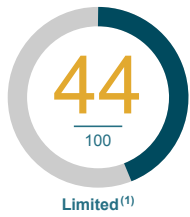


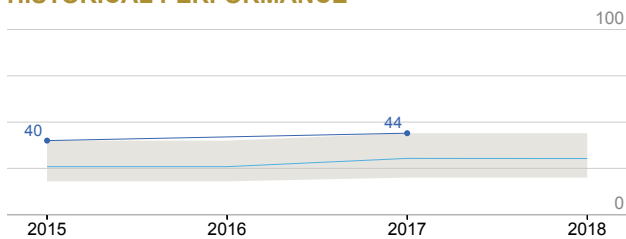
## Company and Sector Performance

### ESG OVERALL SCORE

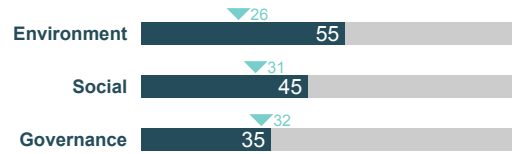


Information rate	70%
sector average	62%
Cooperation level <sup>(2)</sup>	Not responsive
High severity controversies	No
Rank in Sector	1/13
Rank in Region	48/904
Rank in Universe	521/4482

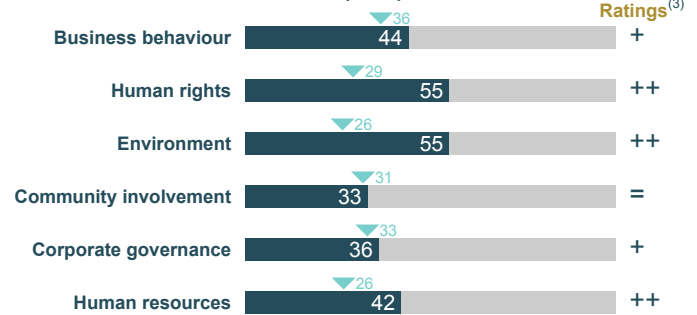
### HISTORICAL PERFORMANCE



### ESG PERFORMANCE (/100)



### 6 DOMAINS PERFORMANCE (/100)

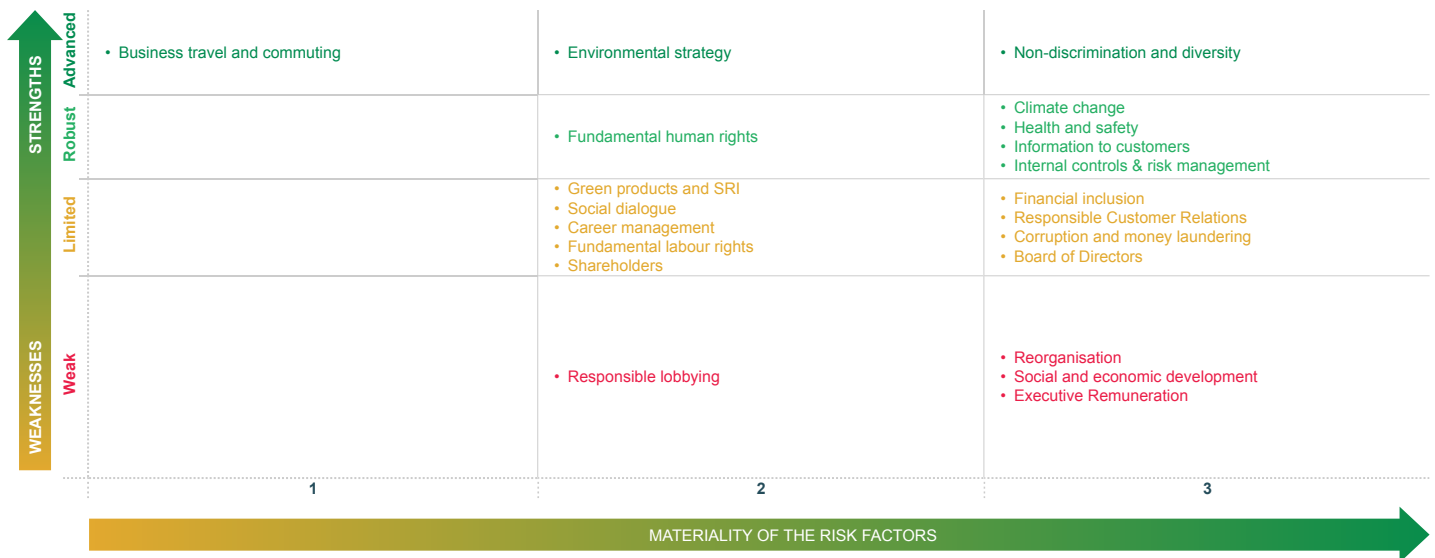


Company inclusion in Vigeo Eiris indices<sup>(4)</sup>: Yes

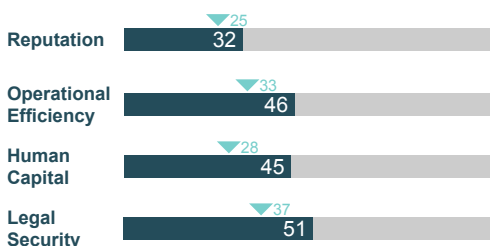


## Management of risks and opportunities

### MATERIALITY & PERFORMANCE MATRIX



### RISK MITIGATION INDEX (/100)



### ANALYST FOCUS

Analyst Focus is not available at this time

## Carbon Footprint and Energy Transition\*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

### CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

### ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

## Goods and services contributing to sustainable development\*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

## Involvement in controversial activities\*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: No Involvement Identified

### Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)  
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive  
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "+", "+"  
 (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

			Overall score 44/100				Trend	Score	Leadership	Implementation	Results
Weight											
<b>Environment</b>			↗	55	58	54	38				
E	ENV2.2	3	Climate change	↗	56	76	69	24			
E	ENV1.1	2	Environmental strategy	→	64	74	53	N/A			
E	ENV1.3	2	Green products and SRI	→	42	30	30	65			
E	ENV2.7	1	Business travel and commuting	↗	62	30	55	100			
<b>Human Resources</b>			↗	42	27	41	57				
S	HRS2.3	3	Reorganisation	↘	22	0	30	35			
S	HRS3.2	3	Health and safety	↗	55	55	51	60			
S	HRS1.1	2	Social dialogue	→	48	21	45	77			
S	HRS2.4	2	Career management	↗	45	30	40	65			
<b>Human Rights</b>			→	55	47	44	72				
S	HRT2.4	3	Non-discrimination and diversity	↗	66	51	65	81			
S	HRT1.1	2	Fundamental human rights	→	53	37	58	65			
S	HRT2.1	2	Fundamental labour rights	→	39	51	0	65			
<b>Community Involvement</b>			→	33	33	25	42				
S	CIN1.1	3	Social and economic development	↘	29	21	18	48			
S	CIN2.1	3	Financial inclusion	↗	37	44	32	35			
<b>Business Behaviour (C&amp;S)</b>			↘	44	55	26	50				
S	C&S1.2	3	Information to customers	↗	56	83	21	65			
S	C&S1.3	3	Responsible Customer Relations	→	49	55	39	53			
G	C&S3.1	3	Corruption and money laundering	↘	48	65	37	43			
G	C&S3.3	2	Responsible lobbying		12	0	0	35			
<b>Corporate Governance</b>			→	36	34	34	41				
G	CGV1.1	3	Board of Directors	→	48	62	26	56			
G	CGV2.1	3	Internal controls & risk management	→	55	42	59	65			
G	CGV4.1	3	Executive Remuneration	→	4	0	0	11			
G	CGV3.1	2	Shareholders	↗	39	30	60	26			

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



Involvement in allegations



Involvement in allegations with evidence of corrective measures

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## Benchmark Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
<b>BRITUBACNOR4</b>	<b>Itau Unibanco Holdings</b>	<b>++</b>	<b>++</b>	<b>++</b>	<b>=</b>	<b>+</b>	<b>+</b>	<b>44</b>
TH0016010017	Kasikornbank	+	+	++	=	+	+	39
BRBBASACNOR3	Banco do Brasil	++	++	+	=	+	-	38
BRBBDCACNOR1	Banco Bradesco	++	+	+	++	=	-	38
US80585Y3080	Sberbank	=	+	=	+	+	+	34
INE062A01020	State Bank of India	=	=	=	+	+	=	31
CNE1000001Q4	China CITIC Bank	=	-	=	=	+	+	30
CNE100000HF9	China Minsheng Banking	=	=	=	=	=	--	27
CNE100000Q43	Agricultural Bank of China	-	=	=	+	-	-	25
CNE1000003G1	Industrial and Commercial Bank of China	=	=	=	-	=	=	25
CNE1000001Z5	Bank of China	-	-	-	=	-	=	22
CNE1000002H1	China Construction Bank	-	-	-	--	-	+	21
CNE100000205	Bank of Communications	-	-	-	-	--	=	20

