

---

**Intergovernmental Working Group of Experts on  
International  
Standards of Accounting and Reporting  
(ISAR)**

**34th SESSION**

1 - 3 November 2017

Room XVII, Palais des Nations, Geneva

Thursday, 2 November 2017

Morning Session

**Agenda Item 3. Enhancing comparability of sustainability  
reporting: Selection of core indicators for company reporting  
on the contribution towards the attainment of the Sustainable  
Development Goals**

Presented by

Alex Silva

Integrated Reporting Specialist

Itau Unibanco

*This material has been reproduced in the language and form as it was provided.  
The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.*

---



# Itaú Unibanco Holding

## United Nations Conference on Trade and Development

---

Enhancing comparability of sustainability reporting: Selection of core indicators for company reporting on the contribution towards the attainment of the Sustainable Development Goals



# Itaú Unibanco at a glance



Our vision is to be the leading bank in sustainable performance and customer satisfaction

## Leading position in Brazil through key competitive strengths



**USD 72.3 billion** market cap and the **most valuable brand** in Brazil in 2016: **BRL 26.6 billion**



**95 thousand employees** in Brazil and abroad



**5 thousand branches and CSBs** in Brazil and abroad



**46 thousand ATMs** in Brazil and abroad



**Major provider of finance** for the expansion of Brazilian companies



**Recurring Net Income** in 2016: **BRL 22.1 billion**



**The bank expert in Latin America:** 92 years of history and present in 19 countries

# Sustainable Performance



Means creating shared values for employees, clients, shareholders and society, so as to ensure the longevity of our business

## Sustainability Strategy

### Financial Education

Understand people's needs to offer knowledge and appropriate financial solutions, contributing for individuals and companies to have a healthy relationship with money

### Social-environmental Risks and Opportunities

Search business opportunities and manage environmental risk, considering market trends, regulations, customer demands and society

### Dialog and Transparency

Build long-term relations based on trust to improve our business and generate shared value

## Engagement



# Corporate Social Responsibility Report



CSR report enables organizations to consider their impacts of wide range of sustainability issues, enabling them to be more transparent about the risks and opportunities they face.

## Transparency with the market and audiences



### Integrated Reporting

- <IR> Pilot Programm member (since 2013)
- First Brazilian financial institution to publish it voluntarily
- 4 years in a row on <IR> Examples database website

### Consolidated Annual Report

- Form 20-F (SEC)
- Medium-Term Note Program (MTN)
- Sustainability Report + GRI

## Recognitions



Only Latin American bank to be part of the index since its creation (1999)



Part of the B3 Sustainable index since its creation in 2005.



Part of the index since 2015.



One of the 52 companies selected to compose this Index

## Materiality at Itaú Unibanco

---



We consider a material theme to be any matter that has the capacity to affect our shared value creation in the short-, medium- or long-term from the standpoint of the organization and its main stakeholders. Determining material themes is crucial to guide decision-making, since it provides a broader vision of the risks and opportunities inherent to the business and connects the strategies to the multiple outside interests.

We still face the challenge of advancing in the establishment of goals and compensation linked to each material theme, disseminating the integrated management of these themes in the organization. In 2017, we started working on the prioritization of the SDGS, on an integrated basis with the review of **Materiality** and **Sustainability Strategy**. This prioritization considers mainly the closeness of the SDGS with our vision, purposes and business strategy. The maturity of this process will come with the establishment of goals and indicators to measure our contribution to the SDGS and Brazilian Goals.

The focus is to impact the SDGS targets through our challenges, projects and goals. For that, we are implementing a "SDGS action plan", according to the SDGS Compass, which consists of:

- Knowing and understanding the SDGS;
- Defining priorities;
- Establishing targets and goals;
- Integration;
- Reporting and communication.

## **Examples of indicators and initiatives disclosed on Annual Report that could be related to SDGS**

---

Our first exercise to map the 169 targets of the SDGS and to evaluate which bank's projects impacted on it. Crossing this data with our materiality, GRI indicators and Global Compact Principles. The result was a map that correlates our material themes to some of the SDGS.

## Examples of indicators and initiatives disclosed on Annual Report that could be related to SDGS



**Material theme:** Occupational Health, Safety and Well-being

**SDG:** Good Health and Well-being

**Target 3.1** | By 2030, reduce the global maternal mortality ratio to less than 70 per 100,00 live births

### Related initiatives and KPI's

#### Mothers and Pregnant Mothers Support Policy

Provides a series of rules, procedures and benefits to be offered to employees during pregnancy and mothers returning from maternity leave to meet their physical and psychological requirements.

About **2,568 employees** signed up in 2016

#### Women's Health Program

This program is designed to foster women's preventive, behavioral and reproductive health initiatives through on-site talks, newsletters, guidance by e-mail and the corporate intranet.

