

About this Report

This report is designed to communicate to society, primarily the company's internal public, clients, suppliers, shareholders, investors and communities, the results of the management model adopted by the Itaúsa Conglomerate and its main companies during the period ranging from January 1 to December 31, 2010. The document is also designed to present the market with the performance, goals and perspectives of the holding's management. ⚙️ GRI 3.1

This document is published on an annual basis and has been elaborated since 2001. Last year, it reported on the fiscal year of 2009, and it is important to point out that the current edition emphasizes Itaúsa's commitment to disclosing its results pursuant to the Global Reporting Initiative (GRI) guidelines. The activities related to the continuous improvement of this report are led by the holding and disseminated by the companies of the Conglomerate, which also adopt, at different levels of application, these guidelines for the elaboration of their respective reports. ⚙️ GRI 3.2 | 3.3

The social-environmental information consolidates the management and performance of the Conglomerate's main companies – Duratex S.A., Elekeiroz S.A., Itaútec S.A. and Itaú Unibanco Holding S.A. – and their operations in Brazil, except when otherwise indicated. With relation to the economic and financial information, the adjustments resulting from the adoption of the International Financial Reporting Standards (IFRS) had a significant impact on the company's financial statements. Aiming at making a transparent transition that follows best practices, we will present, wherever applicable, the financial highlights before (BRGAAP) and after the adjustments (IFRS). Such practices were adopted on January 1, 2009, granted that the previous periods are presented in the BRGAAP model. The effects for this adoption for Itaúsa are shown in the accounting statements included in this publication, as well as in the respective reports from each company. ⚙️ GRI 3.6 | 3.8 | 3.10 | 3.11

The accounting statements were audited by PricewaterhouseCoopers and made available to the Brazilian Securities and Exchange Commission (CVM). The social-environmental information was not verified by any independent external audit. The compilation of this data involved the main areas of the companies and there was no need to reformulate the data published in previous reports. ⚙️ GRI 3.13

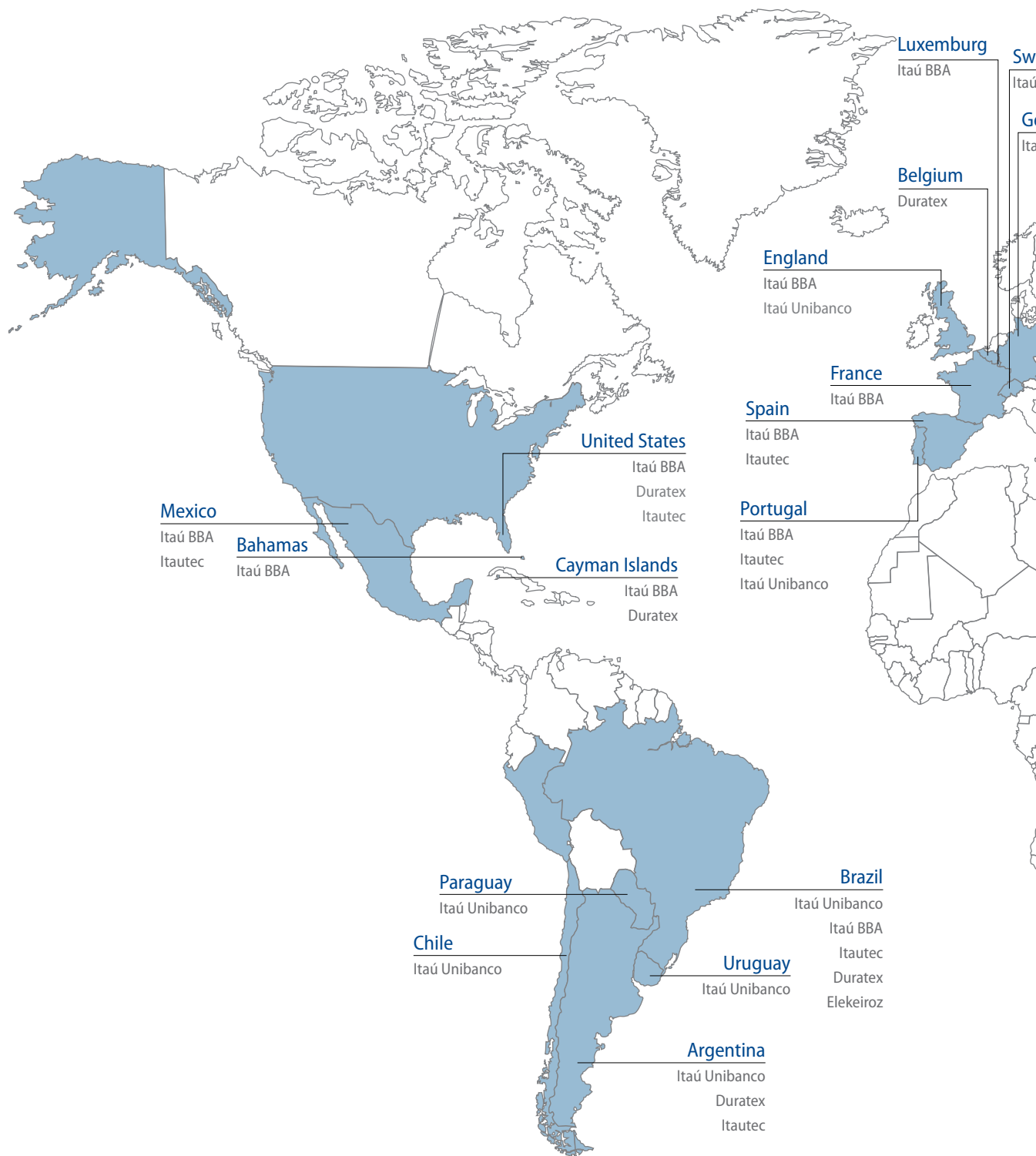
For further information, please visit www.itausa.com.br or write to investidores@duratex.com.br, sustentabilidade@elekeiroz.com.br, sustentabilidade@itautech.com.br or comunicacaocorporativa@itau-unibanco.com.br. ⚙️ GRI 3.4

⚙️ GRI 3.5 | 3.9



Itaúsa Worldwide

GRI 2.5



Generating
Value with
Sustainability



R\$764 billion
in consolidated
assets
(BRGAAP)



Switzerland

Itaú BBA

Germany

Itaú BBA



Japan

Itaú Unibanco

China

Itaú BBA

Hong Kong

Itaú BBA

United Arab Emirates

Itaú BBA



Alignment of
environmental
practices



Over 123,000
employees


Itaúsa – Investimentos Itaú S.A. is a pure, publicly traded holding company. For more than 40 years, it has been leading a Conglomerate of companies that operate in the financial and industrial segments. Itaúsa defines, centralizes and aligns the vision for the companies' business development and management, the business values that direct their operations and their respective financial strategies. At the same time, it preserves the operational autonomy of each one of the companies, allowing the adoption of specific strategies according to the requirements of each different areas of operation.

GRI 2.1 | 2.6

The main companies of the Itaúsa Conglomerate represent traditional and respected brands in their respective markets. Duratex S.A., Elekeiroz S.A., Itaútec S.A. and Itaú Unibanco Holding S.A. form a group of assets worth R\$764 billion and generate over 123,000 direct jobs.

For the seventh time, Itaúsa was selected for inclusion in the Dow Jones Sustainability World Index (DJSI) portfolio. And for the fourth consecutive year, it occupies the top position in the Financial Services sector in the Environmental and Social categories.

The 2010/2011 edition of DJSI included 318 companies from 27 countries in the Americas, Europe, Asia and Africa, seven of which are Brazilian – including two from the Itaúsa Conglomerate – Itaú Unibanco Holding S.A. and its subsidiary Redecard S.A.

The main companies of the Itaúsa Conglomerate are publicly traded and hold ample stake in the national and international markets. They are present in the industry sectors and financial market, and, similarly to Itaúsa, have their administrative head offices located in the State of São Paulo.  GRI 2.4

In the industrial area, with six decades of operation to be completed in 2011, Duratex combines the production of industrialized wood panels and bathroom accessories and fixtures, leading these segments in both the Brazilian market and the Southern hemisphere. It is present with

production units in Brazil's Northeastern, Southern and Southeastern regions, and has commercial offices in the United States and Belgium, in addition to an industrial bathroom fixture operation in Argentina. It sells its products to over 40 countries under traditional brands such as Duratex, Deca, Hydra and Duraflor.

In the petrochemical sector, Elekeiroz is the only company in Latin America to offer the integrated production of Oxo-Alcohols, Maleic and Phthalic Anhydride, Plastifying Agents and 2-Ethylhexanoic Acid. A company with operations dating back 116 years, it has been a pioneer in the production of different chemical raw materials in the country, having earned a name for its research and development of sustainable products. The industrial activity is developed from two strategically located sites: one in Camaçari – BA, in Brazil's largest Petrochemical Center; and another in Várzea Paulista – SP, near the country's largest consumer market of industrial raw materials.

In the technology sector, Itaútec, which has existed for over 30 years, increases its platform of installed ATM machine bases every year, and is already the 10th largest in the world and third largest in Latin America, according to the consulting firm Retail Banking Research. It also has the largest company-owned computer technical support network in Brazil. With technological solutions, it serves the corporate and domestic markets and is present with subsidiaries in North America, Latin America and Europe.

In the financial area, Itaú Unibanco Holding S.A. occupied a distinguished position in the global ranking of banks at 10th place as of December 31, 2010, according to Bloomberg, and with a market value of R\$179.6 billion. During the year, Itaú redesigned over 1,200 banking service points, closing the year with a network consisting of nearly 5,000 service units all over the country. Itaú is present in the entire national territory and also abroad, operating in the Americas, Europe and Asia, in a total of 19 countries. Pioneer in the segmentation of the banking services market, Itaú has adapted its branches to increasingly improve its customer services.

GRI 2.2 | 2.3 | 2.7 | 2.8

Main Indicators

GRI 2.8 | EC1

Itaúsa	BRGAP		IFRS	
	2009	2010	2009	2010
Financial-Economic <i>(R\$ million, unless otherwise indicated)</i>				
Total Assets	615.961	764.211	213.504	275.635
Operating Revenues	117.369	123.695	45.856	47.942
Net Profit of Holding Company	3.930	4.953	4.362	4.417
Net Equity Attributable to Controlling Shareholders	19.786	23.743	23.189	26.302
Return on Average Net Equity	21,5%	23,0%	20,6%	18,0%
Internal Resource Generation	36.013	35.943	16.436	15.374

Profit Distribution per Sector of Operations *(R\$ million)*

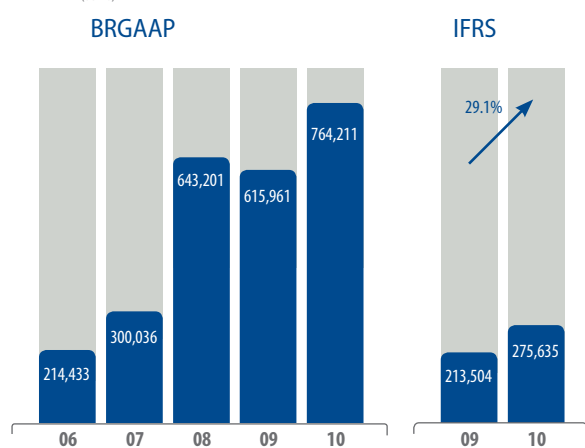
Equity Method Result

Financial Area	3,776	4,823	4,215	4,316
Industrial Area	165	173	118	127
Duratex	99	157	80	140
Elekeiroz	28	43	-	35
Itautec	38	(27)	38	(48)
Others	3	3	36	22
Total from Equity Method Result	3,944	4,999	4,369	4,465
Specific Result for Itaúsa and Taxes	(14)	(46)	(7)	(48)
Net Profit of Holding Company	3,930	4,953	4,362	4,417

Total Consolidated Assets

(R\$ millions)

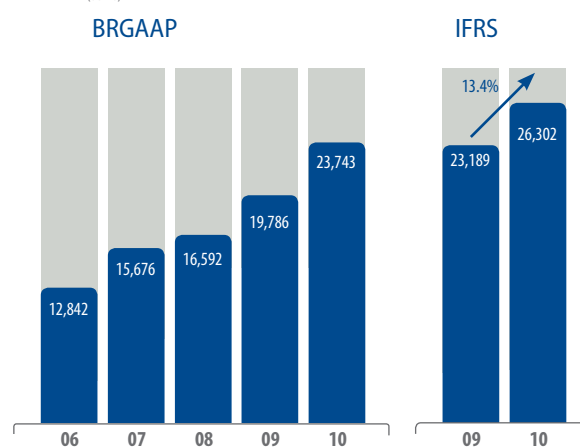
CAGR₍₀₆₋₁₀₎ 37.4%



Net Equity of Holding Company

(R\$ millions)

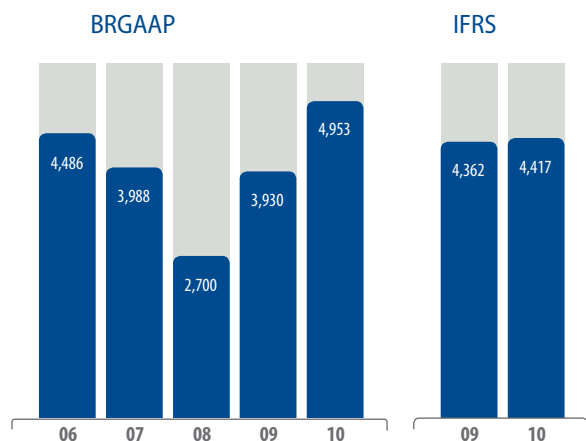
CAGR₍₀₆₋₁₀₎ 16.6%





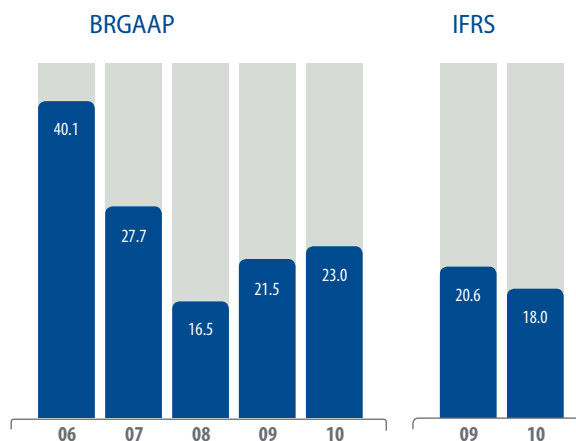
Net Profit of Holding Company

(R\$ million)



Return on Average Net Equity

(In %)



Statement of Added Value – SAV (*)

2009 = R\$14.55 million



Personnel **27.41%**
 Taxes, Fees and Contributions **40.53%**
 Remuneration of Third Party Capital – Rentals and Interest **2.08%**
 Remuneration of Own Capital **29.98%**

2010 = R\$14.49 million



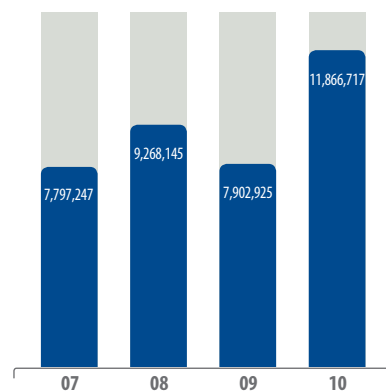
Personnel **30.82%**
 Taxes, Fees and Contributions **36.59%**
 Remuneration of Third Party Capital – Rentals and Interest **2.10%**
 Remuneration of Own Capital **30.49%**

(*) The Statement of Added Value (SAV) is the accounting report that demonstrates, in a summarized fashion, the values corresponding to the generation of wealth by the company during a specific period, and its respective distribution.

Social-Environmental Indicators

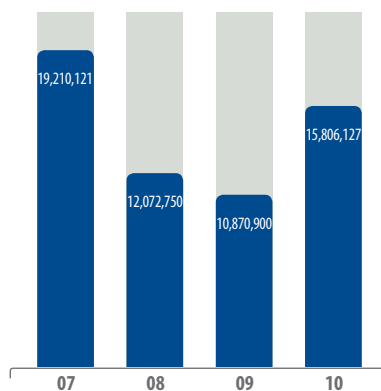
Water Consumption

(m³)

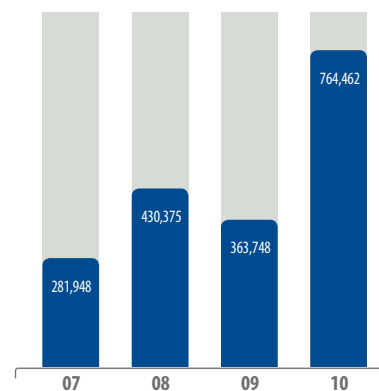


Energy Consumption

(GJ)



Total Emissions



Institutional

Icon indicating the link to an institutional information.



Social

Icon indicating the link to a social information.



Economic

Icon indicating the link to economic-financial information.



Information on the Website

Icon that recommends the search for more information online.



Environmental

Icon indicating the link to environmental information.



GRI Indicator

Icon that allows the user to view the Global Reporting Initiative (GRI) indicators.



6	Message from the Board of Directors Chairman
8	Message from the CEO



10 The Itaúsa Conglomerate

13	Operational Philosophy and Basic Guidelines
13	Vision on Sustainability



20 Corporate Governance

22	Our Commitment
24	Boards and Management
26	Operational Strategy
28	Capital Market
30	Risk Management
30	Intangible Assets
31	Awards and Distinctions



34 Business Performance

40	Duratex S.A.
42	Elekeiroz S.A.
44	Itautec S.A.
46	Itaú Unibanco Holding S.A.



48 Corporate Responsibility

52	Internal Public
62	Customers
66	Suppliers
68	Environment
74	Social, Cultural and Environmental Investments

78	GRI Index
84	Corporate Information
84	Credits

In 2010, we took important steps in terms of making progress for the future project that is being unfolded at the Itaúsa Conglomerate through its companies. This was, undoubtedly, a very important year in terms of consolidating our goals, and the results obtained by our companies prove this fact.

As part of a process started four years ago, the strengthening of our Governance requires secure and responsible advances that guarantee that we can maintain the robustness and corporate dimension we have already achieved. We employ efforts to ensure that the Conglomerate effectively remains sustainable and lasting. By taking this position, we were able to further increase our investments and distinguished participation in increasingly globalized markets.

One of the keys to this process is the strong integration of our companies. We have promoted the search for and recognition of the best practices among them and replicated them in our management practices. The alignment with the Conglomerate's values and vision is crucial and has been exercised during recent years with both persistence and focus.

The participation of independent professionals on the companies' boards and in the coordination of the thematic committees promoted the alignment with the capital market and preserved the management autonomy of each one of the companies.

The results are reflected at each one of the Itaúsa Conglomerate companies. As one of the world's strongest banking entities, Itaú Unibanco currently represents one of the most prestigious brands in the international financial system. The success of the merger with Unibanco showed that our capacity for achievement is high and that we can produce significant results.

GRI 1.1

Itautec underwent a more ample restructurization process, one that included new management and the implementation of new concepts. In 2010, the advances in banking automation extended beyond Brazilian borders and the company currently has the world's 10th largest installed base. In the computer industry, Itautec continues to modernize its operations, which are aligned with sustainable production and management concepts followed for its entire commercial portfolio.

In the sector of industrialized wood panels and bathroom accessories and fixtures, Duratex continues to occupy a leading position, backed by strong sustainability concepts oriented by all industrial companies. The quality of its products is associated with modern design, meeting the needs of all social classes.

In the petrochemical sector, Elekeiroz, a 100-year-old company considered a pioneer in Brazil, invested in its governance. The advances in terms of maximization of values with sustainability are included among the company's management goals and serve as guidelines for the strategic planning updated this year. Today, the company stands out due to its uniqueness of integrated production of some of the most important chemical products for national industry, and is a leader in the markets in which it operates.

