<thead>
<tr>
<th>SDG</th>
<th>Impact</th>
<th>Main fronts</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Poverty</td>
<td>Promoting social and financial inclusion and diversity</td>
<td>Microcredit, Apprentice, Citizenship, Rural credit</td>
</tr>
<tr>
<td>No Hunger</td>
<td>Access to financial services to clients in rural areas</td>
<td>Rural credit</td>
</tr>
<tr>
<td>Good Health</td>
<td>Promoting access to health care and reducing financial impact</td>
<td>Employee health, Health insurance, Environmental and social management</td>
</tr>
<tr>
<td>Quality Education</td>
<td>Promoting formal education and training to employees</td>
<td>Employee training, Education, Financial education</td>
</tr>
<tr>
<td>Gender Equality</td>
<td>Women’s economic empowerment and equal opportunities</td>
<td>Itaú Women Entrepreneurs Program, Public commitments, Diversity policy</td>
</tr>
<tr>
<td>Clean Water and Sanitation</td>
<td>Environmental and social management in business and the facilities</td>
<td>Environmental and social management, Eco-efficiency, Carbon offsetting</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>Environmental and social criteria in business and use of renewable energy in facilities</td>
<td>Environmental and social management, Employee training, Management of suppliers</td>
</tr>
<tr>
<td>Good Jobs and Economic Growth</td>
<td>Promoting decent and sustainable work accessible for all</td>
<td>Environmental and social risk, Microcredit, Financial Education, P&amp;S</td>
</tr>
<tr>
<td>Innovation and Infrastructure</td>
<td>Environmental and social criteria in business and access to financial services</td>
<td>Environmental and social management, Microcredit, Financial Education, P&amp;S</td>
</tr>
<tr>
<td>Reduced Inequalities</td>
<td>Equal opportunities and access to financial services</td>
<td>Microcredit, Financial Education, Diversity, Women Entrepreneurs</td>
</tr>
<tr>
<td>Sustainable Cities and Communities</td>
<td>Promoting sustainable cities, urban mobility and cultural heritage</td>
<td>Bike Itaú, Itaú Cultural, Crisis management</td>
</tr>
<tr>
<td>Responsible Consumption</td>
<td>Gestão socioambiental e desenvolvimento sustentável</td>
<td>Environmental and social management in business, operations and suppliers</td>
</tr>
<tr>
<td>Climate Action</td>
<td>Environmental and social management in business, operations and suppliers</td>
<td>Environmental and social management in business, operations</td>
</tr>
<tr>
<td>Life Below Water</td>
<td>Environmental and social management in business and operations</td>
<td>Environmental and social management in business and operations</td>
</tr>
<tr>
<td>Life on Land</td>
<td>Environmental and social management in business and operations</td>
<td>Environmental and social management in business and operations</td>
</tr>
<tr>
<td>Peace and Justice</td>
<td>Promoting ethics, transparency and fighting corruption</td>
<td>Policies and training, Ombudsman, Environmental and social management</td>
</tr>
<tr>
<td>Partnerships for the Goals</td>
<td>Impacting and promoting sustainable development</td>
<td>Membership in associations, Partnerships, Impact on policies</td>
</tr>
</tbody>
</table>
## Contents

1. Governance, Policies and Structure
2. Environmental & Social Risk and Climate Changes
3. Client Management, Education and Financial Inclusion
4. Employee Management
5. Ethics, Integrity and Human Rights
6. Impact Measurement
7. Sustainable Development Goals (SDGs)
8. Corporate Citizenship and Philanthropy
Corporate Citizenship

**Itaú Cultural**
An institute focused on research and production of content, as well as on mapping, encouraging and disseminating artistic and intellectual manifestations. Therefore, it contributes to the appreciation of culture in a complex and heterogeneous society like Brazil.

**Espaço Itaú de Cinema**
The main purpose of Espaço Itaú de Cinema, a network of movie theaters, is providing different views of the movies, developing audiences, and leaving a legacy to society, always supporting projects that value and reinforce our commitment to democratization of culture.

Espaço Itaú de Cinema received approximately 723,000 people. A total of eight complexes with screening rooms in six Brazilian cities were involved.