## General information

### Selected financial data

Key data	Revenues	EBIT	Employees
2016	BRL 118,661m	BRL 45,635m	94,779
2015	BRL 92,011m	BRL 23,050m	90,320
2014	BRL 91,657m	BRL 33,306m	93,175
2013	BRL 79,387m	BRL 24,603m	95,696
2012	BRL 81,172m	BRL 21,738m	96,977

Main shareholders	2016
Itaú Unibanco Participações S.A.	25.96%
Investimentos Itaú S.A.	19.69%
BlackRock	3.54%

Geographical Breakdown	Turnover 2016	Employees
Brasil	N/A	85.3%
LATAM & Other	N/A	14.7%

Main economic segment	Turnover 2016
Retail banking	75%

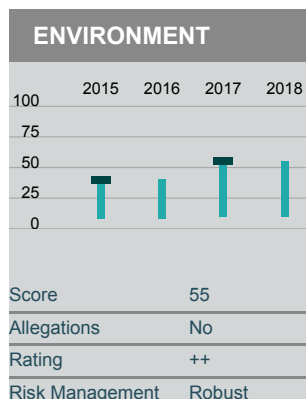
Main economic segment	Turnover 2016
Wholesale banking	24.1%
Activities with the market and corporation	0.9%

### Selected ESG Indicators

	2016
Non-executive Board member(s) responsible for CSR issues	No
Executive remuneration linked to CSR performance	No
Ratio of payments to employees vs. shareholders (3-year trend)	N/A
Percentage of independent Board members	25
Percentage of women on Board	0
Percentage of women in Executive team	0
Percentage of women in workforce	51
Transparency on lobbying budget	No
Percentage of employees covered by collective agreements on working conditions	N/A
3 year trend for safety at work	N/A
Involvement in armament	No
Transparency on payment of tax	Partial

## CSR performance per domain

■ Sector performance  
■ Company performance  
 Rating : min- / max ++

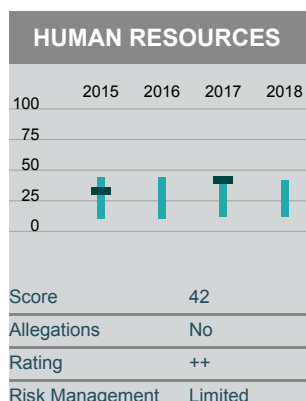


### Key issues

With the Paris agreement, climate change remains the focus of the debate (ENV2.2). That is why the scope of the analysis has been enlarged to cover banks' efforts to reduce their own carbon footprint, their financed emissions, and to support the energy transition. The integration of environmental factors in financing decisions is key for banks to protect their assets and inspire environmentally responsible behaviours (ENV1.3).

### Company performance

- The Company's performance in the Environmental domain is robust in absolute terms, which is an improvement with the previous review.
- Formalised commitments cover all the Bank's environmental responsibilities with quantitative targets disclosed. The Bank continues to deploy significant means to environmental management, and maintains its ISO 14001 certification for its current Tatuapé technology center. For the development of green products and services, a methodology that guarantees the analysis of environmental and climate change risks in the bank's lending activities is in place. Itau Unibanco reports also measures to reduce pollution and improve personnel transport mix and commuting.
- Overall, the Company ranks far above compared with its peers.

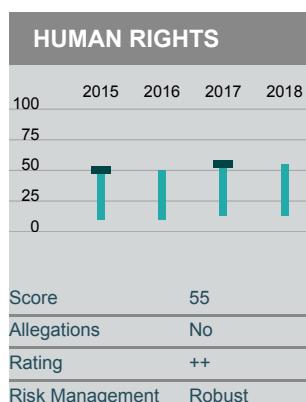


### Key issues

Cost reduction strategies, including job cuts, heavily affected the financial industry since after the financial crisis. This calls for banks to responsibly manage restructurings (HRS 2.3) to mitigate social consequences for employees, but also to safeguard their human capital base. The unstable external and internal environment, characterised by an increased work pressure, lack of job security and an increased demand for flexibility, requires an effective health & safety policy (HRS3.2) to deal properly with many stress factors.

### Company performance

- The Company's performance in the Human Resources domain is limited in absolute terms, which is consistent with the previous review.
- Itau Unibanco reports that local employee representative bodies have been set up in the majority of Company sites. For the career management and promotion of employability, some measures are in place, such as training programmes and a sound career management system, however the training hours per employee has decreased over the past five years. In addition, The Company only communicate and internal mobility programme to address reorganisation events responsibly. Finally, Itau Unibanco has published in its Code of Ethics, a formalised commitment to health and safety issues, which includes stress issues, and appears to have allocated means to address them.
- Overall, the Company ranks far above compared with its peers.

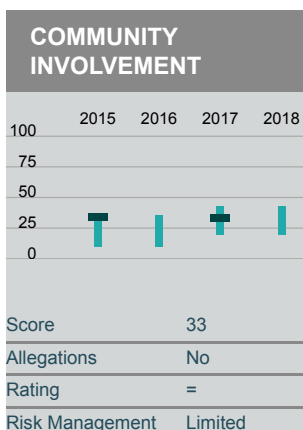


### Key issues

The financial industry is characterized by a high-qualified workforce, with a high proportion of men in managerial positions and significant gender pay disparities. As a consequence, non-discrimination (HRT2.4) is relevant in the sector. Financial companies may also be exposed to human rights abuses through their financing and investment activities (HRT1.1).

### Company performance

- The Company's performance in the Human Rights domain is robust in absolute terms, and it has slightly increased since last review.
- The Bank commits to integrate human rights considerations in its business activities, which includes the exclusion of business relations with clients, sectors or countries violating human rights. The Bank has also issued a formalised commitment to freedom of association and the right to collective bargaining, but did not report on measures adopted in this regard. Finally, Itau Unibanco communicates on measures to prevent discrimination, such as awareness raising and a monitoring system. The efficiency of those means is reflected by the positive trend recorded by key diversity indicators.
- Overall, the Company ranks far above compared with its peers.



### Key issues

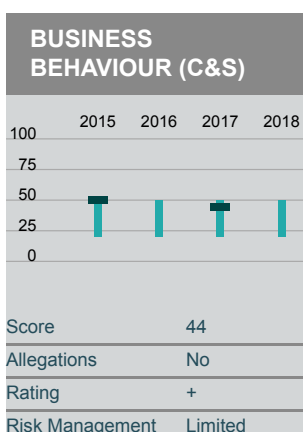
The main role of banks is to enhance the social and economic development by supporting the real economy and to mitigate risks resulting from activities with negative impacts for society (CIN1.1). As tax revenues are key for sustainable development, companies have the responsibility to ensure fairness and transparency in their tax strategies (CIN1.1). Financial inclusion and the support of clients in financial distress are also a key responsibility for banks (CIN2.1), especially in the actual context of slowdown of global economies.

### Company performance

- The Company's performance in the Community Involvement domain is limited in absolute terms, which is consistent with the previous review.

- The promotion of social and economic development is non-formalised and Itau Unibanco Holdings has put in place few measures in this topic. moreover, the company has no allocated any measure to support customers in financial distress. Itau Unibanco continues to support micro-finance providers and business start-ups. Furthermore, the Bank still promotes access to basic financial services through financial education, access to credit (microcredits) and developed system to prevent discrimination to customers. In addition, the company is transparent in its tax reporting.

- Overall, the Company ranks in line with its peers.



### Key issues

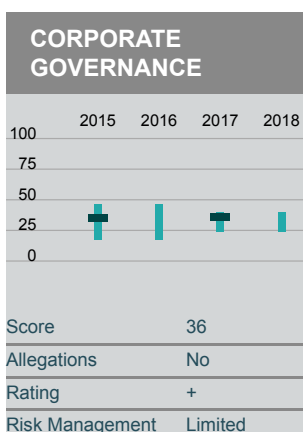
Banks's responsibility is to provide comprehensive advice to customers on products and associated risks (C&S1.2), as well as to ensure fair relations with them. Cybersecurity and the protection of clients' information are emerging as key issues for a responsible management of clients and therefore recently included in the dedicated driver (C&S1.3). Companies' effort to create an internal culture of responsible business conduct is also crucial in a sector that has been heavily affected by controversies related to unethical behaviour (C&S3.1).