A considerable number of people are considered an essential part of the strategic management movement developed by Itaúsa. It is a work force that includes more than 123,000 direct jobs and which helps strengthen our Conglomerate with each passing day. We extend our thanks to each one of them for renewing their commitment to trusting in the economic growth of the country and our companies.

By implementing responsible and organized management to ensure the continued success of our business and always focused on the future, we are opening the path to a secure and healthy growth.

Different actions to strengthen the Conglomerate's corporate governance, aligned with the values of sustainability, were implemented in 2010.



José Carlos Moraes Abreu
Chairman of the Board of Directors

The management strategy defined by the Itaúsa Conglomerate for the associated companies have been focused primarily on strengthening corporate governance at all its levels. These actions were effective as of 2010, when since the first months of the year our companies have worked to restructure their respective boards, committees and executive management.

Taking advantage of the positive recovery of both the Brazilian and global economies after two intense years of crisis and uncertainties, the Itaúsa Conglomerate demonstrated that it was on the right track.

One of the positive points of the Itaúsa operations in the financial area was the integration of the entire Itaú Unibanco customer assistance base – an operation completed in the record time of six months and within two years of the merger. In all, over 1,200 Unibanco points were migrated, creating a network of nearly 5,000 units all over the country, all with the Itaú Unibanco brand.

Itaú Unibanco is currently disseminating a new Vision (to become the leading bank in terms of sustainable performance and customer satisfaction) and a new Culture, both launched at the start of 2010 and resulting from the combination of the best of the two cultures, complete with new challenges and postures. That is why we sought inspiration in the “Itaú Way” and the “Unibanco Way” and developed “Our Way,” or decalogue, a set of 10 attitudes and values that guide all of our relationships and which represent the language we want to use – both inside and outside the company.

In this way, Itaúsa believes that Itaú Unibanco will be able to more efficiently follow Brazil's sustainable growth. By extending our operations abroad, we inaugurated an international banking unit, Itaú Suisse, located in Zurich, Switzerland. And we went even farther: we established a commercial and cooperation agreement with China Unionpay Co. Ltd. (CUP), allowing customers of the Chinese bank to make withdrawals at the over 30,000 Itaú ATM machines.

In the industrial area, we are reaping the benefits of the extensive activities of the boards and their committees. The year of 2010 was one focused on corporate governance, which is currently directed at increasingly more mature levels, starting with the entry of independent board members, which increased our entry into new markets and reaffirmed the guaranteed autonomy of the Itaúsa Conglomerate companies.

GRI 1.1

During the year, Duratex completed yet another important incorporation in its production portfolio. Our market growth strategy led us to Brazil's Northeastern region, where we acquired the company Elizabeth Louças Sanitárias Ltda. Located in João Pessoa, Paraíba, it will add 1.8 million annual produced parts to the current capacity. Also in the country's Northeastern region, the Deca Division is investing in the expansion of its production capacity in the municipality of Cabo de Santo Agostinho, in Pernambuco. In the Southeastern region, we are working to reactivate and expand the Queimados unit in Rio de Janeiro and the Jundiá unit in São Paulo. We plan to invest approximately R\$400 million between 2010 and 2012.

Duratex, which after merging with Satipel became the largest manufacturer of industrialized wood panels in the Southern hemisphere, completes six decades of existence in 2011, in a state of full business maturity. It is a company prepared to face challenges and maintain its position of leadership in the markets in which it operates.

Itautec embarked on an in-depth restructurization of its corporate governance. The structure was strengthened and the implemented improvements should begin to be visible in 2011. The Automation Solutions Unit was the highlight for the year, with the sale of 12,200 ATMs for major financial institutions in different regions of the country. The company's goal is to extend its retail actions for the direct consumer and extend the quantity and quality of its services to computation and automation customers.

During a year marked by economic recovery, both within the country and abroad, our companies made important progress. For Elekeiroz, for example, 2010 was a year of general recovery in the consumer markets. After two years of global economic crisis, which led to a drop in demands primarily in the petrochemical industry segment – already affected by the cycle of low prices that normally occurs right after the conclusion of major investments in the sector – there was a slow and gradual recovery in all markets. This led to an improvement in the Elekeiroz business result, when compared to 2009.

As a result of the holding company's positioning, for the seventh time Itaúsa was selected for inclusion in the Dow Jones Sustainability World Index portfolio. And for the fourth consecutive year, it was named leader in the Financial Services sector in the Environmental and Social categories.

The net profit in IFRS for the Itaúsa holding company reached R\$4.4 billion in 2010, with 18% return on average net equity.

Completing its 45-year history consolidated as one of the main Brazilian conglomerates – top-ranked in terms of earnings among the 200 largest business groups in the country in the "Biggest and Best" survey conducted by the Exame magazine – makes Itaúsa a Brazilian patrimony that renews its worth every day, employing security and planning to guarantee its continued success. For four years, Itaúsa has developed continuous improvement processes for its governance systems.

In this way, we are prepared for a new reality, one that involves a scenario marked by Brazil's insertion into the global arena. A country that was able to make such an important political transition by electing a woman president and which leads the economic sphere in Latin America with stability designed for growth. By positioning itself in sectors that notably represent secure paths of growth over upcoming years, we are attentive to business opportunities.

We prepare people, using training, qualification and recognition. We align the management of the companies with economic, social and environmental performance indicators and we communicate our processes to the market. It is for this new, more globalized world that Itaúsa is preparing its companies.

It was a successful year for all the companies, one guided by consistent and responsible management.



Alfredo Egydio
Arruda Villela Filho
CEO





The Itaúsa Conglomerate



To manage the strategic decisions of a group of companies, Itaúsa bases its actions on guidelines designed to ensure solid business development, instituting values for the society in which it operates.

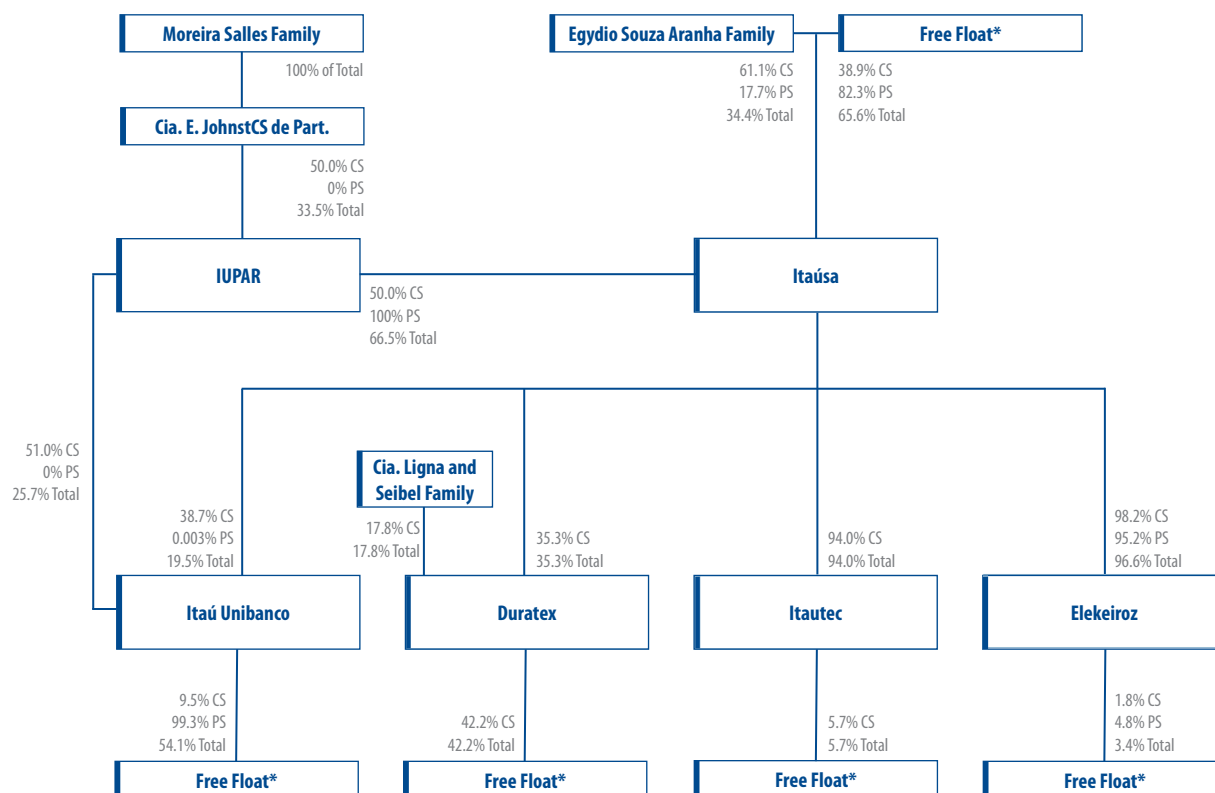
Itaúsa is a pure holding company responsible for the strategic management of a group of companies that are distributed throughout different business sectors: Itaú Unibanco Holding S.A., with operations in the financial market, and Duratex S.A., Itaútec S.A. and Elekeiroz S.A., which are leading companies in their respective industrial fields.

The Itaúsa Conglomerate management model is based on the administrative autonomy of the member companies, allowing the companies to achieve high productivity levels, training their employees and developing technology to constantly improve the products and services they offer to the market.

This management model also guarantees that the principles and values that govern the holding company are fully practiced by the Conglomerate companies.

Business ethics, customer satisfaction and the generation of value for shareholders are incontestable premises that orient the work of the over 123,000 Itaúsa Conglomerate employees.

Shareholding Structure as of December 31, 2010



*Excluding the shares held by controlling shareholders and the shares in treasury.

Operational Philosophy GRI 4.8

- Rigorous and professional management of investments;
- Participation in the elaboration of policies related to the companies' financial decisions, such as indebtedness and risks;
- Autonomy of operations at the associated companies;
- Operational diversity, with a defined business focus.

Basic Guidelines GRI 4.8

- Recognition of the value of human beings;
- Ethics, social responsibility and transparency in its business practices;
- Vocation for expansion based on management technology and its own strong capital base;
- Continuous and sustainable creation of value for shareholders;
- Teamwork;
- Internal training and development of people to occupy positions of leadership at the companies.

Vision on Sustainability GRI 4.8

Itaúsa orients, encourages and supports the companies in their efforts to integrate the topic of sustainability into their business development processes. This vision promotes the alignment of social, cultural and environmental practices of the companies in order to create value for society within a chain of wealth sharing.

Besides the obvious economic and financial aspects, the generation of value must also include a contribution to preserve natural resources, access to knowledge and culture and the reduction of social inequalities. The following are considered the guidelines for such operations:

- Recognition of human capital;
- Operational autonomy of the companies;
- Leadership in its sectors of operation;
- Strong brands;
- Internationalization of companies;
- Capital structure;
- Investments;
- Dissemination of the organizational culture.

The sustainability management at the Itaúsa Conglomerate's main companies is directly tied to the nature of each business.

"The integration of the two banking institutions also includes the union of the respective sustainability cultures. The focus for 2011 will be to position the management of the theme in such a way that it becomes part of the bank's business agenda. We are working to obtain extensive internal engagement to grow sustainably, focusing increasingly more on our customers."

Denise Hills
\$ Sustainability
Supervisor at Itaú Unibanco



Information on the Website

You can see more details on the document and discover which companies participate in the Equator Principles: www.equator-principles.com

View more details on the document and the companies that participate in PRI: www.unpri.org/principles/

Financial

In the financial area, Itaú Unibanco Holding S.A. is among the largest banks in the world, with a market value higher than R\$179.6 billion at the end of 2010 and shares traded on three markets – the São Paulo Stock Exchange (BM&FBovespa), Buenos Aires Stock Exchange (BCBA) and New York Stock Exchange (NYSE). For this reason, accountability is one of the priority topics of our management, backed by ethical and transparent values and principles.

The Itaú Unibanco Holding S.A. credit operations are guided by the Equator Principles for Financial Institutions, sponsored by the International Finance Corporation (IFC), an institution associated with the World Bank.

They are guidelines that orient financial institutions to include social-environmental risk analyses in their project financing operations. It is a voluntary commitment by the financial agents to incorporate these principles into the financed projects.

For the past 11 years, Itaú Unibanco has been included in the Dow Jones Sustainability World Indexes (DJSI) portfolio. Its inclusion dates back to its very creation in 1999. It has also participated for the past six years in the Brazilian Commodities and Futures Exchange (BM&FBovespa) Corporate Sustainability Index (ISE), which consists of 47 shares from 38 companies. Itaú Unibanco has been included on this index also since its creation.

The bank also adopts the Principles for Responsible Investment (PRI), which are guidelines directed at a network of international investors who work together to put into practice an initiative supported by the United Nations Organization.

To further reinforce the topic, Itaú Unibanco developed "Essence of Sustainability," an initiative consolidated together with its stakeholders that represents in a clear and summarized fashion the eight challenges for bank management and those that concentrate the biggest efforts in the quest for sustainable operations.



Information on the Website

The document is available online and can be consulted at the website: www.itaunibanco.com.br/relatoriodesustentabilidade/pt-br/pdf/essencia.pdf

To read the Sustainability Policy in full, please access: ww2.itaunibanco.com.br/socioambiental/pdf/politica_sustentabilidade_Itaunibanco.pdf

The "Essence of Sustainability" presents eight permanent challenge items:

1. Transparency and governance;
2. Customer satisfaction;
3. Social-environmental criteria;
4. Diversity;
5. Climate change;
6. Financial education;
7. Micro-finance;
8. Stakeholder engagement.

Banking sector management is governed by a Sustainability Policy that establishes guidelines that permeate the strategy and management associated with all stakeholders. These policies are related to the following areas:

- Business management;
- Products and services;
- Internal public;
- Supplier relations;
- Customers;
- Society;
- Environment.

Industrial

Itaúsa has a structure dedicated to assisting the industrial segment in the areas of integration, management, and development of policies and best practices at companies. In 2010, the companies took further steps forward in terms of standardizing their respective environmental actions. Such work involves permanent monitoring in terms of changes in environmental and safety legislation affecting the business, in addition to a permanent agenda with the top management.

In two industrial area segments in which Duratex and Itaútec operate, 2010 was a year requiring a close monitoring of the legal aspects of environmental legislation affecting the two companies, primarily the approval of the Brazilian National Solid Waste Policy. The issue of locale is a factor to consider when making decisions, since besides the federal, state and municipal aspects, there was also the development of specific laws, some of which did not follow federal legislation, generating specific obligations for each site.

Another important point was the inventory of greenhouse gas emissions based on the principles of the GHG Protocol and Intergovernmental Panel on Climate Change (IPCC) for the three companies from the industrial area (Duratex S.A., Elekeiroz S.A. and Itaotec S.A.). This work was undertaken by an internal team with the support of the Brazilian Foundation for Sustainable Development (FBDS), a company specialized in the topic.

With aims of improving environmental management and performance, all the industrial units and farms have indicators focused on energy and water consumption, effluent, atmospheric and waste emissions and biodiversity. In 2010, these indicators were increased and incorporated into the SAP ERP application, with Duratex and Itaotec becoming the first companies in Brazil to acquire the Environment, Health and Safety (EHS) and Emissions modules. This evolution in the performance indicator management system will allow the company significant gains in quality and data security.

All of the companies from the industrial area have external communication channels for the topic of sustainability. The main channel of contact with society is via e-mail, through which those interested can request information about the practices and strategic positions of each one of the companies. Those interested should send an e-mail to sustentabilidade@duratex.com.br, sustentabilidade@elekeiroz.com.br or sustentabilidade@itaotec.com.br.

The Intranet is designed to assist employees from the three companies of the Itaúsa Conglomerate – Duratex S.A., Elekeiroz S.A. and Itaotec S.A. – with a summary of all the developed actions. There are links for Twitter, promotions, portal highlights, GRI indicators, environmental and social information, articles, interviews and news. This channel receives over 1,000 accesses per day. Every month, the employees receive e-mail messages with the highlights from the portal.

“The GRI guidelines adopted at all the companies, together with other market references on the topic, such as the ISE and Ethos and Dow Jones Indicators, have become valuable tools for assisting with the continuous improvement of internal processes. They also present how the demands are evolving in terms of the relationship with the different stakeholders. It is a major challenge, since it involves a change of culture, and with every passing year it is possible to see the evolution in the work and results achieved in the companies’ management model.”



João Carlos Redondo
Executive Manager of
Industrial Area Sustainability



Duratex

Duratex presents a business model that combines aspects tied to sustainability in the operations with a search for results conducted in an ethical fashion. This includes the monitoring of legislation and risks, environmental preservation and social responsibility with a focus on items such as safety. The company also invests in technology and innovation to manufacture wood panels and bathroom accessories and fixtures that are synonymous with quality and market leadership. The Duratex relationship actions are designed to promote transparent and segmented dialogue, where all the premises of this engagement are expressed in its Code of Ethics and Conduct.

Created in 2009, the Board of Directors' Sustainability Committee was created to promote and create mechanisms to integrate sustainability into the Duratex management process. The committee's coordinator is nominated by minority shareholders and must have extensive experience in the social-environmental field. Since 2010, the committee has gathered on nine occasions, and worked together with FBDS to better understand the

practices developed by Duratex focused on sustainability. Within this context, it offered workshops with aims of disseminating the topic and aligning concepts among the target public – consisting of executives from all levels of the company. At the end of the year, it approved the action plan for the short, medium and long terms with aims of inserting concepts and practices designed for continuous improvement into the company's strategic plan.

Another advance was the first meeting with stakeholders for defining the material to be included in its Annual Sustainability Report.

Besides the inventory of greenhouse gas emissions, Duratex improved the methodology for measuring its fixed carbon content in the planted forests that supply the industrial plants. Of the 224,000 hectares (52% on its own lands and 48% on leased lands), 61,067.51 were considered for the evaluation and quantification of the carbon content, or in other words, the carbon fixed by the forests during their growth process.

An analysis considering the emissions and sequestration during the same period demonstrates that the Duratex operations have a higher carbon fixation than the emissions from its processes.

The company's environmental policy describes its commitments in this area. It has obtained ISO 9001 certifications, as well as the ISO 14001 at two of its units, attesting to its commitment to the Environmental Management System adopted on the farms. In addition to the management and control over the extraction processes, the wood division products bear the Forest Stewardship Council (FSC) seal. In the Duratex metal production sector, the company passed the Leadership in Energy and Environment Design (LEED) compliance evaluation to offer nine lines of Deca products with the Sustentax seal, featuring items that reduce water consumption by up to 80%.

In the relation of environmental commitments assumed, Duratex is the first Latin American company to have its forest areas certified with the Green Seal (FSC) and is a founding member of the Green Building Council Brasil, an organization dedicated to promoting sustainable construction activities. It is also a signatory of the UN Global Pact.



Elekeiroz

The environmental policy adopted by Elekeiroz is the result of the joint work of the Itaúsa Conglomerate companies and is aligned with the general guidelines focused on environmental preservation, rational use of natural resources, production safety and product transportation, both internally and externally. The company also monitors important elements such as atmospheric emissions, water, effluents and wastes.

By integrating the environmental and safety areas, Elekeiroz seeks to prevent environmental impacts by ensuring the safe operation of its processes, implementing permanent actions at its industrial operations, both at the Várzea Paulista and Camaçari sites.

It also takes part in the Responsible Operations Program of the International Council of Chemical Associations, coordinated nationally by the Brazilian Chemical Industry Association (ABIQUIM), which helps manage the environmental and safety aspects of sector-related activities. It also adopts the protocols of the Regulation of the European Parliament and of the Council (REACH) which, since 2006, has regulated the circulation of products based on the chemical composition used in its manufacturing process. The company maintains a Quality Management System that was structured and implemented in compliance with the ISO 9001 Standard for all its production lines.