**Fundação Itaú Social**
Fundação Itaú Social was specifically created to structure and implement Itaú’s social investments throughout Brazil, and it is focused on supporting, developing and strengthening programs aimed at improving public education policies, enhancing the commitment of our employees – and society in general – through a volunteer culture and systematized evaluation of social projects.

We held the 12nd edition of Prêmio Itaú-Unicef (Itaú-Unicef Award), which recognizes civil society organizations and public schools. 1,651 partnerships between CSOs and public schools registered in the program.

**Instituto Unibanco**
Instituto Unibanco works to raise the quality of Brazilian public education. Focused on improving results and producing knowledge about high schools, the Institute develops and implements management solutions – in the education system, in schools and in classrooms – committed to the effective capability of public schools to ensure the right to learning to all students.

We are involved in raising the quality of public education focusing on improving management of secondary schools. 1,440 schools and 469,985 students took part in Jovem de Futuro (Youth with a Future).

**Itaú Viver Mais**
Itaú Viver Mais (Itaú Live Longer) offers physical, social and cultural activities in several locations in Brazil for people older than 55. The activities are all free of charge and also offered to non-account holders. The Itaú Viver Mais program is based on three pillars: living, living together and reviving.

Since 2004, more than 25,000 participants took part in Itaú Viver Mais. Today, there are approximately 10,000 openings in the states of São Paulo, Rio de Janeiro, Rio Grande do Sul and Minas Gerais.
In 2017, we formalized, through an internal policy, the ruling that all of the investments made by the bank should aim to contribute to the Sustainable Development Goals (SDGs), reaffirming our commitment to the global agenda adopted during the United Nations Sustainable Development Summit in 2015.

<table>
<thead>
<tr>
<th>Not incentivized</th>
<th>2017: value invested (R$ million)</th>
<th>2016: value invested (R$ million)</th>
<th>Number of projects 2017</th>
<th>Number of projects 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>181.0</td>
<td>140.3</td>
<td>520</td>
<td>180</td>
</tr>
<tr>
<td>Culture</td>
<td>148.5</td>
<td>74.1</td>
<td>50</td>
<td>4</td>
</tr>
<tr>
<td>Sports(1)</td>
<td>7.2</td>
<td>8.5</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Urban mobility</td>
<td>64.9</td>
<td>63.8</td>
<td>45</td>
<td>15</td>
</tr>
<tr>
<td>Institutional support and others</td>
<td>10.4</td>
<td>33.5</td>
<td>43</td>
<td>206</td>
</tr>
<tr>
<td>Elderly</td>
<td>2.3</td>
<td>6.5</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Total of not incentivized</td>
<td>414.3</td>
<td>320.2</td>
<td>668</td>
<td>409</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incentivized</th>
<th>2017: value invested (R$ million)</th>
<th>2016: value invested (R$ million)</th>
<th>Number of projects 2017</th>
<th>Number of projects 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>15.8</td>
<td>11.7</td>
<td>38</td>
<td>39</td>
</tr>
<tr>
<td>Culture</td>
<td>69.4</td>
<td>83.6</td>
<td>119</td>
<td>97</td>
</tr>
<tr>
<td>Sport</td>
<td>16.9</td>
<td>14.5</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Health and elderly</td>
<td>31.0</td>
<td>38.4</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>6.5</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td>Total of incentivized</td>
<td>133.1</td>
<td>154.6</td>
<td>212</td>
<td>409</td>
</tr>
<tr>
<td>Total</td>
<td>547.4</td>
<td>474.8</td>
<td>880</td>
<td>620</td>
</tr>
</tbody>
</table>

(1) Due to the change in the structure of submission of contributions made during the years of 2015 and 2016, and the incompatibility in the form of their representation, this report does not express a comparison between the last three years.
(2) It does not include sponsorships to the Brazilian Soccer Team and the Miami Open Tennis Tournament.
For more information, see Itaú Unibanco Annual Report at https://www.itau.com.br/annual-report

Questions, feedbacks and suggestions, contact us by the email box: sustentabilidade@itau-unibanco.com.br