### Company performance

- The Company's performance in the Business Behavior domain is limited in absolute terms, which representing a deterioration with the previous review.

- Itau Unibanco has formalised commitments to ensure information in to customers, responsible customers relations and to preventing business ethics risks, addressing main responsibilities in them. For the prevention of corruption and money laundering, Itau Unibanco has implemented an internal and external audits and procedures for identification of and follow up on suspicious activities. Finally, the Company has been rated for the first time in transparency of lobbying practices, where an overall of transparency is noted.

- Overall, the Company ranks above its peers.



### Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Executive remuneration is assessed for transparency and alignment with the interests of company's shareholders and other stakeholders (CGV4.1).

### Company performance

- The Company's performance in the Corporate Governance domain is limited in absolute terms, which is consistent with the previous review.

- The Bank's performance is hampered by the lack of disclosure on issues related to executive remuneration coupled to the restrictive rights of shareholders. The board of directors is 25% independent, which is less than the recommended level. However, Itau Unibanco reports that regular Board meetings are held throughout the year, during which CSR issues are reviewed. In terms of internal controls, the Company has a sound management of CSR risks with a clear materiality assessment and reporting system to the board of these issues.



- Overall, the Company ranks above its peers.

## CSR performance per criterion

### Detailed Analysis

<b>Environment</b>	<b>10</b>
ENV1.1 Environmental strategy	10
ENV1.3 Development of green products and services	12
ENV2.2 Minimising the impacts from energy use and financed emissions	14
ENV2.7 Management of environmental impacts from transportation	16
<b>Human resources</b>	<b>17</b>
HRS1.1 Promotion of labour relations	17
HRS2.3 Responsible management of restructurings	19
HRS2.4 Career management and promotion of employability	20
HRS3.2 Improvement of health and safety conditions	22
<b>Human rights</b>	<b>24</b>
HRT1.1 Respect for human rights standards and prevention of violations	24
HRT2.1 Respect for freedom of association and the right to collective bargaining	26
HRT2.4 Non-discrimination	27
<b>Community involvement</b>	<b>29</b>
CIN1.1 Promotion of the social and economic development	29
CIN2.1 Societal impacts of the company's products / services	31
<b>Business behaviour (C&amp;S)</b>	<b>33</b>
C&S1.2 Information to customers	33
C&S1.3 Responsible Customer Relations	35
C&S3.1 Prevention of corruption and money laundering	37
C&S3.3 Transparency and integrity of influence strategies and practices	39
<b>Corporate governance</b>	<b>40</b>
CGV1.1 Board of Directors	40
CGV2.1 Audit & Internal Controls	42
CGV3.1 Shareholders	44
CGV4.1 Executive Remuneration	45



-  Involvement in allegations
-  Involvement in allegations with evidence of corrective measures

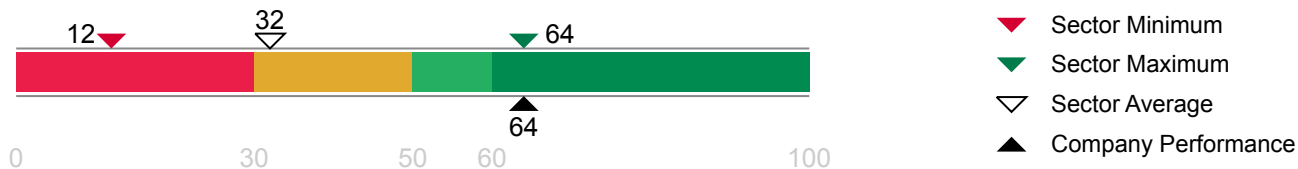
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Environment

Score: 55

ENV1.1 Environmental strategy

(score: 64, weight: 2)



Visibility of the commitment to environmental issues

The Company has issued a formalised commitment to environmental protection in its Social and Environmental Risk Policy. Also, the bank has targets to 2020 such as reduce energy consumption by 34%, reach a Power Usage effectiveness of 1.6 and acquire 96% of energy for administrative buildings from renewable sources. In addition, the Company is a signatory of the Global Compact and communicates on this principle.

Relevance of environmental strategy

The Company commits to the majority of its responsibilities in terms of environmental protection:

- Measuring and monitoring direct environmental impacts: the Company is committed to offset all its direct emissions as well as all the indirect emissions from energy consumption.
- Incorporate ESG considerations in investments strategies: the Company, through its subsidiary Itau Asset Management, it is committed to integrate ESG criterias in its investment decisions.
- Introducing environmental factors in the credit risk assessment: the bank is committed to denied credits to a list of restricted activities related with environmental factors, which is review annually.
- Reducing indirect impact on climate change, through credit activity: Climate change is addressed in its Environmental and Social Responsibility Policy, which provides guidelines for the entire organization.

Ownership of commitment

The commitment applies throughout the company, and is supported by senior management. In addition, there is a dedicated committee, the Social and Environmental Risk Committee, which is responsible to propose institutional policies with respect to its activities (credit, insurance and investment) and operations' exposure to social and environment risk and formalize them by means of internal regulations and procedures.

Means allocated to environmental management system

The Company has allocated significant resources to environmental management:

- Environmental manual specifying procedures and responsibilities: in its Social and Environmental Risk Policy, the bank details the responsibilities, restrictions activities, procedures for its credit process related with the environmental and social issues.
- Environmental performance measured against targets: the Company has established targets for 2020 to fight against the climate change and report its current performance of these challenges.
- External verification of reporting on environmental performance: the Company's quantitative reporting is externally audited by PricewaterhouseCoopers

Means allocated to employees environmental engagement

The Company has allocated most of the relevant employees environmental engagement initiatives:

- Awareness raising: the Company recognize to its employees and teams involved in sustainably related projects through internal communications tools, such as our

*intranet, bimonthly journal and meetings, highlighting the good performance and the importance in this issues.*

*- Training on ways to reduce their environmental impact in their daily operations: the bank has trained to some of its professionals to discuss and internalize sustainability and climate-related issues in their daily activities.*

*- a Green team: a dedicated committee, the Social and Environmental Risk Committee, is in charge of the formalisation and the adoption of socio-environmental criteria for the bank's commercial lending process.*

## Coverage of certified environmental management systems

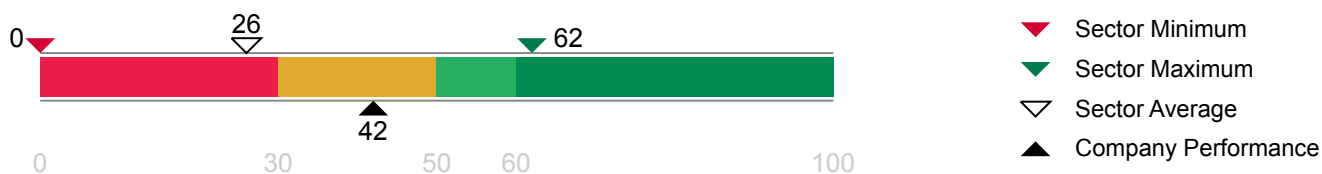
*Between 25% and 49% of the Company's offices in Brazil have a certified environmental management system. In 2016, three Company's administrations building hold environmental certifications, one of them for Is 14001 and the other with LEED certification.*

Leadership	74
Visibility	100
Relevance	65
Ownership	65

Implementation	53
Means & resources	65
Coverage	30

**ENV1.3 Development of green products and services**

(score: 42, weight: 2)



**Relevance of the company's commitment to integrate environmental issues in its lending and investment activities**

The Company has formalised the adoption of socio-environmental criteria for the bank's commercial lending process in its Social and Environmental Risk Policy. In addition, Itau Unibanco is a signatory of the Equator Principles III and UN PRI.

**Ownership of the commitment**

The commitment applies throughout the Company, supported by the senior management. Of note, it is a responsibility of the business units of Itau Unibanco and their managers the implementation of the Social and Environmental Risk Policy.