At Elekeiroz, the implementation of the sustainability report model using the GRI guideline was considered a top priority of the company's sustainability consolidation process, and was included in its governance policy as an important management and reporting instrument.

The Governance and Risks Committee, created to advise the Board of Directors, has the task of supporting the development of governance and sustainability policies, as well as risk control and management mechanisms. The committee also monitors the trends of global sustainability topics that may have impacts on its activities, proposing adjustment or risk reduction actions.

The founding principles of the Code of Ethics and Conduct include legality, respect for human beings and diversity, the rejection of any form of discrimination, incentive toward personal and professional development and social, environmental and cultural responsibility.

Environmental Policy



All of the companies headed by Itaúsa follow a rigorous environmental policy, with certifications to prove their commitment in this area.

Itautec

Itautec dedicated the year to align the company with Brazil's National Solid Waste Policy, work that it began even before it became a legal obligation. The biggest challenge is to adapt to the specific regulations of the states in which it has operational units. One example is the state of Paraná, where the topic extends beyond what the national policy requires.

The "Conscious User's Guide to Electronic Products," launched in 2010, is a pioneering initiative developed by Itautec to help consumers make conscious decisions when purchasing and using electronic products. This consultation can be performed online at www.itautech.com.br/pt-br/sustentabilidade. The guide presents the stages of a purchase, simple tips on the use and post-use of electronic products, as well as the phases of the product lifecycle.

As part of an effort that began nearly 10 years ago, Itautec had already adopted a reverse logistics system for its products. Created in 2003, it is the first project developed by a manufacturer in Brazil with this purpose.

After the Brazilian Norm NBR ISO 14001 certification of its Environmental Management Program in 2001, the company adopted a recycling process, initiated in 2003, that over the past three years sent more than 4,500 tons of electronic waste for recycling that returned to the production chain in the form of raw material.

The entire electronic production line, located at the company's Jundiaí site in São Paulo, was adjusted to guarantee that the equipment was produced in compliance with the European directive RoHS, which restricts the use of lead and other toxic substances in equipment production.







Corporate Governance

The corporate governance model adopted by Itaúsa includes participation by specific Boards and Committees that assist with strategic decision making and are entities of fundamental importance for the Conglomerate companies.


Our Commitment GRI 4.1

Itaúsa is responsible for developing important strategies for the Conglomerate and for making encompassing financial decisions that help determine the companies' macro-economic planning.

In the corporate governance model adopted by Itaúsa, the Boards of Directors have strategic functions for the Conglomerate.

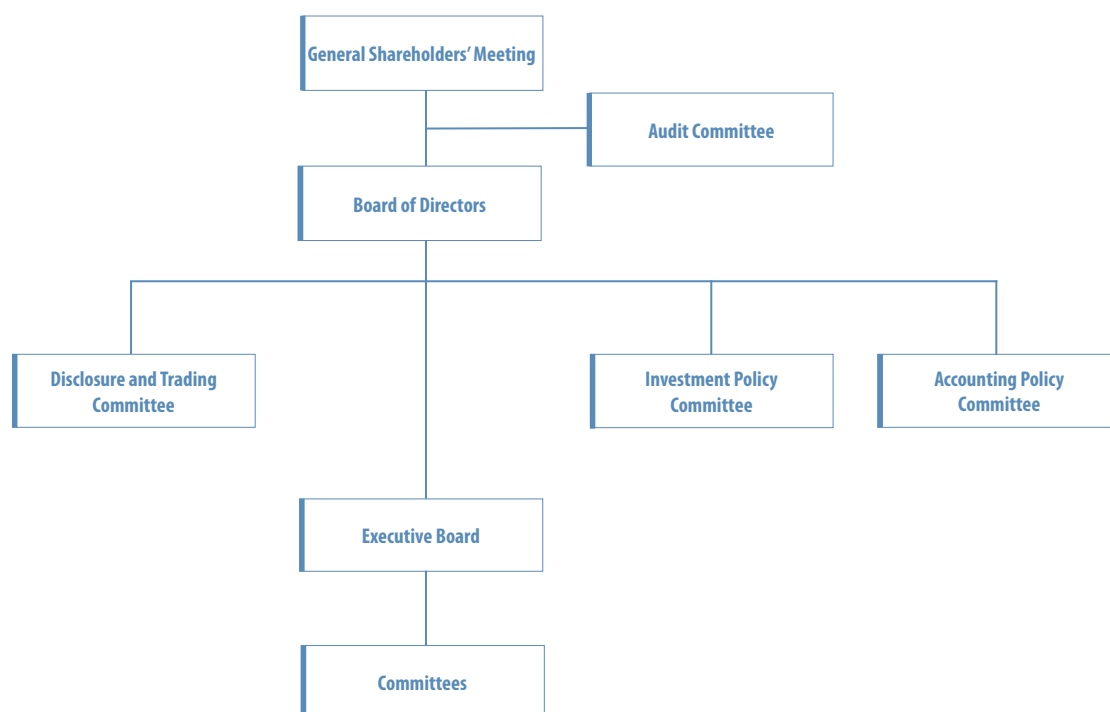
The presence of independent professionals on the companies' boards is higher than the minimum number established by the most rigorous rules applicable to publicly-traded companies. This positioning adopted by the Itaúsa Conglomerate promotes balance and harmony among the controlling shareholders, which in their majority consist of members of the same family. It is important to point out that the Itaúsa Board of Directors Chairman, a sphere that still does not involve the inclusion of independent board members, does not accumulate the function of Executive Director.  GRI 4.2 | 4.3

Certain advances in the Board of Directors' procedures, related to the social-environmental variables, and in compliance with the GRI application level requirements, were sent by the holding and companies of the conglomerate with goals to be reached during the 2011/2012 period.

Itaúsa's goal is to establish an internal charter for the Board of Directors, as well as to improve the qualifications of its board members when it comes to the theme of sustainability, by promoting specific internal events for this purpose.  GRI 4.7

Among the items under analysis is the search for a formal definition involving the relationship between the salaries of the members of the Board of Directors and Executive Management and the performance of the organization, including the environmental and social spheres. The study underway will provide alternatives for considering these variables when calculating the salaries of its board members and executives and how they will be considered when analyzing the general business performance.

 GRI 4.5 | 4.9





To further explore issues related to sustainability, Itaúsa plans to institute a formal 360° evaluation procedure, where the board member will perform a self-evaluation, evaluate the board as a whole and also evaluate its Chairman. This process will include routine areas such as presence and knowledge of the material prior to the meetings focused on sustainability. ⚙️ GRI 4.10

Among those processes currently employed at the highest entity of governance to ensure that conflicts of interest are avoided, the controlling shareholders of Itaúsa (the Villela family and Setubal family) signed a Shareholders' Agreement. This document guarantees the foundations of their operations in the management of matters related to Itaúsa's main strategic points. ⚙️ GRI 4.6

"The year of 2010 brought a new corporate governance dynamic to the companies of the Itaúsa Conglomerate. We seek to bring in market professionals and make the operations of the board and committees much more active and important. And in fact it was very important! The governance of the companies improved, leaving them better prepared for the challenges of growth."

Alfredo Egydio
 **Arruda Villela Filho**
 CEO

Boards and Management

Itaúsa – Investimentos Itaú S.A.

Board of Directors

Chairman

José Carlos Moraes Abreu

Vice Chairmans

Alfredo Egydio Setubal

Carlos da Camara Pestana

Maria de Lourdes Egydio Villela

Board Members

Alfredo Egydio Arruda Villela Filho

Paulo Setubal

Alternate Board Members

Ricardo Egydio Setubal

Rodolfo Villela Marino

Audit Committee

In this corporate sphere there is the inclusion of participation by independent board members. The Audit Committee operations comply with Brazilian Law 6404/76. The committee has the role of inspecting the management's acts and issuing reports and opinions on the company's activities, primarily in terms of its accounting statements. The decision of whether to install the committee is made annually by the General Shareholders' Meeting.

In the case of Itaúsa, the committee has existed uninterruptedly since 1997 and has historically consisted of from three to five members. Currently, it includes three independent professionals from the holding group, one of whom is elected by the preferred shareholders.

Chairman

José Marcos Konder Comparato

Board Members

Luiz Alberto de Castro Falleiros

Paulo Ricardo Moraes Amaral

Alternate Board Members

João Costa

José Roberto Brant de Carvalho

Sérgio Alvares da Fonseca Pinho



Committees

The committees serve as a management tool and must operate through a structure anchored by the role of the Boards of Directors and the Audit Committee. They also assist with the management and the strategic decision making processes at the Itaúsa Conglomerate companies.

Disclosure and Trading Committee

The operations of this committee include an array of internal actions, designed to improve the flow of information and promote the ethical conduct of its administrators and employees who have signed the Material Fact or Event Disclosure Policy and Securities Trading Policy in order to preserve the transparency, quality, equality and security of the information provided to shareholders, investors, the press, government authorities and other capital market agents.

Chairman

Alfredo Egydio Arruda Villela Filho

Members

Alfredo Egydio Setubal
Henri Penchas
Ricardo Egydio Setubal
Rodolfo Villela Marino

Investment Policy Committee

This committee's main function is to discuss relevant topics that may have a strong impact on the business of the holding and its companies. All of the functions are designed to support the Board of Directors in its discussions with the Management of the companies in terms of strategic guidelines and business themes. The attributions include everything, from investment opportunities and budget guidelines to advisory and support for the Managing Director, when it comes to monitoring the corporate strategy. The forum is supported by the Economic Scenarios Sub-Committee that provides the Board of Directors with macro-economic data in order to support its reflections on the definition of strategies, investments and budgets.

Coordinators

Ricardo Egydio Setubal
Rodolfo Villela Marino

Members

Alfredo Egydio Arruda Villela Filho
Alfredo Egydio Setubal
Fernando Marques Oliveira
Henri Penchas
Ricardo Villela Marino

Accounting Policy Committee

Created to review and approve the accounting policies and procedures in order to guarantee full compliance with regulatory standards and their uniform application throughout the entire Itaúsa Conglomerate. The committee is focused on estimate, evaluation and judgment criteria, in addition to monitoring the elaboration process of the official documents designed for publication and disclosure.

Chairman

Roberto Egydio Setubal

Members

Alfredo Egydio Arruda Villela Filho
Henri Penchas

Management


Managing Director

Alfredo Egydio Arruda Villela Filho

Vice Managing Directors

Henri Penchas (Diretor de Relações com Investidores)
Jairo Cupertino
Roberto Egydio Setubal



More information on the experience of the Board of Directors and Audit Committee members, as well as those of the other committees and the Management, including with relation to the social-environmental issues, can be found in the Reference Form at: www.cvm.gov.br or at the Company website: www.itausa.com.br.  GRI 4.7

Operational Strategy

Itaúsa's main objectives are to develop the Conglomerate's major strategies, make encompassing financial decisions that determine the macro-economic planning of the subsidiaries and generate business sustainability.

The companies' daily management and strategy definition are autonomous processes. However, they share an alignment with values and principles, ethics and quality to guarantee the generation of value for stakeholders when providing the best services in their respective areas of operation.

As part of its strategy to enter the international market, the opening of the Itaú Unibanco unit in Switzerland was authorized by the government of that country. The bank Itaú Suisse, located in the city of Zurich, serves customers seeking global investment opportunities. They benefit from the expertise and structure of the largest private bank in the Southern hemisphere and from partnerships with top local financial institutions.

Within this context of Itaúsa Conglomerate business globalization, the company signed a commercial and cooperation agreement with China UnionpayCo. Ltd. (CUP), which allows customers from the Chinese bank to withdrawal funds at the over 30,000 Itaú Unibanco ATM machines. With a presence in over 90 countries and with head office in Shanghai, CUP has over 400 member institutions.

In November 2010, the company Duratex signed a proposal to acquire all of the shares of Elizabeth Louças Sanitárias Ltda., an operation concluded in February 2011. This industrial unit, located in João Pessoa (PB), will add 1.8 million parts per year to the company's annual capacity. The transaction involved payment of R\$80 million, an investment that will help increase Deca's market share in Brazil's Northeastern region.

In the Deca Division, other important highlights include the investments for the expansion of the bathroom accessory production capacity in Cabo de Santo Agostinho, Pernambuco, and the reactivation and expansion of the Queimados unit in Rio de Janeiro, which will increase the division's capacity to 11.7 million parts per year, including the acquisition, or 63% above the current base.

The bathroom fixture segment is also receiving the benefits of investments in the expansion of its Jundiaí unit (SP) which, when completed, will achieve a capacity of 18.2 million parts per year, 15.2% above the current base. The total investments planned for these projects involve approximately R\$400 million, to be made between 2010 and 2012.

In the wood and derivatives segment, Duratex acquired 8,671 hectares of lands with planted forests through a bidding process held in 2010. The lands are located in the State of São Paulo, which from a logistics and forest productivity perspective will allow for the supply of wood under highly favorable cost conditions for future expansions in the region. With this acquisition, the total area occupied by the Duratex forests includes 225,000 hectares, including 52% on company-owned lands and 48% on leased lands.

Itautec closed the year engaged in a full restructurization process. In 2010, it worked to intensely promote a new strategic positioning in all areas of the company. The work was focused on strengthening the company's capacity to compete up to speed with new market demands. There was also an internal transformation, including some changes to the organizational structure, as the company sought to increase its capacity to compete in all its areas: production, services and product sales.

With an impact on the Itautech product and service portfolio, as well as on company's management, it was able to strengthen its capacity to manage working capital, resulting in strong cash positioning.



In the automation segment, Itaútec manufactured and installed 12,200 ATM machines and 4,100 self-service terminals, among other devices, for major financial institutions in different regions of the country. The new business opportunities resulted from the intensified search for new technologies related to the modernization of the bank branches, with a focus on enhanced convenience for customers and the improvement of operational processes.

At Elekeiroz, the corporate governance dynamic produced a new management strategy. With the restructurization of the Boards and Committees, and with the participation of independent professionals, the company revised the Strategic Plan for the next five years and also defined the priority investments for each one of its industrial sites. This plan is focused on the expected market growth, production cycles and required maintenance, competition with imported products and use of renewable raw materials aligned with sustainability guidelines and as an alternative to oil dependence.

Reflecting the control measures it has implemented for atmospheric emissions, Elekeiroz implemented a carbon dioxide recovery project at the Camaçari site (BA). The installed recovery capacity is 10,000 tons per year. The recovered carbon dioxide (CO_2) is sold to a company that produces industrial gases, which receives it via a pipeline system and incorporates it into its matrix of sellable products. Before, this gas was released into the atmosphere.


Elekeiroz is currently expanding its Unsaturated Polyester Resin and 2-Ethylhexanoic Acid units, with both projects scheduled for conclusion in 2011, increasing the company's offer to the consumer market.

Also planned for 2011 is the final revision of the economic feasibility studies for acrylic acid, acrylates and superabsorbent polymers. After this final revision, the development's budget will be examined one more time and approved by the company and Itaúsa Boards of Directors.

Capital Market GRI 4.12



Similarly to Itaúsa, the main companies of the Conglomerate are also publicly traded companies with shares listed on stock exchanges. Through its Material Fact or Event Disclosure Policy, meetings with analysts, shareholder meetings and the traditional communication channels, Itaúsa and the Conglomerate companies practice the principle of disclosing complete and timely company-related information.

In order to reinforce the Conglomerate's commitment to corporate governance, transparency and the dissemination of the capital market culture, Itaúsa promotes annual public meetings in partnership with Brazil's Association of Capital Market Analysts and Investment Professionals (APIMEC) to discuss its results, strategies and perspectives. Since 2001, 10 meetings have been held with analysts.  GRI 4.4

Shareholder Structure (in thousands, unless otherwise indicated)

As of 12/31/2010, Itaúsa had 32,040 shareholders

Shareholders	Common		Preferred		Total	
Controlling Shareholders	1,026,572	61.08%	476,864	17,0%	1,503,436	34.37%
Free Float	654,224	38.92%	2,216,622	82.30%	2,870,846	65.63%
Total Shares in Circulation	1,680,796	100%	2,693,486	100%	4,374,282	100%
Treasury	—	—	—	—	—	—
Total Shares Issued	1,680,796		2,693,486		4,374,282	

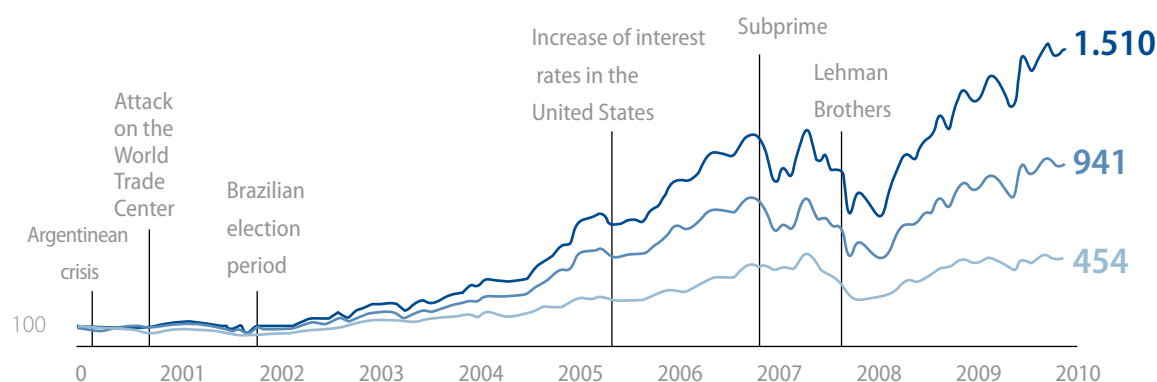
Share Performance

Evolution of R\$100 invested from December 30, 2000 to December 30, 2010.

Average Annual Valuation in Reais

	Itaúsa ⁽¹⁾	Itaúsa ⁽²⁾	Ibov. ⁽³⁾
10 years	31.19%	25.13%	16.34%
5 years	23.45%	19.17%	15.68%
12 months	14.83%	11.54%	1.04%

⁽¹⁾ With the reinvestment of dividends
⁽²⁾ Without the reinvestment of dividends
⁽³⁾ Ibovespa

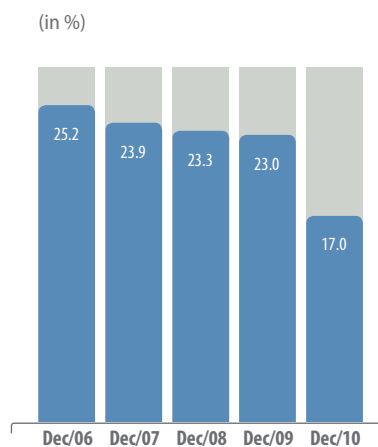


Itaúsa Discount

Over the past five years, Itaúsa has offered a monthly disclosure on its Investor Relations website under the menu Itaúsa in the Share Market/Discount.

This discount is attributed by the market to the value of the company's shares when compared to the sum of the market value of its stake.

The quote for the most liquid shares is considered for this calculation, estimating the company's total market value and that of its subsidiaries. The website www.itausa.com.br contains a detailed description of the calculation performed to obtain the value of this discount.



Risk Management

✚ GRI 1.2 | 4.11

Because Itaúsa is a holding, the risk factors that may influence the decision to invest in its securities inherently result from the risk factors to which its companies are exposed.



To learn more about the complete risk matrix, access the Itaúsa Reference Form at: www.itausa.com.br or www.cvm.gov.br.

Itaúsa's investors and potential investors have access to an extensive document (Reference Form) that defines the main risk items and opportunities to be evaluated in the holding's businesses.

Intangible Assets

A company's value is also reflected by the strength and reputation of its brand, as well as its capacity to retain and develop knowledge.