- **Baby on Board:** a program focused on basic advice and guidelines required for the first months of pregnancy such as nutrition of the mother-to-be, care for the newborn, psychological questions, etc
- **Baby-at-Home:** visits from a specialist nurse to the employee's home in the first week after birth to advise on breastfeeding and initial post-natal care.

Baby on Board  
**1,329 (people)**

Baby at Home  
**836 families**

#### Additional 60 days of Maternity Leave in accordance with the Citizen Company Program

The additional 60 days maternity leave begins on the day immediately following the end of the period of leave granted under the labor legislation

**95% of employees** beginning maternity leave adhered to it



## Examples of indicators and initiatives disclosed on Annual Report that could be related to SDGS



**Material themes:** Attraction, Retention and Development / Corporate Citizenship

**SDG:** Quality Education

**Target 4.3** | By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

### Related initiatives and KPI's

#### Social Private Investment in Education

Non-incentivized    **BRL 140.3 million** (about 180 projects)

Incentivized        **BRL 11.7 million** (about 39 projects)

#### Training

Average training hours per employee's functional level and gender

	Women	Men	Total
Managers	14	16	15
Administrative	22	26	24
Commercial and operational	18	18	18
Trainees	225	214	218
Interns	24	26	25
<b>Total</b>	<b>18</b>	<b>21</b>	<b>19</b>

#### Itaú Unibanco Business School in numbers

Total of **7,276 scholarships**

- 1,427 granted by postgraduation incentive program,
- 5,500 determined by Collective Work Convention and
- 349 for the study of languages

A total of **1.4 million hours** (in-person classroom hours)

**947,744 participations** in online training programs

**92% the average rate** of adherence for training events

Leadership training: **8,111 managers** undertook this program

## Examples of indicators and initiatives disclosed on Annual Report that could be related to SDGS



**Material themes:** Diversity, Equity and Inclusion / Ethics and transparency

**SDG:** Gender Equality

**Target 5.5** | Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

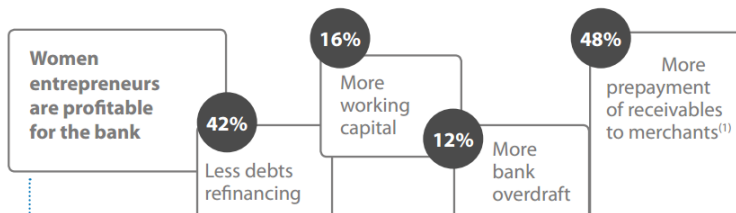
### Related initiatives and KPI's

#### Program for the Promotion of Gender and Race Equality

Developed by the Federal Government. Created by the Special Secretary on Policies for Women, of the Federative Republic of Brazil, and the II National Plan of Policies for Women, we reaffirm our commitment to the promotion of equality between men and women and to the elimination of discrimination and inequality in the work environment, by preparing and committing ourselves to carry out an internal action plan, scheduled for the next months.

#### Impact assessment of Women Entrepreneurs Program

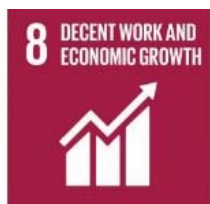
A partnership with the IFC – World Bank and the IDB to offer financial and non-financial solutions to women entrepreneurs



#### Employees by functional level and gender

	Women	%	Men	%	Total	%
Directors	13	0.02	94	0.27	107	0.12
Managers	6,938	13.19	6,653	18.95	13,591	15.50
Administrative	13,898	26.42	12,109	34.48	26,007	29.65
Commercial and operational	27,318	51.94	13,610	38.76	40,928	46.66
Trainees	44	0.08	78	0.22	122	0.14
Apprentices	1,925	3.66	818	2.33	2,743	3.13
Interns	2,461	4.68	1,752	4.99	4,213	4.80
<b>Total</b>	<b>52,597</b>	<b>100</b>	<b>35,114</b>	<b>100</b>	<b>87,711</b>	<b>100</b>