**Means allocated to the integration of environmental issues in lending activities**

The bank has adopted processes to identify, assess, classify environmental risks of clients/ projects

The Company has developed a methodology to include environmental risks in its lending activities. In addition, Environmental and Social Risks Management carries out technical assessments of operations, clients, products and real estate properties to anticipate and mitigate the bank's exposure to those risks.

**Coverage of the measures in place to integrate environmental issues in lending**

The process covers the transactions as defined in the EP III version

**Means allocated to the integration of environmental factors in investment activities**

The Company has adopted some responsible investment strategies:  
 - Exclusionary screening: Thematic funds offered for Itau AM as Fundos Itaú Excelência Social uses negative screening and ESG integration in the selection of investments. In addition, the Company report that they do not restrict the universe of investment options with negative screening, however they offered to its clients applies negative screening as filter to its investment.  
 - Thematic funds: The company, through its subsidiary itau Asset Management, offer to its clients funds with an environmental and social addition such as Fundos Itaú Excelência Social, Fundos Itaú Ecomudança and Fundo Itaú Futura.

**Coverage of the measures in place to integrate environmental factors in investment activities**

There is no evidence that the integration of environmental factors in investment cover to the majority of its activities.

**Stakeholders' feedback**

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.

Leadership	30	Implementation	30	Results	65
Relevance	30	Means & resources	30	Performance	65
Ownership	30	Coverage	30		

**ENV2.2 Minimising the impacts from energy use and financed emissions**

(score: 56, weight: 3)



**Relevance of the company's commitment to reduce climate change through its financing activities**

The Company has formulated policies on sensitive sectors and has a formal commitment to support a low carbon economy in its Social and Environmental Risk policy. Itau Unibanco has a list of prohibited and restricted activities, where are activities such as Extraction and production of wood, firewood and charcoal from native forests.

**Relevance of the company's commitment to reduce its energy consumption/ CO2 emissions**

The company has set quantified targets with regard to its energy consumption, and these cover the entire group  
 The Company has established targets for its electric energy consumption for all its buildings, including brasilian and latin american facilities.

**Means allocated to assess climate risks in financing activities and to support a low carbon economy**

The company has processes to systematically consider climate risks in its financing activities  
 Itau Unibanco has an environmental and social management system, which aim at mitigate the risk they assume in financing activities that may not be in compliance with its policies as the Social and Environmental Risk policy, which prohibit and restric some activities related with the climate change. The Company analyses its clients (smalls and medium companies), besides the new corporate segment, using specific tools and starts from the client's environmental and social categorization, which is based on criteria such as water and energy consumption, emission and generation of liquid effluents and atmospheric emissions. For the Wholesale segment, Itau Unibanco applies in the environmental and social risk assessment the criteria established in its Wholesale Corporate Environmental and Social Risk Policy.

**Coverage of the means allocated to assess climate risks**

The Company has allocated these means throughout its activities in Brazil, where the company has 85% of its activities.

**Means allocated to reduce the company's own energy consumption and CO2 emissions**

In addition to energy efficiencies measures, the company purchases "green electricity" and achieved green certifications of its offices  
 The 89% of the electric energy consumed in the administrative buildings comes from renewable sources, such as small hydroelectric, wind and solar power plants.

**Coverage of the means in place to reduce the company's own energy consumption and CO2 emissions**

The company has taken such measures in the majority of the company  
 The measures in energy consumptions take place in all the facilities in Brazil, where the company has the 85% of its operations.

**Performance indicators on the company's own CO2 emissions related to energy consumption**

*The company's CO2 emissions linked to energy consumption, normalised to revenue, have decreased by 25% over the past five years from 0.586 tCO2/R\$MM in 2012 to 0.438 tCO2/R\$MM in 2015.*

**Trend of CO2 emissions linked to the company's portfolio**

Information obtained from company and public sources regarding CO2 emissions linked to financing activities is insufficient

**Evolution of the share of loans to support the energy transition**

Information on the percentage of loans to finance the energy transition are not disclosed

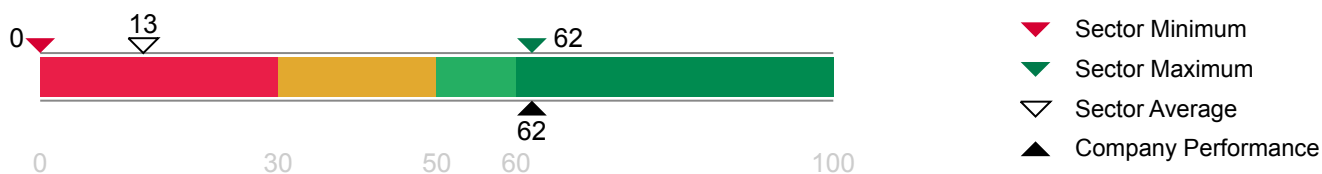
**Stakeholders' feedback**

*As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.*

<b>Leadership</b>	<b>76</b>	<b>Implementation</b>	<b>69</b>	<b>Results</b>	<b>24</b>
Relevance	76	Means & resources	52	Performance	65
		Coverage	100	Trends	0

**ENV2.7 Management of environmental impacts from transportation**

(score: 62, weight: 1)



**Relevance of the company's commitment with regard to the environmental impacts related to the transport of its products and/or personnel**

The company has set quantified targets with regard to the environmental impacts related to the transport of its personnel, but these do not cover the entire group.

*There is an online management panel system which enable the monitoring targets every four months and an effective management of the actions performed in the determination period.*

**Means allocated to minimising the environmental impacts**

*The Company has set up most of the relevant measures to reduce its environmental impacts related to the transport of its personnel:*

- *Measures to reduce pollution: the Company uses hibrid taxis of a third-party company by Itau's employees.*
- *Rationalisation of transport flows: the Company has improve the process to require a Virtual meeting, which reduce the time that the rooms must stay available and increases the number of meeting per day. This has allowed avoid transportation of the company's employees.*
- *Improvement of personnel transport mix: the Company has made some campaign aired in several internal media aiming to encourage the use of public transportation and taxi sharing.*

**Coverage**

*There is no evidence the measures apply in the majority of sites.*

**Energy consumption or CO2 emissions related to transportation**

*CO2 emissions from transportation have decreased significantly by 16% over the past five years from 48.890 tCO2 in 2012 to 40.216 tCO2 in 2016.*

**Trend in transport mix**

*Itau Unibanco has disaggregated its transport mix for the transportation in kilometers of its employees by air and land. The number of kilometers traveled in total has decreased by 7.5% over the past 3 years from 200 millions km in 2014 to 187 millions km in 2016. While in Land transportation the number of km traveled increased from 42 millions km in in 2014 to 58.9 millions km in 2016, the air transportation had a significant decrease from 157 millions km in 2014 to 128 millions km.*

<b>Leadership</b>	30	<b>Implementation</b>	55	<b>Results</b>	100
Relevance	30	Means & resources	65	Performance	100
		Coverage	30	Trends	100



Human resources

Score: 42

HRS1.1 Promotion of labour relations

(score: 48, weight: 2)



Visibility of commitment

The Company has made references to labour relations in its Annual Report 2016.

Relevance of commitment

The Company's commitment to promote labour relations is general. Itau Unibanco has made reference to have a permanent channel for dialog with the labor unions representing all its employees in various professional categories.

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Coverage of employee representative bodies

Local employee representative bodies have been set up in the majority of company sites.

All the sites in Brazil, where the company has the most of its operations, are represented by labour unions.

Subjects covered by collective bargaining

Collective bargaining between the company and employee representatives deals with subjects related to working conditions, including:  
- health & safety  
- remuneration.

Employee representative bodies in countries with restrictive legislation

Information obtained from company and public sources regarding how the company promotes employee representation in countries with restrictive legislations is insufficient.

Stakeholders' feedback

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.

Coverage of collective agreements on working conditions

Collective agreements on working conditions cover more than 75% of its employees.

At least, all the Brazilian employees (83% of the total Itau Unibanco workforce) enjoy the support of collective labor agreements.

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Leadership		Implementation		Results	
Leadership	21	Implementation	45	Results	77
Visibility	30	Means & resources	0	Performance	77
Relevance	30	Scope	30		
Ownership	0	Coverage	65		

**HRS2.3 Responsible management of restructurings**

(score: 22, weight: 3)



**Relevance of commitment to manage reorganisations responsibly**

The company does not disclose any commitment to manage reorganisations responsibly.