In the financial area, the most important Itaú Unibanco Holding S.A. brands are Itaú, Itaú Personnalité, Itaú BBA, Itaucard, Hipercard and Garantec. In 2010, for the seventh consecutive time, the Itaú Unibanco brand was considered the most valuable in Brazil, according to the global consulting firm Interbrand, pioneer in the development of the brand evaluation method. The Itaú Unibanco brand was evaluated at R\$20.6 billion, nearly double the R\$10.5 billion recorded in 2008, the date of the last ranking. Among the factors that most contributed toward this valuation were the growing and consistent financial results, the capacity to operate in highly competitive markets and the company's strong focus on sustainability-related topics. The brand's valuation is part of a permanent process of managing the reputation it has built throughout its history.

A leading company in its segment with more than six decades of existence, Duratex owns market leaders such as Deca, Hydra, Durafloor and the Duratex brand itself, all brands of reference in their respective sectors of operation.

Together with its history and presence in the market, the products offered by Duratex attract customers who trust in their functional quality, together with the attractive design and an ethical and law-abiding posture, in addition to effective actions focused on environmental responsibility issues. Duratex has also earned distinction for maintaining the ISO14001 and FSC¹ certifications, for its participation as a founding member of the Green Building Council and for signing the UN Global Pact.

Elekeiroz – a company that was founded over a century ago – has earned the clear recognition of its different stakeholders as being a reliable supplier of high quality chemical and petrochemical products certified by the ISO 9001. These products are directed at countless segments in the transformation industry, including civil construction, footwear and clothing, automotive, visual communication and advertising, food additives and agriculture.

Elekeiroz' industrial activities are concentrated at two sites strategically focused on facilitating production and the transportation and sale of this production. The use of renewable natural resources in production processes allows the company to implement several different programs geared toward the reduction of water and energy consumption and effluent generation. These actions are paired by research and development work focused on sustainable products aligned with a growth strategy with maximized value.

With over 30 years of operations in the technology market, Itaútec specializes in the development of computing, banking and commercial automation and technological service solutions. Itaútec has 33 service branches and 10 support laboratories that serve more than 3,700 Brazilian cities.

¹ The Forest Stewardship Council (FSC) develops and promotes international norms for the certification of forest developments in compliance with the principles and criteria of sustainable management.

"I started at Elekeiroz as an intern and I am currently operation technician. I achieved professional satisfaction and knowledge that I also transferred to my personal life."



Israel Santana de Oliveira
Operation Technician at Elekeiroz

The company operates in a consistent fashion abroad, with customers in the Americas, Europe and Africa. Itaútec is the first company from the electro-electronic sector that is fully prepared to meet the requirements of Brazil's National Solid Waste Policy, and is considered a pioneer in the recycling of electronic waste as part of a program it has promoted since 2003.

Itaútec computer products are registered with the Electronic Product Environmental Assessment Tool (EPEAT) – an environmental assessment tool for electronic products created by the U.S. Environmental Protection Agency and the NGO Greener Electronic Council.

Awards and Distinctions

GRI 2.10

The year of 2010 marked a series of distinctions for the Itaúsa Conglomerate companies. They are awards, highlights, certifications and rankings from different prestigious Brazilian and international entities. All of them share a focus on high performance, management quality and commitments to sustainability.

- Itaúsa earned first place in terms of earnings on the list of the country's 200 Most Representative Business Groups according to the ranking of Exame Magazine's "Biggest and Best."
- It was listed on the Dow Jones Sustainability World Index for the seventh consecutive time. And for the fourth consecutive year, it occupied the top position in the Financial Services sector in the Environmental and Social categories. There are seven Brazilian companies in the 2010/2011 edition – including two from the Itaúsa Conglomerate – Itaú Unibanco Holding S.A. and its subsidiary Redecard S.A.

Duratex

- Red Dot Award 2010, granted to the Deca Division Twin filters line in the Home and Kitchen category. Duratex was the first Brazilian company to receive this award. The product was also honored by the Good Design Award and received the SENAI/SP Excellence Design 2010 Award.
- 2010 CIESP Business Excellence Award for the Agudos (SP) unit, offered by the São Paulo State Center of Industries (CIESP) in the Large Company category.
- The most recalled brand in the MDP and MDF Panels categories during the 5th Edition of the Top Mobile 2010 Award.
- Top of Mind Award in the Bathroom Accessories and Fixtures and Durafloor Laminate Floor category.
- 1st place among the construction and decoration material companies for the "Dinheiro Magazine Top 500 Companies" Award.

Elekeiroz

- Received 1st place in the 5th FIESP Water Conservation and Reuse Award at its industrial unit in Várzea Paulista for the implementation of three projects: reduction of the water collected from the Jundiá River, reduction in the emission of liquid effluents and the collection of rainwater for industrial use.
- Classified among the 35 Top Companies in the Private Sector in the State of São Paulo at the award event for "The Best Companies for Interns," promoted by the Company-School Integration Center (CIEE).
- The company also received the Honorable Mention in the Economic and Financial Analysis category for the 12th ABRASCA Best Annual Report Award, and had its report classified in second place among companies with earnings of up to R\$1 billion in 2009.

Itautec

- Top Technology Company for the Latin American Financial Sector according to the World Finance Institute and World Finance magazine.
- Top evaluated company in Banking and Commercial Automation during April 2010 edition of the Brand Info Research conducted by the Info Exame magazine. Itautec was included among the 14 companies with the best evaluation by corporate clients.
- Honorable Mention from the Optimus Innovation Awards 2010 in the Innovation and Pioneer category for Itautec Portugal. The Innovation Awards is an initiative of Accenture, a global management consulting, technology service and outsourcing company, with the sponsorship of Optimus, a Portuguese mobile phone operator. Best evaluation in the Banking and Commercial Automation category for Brand Info Research according to the Info Exame magazine.
- Distinguished IT Hardware Company – CW 300 Banking and Commercial Automation, according to the magazine Computerworld, which listed the 300 largest Technology, Information and Communication (TIC) companies in the Brazilian market.
- Ranked 1st for the third consecutive year in the Electro-Mechanical and Consumer Goods category for the Metrics Competition Awards, with the Deposit Module Mechanism product.
- Recognized twice at IDEA Brasil 2010 in the Silver Category for Self-Checkout and in the Bronze category for the Prizis Kiosk. Promoted by Objeto Brasil, the design award is the Brazilian version of the International Design Excellence Awards.
- Lide Entrepreneurship Award in the Entrepreneurial Company in Technology category, undertaken by Lide – Business Leader Group and JLide – Young Business Leaders.
- R&D Excellence Award in the Informática Hoje 2010 Yearbook for the Self-Checkout PayTower project.
- Best positioned Brazilian company in the Fintech ranking for the 100 Largest Global Suppliers of Technology for the Financial Sector, based on the survey conducted by IDC Financial Insights and by the magazine American Banker.

Itaú Unibanco

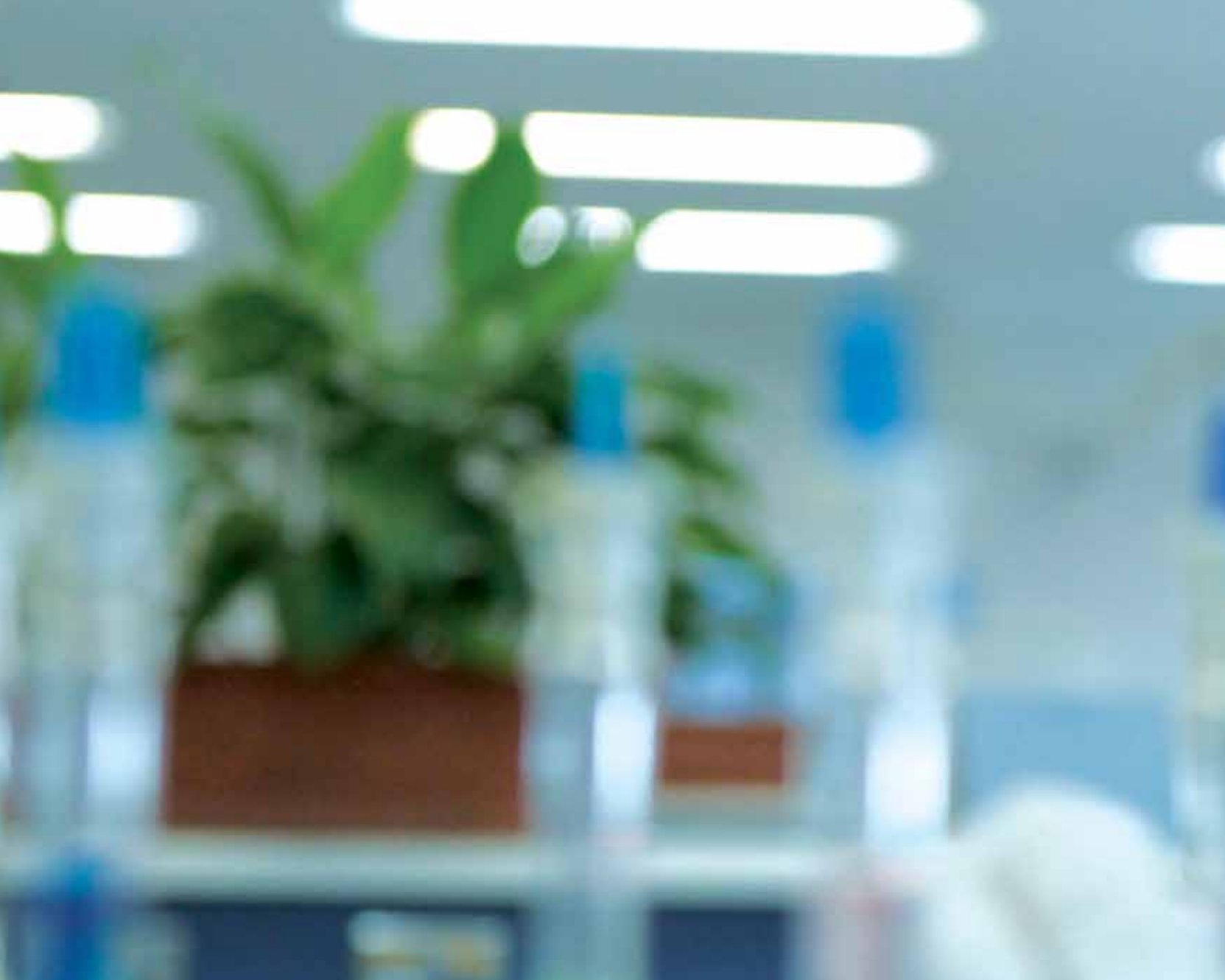
- Top Brazilian Publicly Traded Company for the fifth time over the past 12 years according to Brazil's Association of Capital Market Analysts and Investment Professionals (Apimec).
- Most valuable brand in Brazil for the seventh consecutive time, estimated at R\$20.7 billion by the consulting firm Interbrand.
- Brazil's Best Private Banking 2010, Chile's Best Private Banking 2010 and Latin America's Best Managed Companies – Most Convincing & Coherent Business Strategy – By sector: Banking & Financial, according to the Euromoney magazine.
- Green Enterprise IT Awards, offered by the Uptime Institute.
- Most Sustainable Financial Institution in Latin America and Emerging Markets – FT Sustainable Banking Award, granted by the newspaper Financial Times and the International Finance Corporation (IFC).
- Voted Top Bank in Brazil for the 12th time, and Top Bank in Latin America in the Awards for Excellence promoted by the magazine Euromoney. The magazine also classified Itaú BBA as the Top Cash Management Bank in Brazil for the second consecutive time.
- First Brazilian bank to make the Top 1000 World Banks Ranking, promoted by the magazine The Banker.
- IR Magazine Awards Brazil 2010 in the categories of Gran Prix of Top IR Program for Large Caps Companies and Top IR Performance by a CEO or CFO for Roberto Setubal.
- Latin America's Best Investor Relations Program with Investors from the Bank and Financial Services Sector according to the magazine Institutional Investor.
- Ranked 1st among Most Transparent Companies on the Ibovespa, elaborated by Management & Excellence (M&E), for the fourth consecutive year.
- 1st place in the Banks category in the ranking of Most Admired Companies in Brazil, promoted by the Carta Capital magazine.
- Top Research Team in Brazil for Itaú BBA, according to the magazine Institutional Investor.
- Best Latin America Equity House for Itaú BBA, according to IFR Thomson.
- Ranked 1st among Brazil's largest banks, based on net equity, according to the special edition of the Exame magazine 2010 "Biggest and Best".

Maria Iraci Azevedo de Brito

Accounts Manager at Itaú Unibanco

"For 33 years, I have passed on trust to customers and I have a lot of passion to move up in this company, since everything I have I owe to Itaú Unibanco."









Business Performance

⚙️ GRI 1.1



The year of 2010 presented some solid results for Itaúsa. The holding recorded growth in its net profit and net equity after the IFRS adjustments.

During the year of 2010, Itaúsa and its subsidiaries presented consistent results. With stake in the industrial and financial areas, Itaúsa's net profit based on the IFRS was R\$4,417 million – representing a 1.3% growth compared to 2009, with 18.0% return on average net equity. The net equity totaled R\$26,302 million on December 31, 2010, representing a 13.4% increase during the year. It is important to point out that Itaúsa's net profit before the IFRS adjustments (BRGAAP) was of R\$4,953 million – representing a 26.0% growth with relation to the previous year – and a 23.0% return on average net equity.

We further highlight that the incentives and benefits that the Itaúsa Conglomerate companies obtained from Brazilian Government, such as: The Workers' Meal Program (PAT), Children and Adolescent's Fund, Rouanet Cultural Incentive Law, the Fundiest and Fundopen financing lines and the reduction of tax rates, among other measures, totaled R\$386.8 million in 2010.  GRI EC4

Main Itaúsa Indicators – in R\$ million, except where indicated

	Holding Company		Non-Holding Companies		Conglomerate	
	2009	2010	2009	2010	2009	2010
BRGAAP						
Net Profit	3,930	4,953	7,812	9,714	11,742	14,667
Net Equity	19,786	23,743	38,170	44,424	57,956	68,167
Average ROE %	21.5	23.0	22.3	23.7	22.1	23.4
IFRS						
Net Profit	4,362	4,417	387	596	4,749	5,013
Net Equity	23,190	26,302	2,649	2,877	25,838	29,179
Average ROE %	20.6	18.0	20.7	23.4	21.2	19.5

Results by lot of 1,000 shares – in R\$

	2009	2010	Var. Abs.	Var. %
Net Profit of Holding – BRGAAP	0.93	1.14	0.20	21.9
Net Equity of Holding – BRGAAP	4.55	5.43	0.88	19.3
Net Profit of Holding – IFRS	1.03	1.01	(0.02)	(2.1)
Net Equity of Holding – IFRS	5.21	6.01	0.80	15.3
Interest on Own Capital and Dividends	0.28	0.33	0.04	15.1
Preferred Share Price	11.83	13.14	1.31	11.1
Market Capitalization – in R\$ millions	51,411	57,478	6,067	11.8

Main Indicators of the Conglomerate Companies

		BRGAAP					IFRS	
	January to December	Financial Services Area	Industrial Area			Consolidated/ Conglomerate (2)	Adjustments between BRGAAP and IFRS	Consolidated/ Conglomerate (2)
		Itaú Unibanco Holding S.A.	Duratex S.A. (1)	Itautec S.A.	Elekeiroz S.A.			
Total Assets	2010	755,112	5,011	1,079	640	764,211	(488,576)	275,635
	2009	608,273	4,336	1,294	584	615,961	(402,457)	213,504
Operating Revenues	2010	120,510	2,742	1,795	851	123,695	(75,753)	47,942
	2009	111,994	1,930	1,872	571	117,369	(71,513)	45,856
Net Profit	2010	13,323	442	3	47	14,667	(9,654)	5,013
	2009	10,067	178	54	4	11,742	(6,993)	4,749
Net Equity	2010	60,879	2,624	520	477	68,167	(38,988)	29,179
	2009	50,683	2,331	496	443	57,956	(32,118)	25,838
Annual Return on Average Net Equity (%)	2010	24.1%	17.9%	2.5%	9.9%	23.4%	-	19.5%
	2009	21.4%	7.8%	11.4%	0.9%	22.1%	-	21.2%
Internal Resource Generation (3)	2010	37,201	839	76	86	35,943	(20,569)	15,374
		37,887	301	35	(14)	36,013	(19,577)	16,436

The 2009 data includes the reclassifications made by the respective companies as to the disclosure of the accounting statements associated with the year 2010.

(1) Operating Revenue and Net Profit for 2009 include the January-August results for Duratex, and the September-December results for Duratex + Satipel.

(2) The Consolidated/Conglomerate data presents the net values of the consolidation eliminations and unrealized income from intercompany transactions.

(3) Refers to the funds resulting from the operations obtained through the Cash Flow Statement.



The main changes resulting from the adoption of the IFRS are demonstrated in the table below:

Reconciliations between BRGAAP and IFRS (in R\$ million, except where indicated)

	Total Assets		Net Equity		Net Profit	
	12/31/2009	12/31/2010	12/31/2009	12/31/2010	2009	2010
Consolidated before IFRS Adjustments	615,961	764,211	57,956	68,167	11,742	14,667
Adjustments between BRGAAP and IFRS	(402,457)	(488,576)	(32,118)	(38,988)	(6,993)	(9,654)
Proportional Consolidation of Itaú Unibanco	(398,487)	(483,988)	(36,044)	(42,084)	(7,424)	(9,128)
Credit Operations	1,159	679	1,159	679	196	(513)
Recognition of All Tax Credits	827	595	838	595	(83)	(239)
Retirement and Health Plans	573	44	573	44	169	76
Business Combination	1,029	717	1,029	717	148	(303)
Biological Assets	203	219	203	219	(4)	34
Surplus Dividends	-	-	380	445	-	-
Others	(7,761)	(6,842)	(256)	397	4	419
Consolidated in IFRS	213,504	275,635	25,838	29,179	4,749	5,013
Attributable to Non-Controlling Shareholders			2,649	2,877	387	596
Attributable to Controlling Shareholders			23,189	26,302	4,362	4,417

The values presented in "Adjustments between BRGAAP and IFRS" in the table of the previous page result basically from the adoption of the Brazilian Code of Civil Procedure (CPCs) below, which present the main changes involved with the adoption of the IFRS. The entire description of the adjustments made is available in Explanatory Note 2b of the complete accounting statements, that are part of this publication.

- CPC 19, paragraphs 30 and 40, determines that the joint controlled investments must be recorded using the proportional consolidation method. Accordingly, the Itaú Unibanco financial statements were consolidated proportionally in the Itaúsa financial statements;

- Credit Operations: CPC 38 establishes that the entity must evaluate on each base date whether there is objective evidence that the credit operation or group of credit operations is found to be in a situation of loss due to the reduction of its recoverable value;

- Recognition of All Tax Credits: CPC 32 establishes that the tax credits must be measured through substantial use of the effective rate and recognized when it is likely that future taxable profits will be generated, allowing for compensation of the asset;



- Retirement and Health Plans: According to the requirements of CPC 33, for the plans in which the actuarial calculations result in a positive net position, an asset was recognized; and for plans in which the actuarial calculations resulted in a negative net position, a liability was recognized;
- Business Combination: CPC 15 requires the identification of the accounting acquirer in a business combination. Adjustments due to the operation of association between Duratex and Satipel; and from the association between Itaú Unibanco and Porto Seguro;
- Biological Assets: This adjustment refers to the recognition of the fair value of the Duratex forest reserves, as required by CPC 29;
- Surplus Dividends: This adjustment refers to the fact that the proposed dividend above the required minimum is only recognized as a liability when approved by the shareholders during the General Shareholders' Meeting, CPC 25 – "Provisions, Contingent Liabilities and Contingent Assets."

