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ESCOLA DE ADMINISTRAÇÃO DE EMPRESAS DE SÃO PAULO

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**A DEEPER LOOK AT ETHICS WITHIN BANKING CORPORATIONS:
THE APPROACH OF ONE OF THE BIGGEST BANK IN THE WORLD**

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Dissertação apresentada à Escola de Administração de Empresas de São Paulo da Fundação Getulio Vargas, como requisito para obtenção do título de Mestre Profissional em Gestão Internacional (MPGI)

Campo de conhecimento:
Internacionalização de empresas

Orientador:
Prof Dr. Mário Aquino Alves

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RESUMO

Existe uma preocupação crescente da sociedade com a ética, devida em parte aos numerosos escândalos que surgiram no mundo corporativo ultimamente, em particular no setor financeiro em que as repercussões de malversações têm geralmente um impacto maior para a sociedade do que podem ter quando acontecem em outro setor de atividade.

Outra consequência é o interesse cada vez maior dos acadêmicos em estudar ética dos negócios. Porém, apesar do uso frequente do termo ética e dos conceitos relacionados, não existe ainda um consenso sobre uma definição comum de ética dos negócios. Pertence a cada corporação definir o que considera ser ética dos negócios.

Portanto, para entender melhor o que tem por trás do termo ética, é preciso voltar a sua definição, explicar a sua evolução, colocá-lo dentro do nosso contexto contemporâneo, para depois aplicá-lo à área de interesse.

Para o setor bancário, ética se refere mais ao aspecto legal, mas também faz referência ao desenvolvimento da responsabilidade social corporativa dentro das corporações através de diferentes práticas. A literatura a respeito ressalta que a abordagem da ética pelas corporações bancárias tradicionais desconecta a ética do foco de negócio, considerando que não pertence ao centro da sua atividade. De fato, as corporações respondem aos mesmos mecanismos isomorfos institucionais, os quais as levam a adotar práticas com o objetivo de conseguir legitimidade dentro da sociedade.

Ao contrário dessas corporações bancárias tradicionais, os bancos qualificados como éticos pela literatura, tem em comum o fato de estruturar as suas atividades sobre ou em volta da ética, diferenciando-se dos outros bancos por ter como principal objetivo ser ético.

O banco Brasileiro Itaú Unibanco, um dos maiores bancos tradicionais do mundo em termos de valor de mercado, foi percebido aos poucos como um banco muito preocupado com a ética, e foi recentemente reconhecido como o banco mais sustentável do mundo pela revista Financial Times. O Itaú

Unibanco desenhou e implementou um programa de ética, o qual junta um componente teórico (com diretrizes, regras e princípios e um código de ética), usado como um suporte para o componente prático (estrutura organizacional particular e práticas cotidianas). Esse programa levou o Banco Itaú a ser campeão inovador na institucionalização da ética dentro do setor bancário.

Palavras chaves : Ética, Banco, Responsabilidade social corporativa, Institucionalização, Corporação, Isomorfismo.

ABSTRACT

There is a noticeable growing society's preoccupation with ethics, coming partly from the numerous scandals that came to light in the corporate world lately, especially in the financial sector in which the repercussions of embezzlements usually have a broader impact for the society than they may have when happening in other sector of activities.

As another consequence, we can observe a raising interest of the academics in studying business ethics. Nevertheless, despite the very frequent use of the term and concepts related to this subject, there is still no consensus on a common definition of business ethics. It belongs to each corporation to define what it considers as corporate ethics.

Therefore, in order to understand better what is behind ethics, it is necessary to go back to its definition, explain its evolution, put it in our contemporary context, and then apply it to the field of interest.

Within the banking sector, ethics refers mainly to a legal aspect, but also took the path of corporate social responsibility development within the corporations, through various practices. The literature on this matter underlines that the traditional banking corporations' approach of ethics disconnects it from their core business, considering that it does not belong to the heart of their activity. Actually, corporations respond to the same institutional isomorphism mechanisms that lead them to adopt some practices with the objective of achieving legitimacy within the society. Contrary to these traditional banking corporations, the banks qualified as ethical within the literature have in common to structure their activities on or around ethics, distinguishing themselves from other banks by having as main goal to be ethical.

The Brazilian bank, Itaú Unibanco, one of the biggest traditional bank in the world in terms of market value, was progressively perceived as highly preoccupied with ethics and was recently designated as the most sustainable bank in the world by the Financial Times Magazine. Itaú Unibanco designed and implemented a program of ethics, which combines a theoretical component

(with guidelines, rules, principles and code of ethics), used as a framework for a practical component (with particular organizational structure and practices). Thanks to this characteristic, o Itaú Unibanco placed itself as a pro active actor that can be qualified of champion of innovation in the banking sector concerning ethics' institutionalization.