**Involvement with employee representatives**

The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

**Means allocated to prevent and manage reorganisations**

*The Company has allocated basic measures to limit the impacts of reorganisations: - internal mobility programme : the Company reports that it invests in a programme for the reallocation of employees within the bank.*

**Coverage**

*There is no evidence that such measure cover to the majority of the Company's sites.*

**Stakeholders' feedback**

*As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.*

**Result of the company's commitment to manage reorganisations responsibly**

The company does not provide any information on the impacts of reorganisations on employment.

*According to the bank information, between the 2015, and 2016, the number of employees increased by 4.9% to 94,779 mainly as a result of the merger between Banco Itaú Chile and CorpBanca. However, there is no information about the layoff or dismissals due to the merger.*

<b>Leadership</b>	0	<b>Implementation</b>	30	<b>Results</b>	35
Relevance	0	Means & resources	30	Performance	35
Ownership	0	Coverage	30		

**HRS2.4 Career management and promotion of employability**

(score: 45, weight: 2)



**Visibility of commitment**

*The company makes some general statements promoting career management and training in its Annual Report 2016.*

**Relevance of commitment**

*The Company's commitment to promoting career management and training is general. Itau Unibanco has made reference to foster initiatives for developing and continuously improving teams and leaders in the Company. In addition, the Company has in its Corporate Portal its policies on training, education and development, providing guidelines for planning and corporate educational initiatives for leaders and their teams. However, that policy is not publicly disclosed.*

**Ownership of commitment**

*The Head of HR is part of the company's Board. However line managers do not appear to be evaluated on their performance in terms of HR management.*

**Career management systems**

The company has set up an internal job opportunity marketplace and/or has formalised the skill requirements for the various job positions. Moreover employees have regular performance assessment interviews.

*The company has set up an internal job opportunity marketplace. The Company has set an international assignment, a long-term action plan to develop an international mobility profile to some employees. In addition, the Company appears to be conducting individual interviews or group dynamics to match the employees to the opportunities available across all the conglomerate's companies.*

**Coverage of career management systems**

*There is no evidence that the Career management systems measures covers to the majority of the Company's employees.*

**Types of training provided to non-managers**

The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills. Risk management and compliance issues are part of the common training curriculum.

*The company's business School provides training sessions and e-learning distance courses, and continuing education in three areas:*  
*Administration (knowledge management relating to its different business areas)*  
*Leadership (knowledge management to develop leaders)*  
*Corporate skills (management and application of general knowledge and certification preparation programmes).*  
*In addition, the Company has, in progress, training courses in risk management in environmental and social issues in its credit analysis.*

**Means allocated to training for all employees**

*The Company's rate of Number of training hours/ Number of Employees has decreased by 23% over the past five years from 23.16 hours per employee in 2012 to 17.91 in 2016.*

**Mobility / turnover**

*The Employee turnover rate in the Company has decreased by 6.6 percentage points over the past 3 years, from 17% in 2012 to 10.4% in 2016.*

**Training delivered during the year under review**

The precise percentage of employees having received training during the year under review is not disclosed.

<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>40</b>	<b>Results</b>	<b>65</b>
Visibility	30	Means & resources	43	Performance	65
Relevance	30	Coverage	30		
Ownership	30				

**HRS3.2 Improvement of health and safety conditions**

(score: 55, weight: 3)



**Visibility of health & safety commitments**

The Company has made a formalised commitment to health and safety issues in its Annual Report 2016.

**Relevance of commitment**

The company's commitment only addresses part of its responsibilities:  
 - prevent occupational disease  
 - promote well-being and balance lifestyle

**Ownership of commitment**

The commitment applies throughout the company, supported by senior management. In addition, responsibility for commitments is allocated to a dedicated structure or local managers are held accountable.

Itau Unibanco has a specific department (Internal Commission for Accident Prevention) for managing, running and developing the activities that make an ongoing contribution to occupational safety, and to the facilities, equipment and tools used in our business.

**Means allocated to health and safety**

The company has allocated means to address these issues, including a health and safety system:

- Awareness raising programmes: the Company hold annually an Internal Accident Prevention Week , focused on prevention and raising awareness of the topic of occupational accidents. Also, Itau Unibanco provide e-learning training on occupational accident and disease prevention.
- internal monitoring: the Company monitors the rates of injuries and working days lost.
- risk assessments: the Environmental Risk Prevention Program rates the performance of the business units in order to verify physical, chemical and biological hazards in the environment and proposes necessary adaptations for eliminating exposure to such risks.

**Means allocated to reduce stress at work**

The health programs are mainly concerned with the treatment, rehabilitation and recovery process of individuals, including:

- Employee assistance programme: the Company reports that it provides assistance and professional guidance to handle personal or career-related problems (Programme "Be Ok"). the 0800 telephone line offers employees and their families with free and confidential assistance from psychologists, social workers and other specialists. the program also provides house calls from social assistants and psychologists.
- Monitoring of absenteeism and rate of occupational disease.
- Measures to improve ergonomics: Itau Unibanco makes an Ergonomic analysis of jobs to prevent employee discomfort when executing daily activities, including the verification of the state of furniture, equipment, approval of ergonomic accessories and description of activities undertaken.

**Coverage of means allocated to address mental health** *The mental health and safety measures cover all company's sites. Also, the Programme "Be OK" covers all its employees and their family members.*

**Accident frequency rate** *The rate of work related injuries has remained stable over the past three years, standing at 2.36% in 2016.*

**Other health and safety indicators** *The Company's rate of absenteeism has remained stable over the past three years, standing at 1.11% in 2016.*

**Stakeholders' feedback** *As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.*

Leadership	55	Implementation	51	Results	60
Visibility	65	Means & resources	65	Performance	60
Relevance	30	Scope	30		
Ownership	65	Coverage	100		

Human rights

Score: 55

HRT1.1 Respect for human rights standards and prevention of violations

(score: 53, weight: 2)



Visibility of commitment

The Company has issued a formalised commitment to respect and promote human rights in society in its Code of Ethics. Itau Unibanco Holding is a signatory of the Global Compact and communicates on this principle. The company is also a signatory of the Equator Principles, and of Principals for Responsible Investment, Principals for Sustainable Insurance and National Pact for the Eradication of Forced Labor, Principals for Sustainability in Insurance and Corporate Letter for Human Rights and for Promotion of decent work.

Relevance of commitment

The Company's commitment to respect and promote human rights in society is general. Itau Unibanco has made reference to prevent and fight against all kinds of discrimination, harassment, prejudice, and unworthy work conditions

Ownership of commitment

The commitment applies throughout the Company, supported by the senior management. Of note, the inspector's Superintendence is in charge of receive and manage the information and suspicious about the violation of the Code of Ethics in Human Rights issues.

Means allocated to manage human rights risks in business activities

The Company has adopted few measures, including:  
 - Exclusion of business relations with clients, sectors, countries violating human rights: the Company assess the risk of its suppliers in reputational issues, including human rights topics (such as child labor, dirty list of slave labor) . In addition, the Company has a "List of prohibit activities" for its corporate clients, which includes violations of human rights.  
 - Set up of grievance mechanism through which stakeholders affected can voice their concerns: the Company has established a suppliers report channel to make reports and denunciations of ethical desviation and violations of the codes, including the Human rights commitment.

Coverage of the allocated means

The measures allocated for itau Unibanco to manage human rights risks in business activities applies for all the Company's sites.

Stakeholders' feedback

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.



Leadership	37	Implementation	58	Results	65
Visibility	65	Means & resources	30	Performance	65
Relevance	30	Coverage	100		
Ownership	30				

**HRT2.1 Respect for freedom of association and the right to collective bargaining**

(score: 39, weight: 2)



**Visibility of commitment**

The Company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Code of Ethics. In addition, the company is a signatory of the Global Compact and communicates on this principle.

**Relevance of commitment**

The Company's commitment addresses its main responsibilities:  
 - protection of freedom of association and the right to organize  
 - respect of the right to collective bargaining  
 - respect and protection of workers' representatives

**Ownership of commitment**

The commitment applies throughout the Company, supported by the Chairman of the board and the Executive President.

**Monitoring**

It is not clear what steps the Company takes to ensure that freedom of association is respected throughout the company's operations.

**Promotion of collective bargaining**

Information obtained from company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

**Coverage**

**Stakeholders' feedback**

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.