## Examples of indicators and initiatives disclosed on Annual Report that could be related to SDGS



### Material themes: Innovation / Diversification of Revenue / Information Technology

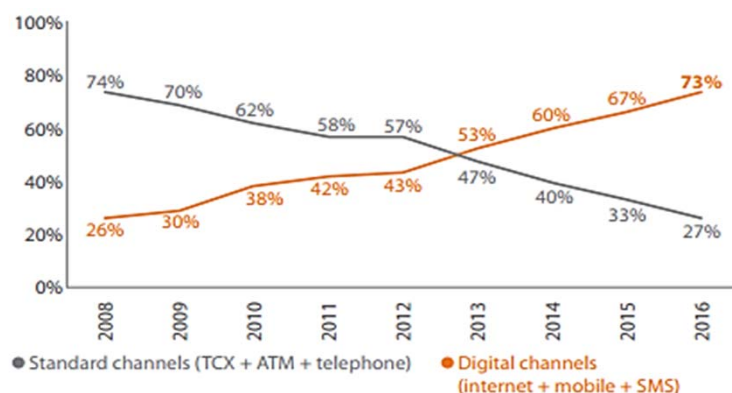
SDG: Decent Work and Economic Growth

**Target 8.2** | Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

### Related initiatives and KPI's

#### Building a bank that's ever more digital

Today we can see that technology and mobile devices are driving significant changes in society. It is not by chance that over 73% of our transactions take place on digital channels and over 50% of those are on mobile phones.



#### Technological entrepreneurship

To reinvent itself and lead this technological transformation, Itaú created Cubo in partnership with Redpoint to connect itself with the technological entrepreneurship universe and, consequently, find opportunities to generate competitive advantage and evolve as a digital bank. Cubo is a non-profit organization that promotes 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, aimed at entrepreneurs and others.

- 54 resident startups that have already generated more than 650 jobs
- Around BRL104 million in investments from companies that believe in their business models

## Examples of indicators and initiatives disclosed on Annual Report that could be related to SDGS



### Material themes: Financial Education and Inclusion

SDG: Industry, Innovation and Infrastructure

**Target 9.3** | Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

### Related initiatives and KPI's

#### Microcredit

Our microcredit unit offers to low-income entrepreneurs who do not have the necessary attributes to participate in the traditional financial system the chance to expand and develop their businesses. Itaú Microcrédito's loan officers solicit new and existing clients, offering loans (coupled with free loan-protection microinsurance), point of sale, or POS machines. Loan officers are also responsible for disseminating information regarding financial concepts related to the responsible use of money.

- **1st Tier Lending:** includes working capital loans or loans for upgrades and fixed assets.
- **2nd Tier Lending:** loans to micro-entrepreneurs through partner civil society organizations.

Our operation is independent from the branches. We have a team of microcredit agents trained and equipped to serve the microentrepreneurs directly where they operate, thus enabling a close relationship with clients and ensuring the proper destination of credit. The lowest credit amount is BRL 400.00 and the highest credit amount may reach BRL 14,200.00.

We granted BRL 16.2 million to 2,968 clients, 16.3% of which represent entrepreneurs who had not been previously served by the program.

## Examples of indicators and initiatives disclosed on Annual Report that could be related to SDGS



### Material theme: Eco-efficiency and Environmental Management

SDG: Responsible Consumption and Production

**Target 12.5** | By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

### Related initiatives and KPI's

#### Waste

Seeking to increasingly improve our waste management, we carried out three Kaizen projects, a methodology of continuous improvement based on certain guiding principles.

We are constantly working with our value chain by way of awareness initiatives and programs to reduce and ensure the correct allocation of waste generated by the bank's activities.

#### Generation, treatment and analysis



Landfill

Nonhazardous waste  
**1,083 Kg**

Hazardous waste  
**97 Kg**

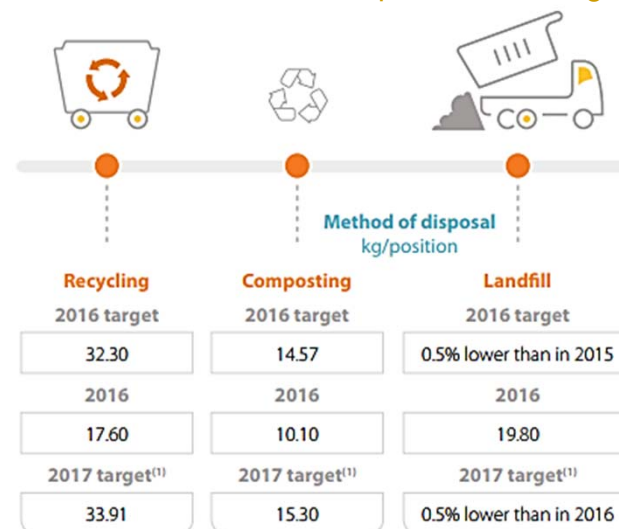


Recycling

Nonhazardous waste  
**862 Kg**

Hazardous waste  
**2,645 Kg**

We achieved a 24% reduction compared to the target.



## Lessons learned

---



“The new UN 2030 agenda invites organizations not only to rethink their actions, but also to broaden, strengthen and invest in the reach of the SDOs so that the pillars of business success are sustainable”.



**Alex Silva**

---

[alex-anderson.silva@itau-unibanco.com.br](mailto:alex-anderson.silva@itau-unibanco.com.br)