The following are the main events per company where the cited figures, when removed from the accounting statements, refer to the values under the IFRS (International Financial Reporting Standards) system for the industrial area companies. In the financial area, the Itaú Unibanco values refer to the BRGAAP model.

Duratex S.A.

Duratex closed the year with a recurring consolidated net profit of R\$439.4 million. For the accumulated annual result, the recurring Ebitda totaled R\$850.6 million, equivalent to a 31% margin, which represents a strong expansion compared to the margin presented in 2009, of 25.6%.

In the Wood Division, the year was characterized by the consolidation of the association between Duratex and Satipel, which occurred during the second half of 2009, and by a movement to boost the production of the new MDP panel plants in Taquari, Rio Grande do Sul; and the MDF plants in Agudos, São Paulo and Uberaba, Minas Gerais.

According to the Brazilian Wood Panel Industry Association (ABIPA), the demand for panels grew 21% with relation to 2009, for a total of approximately 6.2 million m³ during the year, representing a growth near 1.1 million m³ during the period. This growth represents approximately 14% of the industry's effective capacity and is equivalent to two new plants similar to the last ones inaugurated by Duratex.

The annual growth in net revenue at this division was of 23% compared to the *pro forma* revenue for the previous year, reaching R\$1.8 billion. This level of growth, recorded above the issued volume expansion, reflects the more favorable prices and sales mix in 2010, a result of the positive market scenario.

Sales directed abroad continued to be pressured by the unfavorable foreign exchange rate and the market condition itself, which is still feeling the effects of crisis that began at the end of 2008 and which had severe impacts on the construction segment in the more developed blocks.

The performance of the Deca segment during the year was quite positive. The positive civil construction scenario favored the business environment extensively, allowing the division to operate with high industrial occupation rates in 2010, benefitting significantly from economies of scale. The period was also marked by a 9.3% growth in the issued volume and a 20.4% growth in net revenue, resulting from a more favorable sales mix and the 10.2% increase in the unit net revenue.

Based on comparison, the Brazilian Association for the Construction Materials Industry (Abramat) Index, a performance indicator for construction material industry sales, presented a 12.4% growth in 2010, with Deca surpassing the average sector performance.

Attentive to the market opportunities predicted for 2010, Duratex invested and maintained in its planning for the upcoming period some important investments focused on expanding the capacity in its segments of operation.

In the Wood Division, it is planned to invest in new Low Pressure coating presses, a paper impregnator and a new line of laminate floors that will allow it to further expand its sales mix when completed.

"There is an integration of governance processes that is always oriented by the values that guide Itaúsa. The year of 2010 was a very good one for the consolidation of these projects. At Duratex, we were able to obtain all of the planned synergies. The teams worked together very well and this begins at the level of the shareholders. Our market is favored by the positive moment currently experienced by the country."

Henri Penchas

CEO of Duratex

In the Deca Division, both the bathroom accessories and fixtures are currently part of a program to adjust the company's offer capacity to the growing demand resulting from the booming construction industry.

Within the corporate sphere, it concluded the process to install its new technology infrastructure based on the SAP platform. In July, it successfully migrated its database and completed the respective integrity tests.

At the end of the year, the Duratex market value totaled R\$8.2 billion, based on the final share quote of R\$17.85. This closure price corresponds to a valuation, compared to the final quote for the previous year, of 10.2%. For comparison purposes, the Bovespa Index (Ibovespa), the main market reference, presented a 1.0% growth during the same period.

In 2010, the company completed 573,000 business transactions with company shares, responsible for moving 297 million shares equivalent to R\$5.1 billion. This level of liquidity guaranteed the share's presence in the Ibovespa portfolio, which consists of approximately 60 shares, and whose main criteria for inclusion involves aspects related to share liquidity.

Another important index in which the Duratex share portfolio has been included is the Business Sustainability Index (ISE). This index consists of approximately 40 shares from companies that have earned distinction for applying the concept of sustainability. The index performs an integrated evaluation of social, environment and economic-financial aspects that were incorporated with practices related to corporate governance, business characteristics, the nature of the product and climate change.



Elekeiroz S.A.

As the second generation of the petrochemical chain, Elekeiroz products are designed for the industry that serves the final consumer in the civil construction, automotive, footwear and clothing, food, agro-industrial and visual communication and advertising segments, in addition to a range of other chemical industries. The domestic market is the main destination for the products and accounted for 88% of the issued volume in 2010. The organic products accounted for 53% of all sales, while the inorganic and retail products accounted for the remaining 47%.

In 2010, there was an accentuation of the Brazilian economic recovery that began at the end of 2009. The temporary tax reduction was important for increasing the domestic demand for high added value goods, whose manufacturing process involves a high participation of chemical products.

The national segment that produces intermediary chemicals for industrial use, in which Elekeiroz operates, accumulated a 7% growth compared to that of 2009 in terms of production and sales in the domestic market. The average price index practiced for this segment grew 11.4% during the year, but was still lower than that of 2008. The poor growth of the development economies in contrast to that of emerging countries such as Brazil was the main factor responsible for the slow recovery of the practiced margins.

The national apparent consumption for the segment accumulated a 13% increase in 2010. Imports grew 28%, while exports reduced 10%.

In 2010, the Gross Revenue reached R\$1.0 million and the Net Revenue R\$850.5 million, representing 47% and 49% growth, compared to 2009, respectively. The positive results achieved indicated a net profit of R\$45.2 million, Ebitda of R\$87.7 million, Ebitda Margin of 10.3% and Return on Average Net Equity (ROE) of 10.1% per year.

"There is always an exchange of knowledge among the companies of the Itaúsa Conglomerate, even when these operate in different markets. The three companies from the industrial segment have a joint set of procedures, where that which applies at a certain company may also be practiced here, and vice-versa. With a history dating back 116 years, Elekeiroz is a modern and competitive company with a high potential for development."

Reinaldo Rubbi

CEO da Elekeiroz

The exports, which were made to 35 countries, involved a total of R\$162.4 million, with an impressive 86% growth compared to 2009. Of this total, the Asian continent, primarily China, accounted for 44%, South America, 30%, North America, 18%, and the remaining 8% were distributed between Europe and certain countries in Africa and the Middle East. It is important to point out the opening of new markets such as the United Arab Emirates, Australia, Morocco and Tunisia. As a result, the relationship between exports and the net revenue increased from 15% in 2009 to 19% in the accumulated result for 2010.

There was also a significant improvement in the indebtedness profile with financial institutions, which allowed the company to enter into a comfortable situation at the end of December 2010, when this indebtedness was reduced to R\$44.2 million, equal to only 50% of the Ebitda and 9% of the Net Equity. The cash equivalents, at R\$88.3 million, exceeded the indebtedness twice-fold.



Itautec S.A.

In 2010, Itautec promoted an extensive and consistent operational, strategic and management restructurization process, producing a financially more solid company better prepared to compete and be successful in the market segments in which it operates: commercial automation solutions, banking automation solutions, personal computing solutions, corporate computing solutions and technological services.

It was especially successful in terms of its working capital management, which resulted in operating cash generation of R\$311.6 million, leading the company to a cash balance position of R\$264.9 million and negative net debt of R\$55.6 million, a value higher than its gross indebtedness with financial institutions.

“The companies’ top management remains in permanent contact as part of a process to strengthen the Itaúsa Conglomerate. At Itautec, the year 2010 was marked by an intense restructurization process that provided the bases for the construction of a financially more solid company better prepared to compete and be successful in every segment in which it operates. Itautec develops products and solutions that add value for customers and contribute toward the country’s technological and social-environmental development.”

Mário Anseloni
CEO of Itautec

The operational cash generation for 2010 was due to the improved asset management process instituted during the year, resulting in the more effective management of the operational cash cycle, and from the sale of the Tallard Technologies subsidiaries.

The net revenue obtained for the year increased 18.7% compared to 2009, granted that the automation solution sales (banking and commercial) grew over 60% during the period due to the increased number of ATMs and the specific actions designed to expand the customer base in the financial sector and in the area of commerce. On the other hand, the performance of personal computer sales through the retail chain fell short of expectations.

The weak sales performance in direct consumer retail, associated with the investments made to strengthen the company’s operating capacity, as well as the extraordinary adjustments necessary to adjust the company to the new accounting standards established through the adoption of the International Financial Reporting Standards (IFRS) and the new requirements for internal controls and for the accounting management explain this drop in profitability.

The consolidated operational result for the year was R\$13.5 million and Ebitda, R\$34.2 million, a sum 41.2% lower compared to 2009. In the accumulated result for the year, the consolidated net profit was R\$11.5 million, representing an average return on net equity (ROE) of 2.2%.

Itautec fulfilled its strategic planning for 2010 with investments of approximately R\$94.6 million, including R\$69.2 million in research and development and R\$25.4 million in operating fixed assets, of which R\$12 million were directed at the Information Technology (IT) area.

In 2010, Itaútec completed a series of structural corrections that it has already implemented, thereby creating a more optimistic expectation. Furthermore, it adopted several different initiatives to increase its portfolio of products – especially in the computing segment – with new lines extending to the automations segment, with ATMs equipped with biometry solutions.

Itaútec currently has a renewed organizational structure, one involving the integration of market executives with proven experience in addition to those who were already at the company. The company also invested in improving its people management process and developed a meritocracy-based salary system, which will help contribute toward the constant development of employees and improvement of organizational quality.



Itaú Unibanco Holding S.A.

Less than two years since the start of the merger between the banks, Itaú Unibanco was able to conclude the integration of the entire base of customer service points throughout Brazil. The branches and the Unibanco Banking Service Units, known as "PABs," were entirely remodeled and integrated with the Itaú units.

In 2010, the company's accumulated Net Profit reached R\$13.0 billion, 24.1% higher than during the same period in 2009. This result was due primarily to the 9.4% increase in the financial margin with customers, the 15.1% growth in the revenues from the services offered and bank fees and the 17.7% improvement in the result from doubtful credits. During this period, we also observed a 10.0% growth in the expenses not resulting

from interest, due primarily to the migration process of the Unibanco branches to the Itaú branches, finalized in October 2010. The migration-related expenses incurred in 2010 totaled R\$835 million. Not considering these expenses, the recurring net profit in 2010 would reach R\$13.5 billion.

The total assets on December 31, 2010, were R\$755.1 billion, representing a 24.1% growth compared to 2009, and the net equity totaled R\$60.9 billion, with a recurring return on net equity of 23.5%.

The credit portfolio, including bond and guarantee operations, totaled R\$335.5 billion at the end of 2010, with a 20.5% growth in the operations balance compared to the previous year. In the Personal banking segment, the highlights were the credit card, vehicle and home financing credit portfolios, with a 19.2%, 15.1% and 53.7% growth during the 12-month period, respectively. Worth highlighting in the Business and Corporate Banking segment is the performance of the portfolio of large companies, with a 15.6% growth during the year, and that of the micro, small and medium-sized companies, which grew 31.2% during the 12-month period.

For the second consecutive year, Itaú Unibanco was among the world's 10 largest banks in 2010, with a market value of R\$179.6 billion on December 31, 2010, according to Bloomberg.

"The bank is Itaúsa's biggest asset and all the good results we achieved evidently have repercussions on the holding. Because we are a very large company and one that is cutting-edge in several different aspects, many things done at the bank serve as inspiration for the other companies controlled by Itaúsa. In 2010, we worked hard internally and now we have the base necessary to face the major challenges that lie ahead and grow sustainably."

Roberto Setubal
CEO of Itaú Unibanco



Itaú





The background of the slide features a photograph of children in a classroom or art studio, painting on easels. The image is partially obscured by a large, semi-transparent grey rectangle that serves as a backdrop for the text.

Corporate Responsibility

⚙️ GRI 4.12 | 4.13 | 4.14 | 4.15 | 4.16 | 4.17

Obtaining results in an ethical and responsible fashion and cultivating long-term relationships are strategies designed to promote the Conglomerate's sustainable growth.

The Itaúsa Conglomerate seeks to develop and promote ethical and responsible growth, building long term relationships with all of its stakeholders.

With these principles as the guidelines for its operations and based on the respective codes of conduct that govern the organizations and their relationships respecting human rights, Itaúsa did not record any case of violation of the rights of indigenous peoples. There were also no cases of discrimination recorded at the industrial companies during the year of 2010. ⚙️

GRI HR4 | HR9

At Itaú Unibanco, there was the report of a case of discrimination due to age involving a former employee during the selection process conducted by the outsourced company contracted by the bank. The case was analyzed and the Ombudsman recommended the revision of the process and reorientation for the service provider company. The results of the resolution plan implemented were analyzed using routine internal management analysis processes, where the case is no longer subject to lawsuit and has been fully resolved.

⚙️ **GRI HR9**

There were also no occurrences recorded related to the significant risks for child labor or even risk situations related to the occurrence of forced labor or that analogous to slave labor at the Itaúsa Conglomerate companies. ⚙️ **GRI HR6 | HR7**

Also one of the fundamental guidelines of its business, the risk for corruption is under constant surveillance using control mechanisms at each company and is clearly cited in the respective codes of conduct. Based on this guideline, the companies did not record any case of corruption during the year 2010, nor did they suffer any lawsuits related to unfair competition, trust practices or monopoly. In the same sense, there were no significant fines or non-monetary sanctions resulting from non-compliance with laws and regulations.

⚙️ **GRI S04 | S07 | S08**

The holding adopts specific communication procedures, as expressed in the respective codes of conduct based on the nature of each business.

Within this context, the Itaúsa subsidiaries did not record any cases of non-compliance with regulations or voluntary codes associated with market communications, including advertising and sponsorship. ⚙️ **GRI PR7**

Because it is a company operating in the industrial segment that produces intermediary chemicals for other industries, Elekeiroz does not serve the final consumer. Accordingly, its communication practices are not required to have programs compliant with the laws, standards and codes applicable to marketing communication, including advertising, promotion and sponsorship. Itautec does not maintain programs to ensure compliance with the voluntary codes related to promotion, advertising and marketing policies. At Duratex, the way in which the company addresses its customers and consumers is also governed by the principles established in its Code of Ethics and Conduct, which includes a commitment to the truthfulness of the information disclosed in its advertising. ⚙️ **GRI PR6**



Recognition

The holding recognizes topics that are important for all stakeholders and companies by following the respective codes of conduct that govern each business segment.



To obtain more information on the topic and on the donations made by the Itaúsa Conglomerate companies, visit: www.tse.gov.br/internet/eleicoes/2010/prestacaoDeContas.html

As a voluntary standard related to its communication and marketing, Itaú Unibanco follows the Code of Corporate Ethics, "Our Way" (Corporate Culture), the Corporate Information Security Guide, Corporate Crisis Guide and the Guide for Business Continuity. It also complies with the Self-Regulation Codes of the Brazilian entities BACEN, SUSEP, CONAR, FEBRABAN, ABECS and CDC, among others, which also regulate the communication and marketing of financial services. **GRI PR6**

In 2010, the Itaúsa Conglomerate companies participated in a Brazilian election process as a voluntary contributor to political campaigns. **GRI SO6**

In order to guarantee appropriate conduct during this process, the company created the Political Contribution Committee, which consists of board members and executives from the companies, in addition to a specific policy for election campaign donations.

The work involved an analysis of the history of candidates and their political platforms and selected the candidates whose proposals most add value to the competitive market, meritocracy and social development.

The financial and cash contributions to political parties, politicians or related institutions by the company were as follows:

- Duratex – R\$463,600 to 24 candidates who ran for the positions of state legislator and congress, eight of whom were from the State of São Paulo, 14 from Minas Gerais, one from Rio Grande do Sul and one from Paraná.

- Elekeiroz – R\$45,000 distributed between the political parties DEM/PT/PSDB.

- Itaútec – R\$250,000 to eight candidates, seven of whom were from the State of São Paulo and one from Minas Gerais.

- Itaú Unibanco – R\$23.7 million, an amount distributed to candidates in all regions of the country.

All of the funds are accounted for, rigorously following the Brazilian legislation that regulates donations to election campaigns.

As part of the merger and acquisition processes that come to occur at the Itaúsa companies, and similarly to any other operation, there is due diligence with a focus on tax, legal, environmental, labor, social and financial issues. This work is designed to identify the future liabilities or risks, quantify them and include them in the business valuation calculation matrix for the definition of the price to be paid. Finally, if the business transaction is finalized, there is a transition process to adapt to the criteria and principles adopted by the Itaúsa Conglomerate. Accordingly, in 2010 there were no significant investment contracts at the Itaúsa Conglomerate companies that include clauses associated with human rights or which were submitted to evaluations. **GRI HR1**


Ana Paula Hertel Dutra

Production Manager at Duratex

"Every day, I see that the Duratex brand and its products are recognized for presenting quality and for their reliability. This is very gratifying!"



Internal Public

Itaúsa and its companies had more than 123,000 employees in 2010. During this period, the Conglomerate invested R\$148.5 million in education, training and development programs. The amount invested in the fixed salaries of the teams, together with the related charges and benefits, totaled R\$5.8 billion. The social benefits for employees and their dependents totaled R\$137.7 million.  GRI LA1

Number of Employees	2010	2009	2008	2007 ⁽¹⁾
Duratex S.A.	9,368	8,681	7,886	6,785
Elekeiroz S.A.	700	683	753	767
Itautec S.A.	5,726	5,758	5,237	4,673
Itaú Unibanco Holding S.A.	102,316	96,240	102,649	60,480
Total for Brazil ^(*)	118,110	111,362	116,525	72,705
International Units ⁽²⁾	5,889	5,949	5,967	5,167
Overall Total	123,999	117,311	122,492	77,872

⁽¹⁾ The number of employees for the year 2007 does not include those from Unibanco.


⁽²⁾ The employees of the international units include the subsidiaries Itaú Unibanco Holding S.A. and Itautec S.A.

^(*) All employees in Brazil follow the rules of the country's Consolidation of Labor Laws (CLT).

Number of Employees per Region – Brazil ^(*)	2010	2009 ⁽¹⁾	2008 ⁽¹⁾	2007 ⁽¹⁾
South	10,637	9,579	9,784	6,086
Southeast	94,310	84,814	89,329	56,029
Central-West	4,200	3,656	3,911	2,440
Northeast	7,645	6,579	6,726	2,867
North	1,318	976	1,188	610

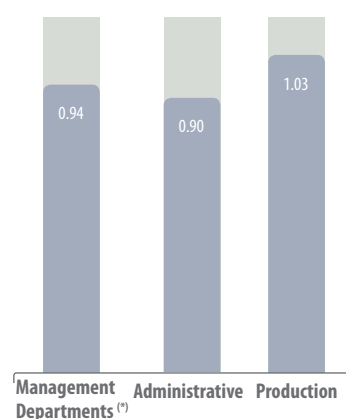
⁽¹⁾ The number of employees for the year 2007 does not include those from Unibanco. The division per region during the years 2009, 2008 and 2007 does not include the activities of Itautec S.A.

^(*) Duratex S.A. is present in the country's Southern, Southeastern and Northeastern regions. Itaú Unibanco Holding S.A. and Itautec S.A. are present in five regions. Elekeiroz S.A. operates in Brazil's Southeast and Northeast regions.

The companies of the Itaúsa Conglomerate also apply the principle of fair pay for work of the same value, without any distinctions between the salaries paid to men and women. Starting with the new performance-based evaluation model, employee salaries at Itaútec will be directly tied to the presentation of results. The company also maintains a salary policy that is compatible with the market average. In 2010, the lowest salary paid was two times higher than the current minimum monthly wage in Brazil, which demonstrates the company's level of competitiveness.  GRI LA14

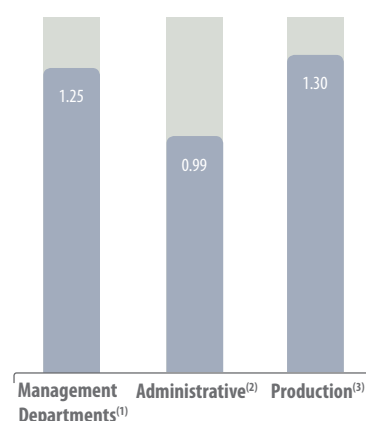
Proportion of Base Salaries between Men and Women

Duratex S.A.