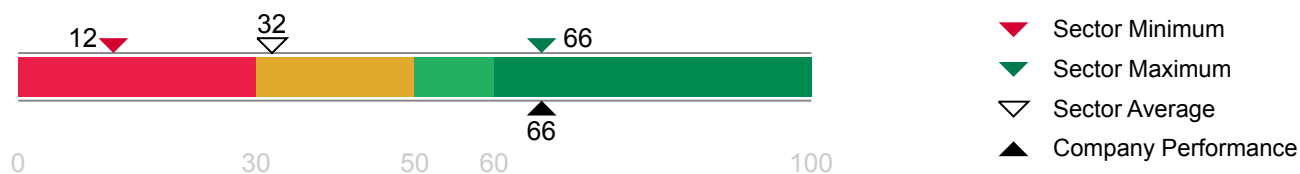
<b>Leadership</b>	<b>51</b>
Visibility	65
Relevance	65
Ownership	30

<b>Implementation</b>	<b>0</b>
Means & resources	0
Coverage	0

<b>Results</b>	<b>65</b>
Performance	65

**HRT2.4 Non-discrimination**

(score: 66, weight: 3)



**Visibility of commitment**

The company has issued a formalised commitment to non-discrimination in its Code of Ethics. In addition, The Company is a signatory of the Global Compact and communicates on this principle.

**Relevance of commitment**

The Company's commitment to non-discrimination explicitly defines most of the categories covered:

- gender
- race / ethnicity
- social background
- religion
- sexual orientation
- disabilities
- political opinion
- age

**Ownership of commitment**

The commitment applies throughout the Company, supported by the Chairman of the board and the Executive President.

**Means allocated**

The Company has set up extensive measures to prevent discrimination and promote diversity:

- awareness raising: the Company seek to present the importance of valuing diversity through seminars, training and other activities that involve in-house communication, such as lectures, materials made available and videos.
- monitoring: the Company monitors some Human rights indicators such as the rates of women in management positions and employees with disabilities.
- confidential reporting system: the bank has an internal ombudsman channel to receive and investigates employees complaints.
- affirmative action programmes: the Company has an inclusion programme for professionals with disabilities offering equal opportunities for professional growth.
- child care subsidies: through the collective bargaining agreement, the bank gives benefits on child care.
- maternity pay: the Company allows additional 60 days maternity leave, which begins on the day immediately following the end of the period of leave granted under the labor legislation.
- paternity pay: the bank allows the employee to extend the paternity leave by 15 days.
- monitoring of salary disparities: the Company assess the ratio of women's basic salary to men's.

**Coverage**

There is no evidence that the Company has set up its programmes to promote diversity in the majority of its operations.

**Results in terms of gender distribution**

The gender balance of women in management of the Company has remained

stable over the past 5 years, standing at 51% in 2016.

## Stakeholders' feedback

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.

Leadership	51
Visibility	65
Relevance	65
Ownership	30

Implementation	65
Means & resources	100
Coverage	30

Results	81
Performance	65
Trends	100

Community involvement

Score: 33

CIN1.1 Promotion of the social and economic development

(score: 29, weight: 3)



Visibility of the policy

The Company has made references to the promotion of local social and economic development in its Annual Report 2016.

Relevance of the commitment

The Company's commitment to promote local social and economic development addresses only part of its responsibilities:  
 - Promote local entrepreneurship through SME financing: Itau Unibanco is committed to supports entrepreneurship in order to promote innovation, creativity and the generation of new business.

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Means allocated

The Company has allocated few means to address social and economic development, including:  
 - Support to business start-ups: Itau Unibanco in partnership with Redpoint created Cubo, a non-profit organisation that promote transformation to technological entrepreneurship through a variety of initiatives. In addition to offering a co-working space for digital startups, the resident startups can count on the support mentors who are specialized in a wide range of topics and on a platform of events that includes workshops, speeches, among others.  
 - Support to micro-finance providers: the Company's microcredit activities are split into two levels. The 1st Tier Lending for a mixture of working capital, upgrades and fixed assets provided to formal and informal business people engaged in small business activities. The 2nd Tier Lending to micro-entrepreneurs through civil society organizations registered with the National Producer Active Microcredit Programme (NPMP).

Geographical coverage

The coverage of these measures is unclear

Responsible management of tax advisory services to clients

Information obtained on the steps taken to mitigate the potential negative effects on local development from clients tax advisory services is insufficient.

Means allocated to mitigate the negative social effects of investments/ trading in food, energy and metal commodities

Information obtained from company and public sources regarding measures to mitigate the negative effects of investments in agricultural, energy or metal commodities is insufficient.

**Trend of indicators measuring the "impact" of the company's community development engagement**

*Information obtained from Company and public sources regarding the quantitative outcomes of local social and economic development projects is insufficient to determine a trend.*

**Transparency of tax reporting**

*The Company reports significantly on taxes paid. Reporting covers:*  
 - taxes paid in key countries of operations: Itau Unibanco reports its taxes paid in Brazil, the country where it has the most of its operations.  
 - sales, employees per zone

**Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules**

*The Company operates in Bahamas and Cayman Island (IMF 'offshore financial centres'). Itau Unibanco justify its presence there to support its clients in cross-border financial transactions and services, such as trade financing, loans from multilateral credit agencies, offshore loans, international cash management services, foreign exchange, etc. These services are offered mainly through its branches in the Bahamas and the Cayman Islands.*

**Stakeholders' feedback**

*As of 08/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.*

<b>Leadership</b>	<b>21</b>	<b>Implementation</b>	<b>18</b>	<b>Results</b>	<b>48</b>
Visibility	30	Means & resources	15	Performance	65
Relevance	30	Coverage	30	Trends	0
Ownership	0				

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**CIN2.1 Societal impacts of the company's products / services**

(score: 37, weight: 3)



**Visibility of the company's commitment to promote financial inclusion**

The Company has issued a formalised commitment to promote access to basic financial services in its Environmental & Social Risk and Opportunities document.

**Relevance of commitment**

The Company's commitment addresses part of its responsibilities:  
 - promote access to credit for weaker customers: the Company is committed to promote economic empowerment and credit access to those traditionally excluded from the financial system.  
 - prevent clients' discrimination. the bank is engaged to the promotion of gender equality within the scope of clients and society.

**Ownership of commitment**

The commitment applies throughout the company, supported by Itau Unibanco's Sustainability Unit.

**Means allocated to promote access to basic financial services:**

The Company has allocated some measures to promote access to basic financial services:  
 - Access to credit: for the contribution to the improvement of small business, Itau Unibanco offers products and services in the places served and reducing the unemployment rate in the surrounding areas. Itau Microcredit is available in economically underprivileged areas in the metropolitan regions of São Paulo and Rio de Janeiro.  
 - Financial education (to community at large): the bank has implemented the volunteer programme "Conscious Use of Money", which is a workshop and aims to share financial education with young people and adults of the community. Also, the Company has financial education content on websites, focused on different topics such as insurance, investment and credit.  
 - Systems to prevent the discrimination of customers: The programme Itau Women Entrepreneurs is result of a partnership with the IFC - World Bank and the IDB to offer financial and non-financial solutions to women entrepreneurs. Its main objective is to empower women entrepreneurs in Brazil, who are growing in number and increasing their share in the economy.

**Means allocated to support customers in financial distress**

Information obtained from Company and public sources regarding measures allocated to support customers in financial distress is insufficient.

**Coverage of means allocated to promote financial inclusion**

There is no evidence that these means are allocated in the majority of the company sites

**Trend of indicators measuring company efforts to promote financial inclusion**

Information obtained from Company and public sources regarding the quantitative outcomes of the company's efforts in terms of financial inclusion is insufficient to determine a trend.

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## Stakeholders' feedback

*As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.*

Leadership	44	Implementation	32	Results	35
Visibility	65	Means & resources	32	Performance	65
Relevance	30	Coverage	30	Trends	0
Ownership	30				



Business behaviour (C&S)

Score: 44

C&S1.2 Information to customers

(score: 56, weight: 3)



Visibility of commitment to adequately informing customers about products/ services

The Company has issued a formalised commitment to adequately inform customers about its services in its Code of Ethics.

Relevance of commitment

The Company's commitment addresses its main responsibilities:

- provide customers with detailed information about product risks/benefits: Itau Unibanco is committed to adopt contacts easy to understand, highlighting the existing risks, so that there are no doubts or misunderstandings.
- avoid misleading marketing messages: the bank consider unacceptable misleading clients and consumers to reach results at any cost.
- avoid mis-selling practices: It is consider as a unacceptable practice negotiate according to rumors or untrustworthy data, under penalty of generating damages to the parties.
- avoid coercive tied selling: the bank consider unacceptable use schemes like tie-in sales and other forms of imposition or harassment in order to close deals.