Keywords: Ethics, Bank, Corporate social responsibility, Institutionalization, Corporation, Isomorphism.

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I- Introduction

There is a notable raising preoccupation for ethics in business, not only within the corporations but also within the whole society. It became an object of study more and more developed by the academics and more frequently taught in business management courses, becoming unavoidable.

These preoccupations appeared for different reasons, including among others, a higher consciousness of the environmental and social consequences of commercial activities and numerous pressures for all the type of organizations to be more responsible.

More recently, it has been even more related to reactions to the financial scandals associated to fraud that are multiplying and appearing each time bigger, as well as the search for alternatives to make up for inadequacies of the laws and norms that regulate organizational activities.

According to various studies, the level of observed misconducts within corporations is significant, and the general perception is that it will keep growing in a near future.

The theories developed by the different scientific disciplines and the studies based on the observation of professional practices in this respect are numerous, denote a high theoretical complexity and offer a broad range of possibilities in relation to how to deal with ethics within business organizations.

The purpose of this paper is to look at one of the most essential corporation acting in the society, the banking corporation, and to present how it manages, treats, or conducts itself with regard to ethics. We will look both at the ideas and actions used to handle ethics, elements covered by the term “approach” used in the title of the work.

More precisely, we will answer the following questions:

- What does “ethics” mean?
- How is it applied to a business framework?
- How is it approached in the banking sector?

In a second time, we will confront these answers, fruit of a literature and theory review, to the case of Itau Unibanco, in order to verify if what has been observed in the banking sector in terms of concepts and practices applies to this bank.

It is important to underline that this work does not pretend to formulate a judgment on the quality of the integration of ethics within Itau Unibanco, nor to evaluate it. The purpose of the study is to offer a look at what the bank does in terms of ethics and how it is done, so as to bring new elements to the existing literature or to confirm what it states.

II- Literature review

What is behind Ethics? Some definitions' considerations

A- Ethics and Moral

Before considering Ethics in a business framework, it is necessary to understand the sense of ethics.

This term can be seen through different aspects. Nowadays, ethics is often confused with moral, used similarly and considered as a set or rules.

The word "ethics" comes from the greek and can be translated as *the constant exercise of the moral virtues* or as *the exercise of the investigations and methodical thoughts about habits*. In the greek philosophical language, *ethike* comes from *ethos* which referred to the **set of normative habits of a social group life**, or to the **constancy of an individual's behavior** whose life is governed by the *ethos-costume*.¹

In this definition, three terms are particularly significant. First, ethics is something you exercise and it is related to habits or costumes. Therefore, it is not an essential in the sense of natural characteristic that the human kind possesses or is, but is something that is developed, acquired, a way of acting determined by usages. Second of all, ethics can be related to a social group life or to an individual but in this case, always thinking about the individual within a social group.

The problem in ethics' definition is partly semantic. Indeed, authors agree with the fact that the semantic evolution of *Ethics* and *Moral* does not show any significant difference between both words, which both designate or the social custom, or the individual's habits acting accordingly to the custom established and legitimated by the society².

If we look now at the meaning of moral, it comes from the latin *mos* or *mores*,

¹ Adolfo Sanchez Vasquez

² Pr. Henrique C. de Lima Vaz

“habits” in the sense of set of norms or rules acquired out of habits. Thus, the moral refers to the behavior acquired by the humankind.

Jacqueline Russ (1999) insists even more saying that etymology could not help in determining the difference between ethics and moral since their content are really close. Nevertheless she argues it is necessary to differentiate them. To her, ethics is the discipline that studies the fundamentals of moral, while the behavior rules that build moral are what they are.

Ethics states norms and principles for mankind actions to be understandable. But at the same time she considers the new meaning given to ethics and try to understand and explain this evolution.

Going back to Adolfo Sanchez Vasquez analysis, ethics and moral are also two distinct notions. According to him, ethics is generally seen as a normative discipline which essential function would be to indicate the best behavior from a moral point of view. Therefore, a lot of traditional ethics considers that the theoretical role is to say to human kind what to do, dictating the norms and principles that regulate their behavior. In this sense ethics is then an ideological justification of a determined moral corresponding to determined social necessities. However He personally agrees with Jacqueline Russ about ethics being a theoretical discipline which function, as every theory, is to explain or examine a given reality, through the elaboration of the corresponding concepts. Ethics is the explanation of the type of behavior of mankind, the moral one.