⁽¹⁾ Number of members of the Management Department = Employee Directors + Managers + Bosses + Supervisors.

Elekeiroz S.A.

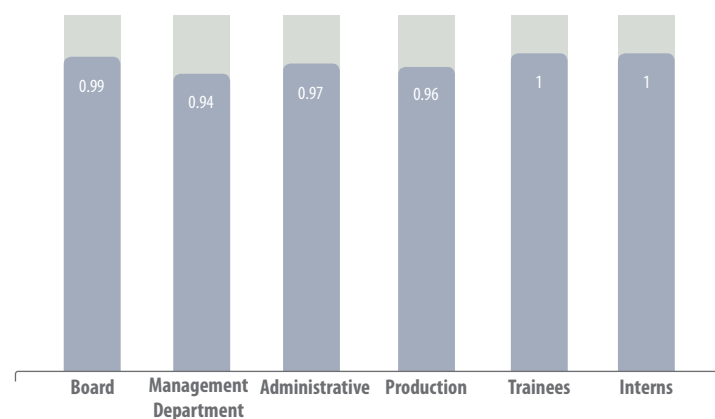


⁽¹⁾ Superintendence + Management Department + Supervision + Foreman + Engineer


⁽²⁾ Senior + Full + Junior + Clerk + Assistant + Others


⁽³⁾ Other positions below the Junior level + Maintenance + Laboratory

Itaú Unibanco Holding S.A.



Companies Considered: ITAÚ UNIBANCO, HIPERCARD, ITAUPREV, ITAULEASING, ITAU UBB HOLD, BANORTE, MEGABONUS, MICROINVEST, DIBENS, PROVAR NEGOCIOS, LUIZACRED, FINANCEIRA ITAÚ, MAXFACIL, FINAUSTRIA PART, FINA PROM SERV, BANCO FIAT S.A., TRISHOP, FIC PROMOTORA, FACILITA, FAI, TOTAL SERVICOS, ITAU SEGUROS, ITAUSEG SAUDE, ORBITALL, KINEA, BANCO ITAUCARD, ICARROS LTDA, DTVM, PRO-IMÓVEL, MARCEP, UBB PREV.

All employees of the Conglomerate work under contracts that comply with CLT rules and are covered by collective bargaining agreements in their respective areas of operation. In 2010, there was no identification of operations that placed at risk workers' rights to exercise their freedom of association and to collective bargaining at any one of the Conglomerate's companies.  GRI LA4 | HR5

The indicators of the Itaúsa Conglomerate companies with relation to the total number and the employee turnover rate by age group, gender and region were recorded in the people management processes, as follows:  GRI LA2

Turnover Rates	Duratex S.A.		
	2010	2009	2008
Gender			
Men	22.1%	19.6%	20.9%
Women	21.2%	17.6%	18.1%
Age Group			
Up to Age 20	85.1%	71.5%	71.8%
From 21-25	36.3%	28.7%	35.0%
From 26-30	24.6%	20.1%	23.0%
From 31-35	18.1%	15.3%	13.4%
From 36-40	13.2%	11.1%	11.2%
From 41-45	8.6%	9.4%	6.9%
From 46-50	5.2%	9.8%	5.9%
From 51-55	6.0%	9.9%	4.8%
56 and Older	8.1%	11.1%	7.5%
Region			
Northeast	38.3%	30.3%	0.0%
Southeast	20.8%	17.8%	20.6%
South	23.5%	26.4%	31.2%

Note: the 2008 percentages were recalculated due to a change in the concept, and include the number of dismissed employees, the number of hired employees and were divided by two. This result is then divided by the average number of permanent employees and multiplied by 100.

Elekeiroz S.A. – Number of Employees (turnover in 2010)

Age	Várzea Paulista			Camaçari			Total
	Female	Male	Total	Female	Male	Total	
Under Age 18	1	3	4	0	0	0	4
18-35	8	20	28	4	10	14	42
36-45	2	14	16	1	2	3	19
46-60	1	7	8	0	4	4	12
Over Age 60	0	1	1	0	0	0	1
Total	12	45	57	5	16	21	78

Turnover Rates

Itautec S.A.

	2010	2009	2008
Gender			
Men	11.92%	11.60%	15.60%
Women	2.88%	2.43%	5.30%
Age Group			
Up to Age 25	3.34%	3.82%	6.44%
From 25-35	7.79%	7.15%	9.97%
From 35-45	2.41%	2.23%	3.54%
From 45-55	1.07%	0.40%	0.82%
Over Age 55	0.17%	0.43%	0.12%
Region			
Southeast	12.37%	11.58%	18.44%
North	0.31%	0.34%	0.29%
South	0.85%	0.94%	0.78%
Northeast	0.73%	0.68%	0.78%
Central-West	0.54%	0.49%	0.60%

Itaú Unibanco S.A. – Turnover Rate in 2010

Gender		Women	Men
Total		3,149	3,537
Turnover Rate		7%	10%
Age Group	Under Age 30	From 30-50	Over Age 50
Total	2,713	2,728	1,245
Turnover Rate	10%	6%	20%
Region			
The indicator collection tool at Itaú Unibanco did not include this opening. Until 2015, the bank plans to extend the collection of indicators with aims of complying with the protocol.			
Overall Total		6,686	

* Companies considered for this report (limit): Itaú Unibanco, Hipercard, Itauleasing, Itaú UBB Hold, Megabonus, Dibens Leasing, Banco Fiat S.A., Orbitall, Kinea, Banco Itaucard, Icarros Ltda., Dtvn, Pro-Imóvel, SFR Software e Análise de Sistemas Ltda., Previtec – Previdência e Tecnologia Ltda., Redecard, Banco Itaú BBA and Itaú Corretora.



Employees


In 2010, the company invested R\$137.7 million in social benefits for employees and their dependents.



At Elekeiroz, the main challenge related to people management refers to safety-related issues. In 2010, the company achieved two important records: 1,164 days at the Camaçari site and 1,048 days at the Várzea Paulista site without time loss accidents, equal to slightly more than three years of continuous work.

With a work force of 700 employees, Elekeiroz maintains a personnel policy with a series of market benefits, but invests primarily in training and qualification, completing 46,358 hours of training in 2010.

As external recognition of its personnel policy, Elekeiroz received the award for placing among the 35 Top Companies in the Private Sector in the state of São Paulo that are "Best Places for Interns", promoted by the Company-School Integration Center (CIEE).

The benefits of education assistance and the vacation bonus are exclusive to the Camaçari unit through the Collective Employment Agreement. The benefits are offered to all employees, even those who work only half-time, where the Profit Sharing Plan and retirement plans play an important role.  GRI LA3



At Itaútec, the governance restructurization process was followed by a renewal of the internal management model, with an impact on the organization as a whole. In order to ensure balance, the company undertook intense communication work led by the top management. It created direct communication channels with the employees. Actions such as "Talk to the CEO," an interactive e-mail channel answered by the executive himself, and "A Message from the CEO" were used as tools to strengthen the relationship between employees and the new Management.

"A Message from the CEO" is a bi-monthly letter sent to the entire company that openly discusses the company's short and medium-term perspectives.

Another action, the "Open Doors" program, is a monthly meeting with groups of employees who engage in a direct conversation with the CEO of Itaútec. According to the Executive Director, many decisions have been made based on such conversations.

Another action was created to promote employee development and align it with the company's strategic positioning. The Itaútec Leadership Academy gathers executives for training modules aiming at increasing manager qualification.

The Itaútec Leadership Academy offers the knowledge and skills necessary for ensuring constant development and for improving the performance and results of each one of the business segments.

Aiming at offering young talents the tools they need to develop their skills and complement their educations, the company launched the internship program "Young Talents, New Solutions," offering 55 new job openings throughout Brazil.

The program had over 9,000 interested candidates from different regions of the country, demonstrating the market's recognition of the company's capacity to contribute toward the personal and professional growth and development of these youth.


Itaútec offers its employees direct benefits, such as medical and dental plans, meal tickets and transportation vouchers, a basic food basket, day care assistance and group life insurance plans. It also offers them memberships to country clubs and helps pay for summer camps. The professionals who work as temporary employees also receive meal tickets and transportation vouchers.  **GRI LA3**

At Duratex, employee training and updating activities consumed 222,771 hours, demanding a R\$1.4 million investment per year and benefitting 53,026 people.

The company created a Human Resources Board, an important entity considering the complexity of the mergers that took place over the past two years and demanded personnel management that could meet the expectations of the factory units in the different regions of Brazil.

The benefits that Duratex offers are aligned with the market level. In addition to the traditional benefits such as health insurance, life insurance and meal tickets, it also offers a private retirement plan, resulting from the creation of a complementary retirement fund that is offered at all levels. The company matches every R\$1.00 of individual contribution with its own R\$1.00 contribution. As for bonuses, the company pays for 50%, up to the value of a salary. Those individuals who participate in the fund have access to loans at more competitive rates than those offered by the market.

 **GRI LA3**

A photograph of a modern office hallway. On the right, a wall is covered in large, dark graffiti. The ceiling features a large circular skylight and several smaller recessed lights. In the background, a group of people are standing and talking. In the foreground, the back of a person's head and shoulders are visible, looking down the hallway.

There were two leader meetings that were part of a process of corporate culture integration and consolidation, involving the participation of all directors and the entire management level at the company. It was a time dedicated to discussing Duratex and bringing to light some of the topics that people were interested in discussing and for which they wanted to share their contributions.

From these themes, there was the creation of 33 projects focused on sustainability with environmental issues, people management, climate improvements, and the expansion of business or revenue through the search of new opportunities in the market. Some thematic groups gathered for this work reached the conclusion that some of the themes covered were not aligned with the company's reality. Others evolved a great deal and brought some positive results for the management area. There is work undertaken in the Supply area that

involves the search for alternative suppliers and the renegotiation of contracts that are already producing some effective gains.

During the second meeting, the theme was an evaluation of the year 2010 and the important actions that should be continued. The two events were important milestones and resulted in integration that represented a major achievement in 2010.

For 2011, the year in which Duratex celebrates six decades of existence, there are plans for a climate survey that includes all units of the companies. The survey will be used to elaborate action plans for each indicator that involve people management at the company. There is yet another initiative focused on revising the Code of Ethics and Conduct, one which can integrate all of the human capital from the companies that are now part of Duratex.

Itaú Unibanco Holding S.A. had 108,000 employees during the year and directed a major portion of its people management efforts at promoting the integration of the organizational cultures of the two major corporations.

The new Itaú Unibanco Vision, which is “to be a leading bank in sustainable performance and customer satisfaction,” disclosed at the start of 2010, has been disseminated to employees in order to align the bank’s values and principles.

The developed strategy has been to improve the engagement of the leaders to ensure that the organizational culture is disseminated among all teams and brings benefits both for the bank as well as for customers.

Supported by “Our Way,” the employee finds a set of 10 attitudes to orient him/her during this integration and in the development of values at the company. The principles were announced during the Meeting between Leaders, a four-day event that gathered more than 14,000 managers in the city of São Paulo. After this announcement, the leaders became responsible for applying and disseminating the principles among their teams.

As a support tool for disseminating the program, the company created the “Our Way Workshop,” directed specifically at directors and supervisors and which involved approximately 96% of these leaders. The new organizational culture was also disseminated to 100% of the employees who work at Itaú Unibanco units abroad.



The recognition of the value of human capital is one of the priorities of the Itaú Unibanco sustainable management and performance strategy. In 2010, the company consolidated the Partner and Associate Program.

The nomination of the partners and associates considers the performance measured by the Strategic People Planning (SPP) and the way in which these professionals disseminate the Itaú Unibanco values and principles to their teams.

These professionals will be able to invest a percent of their annual bonus and, by doing so, will receive a matched contribution from the company. Accordingly, their commitment to sustainable results over the long term and the alignment with shareholder interests will be constantly reinforced. Participating in the program means continuously constructing and improving the Conglomerate's culture and performance.

All of the company employees based in Brazil benefit from the performance evaluation models. Of all these employees, we highlight that:

- Approximately 35,000 are in the Performance Management Program;
- The others are inserted into programs such as AGIR (branch and commercial area network) or company-based performance evaluation programs, considering the specific characteristics of the business.

Another program focused on people development is "Young Talents." This initiative seeks to recognize those young professionals who demonstrate capacity and willingness to develop their professional career at the bank.


In 2010, the Trainee Program achieved a 95% retention rate – granted that the market average is 70% – and approximately 35,000 new candidates signed up for the program. A total of 87 young graduates were selected and hired from 2007-2009 as part of a selection process that included the direct involvement of 70 company leaders.



Professional Development

The companies of the Itaúsa Conglomerate have different programs to promote the professional development of their employees.

The Trainees Program for 2011, whose selection process was completed in 2010, had a record number of 43,593 people sign up, representing a 28% growth with relation to the previous year. Of the 285 finalists, the company hired 104 trainees.

At Itaú Unibanco, the benefits offered to the employees extend in certain cases to the commissioned employees and their families. These include a family medical and dental insurance plan, complementary retirement plans, group life insurance, collective personal accident insurance, meal assistance, grocery assistance, daycare/nanny assistance, social loans, the waiving of bank fees and subsidized home financing credit. Other benefits are focused on employee health, such as, for example, flu shots, memberships to gyms, quick massage and reflexology rooms, health promotion programs, Workplace Exercise Program, Women's Health Program and the Breastfeeding Support Room, "I Want to Stop Smoking" Program, Vocal Health Program, Hypertension Prevention Week, Maternity and Paternity Licenses, Home Care, Chronic Patient Management and Treatment Program, Drug Dependence Orientation and Treatment Program, Senior Citizen Life Program and the Itaú Walk.  GRI LA3

Customers

In 2010, Itaútec formalized "Passion for the Customer" as one of its conducts for achieving sustainable and profitable growth. As a commitment, it seeks to better understand the market trends in each segment in which it operates through dedicated structures, staying ahead of the competition through the development of solutions that contribute toward the success of the customer's business strategy. In this sense, it improved its relationship channels and conducted research to always stay one step ahead of the related demands and propose solutions that generate real business gains.

The strategy designed by the company involves building the closest relationship possible with the customer to better understand and create solutions that meet its needs with excellence, generating value for the business. Itaútec has flexible production operation aligned with engineering that has become a market reference and creative processes designed to develop customized products in partnership with the customer. This is the case of the laptops that are already being shipped pre-loaded with applications designed to meet the specific needs of certain groups of clients.

Itaútec has several different relationship channels, such as e-mail, a consumer assistance service (SAC), Telephone Sales Center, as well as a help desk service. Since 2009, the company website has offered a specific channel to disclose its actions in harmony with sustainability, with information about "Green IT," its policy and its environmental projects.

Elekeiroz maintains laboratory infrastructure to provide its clients' support so as to test and adjust the compositions of its products to the industrial needs of different segments. The laboratory has the conditions to indicate the best formulation for each specific application. The goal for 2011 is to conclude the investments in the expansion of the laboratories, which are being re-equipped and readjusted to ensure that they are operating at maximum capacity by the end of the year to assist company clients.

The satisfaction survey conducted at Elekeiroz is focused on finding solutions for the transformation industry that meet the need for product composition modifications. In this sense, it contributes toward maintaining the company's international market share and that of its clients and guarantees full compliance with the specific needs of each business segment. To offer clients the quality demanded by the markets, the company invests in quality certifications and conformity registrations for its products.

Based on the most highly exported items, the company followed the protocols of the Regulation of the European Parliament and of the Council (REACH) which, since 2006, has regulated the circulation of products based on the chemical composition used in its manufacturing process. Elekeiroz is currently in the process of registering the products it sells to the European market in compliance with such demands.

Accordingly, sales to European countries are dependent on the adjustment to the requirements established in the REACH regulation and Elekeiroz is currently in the process of obtaining the permanent registrations for its products, giving the company the permission to sell until the final process in 2018. The substances that are not registered with the European Chemicals Agency (ECHA) within the established deadlines may not be sold to European Union countries.

Duratex's efforts to protect the health and safety of its clients and consumers are reflected in the quality of its products and in differentials that ensure the success of the brands. These include efficient customer service channels, an extensive technical support network, continuous investments in installation professional training and marketing and relationship programs based on solid concepts of respect and ethics.

The company seeks to always operate in a responsible fashion. It has obtained ISO 9001 certifications associated with the supply of products based on the process requirements and management with a focus on continuous improvements and customer satisfaction. Other certifications, such as the ISO 14001, attest to the excellence of the Environmental Management System adopted at the Botucatu Unit farms and the Lençóis Paulistas Seedling Greenhouse. Besides the management and control over its extraction, the forest exploration conducted by Duratex has received the Forest Stewardship Council (FSC) seal as proof of the adoption of environmentally correct, socially just and economically feasible practices.

Duratex offers customer assistance services in all of its divisions. Furthermore, it is distributed as a Consumer Assistance Service (SAC) and Technical Support and Assistance Service using relationship channels that operate through telephone services, e-mail and mail. Customers can also contact the company by registering with the Owner Registration Card (CRP). The company also adopts initiatives to assess and maintain customer satisfaction, such as annual surveys designed to identify the need for action plans or preventive or corrective actions. The SAC also promotes audits, based on a sampling of the technical support service orders.

There are no records of any cases on non-conformity with voluntary regulations and codes regarding the impacts caused by its products and services in terms of health and safety during the product and service lifecycle. The same thing occurs regarding the voluntary regulations and codes related to product and service labeling and the violation and loss of customer information at the Itaúsa Conglomerate industrial companies.

⚙️ GRI PR2 | PR4 | PR8 | PR9





"I enjoy working here at Itaotec because it's a really nice environment. The company offers the conditions for professional growth and for me to achieve my dreams."

Paulo César Gentil
Production Technician at Itaotec

Customer satisfaction is one of the eight sustainability challenges assumed by Itaú Unibanco Holding S.A. As part of the bank's new vision – to become the leader in sustainable performance and in customer satisfaction – the work of satisfying hundreds of millions of account holders and customers from different business categories constitutes a permanent challenge, and the bank seeks to maintain long term partnerships based on trust, respect and dialogue.

Listening to its customers through surveys, market studies, customer forums and other communication channels, constitutes one of the premises of the bank, which has, as one of its main objectives, building of transparent and lasting relationships. The Ombudsman is a channel for those customers who were not satisfied with the assistance they received through the conventional assistance channels. The Ombudsman's main attributions are to identify the top solutions for customer demands by proposing the improvement of the products and services and manage the complaints resulting from the Brazilian Central Bank, PROCON (consumer defense service distributed by state), the press and other consumer defense entities.

Determined to contribute toward the financial education of the Brazilian population, Itaú Unibanco invests in different programs focused on the conscious use of money and financial services. In addition to the lectures and chats directed at employees, customers and society as a whole, the bank also offers informative brochures on its website and also at its bank branches, written in a language designed for all types of stakeholders, whether individuals or companies. Featuring basic information on financial planning, the brochures address seven topics: Credit; Checking Account; Credit Card; Family Budget; Best Time to Invest; Getting out of Debt; and Talking to your Children about Money.

