

ITAU ASSET MANAGEMENT

BRAZIL

Organization: Investor

Category: Research in Sustainability

General Information

Itaú Asset Management Brazil (Itaú AM) operates as the major management fund company of Brazil, managing BRL 386.6 bn (about USD 113.2 bn) in assets. The Company manages equity, fixed income and hedge funds. Itaú AM is based in Sao Paulo, Brazil.

Overall Sustainability Research Performance

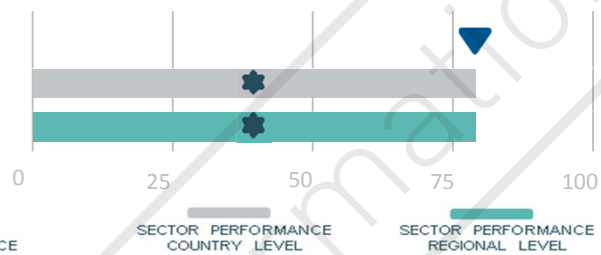
COMPANY GLOBAL SCORE AND PERFORMANCE

79

60-100 / 100 Advanced
50-59 / 100 Robust
30-49 / 100 Limited
0-29 / 100 Weak

SECTOR AVERAGE PERFORMANCE

COMPANY PERFORMANCE



Key Issues

Financial companies involved in investment or asset management activities have the duty to act in the best long-term interests of their beneficiaries. The adoption of a responsible investment strategy, considering ESG aspects in investment decisions can be a critical factor to fulfil this fiduciary duty. At the same time, the integration of ESG aspects in the governance and control systems of the financial companies themselves can result in a better understanding and monitoring of ESG risks inherent to the company investment strategy and investee companies.

Company Performance

Itaú AM's performance in Research in Sustainability is advanced.

Itaú AM conducts the following ESG strategies within its portfolio:

- Risk assessment of companies on ESG aspects: the analysts of Itaú AM review all the information presented by the company's ESG research provider and assess the companies' raw data in order to present these information to the investment committee. Moreover, the ESG analyst visit companies to present their ESG performance and to clarify Itaú's points of concern.
- ESG risk management procedures in investment processes and decisions: the company has developed its own ESG Integration Method for its investment decisions. The method assess ESG impacts on cash flow and the cost of capital in order to adjust individual target stock prices and to anticipate events that result in value creation or destruction.
- Exclusionary screening: Itaú AM conducts negative screening on nuclear power, tobacco, alcoholic beverages and the defense industry.
- Positive screening: the company conducts screening based on the ISE (Sustainability Index), which selects companies by product, corporate governance, environmental and social practices and performances.
- Thematic Funds: the Company has Social Environmental thematic funds such as "Itaú Excellencia Social", "Itaú Ecomudanza", "Social Itaú Referenciado Di Futura" and "Fundos de Índices (ETFs) de Sustentabilidade e Governança Corporativa"
- Company Engagement: the Company considers aspects related to business sustainability in the exercise of the right to vote, guided by three pillars: acting pro actively in the defense and preservation of the environment, social development and good corporate governance.
- Voting policies covering ESG issues: the company has implemented a Voting Policy, on which conflict of interest, governance, social and environmental factors are included.

The Company integrates Environmental, Impact on local communities and Corporate Governance considerations into its investment decision processes.

Finally, the integration of ESG factors represents a range between 50% and 58% of its investment portfolio.