Following this definition of Ethics, through history, many schools of thoughts developed themselves around their own way to explain or study what determines human behavior, beginning by the Greek philosophy with Aristotle's ethics by way of Kant's ethics.

Ethics helps answering why the human being behaves as he does and must be differentiated from moral. Nevertheless, it is not the source of the moral, it does not create moral. Moral has determined principles, norms and behavior rules, but they are not established by ethics. Ethics is the theory or the science of the human beings' moral behavior in the society. It can be used as a basis for a

moral without being itself normative or prescriptive. Its mission is to explain an effective moral and in this sense it can influence this moral.

In the end, Ethics cannot be understood independently from moral. Both are strongly related.

Concerning Moral, understood as a set of norms and rules to regulate relationship between individuals within a social community, is related to what is defined as good. "good" definition changes from social group to social group. Making acts morally good or acting morally (according to the moral) is making acts judged or considered positively by the society since "good" is what society wants to reach. Within the moral, what guides the actions of the human kind are the values. The values are what is considered as good within the society. Thus the subject in the society should act morally according to the moral values of this society that serve as guidance to his behavior.

It has been said that the definition of "good" varies from a social group to another.

We will remember that since moral and ethics are inseparable from a societal context, it means that society, besides the external, formal or forced acceptance of some **principles, norms or values, which is guaranteed by law**, wants this acceptance to be anchored in the individual consciousness where law and force cannot decisively influence.

*"We are what we repeatedly do. Excellence, then, is not an act, but a habit."
Aristotle*

B- Contemporary Ethics

Taking for basis the first definition we gave of ethics but also relying on its philosophical meaning, we cannot avoid considering its historical aspect. Since the humankind behavior changed through time, Ethics necessarily evolved in parallel and we have to look at what is contemporary ethics in order to understand it in the lights of our time. Indeed, the thoughts of our time base the reason, the moral imperative, what is valid for all.

Still looking at ethics in parallel with moral, it seems relevant to mention that with the development of the modern society, a difference of signification in the use of ethics and moral that did not exist in the time the terms appeared, arose in order to distinguish a social behavior (ethics) from an individual behavior (moral). This would be due to the supposed opposition within the modern philosophy, between the motivations for the individual behavior who acts according to its needs and interest, and the objectives of the political society established according to its necessity of order, conservation, strengthening and progress. In Aristotle time, this opposition supposedly did not exist, but is now reflected in the thoughts of contemporary authors.

A few ones of these contemporary authors, whose theory is a basis for contemporary ethics, can be selected and examined: Kant, Hegel, Habermas, Rawls and Hans Joas.

For Kant, “ethics are agent-centered; they are based on an abstract, universal law of practical reason³—the categorical imperative—which is immediately accessible to all individuals. The individual is the source of the morality, while the ethical is self-imposed, internal legislation. Universal morality, or “right”, meaning the obligation of an individual to make a moral decision on an a priori basis, is prior to “the good.” Kant is considered to be a cosmopolitan.

³ We will always consider practical reason as the use of the reason to decide how to act

Hegel's conception of morality and ethics is the opposite of Kant's conception, in the sense that for him, the moral comes first from the community. For Hegel, ethics whose content lies in concrete normative principles—the laws, social practices, and customs—is resulting from the norms and customs of the community. He admits that the individual freedom implies some moral autonomy. Nevertheless, he states that universal freedom is only possible within an ethical community and is prior to the individual and his rational autonomy. The ethical is universal not individual; “the good” is prior to the “right.” Hegel is considered to be a communitarian.

It will be interesting to verify through the study of our case where ethics is considered to come from when applying to banks: individual or society?

Habermas and Rawls focus on **communication as the new practical reason**. According to Habermas, ethics states “it is ‘good’ for you to act in this way in the long run, all things considered” and ethical statements are based on some account of “the highest good of a self-sufficient form of life that has its value in itself” (Habermas 1993, pp. 5). He defines “moral commands” as “categorical or unconditional imperatives that express valid norms” (Habermas 1993, p. 8).

“In Habermas’ theory, moral norms are used in the framework of “communicative action”, in which people coordinate their actions “on the basis of mutual understanding” (Baynes 1992, p. 84).”
Moon, J. Donald (2003)

Habermas states that the possibility of

“a common understanding of valid norms invoked in communicative action must be based on “the speaker’s guarantee that he will, if necessary, make efforts to redeem the claim” that a norm is valid “by adducing reasons” and, more generally, engaging in “practical discourses” (1990, pp. 58–59).”
Moon, J. Donald (2003)

But, according to him, the simple fact of the norms of action being discussed in order to be adopted implicitly induces the principle of universalization, (1990, p. 63). This principle holds that a valid norm must fulfill the following condition: (Moon, J. Donald (2003))

all affected can accept the consequences and the side effects its general observance can be anticipated to have for the satisfaction of everyone's interests. (Habermas 1990, p. 65).