There are no records at Itaú Unibanco of any case of non-conformity with the voluntary regulations and codes related to impacts caused by its products and services in terms of health and safety during the product or service lifecycle or of any violation or loss of customer information. **GRI PR2 | PR8**

However, during the year 2010, the bank had 25 sanctioned administrative cases closed with the payment of a fine, resulting from the Private Insurance Superintendence (SUSEP). There were 22 accusations, two representations and one notice of infraction. In the ranking of the São Paulo PROCON complaints for 2010, Itaú Unibanco was placed second, achieving an important reduction of 24% in the volume of the complaints compared to the 2009 ranking (from 2,258 to

1,708). These numbers were recorded during the same period in which the company integrated the network of 1,000 Unibanco branches into the Itaú platform, when 150 new branches were opened, in addition to the significant expansion in the credit segment. These are major initiatives marked by complexity, primarily in an institution that, after the merger, became one of the largest in the world. **GRI PR4**

In 2010, there were 1,613 administrative sanctions imposed on the bank for failing to comply with the laws or regulations associated with the supply and use of products and services. Two of these sanctions were significant, totaling R\$2 million. These two sanctions, still pending decision, refer to the supposed delivery of a non-requested credit card, one of which was filed by the Minas Gerais PROCON and the other by the São Paulo PROCON. During this same period, there were 23 lawsuits filed with the application of significant fines, in the total amount of R\$19.3 million, still pending decision. The monetary value of the significant fines during the period was of R\$22.3 million. **GRI PR9**



Itaúsa's Challenges

Hearing and fulfilling customers' expectations are the main challenges of the Itaúsa Conglomerate companies.

Suppliers

Itautec adopts rigorous selection criteria, analyzing everything, from the quality of the raw materials to the financial conditions, and even its suppliers' fulfillment of tax and environmental requirements. The contracts signed with the company orient suppliers' commitment to not use child labor or that analogous to slave labor, a practice that, if disrespected, may result in their exclusion from the Itautec supplier group.

Due to its growth, diversification and complexity in terms of supplier, logistics system and operational planning for both the Wood and Deca Divisions at its 13 factories, Duratex has had a Supply Chain Board since 2009. Duratex has a Supply Policy in which the company establishes the criteria necessary for the approval and qualification of the suppliers and service providers that, in addition to meeting the detailed technical specifications, must present good sustainability practices.

With relation to third parties, Duratex is extremely careful when it comes to supplier qualification in terms of the set of documents required. There is a unified system for all units to ensure the control of third party documents. The company also requires the systematic proof of compliance with labor obligations by the contracted parties before it releases the amounts established in the contracts.

When there are third parties that directly interfere in the production process, they are subjected to the same training as the personnel from the company itself. There is also the observance of contract issues requiring third parties to supply personal protection equipment (PPE). The outsourced companies that work for Duratex are subject to the same ethics and safety rules as applied to the company's own personnel.

For Itaú Unibanco, the incorporation of the management strategy for the engagement of stakeholders is administered using the Accountability 1000 (AA1000) international methodology. This standard was first adopted by the Itaúsa financial segment in 2006. This standard is designed to guarantee the quality of accounting, audits and the social and ethical report, consisting of principles and a set of process standards. The idea is to support organizational learning and general performance – economic, social-environmental and ethical – and, accordingly, promote the organization's contribution toward sustainable development.

All of the contracts at Itaú Unibanco Holding S.A. have clauses that determine the requirement and monitoring of compliance with labor and environmental legislation and tax obligations, as well as a respect for diversity and human rights.

It also values the regionalization of contracting that favors local suppliers with head offices in the same state as the bank's contracting unit. This strategy is applied in those cases in which efficiency can be added to commercial operation. Supplier management is performed in a centralized fashion so as to guarantee the solid progress of the contracting processes and transparency in the different transactions completed.


Before a company becomes a raw material and service supplier, it must register on the website www.itau.com.br/fornecedores. This stage involves a detailed financial, administrative and technical evaluation process. After completing the registration, the companies undergo a document approval and inspection process, and are evaluated in critical aspects associated with social-environmental issues.

In 2010, Elekeiroz was awarded as the reference supplier by one of its clients, the Arteccla Group, together with nine other suppliers out of a universe consisting of approximately 300. The award referred to the supply of the plastifying agent for the client units located in Campo Bom and Diadema, both in the state of São Paulo. The Arteccla Group activities are tied to the civil construction sector with Poloplast, as well as to the footwear and automobile segments. It is present throughout all of Latin America, with factories in Brazil, Chile, Argentina, Colombia, Peru and Mexico.

At Elekeiroz, the supplier chain must comply with the protocols established by the ABIQUIM Responsible Operations Program. These protocols involve issues related to safety, transport and environment, in items associated with the entire petrochemical chain.



Environment

Itaúsa monitors the sustainable management of all its companies and guarantees alignment of the environmental actions and full operation of activities with support for complying with the main environmental indicators associated with the respective operations. In the industrial and financial areas, investments in environmental protection totaled R\$35.5 million during 2010 and were distributed as follows:  **GRI EN30**

Investments and Expenses Associated with Environmental Protection (R\$ thousand)	2010	2009	2008	2007⁽¹⁾
Duratex S.A. ⁽²⁾	18,574	10,586	12,327	13,617
Elekeiroz S.A. ⁽³⁾	10,923	8,740	11,503	10,063
Itautec S.A. ⁽⁴⁾	1,600	3,303	525	2,481
Itaú Unibanco Holding S.A. ⁽⁵⁾	4,440	962	18,898	4,072
All investments and expenses with environmental protection	35,537	23,591	43,253	30,233


⁽¹⁾ The investments and expenses associated with environmental protection in 2007 do not include Unibanco.

⁽²⁾ At Duratex S.A., the investments were primarily for effluent treatment, waste collection and forest preservation, among others. Furthermore, it created a R\$1 million provision for environmental remediation at the Jundiaí site due to the deactivation of one of the wood units at that site. The entire process has been formalized with the state environmental agency and should be finalized in up to three years.

⁽³⁾ At Elekeiroz, the sum presented refers basically to the disposal of waste, expenses with environmental materials, expenses with emission monitoring and effluent treatment.

⁽⁴⁾ Internal investments. No external investments were made.

⁽⁵⁾ Investments and expenses in environmental protection in 2010 at Itaú Unibanco Holding S.A. were concentrated on gas washing, a consulting service for greenhouse gas inventory, selective collection at the centers and waste disposal and treatment.


Itaúsa also recorded a sum of R\$168.8 thousand invested in Duratex associated with two environmental incidents. The first, at the Industrial Unit located in the city of Uberaba/MG, resulted in the signing of the Conduct Adjustment Agreement (TAC) with the Minas Gerais State Public Prosecutor's Office and addressed the technical failure that occurred at the Effluent Treatment Plant, which was quickly resolved and resulted in a compensatory measure. The other incident involved the emission of particulate matter, which was quickly investigated with the adoption of all the necessary technical measures for mitigating such emissions. As a compensatory measure, the company signed a TAC with the Minas Gerais State Public Prosecutor's Office that involved donation of the funds to be used to recover the Permanent Preservation Area (PPA) of that site. There was no significant environmental damage in either of the two cases.  **GRI EN28**

At Duratex, investments in the environmental area must be evaluated by the Sustainability Committee, which assesses the processes related to business development based on all areas of social-environmental responsibility.

The company invested R\$18.6 million in actions focused on the environment, primarily effluent treatment, waste collection and the maintenance of forest areas.

In alignment with the industrial area companies, Itautec and Duratex completed the first training course in lifecycle analysis for the engineers from the areas of development, environment, quality and supply. These areas have already defined the work groups for discussing how to implement improvements.

In the Duratex metal production sector, the company passed the Leadership in Energy and Environment Design (LEED) compliance evaluation to offer nine lines of Deca products with the Sustentax seal, featuring items that reduce water consumption by up to 80%.

The water consumption recorded at all the Itaúsa Conglomerate companies totaled 11,866,717 m³. This consumption represents a 50% increase with relation to the previous year due, among other reasons, to the increased measurement scope to include the Louças Recife, Ideal, Madeira Uberaba and Taquari units, the DRI Resins factory and Minas Gerais and Rio Grande do Sul Forest units, owed by Duratex.  GRI EN8

Water Consumption (m ³)	2010	2009	2008	2007 ⁽¹⁾
Duratex S.A. ⁽²⁾	7,586,876	4,198,687	4,882,963	4,580,211
Elekeiroz S.A. ⁽³⁾	2,151,855	1,849,397	2,353,212	2,229,426
Itautec S.A. ⁽⁴⁾	46,642	40,661	48,630	39,452
Itaú Unibanco Holding S.A.	2,081,344	1,814,180	1,983,340	948,158
Total Water Consumption	11,866,717	7,902,925	9,268,145	7,797,247

⁽¹⁾ Water consumption in 2007 does not include Unibanco.

⁽²⁾ The water consumption at Duratex results from the collection from the local water course, semi-artesian and artesian wells, the public utilities company and rainwater. Starting in 2010, Duratex began monitoring water consumption at the Louças Recife, Ideal, Madeira Uberaba and Taquari units, as well as the DRI Resins factory and Minas Gerais and Rio Grande do Sul Forest units.

⁽³⁾ At the Várzea Paulista site, consumption for domestic purposes is supplied by two deep wells and completed by the concessionaire Sabesp. All of the water used at the Camaçari site, both for industrial purposes as well as domestic purposes, is supplied by the Braskem – Camaçari Petrochemical Center Utilities Center. Still in Camaçari, the reused condensed water produced through the steam generated by Braskem is included in the energy consumption (EN3).

⁽⁴⁾ The water consumed by the industrial unit, administrative areas and branch offices is collected from the public supply network.

With relation to the environmental commitments it has assumed, Duratex is the first Latin American company to have its forest areas certified with the Green Seal, issued by the Scientific Certification Systems (SCS). The company is also pioneer in obtaining the Forest Stewardship Council (FSC) certificate for the sustainable management of its forests.

Duratex maintains a carbon emission inventory as part of its management and is part of the group of companies that helped elaborate the BM&FBovespa Carbon Efficient Index (ICO₂), the index in which Itaúsa participates among the first portfolio of companies. The forest areas on its farms are open to academic studies that foster the development of research, promoting the generation of knowledge and training of specialists in this topic.

Duratex closed the year 2010 with approximately 136,200 hectares of effectively cultivated lands, predominantly eucalyptus used as a raw material to produce wood panels, floors and components, and as a complement, in the sales to third parties. All of the areas are subject to legal and environmentally safe management. In 2011, the company should finish surveying its carbon stock. This will allow it to record the statement of emissions versus the sequestration completed in the forests.

Right at the start of 2010, Duratex and Itaútec were the first companies in Brazil to acquire and implement the SAP environmental module, a control and management operating system. The solution includes environmental modules that control a portion of the waste and atmospheric emissions. This control aligns the environmental item management processes, making it possible to obtain a more complete overview of CO₂ emission and related mitigation measures.

Continuing with the programs focused on productivity boosting, existing installation maintenance, employee safety and environmental preservation, Elekeiroz invested R\$10.2 million in 2010.

In the environmental area, Elekeiroz is focused primarily on controlling atmospheric emissions. Every production process used in the chemical industries is finalized through chimneys, the exit site for the gases left over from the process.

In September 2010, the company began operating a carbon gas (CO₂) collection and recovery system at the Camaçari site, generating the substance for sale to third parties. With the installation of the system, the carbon gas emissions into the environment were substantially reduced and the company was also able to benefit economically from the availability of gas for the industrial consumption of third parties.

In 2010, for the second consecutive year, Itaú Unibanco undertook its Greenhouse Gas (GHG) emission inventory. The bank also rigorously follows internationally

recognized commitments to combat climate change, such as the Carbon Disclosure Project and GHG Protocol, and is a signatory of the UN Global Pact.

For the first time in their histories, Itaútec and Elekeiroz hired a specialized company to survey their GHG emissions and perform their inventories for the activities developed in 2010. Duratex has completed its GHG emission inventory since 2007 using data from the year 2000 as base, and the methodology used for the data collection complies with the GHG Protocol and IPCC.

The green IT projects developed by the Itaú Unibanco IT area to promote more efficient processes are guided by four pillars:

- The lifecycle of the products (and management of electronic waste);
- Energy efficiency;
- Green workplace;
- Green applications.

Through the actions undertaken with these objectives for the IT area, it is possible to promote the reduced use of resources and adequately manage the activities involving the bank operations. The bank understands that the improvement process for technology environments is a solution to be implemented over the long term, with continuous investments in research, the analysis of the results achieved and knowledge of the innovations currently availability in the market.

The control of emissions at the Itaúsa Conglomerate is defined by the nature of each business. The total Greenhouse Gas (GHG) emissions totaled 764,462 tons of CO₂ in 2010. The increase with relation to the previous year is directly related to the increased scope of the inventory and quality of the collected data.

 GRI EN16



Direct and Indirect Greenhouse Gas Emissions	2010	2009	2008	2007 ⁽¹⁾
Duratex S.A. (tons of CO ₂ equivalent) ⁽²⁾	296,269	168,787	182,220	156,011
Elekeiroz S.A. (tons of CO ₂ equivalent) ⁽³⁾	207,563	104,439	118,793	125,937
Itaotec S.A. (tons of CO ₂ equivalent) ⁽⁴⁾	157,218	–	–	–
Itaú Unibanco Holding S.A. ⁽⁵⁾	103,412	90,522	129,362	–
Total Direct and Indirect Emissions	764,462	363,748	430,375	281,948

⁽¹⁾ The direct and indirect emissions for the year 2007 do not include Unibanco.


⁽²⁾ Scope 1: Direct emissions; Scope 2: Electric energy acquired; Scope 3: Indirect emissions.

⁽³⁾ Starting in 2010, the methodology and conversion values have been in line with the GHG Protocol and IPCC. Estimates of emissions using quantities of direct and indirect measured energy. Calculation log for the Várzea Paulista site: in order to calculate the direct energy, the evaluation uses the CO₂ emission factor for Electricity supplied by MCT based on Brazil's National Energy Connection System: the average factor in 2009 of 0.0246 t CO₂/Mwh. The calculation used the CO₂ emission factor for natural gas supplied by the company Comgás of 1.8937 kg CO₂/m³. The calculation used the CO₂ emission factor for diesel oil based on the CETESB figure from 2009 of 3.11997 t CO₂/t; consideration of the diesel oil density of 0.85 kg/L. Calculation log for the Camaçari site: The calculation used the CO₂ emission factor for electricity supplied by the company Braskem of 0.269 t CO₂/Mwh. The calculation used the emission factor for the production of the steam produced by Braskem of 7.493 E-5 t CO₂/MJ. The CO₂ emission factor was used for the mixture of liquid hydrocarbons supplied by ABIQUIM, of 2.57 t CO₂/t; Waste oil density equal to 0.859 kg/L. Use of the calculation system supplied by Bahiagas for natural gas, Em= Ec. Ox. FE.3.67, where Em is the emission in tons of CO₂; Ec is the calculated energy (EN4); Ox is the oxidation factor equal to 0.995; FE is the Carbon emission factor for Natural Gas of 15.30 t C/TJ and 3.67 is the transformation factor for C to CO₂.

⁽⁴⁾ Based on the characteristics of its operations, Itaotec was waived from having to complete the CETESB atmospheric emission measurement process.

⁽⁵⁾ Scope1: Company aerial fleet, company land fleet, generators, HFC and HCFC gas leaks, GLP stationary combustion and natural gas stationary combustion. Scope 2: administrative buildings and sales points. Scope 3: collective employee transportation, Garantech, cargo transportation, mail bag transportation, cash transportation, taxis, reimbursement for miles traveled, vehicle rental, fuel ticket, fuel reimbursement and airline travel.

An important highlight for Elekeiroz was the launch of the complete line of plant-based Sustainable Resins for the manufacturing of parts in composites. Commercially called "Biopoli," this new line employs raw materials made from renewable sources and reused thermoplastic resins, accordingly leading to savings of up to 20% of non-renewable resources such as oil, which is used in traditional polyester resins. The launch of this technology into the market will make it possible to develop different sustainable products for the automotive, civil construction, electro-electronic and nautical segments, among others.

Reflecting its concern with the natural resources used in production, Itaúsa, through its companies, has earned a name for the consumption of energy produced internally. This option guarantees operational efficiency and the reduction of costs with energy purchases. In 2010, the consumption of direct energy recorded at the Itaúsa Conglomerate companies reached 3,663,641 GJ, representing a 39.4% increase when compared to 2009.  GRI EN3

Direct Energy Consumption (GJ)	2010	2009	2008	2007 ⁽¹⁾
Duratex S.A. ⁽²⁾	2,620,051	1,703,276	1,254,464	1,718,463
Elekeiroz S.A. ⁽³⁾	939,427	835,369	872,405	968,555
Itautec S.A. ⁽⁴⁾	42,181	39,245	40,580	40,590
Itaú Unibanco Holding S.A. ⁽⁵⁾	61,981	49,682	80,040	–
Total Direct Energy Consumption	3,663,641	2,627,572	2,247,488	2,727,608


⁽¹⁾ Energy consumption in 2007 does not include Unibanco.

⁽²⁾ Starting in 2010, Duratex began monitoring energy consumption at the Louças Recife, Ideal, Madeira Uberaba and Taquari units, as well as the DRI Resins factory and Minas Gerais and Rio Grande do Sul Forest units.

⁽³⁾ For the Várzea Paulista and Camaçari sites, the following transformation factor was used: 1kwh= 0.0036 GJ. For the consumption of energy through steam at the Camaçari site and for calculation purposes, the evaluation used the vaporization enthalpy in the supply pressure, which corresponds to 16kg/cm² abs= 1,933.1 KJ/Kg. The electric energy consumed at Várzea Paulista is supplied by the concessionaire CPFL, representing approximately 33% of the total energy consumed at this site. The energy consumed at the Camaçari site was entirely supplied by Braskem from the Camaçari Petrochemical Pole utilities center.

⁽⁴⁾ All of the energy consumed by Itautec is electrical, acquired from the public service concessionaires.

⁽⁵⁾ The energy consumption at Itaú Unibanco Holding S.A. includes the consumption by buildings, branches and the cars used to transport executives. The following numbers were considered for conversion: 1l=0.2641 gal; 1 gallon = 0.138 GJ (diesel); 0.125 GJ (gasoline). This information includes IBBA

The indirect energy consumption totaled 12,142,487 GJ and the total amount consumed by the Itaúsa Conglomerate, considering the direct and indirect energies, was 15,806,127 GJ in 2010.  GRI EN4

Indirect Energy Consumption (GJ)	2010	2009	2008	2007 ⁽¹⁾
Duratex S.A.	8,697,230	5,260,046	6,766,681	14,948,987
Elekeiroz S.A.	1,293,238	894,908	1,128,325	1,165,346
Itautec S.A. ⁽²⁾	–	–	–	–
Itaú Unibanco Holding S.A.	2,152,018	2,091,172	1,930,255	–
Total Indirect Consumption	12,142,487	8,246,126	9,825,262	16,114,333

⁽¹⁾ The data associated with indirect energy consumption at Itaú Unibanco in 2007 was not collected due to the fact that the higher number of energy suppliers made it impossible to collect this information.

⁽²⁾ There is no use of indirect energy at the company units.

At Itaútec, after the Brazilian Norm NBR ISO 14001 certification of its Environmental Management Program in 2001, the company adopted a recycling process, initiated in 2003, that over the past three years sent more than 1,700 tons of electronic waste for recycling that returned to the production chain in the form of raw material.

During the first half of 2010, the company achieved a record: it recycled 336.9 tons of electronic waste, equivalent to approximately 40,000 pieces of equipment. It recycled a total of 750 tons of electronic waste during the year, a figure 40% higher than in 2009, when this total was of 527.7 tons.

The entire electronic production line, located at the company's Jundiaí site in São Paulo, was adjusted to guarantee that the equipment was produced in compliance with the European directive RoHS, which restricts the use of lead and other toxic substances in equipment production.