Ownership of commitment

The commitment applies throughout the Company, supported by senior management. In addition, the Ombudsman office is responsible of receive complaints of the clients due to violations of the Code of Ethics, including information to customers issues.

Systems to monitor information to customers

The Company has set up few measures to ensure customers are informed properly:

- educational tools at disposal of customers: As part of its sustainability strategy, Itau Unibanco provides financial education, which gives information and adequate financial solutions so that the customers can have a balanced relationship with their money.
- ensuring customers' suitability: the Company identifies its credit customers which might need financial guidance and contact them to understand their needs so the bank can provide instruction and offer the correct products to reorganize their credit according to their income.

Employees training and awareness raising

Information obtained from company and public sources regarding responsibility in marketing and commercial practices is insufficient.

Coverage of systems to monitor information to customers

It is not clear in which part of the company are these measures in place

Stakeholders' feedback

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.

Leadership	83	Implementation	21	Results	65
Visibility	65	Means & resources	17	Performance	65
Relevance	100	Coverage	30		
Ownership	65				

**C&S1.3 Responsible Customer Relations**

(score: 49, weight: 3)



**Visibility of commitment to responsible customer relations.**

*The Company has issued a formalised commitment to responsible customer relations in its Code of Ethics.*

**Relevance of commitment**

*The Company commits to most of its responsibilities*  
 - prevent unfair contract terms: the bank is committed to To adopt contracts which are easy to understand and which render evident the rights and duties of the parties, and highlighting the existing risks, so that there are no doubts or misunderstandings.  
 - listen to customers' complaints: the banks is committed to offer assistance channels prepare to reply request complaints and suggestions.  
 - the bank has to protect client's privacy and its information.

**Ownership of commitment**

*The commitment applies throughout the Company, supported by the Chairman of the board and the Executive President.*

**Means allocated to ensure responsible relations with customers**

*The Company has set up few measures:*  
 - staff awareness and training: Since 2009, the bank carries out the Financial Education Program to employees and clients to understand people's needs and offer suitable financial solutions.  
 - measuring performance against customer satisfaction surveys and be acting on the results: the bank and other independent party carry out a customer satisfaction survey regarding banking services from specific business units and compare the results with those of its competitors. This allows to the bank define action plans focusing on improvements to better serve and attract new clients.

**Complaints management system for customers**

There is a formalised and accessible system to handle complaints, with detailed disclosure on procedures.  
*The Company has communications channels to receive all matters related to Itau Unibanco: questions, suggestions, comments and complaints through its websites and several social medias. In addition, the Company has a Ombudsman office, which act as a last resource within the Company to resolve client's demands between clients and the institution and to attend to complaints not resolved in its primary channels.*

**Coverage of means allocated to ensure responsible relations with customers**

It is not clear in which part of the company are these measures in place

**Means allocated to address cyber security and to protect key information assets**

*The Company has set up few measures:*  
 - An incident management plans is established: the Company has developed a Corporate Business Continuity Policy, which details the responsibilities, rules and

framework in case of a disaster recovery plan, including cyberattacks.  
 - Effective training of security requirements is provided to all employees: The programme implemented in the Corporate Business Continuity plan aims to ensure that all employees are aware of their roles and responsibilities and are prepared to act should an incident occurs.

Information disclosed on performance indicators is insufficient

## Results: trend of complaints received

The Company disclosed information only for 2015 and 2016, which were 77 and 71 complaint monthly respectively.

## Stakeholders' feedback

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>55</b>
Visibility	65
Relevance	65
Ownership	30

<b>Implementation</b>	<b>39</b>
Means & resources	42
Coverage	30

<b>Results</b>	<b>53</b>
Performance	53

**C&S3.1 Prevention of corruption and money laundering**

(score: 48, weight: 3)



**Visibility of commitment on business ethics and money laundering**

The Company has issued a formalised commitment to preventing business ethics risks in its Code of Ethics. In addition, the Company is a signatory of the Global Compact and communicates on this principle.

**Relevance of commitment**

The Company's commitment addresses its main responsibilities:

- giving / receiving bribes
- gifts and invitations
- fraud
- money laundering
- conflicts of interest

**Ownership of commitment**

The commitment applies throughout the Company, supported by senior management. In addition, it is responsibility of the Committee of Ethics and Sustainability monitoring the compliance with anti-corruption policies and

**Involvement of employees on business ethics**

The company has instituted formal training programmes for relevant employees on business ethics risks prevention and management.

Programmes are in place for the dissemination of information and awareness of clients and employees about fraud prevention through different channels.

**Means allocated (business ethics)**

The Company has set up internal controls to prevent business ethics risks that include:

- internal audits: it is responsibility of Internal Controls and Compliance and Operational Risk area to carry out tests to evaluate the control procedures in place for preventing and fighting illicit acts and ensure that employees are trained for preventing and fighting terrorism financing and frauds.
- external audits: procedures and the Illicit Acts Fight and Prevention Program is also periodically assessed by independent organizations.

**Coverage (business ethics)**

The measures implemented cover all significant parts of the company

**Means allocated (money laundering)**

The Company has set up some measures to prevent money laundering that include:

- measures to establish the identity of its clients and identify the customers whose circumstances warrant additional diligence: the Company has procedures for identifying the Ultimate Beneficiary Owners of companies and Politically Exposed

Persons (PEPs). In addition, the Company uses the Know Your customer (KYC) credit analysis process, in accordance with the procedure described in the anti-Money laundering and Financing of terrorism (AML) sector policy.

- procedures for identification of and follow up on unusual or suspicious activities: Transaction and financial operations must be monitored to determine situations that may be associated with money laundering. There is a special procedures for particular cases wich requires special attention (e.g. Politically Exposed Persons).
- a dedicated confidential hotline or e-mail address: the Whistleblower protection procedures allows anonymous complaints to the Compliance officers through email, including money laundering issues.

## Coverage (money laundering)

The measures implemented cover all significant parts of the company.

## Reporting (business ethics and money laundering)

The company does not disclose any quantitative data on the number or nature of corruption and/or money laundering incidents reported internally.

## Stakeholders' feedback

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.

Leadership	65
Visibility	65
Relevance	65
Ownership	65

Implementation	37
Means & resources	40
Coverage	30

Results	43
Performance	43

### C&S3.3 Transparency and integrity of influence strategies and practices

(score: 12, weight: 2)



**Visibility towards stakeholders**

The visibility of the company's commitment to ensuring transparency and integrity of lobbying practices is insufficient.

**Comprehensiveness of the commitment**

**Ownership of commitment**

**Involvement of employees**

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

**Measures allocated**

Information regarding measure allocated to ensure transparency and integrity of lobbying practices is insufficient.

**Coverage of the measures allocated**

**Reporting**

The company does not disclose the budget directly and directly dedicated to lobbying practices.

**Stakeholders' feedback**

As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.

<b>Leadership</b>	<b>0</b>
Visibility	0
Relevance	0
Ownership	0

<b>Implementation</b>	<b>0</b>
Means & resources	0
Coverage	0

<b>Results</b>	<b>35</b>
Performance	35

Corporate governance

Score: 36

CGV1.1 Board of Directors

(score: 48, weight: 3)



**[LISTED COMPANIES] Existence and independence of Nomination Committee**

No executive is a member of the committee, but half or fewer are independent.  
 One member of the Five-member Nomination Committee is considered independent.

**Independence of the Board Chairman**

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

**Responsibility allocated over CSR issues**

There is a CSR committee that is part of the Board. In addition the Head of CSR department makes regular reports to the committee.  
 The Sustainability Supervision Committee is composed of members of the board. It meets annually and provides support for long term strategies to the board in sustainability issues reporting in the Board meeting what they reviewed in the Sustainability Supervision Committee meeting.

**Share of independent shareholder-elected Board members**

The Board is between 21 and 33% independent, which is less than the recommended level. Three members of the 12-member Board are considered independent.

**Diversity of the skills and backgrounds of the Board**

The Board of Directors diversity appears to be partial:  
 - Board members with demonstrated professional experience in the company's sector of activities.  
 - Board members with demonstrated expertise on CSR issues: Fabio Colletti has participated in the boards of Un Fundation in USA and in the Board of fundacao OSEPS as Chairman in Brazil.