To him, morality is based on discourse. He adduces norms can be created and tested through practical reason which is communication. In the end, Habermas attributes the validity of a norm to its acceptance as a consequence of a rational consensus achieved through open and fair discourse.

For Habermas, two components of social action are strategic action, which seeks success, and communicative action, which seeks understanding. Strategic action is designed to influence the decisions of a rational opponent. Communicative action seeks mutual understanding. He argues that every time we communicate, we rely upon a set of norms or validity claims that are, de facto, accepted by all communicators.

Concerning Rawls, he argues that "each person possesses an inviolability founded on justice that even the welfare of society as a whole cannot override". (A Theory of justice) It let us understand that there are individual values strongest than the ones coming from the society so that in the end it's the individual who prevail on society.

He defines society as a "co-operative venture for mutual advantage" which confirms the precedent affirmation: since the individuals join together because it is in their mutual advantage, the individual is prior to society. "public reason specifies at the deepest level the basic moral and political values that are to determine a constitutional democratic government's relation to its citizens and their relation to one another" (Rawls 1999a, p. 132). In the end, the "Public

reason” is composed from values and principles accepted by all as “appropriate to regulate their conduct” (Rawls 2001, p. 6) but this does not prevent individuals from having their own values that can sometimes enter in conflict with the society values. They have to accept the prevalence of the public reason.

Hans Joas sees ethics as responsibility. His conception of ethics is more specific: it is based on the obligation for the human kind to respond for the future of the Humanity, from which he draws the idea of responsibility.

He analyses the ethics in function of the apparition of the technology. He focuses on the evolution of ethics, arguing that ethics was historically focused on human kind but with the apparition of the technology in the human kind relationships, the conditions of human actions were transformed and it is a new element to take into consideration: “our actions have opened up a whole new dimension of ethical relevance for which there is no precedent in the standards and canons of traditional ethics.” He insists on the idea of the world preservation necessity 'Act so that the effects of your action are compatible with the permanence of genuine human life”, “In your present choice, include the future wholeness of Man among the objects of your will” (Joas, 1984, p. 11). From this imperative follows a characterization of responsibility. He gives three conditions to the responsibility: "The first and most general condition of responsibility is causal power, that acting makes an impact on the world; the second, that such acting is under the agent's control; and the third, that he can foresee its consequences to some extent" (Joas, 1984, p. 90). Then explains responsibility as a subject "responsibility for particular objects that commits an agent to particular actions concerning them" (Joas, 1984, p. 90). He does not see responsibility in the sense of holding someone responsible for something but in the sense of a commitment in acting in order to preserve something. Thus, to him, responsibility "is a function of power and knowledge" (Joas, 1984, p. 125).

Bob Jickling (1996) brings a vision of ethics as an open-ended process of

inquiry and critical thinking with the potential to expose new challenges and generate new possibilities, it's a **process of making choices that enable better ways of seeing and doing things**; this process starts with the questions « What is a good way to live in a given context? What are good relations between people and societies? He refers to Louise Profeit-Leblanc who considers that ethics « has to do with upright living and making moral decisions based on this goal of being noble in our everyday activities ». Ethics is about relationships between individual and group interests—human or otherwise—around some idea about the common good. For Bob Jickling we do ethics or we practice ethics.

Ethics in a business framework

« A lingering difficulty in the field of business ethics is the acquisition of a stable theoretical base. The feeling one gets from the literature (texts, articles, books) is that of a theoretical "free-for-all" where eclecticism seems to dominate over the need for focus and the securing of a common foundation. » (F. Neil Brady and Craig P. Dunn ; 1995 ; p385)

Considering that there was a lack of theoretical foundation, more specifically a lack of definition, on which there would be a general agreement in order to understand ethics and ground ethical decisions, Phillip. V Lewis realized a study about the definition of business ethics in the literature. Reviewing a significant amount of documents of different natures (articles, books) in the management area, written by contemporary authors, but also analyzing the answers of managers and employees to a questionnaire he designed, he tried to come up with a definition that would generate the largest consensus possible.

Phillip. V Lewis' work relied on three questions that he identified as essential and not very explored yet: how was 'business ethics' defined in the literature and by business people, what were the points of agreement on a definition of

'business ethics' and if a definition of business ethics could be synthesized from the available definitions. Among all the definitions he could list, he counted 308 concepts expressed related to "business ethics".