Itaú Unibanco has become a reference in environmental items by adopting policies at all its different levels of management. Since 2005, it created the Executive Committee and Social-Environmental Responsibility Commission. The committees' main objective is to define the Itaú Unibanco social-environmental responsibility policy and help align the bank's actions through risk analysis, opportunities and threats related to the topic.



Learn more about the environmental operations of each company by accessing one of the following links:
www.itautech.com.br,
www.duratex.com.br,
www.elekeiroz.com.br or
www.itaunibanco.com.br.



Sustainability

The creation of committees, certifications and environmental preservation actions make sustainability part of the organizations' strategic and operational routine.

Social, Cultural and Environmental Investment

The value invested by the Itaúsa Conglomerate companies in social, cultural and environmental programs totaled R\$84.4 million in 2010.

Itaú Unibanco operates in this area through three independent, although complementary, entities that reinforce the bank's contribution toward sustainable development: the Itaú Social Foundation, the Unibanco Institute and Itaú Cultural Institute.

In the social area, of special importance are the projects maintained by the Unibanco Institute and Itaú Social Foundation (FIS), which are focused on education with aims of strengthening and improving the education policy.

The Itaú Social Foundation, focused on formulating, implementing and disseminating methodologies geared toward improving public policies in the educational area and evaluating social projects, held yet another edition of the 2010 Itaú UNICEF Award, involving 1,917 projects that assist over 697,000 children and adolescents. The Itaú Children's program increased the library archives of 1,411 schools and the "Solidary Itaú Unibanco" program collected approximately R\$900,000 for the Children and Adolescents' Fund.

The Unibanco Institute, which has the mission of contributing toward the human development of at-risk youth through the elaboration, validation and dissemination of social principles and technologies capable of boosting the effectiveness of public policies in the educational area, benefited a total of 253 schools and also supported 85 social organizations across the country. A study developed by the "Future Youth" program in partnership with the State Departments of Education concluded that students from the 88 participating schools showed a notable acceleration in terms of their Portuguese and mathematic skills. In the "Among Youth" program, 25,000 students were exposed to the tutoring method at 171 schools and presented learning levels higher than those of other students.

The Itaú Cultural Institute – an entity focused on the research and production of content and mapping, as well as the promotion and diffusion of artistic and intellectual expression – recorded over 273,000 visits to its head office and cultural space in São Paulo in 2010. It promoted 522 events both within the country and abroad, including workshops, lectures, seminars and traveling exhibits. Furthermore, 39,000 cultural products were distributed to the public, including books, catalogs, CDs and DVDs. Through institutional partnerships with the Foundation for the Development of Education and with the University of Girona/ UNESCO, the institute created a regent's chair focused on cultural policies.

The new Itaú Unibanco sustainability website presents innovations in layout and content. Its proposal is to operate more interactively as a new relationship platform with the organization's stakeholders. The majority of the content addresses the sustainability topic in an educational manner, with special emphasis on the Virtual Library, Online Courses and Sustainability in Practice sections. The generation of value and transparency are the premises of the tool, which may be accessed at www.itaui.com.br/sustentabilidade.

Itautec established a partnership with the Ayrton Senna Institute, directing part of the income from the retail sale of computers to the institute's educational programs. The two institutions hope that this partnership can increase the institute's scope, which in 2010 alone assisted more than 2.5 million low income children and youth from 26 Brazilian states and the country's Federal District, benefiting some 1,300 Brazilian municipalities.



Reflecting its concern with issues related to the rights of children and adolescents, like the fight against child labor and the promotion of education, health and civil rights, Itaútec maintains an association with different non-governmental entities. It has been a member of the ABRINQ Foundation for Children's Rights since 2002 and works together with Elekeiroz and the WCF Institute to combat the sexual exploitation of minors on Brazilian highways through the campaign "On the Right Track".

Itaútec also supports the "Future Athlete" project in partnership with Brazil's Industrial Social Service (SESI) and the Jundiaí City Government by offering sports to the local community. In 2010, 585 students from schools, universities and technical courses participated in the factory tour program. The youth learned more about the production process and the Environmental Management area, applying the knowledge acquired in the classroom.

In 2010, 636 students from different schools, universities and NGOs participated in the Itaútec Factory Tour Program, designed to present the company's production process and Environmental Area so that the youth may apply and experience the knowledge acquired in the classroom.

Itaútec participated in the "A Good Christmas" campaign, assisting nine charitable institutions in São Paulo, Santa Catarina and Bahia.

The "Eye on the Computer" Program, designed to train youth for the job market, promoted IT courses for youth and adolescents from the Portas de São Pedro Charity Association, located in São Paulo's Southern region.



Social Practices

The support for cultural and sports projects is an integral part of the Itaúsa Conglomerate. Its companies invest in and recognize the value of all practices of a social and educational nature.

The company also sponsored the project "Computerizing Knowledge," coordinated by the Auditory and Language Stimulation Therapy Association (ATEAL) through the Municipal Fund for the Rights of Children and Adolescents (FUMCAD) and encouraged its employees to also support projects that promote the rights of Children and Adolescents with aims of strengthening their engagement with social actions.

The Duratex activities directed at investments of a social and environmental nature, as well as those designed to encourage sports, totaled R\$799,800 in 2010, all applied to projects implemented during the year.

Some of the highlights include the "Voices for Childhood" Musical Project, which included the participation of maestro João Carlos Martins and Orquestra Bachiana together with the duo Chitãozinho and Xororó. The proceeds from the event were dedicated to WCF Brasil for the "On the Right Track" Program and the "A Sustainable World" Traveling Theater Project, designed to raise the awareness of children and adolescents as to sustainability-related topics. In the area of sports, the "Future Athlete" Program works in partnership with the city governments of Agudos, Botucatu, Itapetininga and Jundiaí, São Paulo.

In the cultural sector, the significant projects included the "Reading is Necessary Library," operated in partnership with the EcoFuturo Institute, National Children's Book Foundation and the city governments of Taquari, in Rio Grande do Sul, and Estrela do Sul, in Minas Gerais, which contribute toward continuous education and the development of reading and writing skills. The two municipalities assisted are located in the areas near the Duratex industrial units.

The company's plans for 2011 include the implementation of a series of projects with a social-environmental focus designed to encourage culture and sports. In all, Duratex plans to invest R\$2,480 in these programs, tripling the amount invested during 2010.

In 2010, Elekeiroz worked through the Rouanet Law to sponsor the television program "Every Day with Chemistry," designed for a young public. Aired by educational television channels and with a site dedicated to providing knowledge on chemistry and the environment, the program had important repercussions among the youth and adolescents of the Várzea Paulista region public school network.

In 2010, Elekeiroz sponsored the "Special Environment" Project coordinated by the TV Cultura/Paulista Network in São Paulo. The slogan used was: "Recycle your ideas. Those who cultivate love for the planet cultivate life." During "Environment Week," the company publicized its commitment to environmental, social and economic sustainability through a commercial on the television channel.

Also within the area of scope of the Camaçari site in Bahia, Elekeiroz helps coordinate and sponsor several different activities as one of the companies that constitutes and finances the Camaçari Industrial Development Committee (COFIC). These activities include: the Center for Community Defense, which works to develop environmental actions and provides support during emergency situations; the Advisory Community Council, which works to strengthen dialogue between the Center's companies and neighboring communities on topics of common interest; the "Education Incentive" Program in partnership with city governments, which aims to contribute toward the improvement of teaching in the

region's public schools. In 2010, the program involved 68 schools, over 330 teachers and 2,200 students, and is focused on school management training, oral and written communication and child sexuality.

The Camaçari site also promotes the "See from Within" Program, designed to strengthen the relationship between companies and neighboring communities in the municipalities of Camaçari and Dias D'Ávila. It takes students to learn about and better understand the Elekeiroz operation within the Petrochemical Center. In addition to learning about the industrialization process for the products, they also learn about the company's history and strategic importance for the national industry.





Statement GRI Application Level Check

GRI hereby states that **Itaúsa - Investimentos Itaú S.A.** has presented its report "Annual Sustainability Report 2010" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 25 May 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 13 May 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

Índice Remissivo GRI GRI 3.12

GRI Index

1. Strategy and Analysis

Pgs. RAS

1.1	Declaration of the individual holding the position with the highest level of decision-making power at the organization as to the relevance of sustainability for the organization and its strategy.	6 – 9
1.2	Description of the main impacts, risks and opportunities.	30

2. Organizational Profile

Pgs. RAS

2.1	Name of the Organization.	1
2.2	Main brands, products and/or services.	1
2.3	Operational structure of the organization, including the main divisions, operational units, subsidiaries and joint ventures.	1
2.4	Location of the organization's head office.	1
2.5	Number of countries in which the organization operates and the name of the countries in which its main operations are located or are especially relevant for the sustainability issues covered by the report.	Back Cover
2.6	Type and legal nature of the property.	1
2.7	Markets served (including the geographic details, sectors served and types of clients/beneficiaries).	1
2.8	Size of the Organization.	1-3
2.9	Main changes during the period covered by the report associated with size, structure or shareholder ownership.	There were no significant changes during the reported period.
2.10	Awards received during the period covered by the report.	31-33

3. Parameters for the Report

Pgs. RAS

3.1	Period covered by the report (such as fiscal/calendar year) for the information presented.	Back Cover
3.2	Date of the most recent previous report (if applicable).	Back Cover
3.3	Report emission cycle (annual, biennial, etc.).	Back Cover
3.4	Contact information in the case of questions associated with the report or its content.	Back Cover and 84
3.5	Process for defining the report content, including: a) determination of the content; b) prioritization of topics within the report; c) identification of which stakeholders the organization hopes will use the report.	Back Cover
3.6	Limit of report (such as countries, divisions, subsidiaries, leased installations, joint ventures and suppliers).	Back Cover
3.7	Declaration about any specific limitations as to the report's scope or limit.	There are no declarations about any limitations as to the report's scope or limit.
3.8	Base for elaborating the report in terms of joint ventures, subsidiaries, leased installations, outsourced operations or other organizations that may significantly affect the comparability between periods and/or between organizations.	Back Cover
3.9	Data and measurement techniques and calculation bases, including hypotheses and techniques, that support the estimates applied to the compilation of indicators and other information in the report.	Back Cover
3.10	Explanation of the consequences of any reformulations provided in previous reports and the reasons for such reformulations (such as mergers and acquisitions, changes to the period or base year or nature of the business in the measurement methods).	Back Cover

3.11	Significant changes compared to previous years in terms of the scope, limit or measurement methods applied in the report.	Back Cover
3.12	Table that identifies the location of the information in the report.	78
3.13	Policy and current practice for searching for external verification for the report.	Back Cover
4. Governance, Commitments and Engagement		Pgs. RAS
4.1	The organization's governance structure, including committees under the highest level of governance responsible for specific tasks, such as the establishment of the strategy or organization supervision.	22-25
4.2	Indication if the president of the highest level of governance is also an executive director (and, if applicable, his/her functions within the organization's management and the reasons for such composition).	22
4.3	For organizations with a single administrative structure, declaration of the number of independent members or non-executives from the highest levels of governance.	22
4.4	Mechanisms for shareholders and employees to make recommendations or provide orientations to the highest level of governance.	28
4.5	Relationship between the salaries for members of the highest level of governance, the executive management and other executives (including termination agreements) and the organization's performance (including its social and environmental performance).	22 (partially met)
4.6	Processes in force at the highest level of governance to guarantee that conflicts of interest are avoided.	23
4.7	Process to determine the qualifications and knowledge of the members of the highest level of governance to define the organization's strategy for issues related to economic, environmental and social topics.	22 (partially met) and 25
4.8	Declarations of mission and values, codes of conduct and internal principles considered relevant to economic, environmental and social performance, as well as their current stage of implementation.	13-19
4.9	Procedures used by the highest level of governance to supervise and identify the management by the organization of the economic, environmental and social performance, including relevant risks and opportunities, as well as the adherence or conformity to internationally established standards, codes of conduct and principles.	22 (partially met)
4.10	Processes for the self-assessment of performance for the highest level of governance, primarily with respect to economic, environmental and social performance.	23 (partially met)
4.11	Explanation of if and how the organization applies the principle of precaution.	30
4.12	Letters, principles or other initiatives developed externally of an economic, environmental and social nature that the organization subscribes or endorses.	28, 29 and 48-77
4.13	Participation in associations (such as federations of industries) and/or national/international defense entities in which the organization: a) has membership in groups responsible for corporate governance; b) participates in projects and committees; c) contributes with funds beyond the basic fee as a member organization; d) considers strategic its activities as member.	48-77
4.14	Relationship between the groups of stakeholders engaged by the organization.	48-77
4.15	Base for identifying and selecting the stakeholders with which to engage.	48-77
4.16	Approaches for the engagement of stakeholders, including the frequency of engagement by type and group of stakeholders.	48-77
4.17	Main topics and concerns that were raised through stakeholder engagement and which measures the organization has adopted to treat them.	48-77

Economic Performance Indicators

Management Method: Back Cover and Pages 10-19

Aspect: Economic Performance Pgs. RAS

Essential	EC1	Direct generated and distributed economic value, including revenues, operating costs, employee salaries, donations and other investments in the community, accumulated profits and payments to capital providers and governments.	2, 3, 32-47 and 74-77
Essential	EC3	Coverage of the obligations of the defined retirement plan benefit that the organization offers.	Management Report and Accounting Statements (Note 28 - Pages 112-117)
Essential	EC4	Significant financial assistance received from the government.	36

Environmental Performance Indicators

Management Method: Back Cover and Pages 10-19

Aspect: Energy Pgs. RAS

Essential	EN3	Direct energy consumption, separated by primary energy source.	72
Essential	EN4	Indirect energy consumption, separated by primary source.	72

Aspect: Water Pgs. RAS

Essential	EN8	Total removal of water per source.	69
-----------	-----	------------------------------------	----

Aspect: Emissions, Effluents And Waste Pgs. RAS

Essential	EN16	Total direct and indirect greenhouse gas emissions by weight.	70-71
-----------	------	---	-------

Aspect: Compliance Pgs. RAS

Essential	EN28	Monetary value of significant fines and total non-monetary sanctions resulting from the non-conformity with environmental laws and regulations.	68
-----------	------	---	----

Aspect: General Pgs. RAS

Additional	EN30	Total investments and expenses related to environmental protection by type.	68
------------	------	---	----

Performance Indicators Associated with Labor Practices and Decent Working Conditions

Management Method: Back Cover and pages 10-19

Aspect: Employment Págs. RAS

Essential	LA1	Total number of workers by employment type, work contract and region.	52
Essential	LA2	Total number and turnover rate of employees by age group, gender and region.	54-56
Additional	LA3	Benefits offered to full-time employees that are not offered to temporary workers or those working half-time, separated by the main operations.	57, 58 and 61

Aspect: Relations Between Workers and Governance			Pgs. RAS
Essential	LA4	Percentage of employees covered by collective bargaining agreements.	54
Aspect: Diversity and Equal Opportunities			Pgs. RAS
Essential	LA14	Proportion of base salary distributed between men and women by functional category.	53
Performance Indicators Associated with Human Rights			
Management Method: Back Cover and Page 10-19			
Aspect: Investment and Purchase Process Practices			Págs. RAS
Essential	HR1	Percentage and total number of significant investment contracts that include clauses associated with human rights or which were submitted to evaluations related to human rights.	51
Aspect: Non-Discrimination			Pgs. RAS
Essential	HR4	Total number of cases of discrimination and the measures taken.	50
Aspect: Freedom of Association and Right to Collective Bargaining			Pgs. RAS
Essential	HR5	Operations identified in which the right to exercise the freedom of association and to collective bargaining may be at significant risk and the measures taken to support this right.	54
Aspect: Child Labor			Pgs. RAS
Essential	HR6	Operations identified as presenting a significant risk for the occurrence of child labor and the measures taken to contribute toward the abolition of child labor.	50-51
Aspect: Forced Labor or That Analogous to Slave Labor			Pgs. RAS
Essential	HR7	Operations identified as presenting a significant risk for the occurrence of forced labor or that analogous to slave labor and the measures taken to contribute toward the eradication of forced labor or that analogous to slave labor.	50
Aspect: Indigenous Rights			Pgs. RAS
Additional	HR9	Total number of cases involving the violation of the rights of indigenous peoples and the measures taken.	50
Social Performance Indicators Focused on Society			
Management Method: Back Cover and Pages 10-19			
Aspect: Corruption			Pgs. RAS
Essential	SO4	Measures taken in response to cases of corruption.	50
Aspect: Public Policies			Pgs. RAS
Additional	SO6	Total value of financial and cash contributions to political parties, politicians or related institutions, detailed by country.	51

Aspect: Unfair Competition			Pgs. RAS
Additional	SO7	Total number of lawsuits resulting from unfair competition, trust practices and monopoly and their outcomes.	50
Aspect: Conformity			Pgs. RAS
Essential	SO8	Monetary value of significant fines and total number of non-monetary sanctions resulting from the non-conformity with laws and regulations.	50
Performance Indicators Associated with Product Responsibility			
Management Method: Back Cover and Pages 10-19			
Aspect: Customer Health and Safety			Pgs. RAS
Additional	PR2	Total number of cases non-conformity with voluntary regulations and codes related to the impacts caused by the products and services affecting health and safety during the lifecycle, separated by type of result.	63 and 65
Aspect: Product and Service Labeling			Pgs. RAS
Additional	PR4	Total number of cases of non-conformity with voluntary regulations and codes related to product and service information and labeling, separated by type of results.	63
Aspect: Marketing Communications			Pgs. RAS
Essential	PR6	Programs designed to ensure compliance with laws, standards and voluntary codes related to marketing, including advertising, promotion and sponsorship.	50
Additional	PR7	Total number of cases non-conformity with voluntary regulations and codes related to marketing communications, including advertising, promotion and sponsorship, separated by type of result.	50
Aspect: Conformity			Pgs. RAS
Additional	PR8	Total number of proven complaints associated with the violation of privacy and loss of client information.	63 and 65
Aspect: Compliance			Pgs. RAS
Essential	PR9	Monetary value of fines (significant) due to the failure to comply with laws and regulations associated with the supply and use of products and services.	63 and 65

Corporate Information

ITAÚSA – Investimentos Itaú S.A.

Praça Alfredo Egydio de Souza Aranha, 100 – Torre Olavo Setubal
04344-902 – São Paulo – SP
www.itausa.com.br

Duratex S.A.

Av. Paulista, 1.938 – 5º andar
01310-942 – São Paulo – SP
www.duratex.com.br

Elekeiroz S.A.

Rua Dr. Edgardo de Azevedo Soares, nº 392
13224-030 – Várzea Paulista – SP
www.elekeiroz.com.br

Itautec S.A.

Avenida Paulista, 2.028 – 15º andar – Bela Vista
01310-200 – São Paulo – SP
www.itautech.com.br

Itaú Unibanco Holding S.A.

Praça Alfredo Egydio de Souza Aranha, 100 – Torre Olavo Setubal
04344-902 – São Paulo – SP
www.itaunibanco.com.br

Credits

General Coordination

Itaúsa Investor Relations Board
Planning and Company-Owned Business Area

Project Management

Itaú Unibanco Corporate Communication Department
Itaú Unibanco Sustainability Department
Executive Industrial Area Sustainability Management Department

Collaboration

Duratex S.A.
Elekeiroz S.A.
Itautec S.A.
Itaú Unibanco Holding S.A.

Content and Graphic Design Advisory

TheMediaGroup

Photos

Madalena Leles
Daniel Renault
Itaú Unibanco Image Bank

FSC Certification



Our special thanks to all those individuals who authorized us to use their image and to all internal partners who helped elaborate this report.

The paper used in this report was produced from certified forest wood and other controlled sources based on the criteria defined by FSC.

ITAÚSA

Pça. Alfredo Egydio de Souza Aranha, 100
Torre Olavo Setubal – São Paulo – SP – Brasil – 04344-902
www.itausa.com.br