**Training and expertise provided to board members**

Information obtained from company and public sources regarding training provided to board members is insufficient.

**Regular election of Board members**

Board members are eligible for re-election following 1-year term.

**Evaluation of Board's functioning and performance**

Performance is evaluated regularly by a third party.  
 Itau Unibanco carries out annually a performance evaluation of its Board of Directors, its Chairman as well as the Board Committees. An independent person

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is responsible for conducting the evaluation process, supported by the Nomination and Corporate Governance Committee.

**Review of CSR issues at Board meeting**

Only few of the relevant CSR issues appear to be discussed at Board level:  
 - Climate change  
 In addition, in the Strategy Committee discussed about the 2030 Agenda of the United Nations (UN) and the global risks 2015 report of the World Economic Forum.

**Regularity of and attendance at Board meetings**

Regular meetings are held, but no attendance rates are disclosed.  
 According with the Board of Directors internal Charter, the Board shall hold ordinary meetings eight times annually to be held according to the annual calendar set by its Chairman.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid>1/2 executive salary	Represent>3% company's shares	Other	Independency
Pedro Moreira Salles	Chairman [[SC]] President of Appointment and Corporate Governance Committees		X		X		X		X			X		
Roberto Egidio Setub	CEO [[SC]] President of Capital and Risk Management Committee [[SC]] President of Compensation Committee	X					X		X			X		
Alfredo Egidio Setub			X		X			X	X			X	Investor Relations Officer from 2003 to 2015.	
Amos Genish			X											X
Fábio Colletti B.			X		X									X
Geraldo J Carbone	Member of Capital and Risk Management Committee		X		X				X					
Gustavo Laboissiere	President of Audit Committee		X			X	X		X					
João Moreira Salles			X									X		
José Galló			X											X
Marco A. Crespi			X		X			X					Vice-President from 2007 to 2015[[SC]] Executive Officer from 2004 to 2007.	
Pedro L Bodin	Member of Capital and Risk Management Committee		X				X		X					
Ricardo Villela		X							X					

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**CGV2.1 Audit & Internal Controls**

(score: 55, weight: 3)



**[LISTED COMPANIES] Existence and independence of Audit Committee**

All members are non-executive directors, and the majority are independent. However, the committee's chair is considered non-independent. Four members of the five-member Audit Committee are considered independent.

**Skills and backgrounds of Audit Committee members**

Members appear to have financial, audit experience amn relevant operational experience.

**Operational and CSR risks covered by the company's internal controls system**

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations:

- Business ethics: corruption
- Environmental & climate change risks in credit decisions & other banking activities.

**Governance of risks**

The Company adopted only some of the recommended measures for a sound risk management:

- The Chief Risk Officer (CRO) is at par level of Chief Financial Officer (CFO).
- The CRO has direct access to the Board Risk Committee

**Role of the Audit Committee in overseeing internal and external controls**

The Audit Committee has a comprehensive role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

**Management of the CSR risks**

Relevant processes dedicated to management of CSR risks are in place:

- materiality assessment: the bank created a materiality matrix with 22 relevant themes. It is also possible to check the prioritized indicators for the management of the theme, together with the type of impact on its stakeholders.
- Reporting system to the Board: Itau Unibanco has a Sustainability Governance system to report issues from the operation level, which involves to working groups and members of sustainability projects, then the Officers level (Sustainability Committee), Executive Level (Superior Ethics and Sustainability Committee) and finally at board level (Strategy Committee). The goal of this change is to ensure synergy between the different areas responsible for social and environmental challenges of the bank.
- A board committee overseeing CSR risks: the Strategy Committee is responsible for leading discussions on the main sustainability challenges and trends that may pose a reputation risk and social and environmental impact to the bank.

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**Supervision of material risk-takers**

Information disclosed on this subject is insufficient or not relevant

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**Leverage ratio of the bank**

The leverage ratio of the bank is above 7%

*At December 2016, the unweighted leverage ratio of the bank ((Equity - (goodwill + tangible assets)/ Total assets)) was 8.7%.*

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**Independence of the firm's external auditors**

*Non-audit fees represented 9.26% of total fees paid to PricewaterhouseCoopers in 2016.*

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**Inclusion of CSR issues in the company's reporting**

*The Company publishes significant CSR reporting on key material issues, with an independent third party assessment of the reliability of key performance indicators, with limited level of the assurance.*

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**Stakeholders' feedback**

*As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.*

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**CGV3.1 Shareholders**

(score: 39, weight: 2)



**Nonexistence of voting rights restrictions**

Minor voting rights restrictions have been identified.

*The Company has preferred shares.*

**Safeguards on transactions with major shareholder(s)**

Less than half of the board is independent. However, there are other safeguards in place to monitor transactions between the company and its major shareholder(s).

*The Company has a Transactions Policy in place, which objective is to establish rules and consolidate procedures with which Itaú Unibanco Holding S.A. must comply in connection with transactions among related parties, ensuring equality and transparency in such a manner as to guarantee to shareholders, investors and other stakeholders that Itaú Unibanco is in compliance with the best Corporate Governance practices.*

**Ability to add items to the agenda of the AGM and to convene an EGM**

No major restrictions have been identified.

**Access to voting at General Meetings**

There are no major restrictions on shareholders' ability to vote, and it is possible to vote using online services.

**Ability to vote on relevant issues in separate resolutions at AGM**

Not all major items are put to a shareholder vote.

*The following items are not put to a vote at the AGM:  
- Selection of external auditors*

**Presentation of CSR strategy to shareholders and investors**

*Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.*

**Stakeholders' feedback**

*As of 07/2017, Itaú Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.*

**CGV4.1 Executive Remuneration**

(score: 4, weight: 3)



**[LISTED COMPANIES] Existence and independence of Remuneration Committee**

A specific committee is in place, but at least one executive is part of it, which might raise concerns.

*None member of the four-member Remuneration Committee is considered independent.*

**Disclosure of senior executives' individual remuneration**

Disclosure of individual executive remuneration data for senior executives is insufficient.

*Executive remuneration is not disclosed.*

**Link between Short Term Incentive Plans and the performance of the company**

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

**Link between the main Long Term Incentive Plan and the performance of the company**

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.

**Link between variable remuneration and CSR performance of the company**

*There is no disclosure on the links between variable remuneration of executive and the CSR performance of the Company.*

**Severance pay for senior executives**

Information obtained from company and public sources regarding severance pay for senior executives is insufficient.

**Risk alignment of remuneration of top senior executives**

Less than 60% of the variable remuneration component is deferred

*The Resolution on Compensation establishes that at least fifty percent (50%) of the variable compensation of the management of financial institutions must be paid through shares or share-based instruments, and at the least forty per cent (50%) should be deferred for payment in at least three (3) years.*

**Risk alignment of remuneration of material risk takers**

Information on risk adjustments of remuneration is insufficient or not relevant

**Evolution of CEO-to-employee compensation ratio**

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

## Stakeholders' feedback

*As of 07/2017, Itau Unibanco Holdings did not appear to be involved in any controversy related to this sustainability driver.*

## Detailed Scores and Ratings

### CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2017/08	++	++	++	=	+	+
2015/07	++	+	++	+	++	=
2014/01	++	=	++	+	++	=

### SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	55	58	54	38
Human resources	42	27	41	57
Human rights	55	47	44	72
Community involvement	33	33	25	42
Business behaviour (C&S)	44	55	26	50
Corporate governance	36	34	34	41

### SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	64
	3	42
Environment 2	2	56
	7	62

Sub-domain	Criterion	Score
Human resources 1	1	48
Human resources 2	3	22
	4	45
Human resources 3	2	55

Sub-domain	Criterion	Score
Human rights 1	1	53
Human rights 2	1	39
	4	66

Sub-domain	Criterion	Score
Community involvement 1	1	29
	1	37

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	2	56
	3	49
Business behaviour (C&S) 3	1	48
	3	12

Sub-domain	Criterion	Score
Corporate governance 1	1	48
Corporate governance 2	1	55
Corporate governance 3	1	39
Corporate governance 4	1	4

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## Overview of the latest updates

Date of the latest update	Information updated
2018/08	Carbon & Energy Transition
2018/03	Sustainable Goods & Services
2017/08	Controversial Activities Screening
2017/08	<b>Full ESG profile</b>