On the basis of these results, he chose the four concepts mentioned most often by the authors and recurrent in the answers of the questionnaire in order to synthesize them into the following definition:

"'business ethics' is rules, standards, codes, or principles which provide guidelines for morally right behavior and truthfulness in specific situations. " (Lewis Phillip V.1990)

In this definition he specifies that

"rules, standards, codes or principles are moral guidelines that, if followed, will prevent unethical behavior." (Lewis Phillip V.1990)

Besides, he states that a *morally right behavior* is the set of individual actions that conform to justice, law, or another standard; individual actions in accordance with fact, reason, or truth. According to him,

"a business person constantly deals with the central issue of what consequences will result from his or her actions." (Lewis Phillip V.1990)

With this definition, Phillip. V Lewis claims he tries to place the emphasis where the majority of business writers and professionals place it — moral rules, standards, codes, and principles governing individual behavior.

But further than this definition, to go deeper within the reflection, this author states that

"one's business ethics cannot be separated from his or her personal ethics or other ethics" (Lewis Phillip V.1990)

which suggests that there are various different ethics in part related to individuals.

In the same order of ideas, Brigitte Pereira affirms that if ethics concerns the moral foundation, its formalization consists in promulgating principles in conduct rules.

The Encyclopedia of business ethics and society also adduces this difficulty to define what business ethics is and several definitions are proposed.

Firstly, a very broad and simple definition is the one of Richard De George, who qualifies business ethics as “the interaction of ethics and business”. Another very simple definition is business ethics as a specialized study of moral right and wrong, given by Manuel Velasquez.

According to the Encyclopedia, business ethics presents some characteristics on which everybody agrees: “it places the greatest emphasis on the ethical responsibilities of business and its individual agents, as opposed to other firm responsibilities such as economic, legal, environmental or philanthropic.” Here, we will notice that ethics is distinct from what is a legal obligation for the firm. Besides, “the core of the business ethics is based in moral philosophy and its use of moral standards, being values, principles and theories, to engage in ethical assessment of business activity”. Five moral standards would be applied more frequently in the field of business ethics. Within the literature, two moral theories are more frequently mentioned: utilitarianism and deontology. Utilitarianism was conceptualized by Jeremy Bentham and John Stuart Mill. According to Bentham’s ethical system, the only valid right or wrong criteria in any specified community of n individuals is whether a proposed act increases or decreases the ‘happiness’ of the majority. The ethical theory proposed by Jeremy Bentham and James Mill that all action should be directed toward achieving the greatest happiness for the greatest number of people.

What is qualified as deontology (duty based obligations) is actually what is more commonly qualified as “Kantianism” or more explicitly as the principle of the categorical imperative.

Besides these two theories, two other ones, considered as deontological in nature, have been considerably used in the business ethics field: justice and moral right. The last theory that is getting a lot of attention is moral virtue, being primarily based on the writings of Aristotle.

At an individual level, the **decision making process** is the more obvious process concerned. The same decision making process at the organization level reflects itself in the policies and practices, the relationship between business and society as a whole, and the relationship with each one of the actors forming the society but with a focus on individual interest: actions related for instance to the workers of the organization through affirmative action and discrimination, whistle-blowing and executive compensation, or actions related to the clients with the issues of privacy or conflicts of interest, consumer protection...

The recent studies realized on business ethics issues do not show any consensus on a definition of what business ethics is. Moreover, looking at the popular use, meaning by popular not academic, Bauhmart brought to light there is no agreement between the executives themselves on what is ethics in business.

Philip V Lewis argues, basing himself on the experience, that people cannot work together without at least tacit, if not overt, agreement concerning customs or standards of conduct which they hold in common. The absence of these will promote incoherence and lack of consensus.

According to Holmes, there is no business ethics because "morality has no application to corporations since corporations are not persons and only persons can be held morally responsible," and besides, "persons within corporations cannot have moral obligations given the position of the individual in the corporation". Schuette adds that the subject of business ethics holds little interest for executives compared to profitability or efficiency.

Jacqueline Russ refers to A. Etchegoyen, arguing that in business ethics, responsibility is the key. Responsibility is in this framework related to the preservation of our future. The ethics of would mean look for the general interest and consists in conciliating necessities of the producer and the consumer, aiming at the well being of everybody. It would imply rules of conduct favorable to everyone. In the end, communication and responsibility would be the factors that govern our modern ethics in the corporations

Marvin T. Brown in *Working Ethics* expresses the following point of view: since ethics is practiced, our performance in this field can be improved with practice and training. He adds that ethics is a decision-making process of discovering what should be done, and that this activity may sometimes involve guides, codes or other documents writing without this becoming a substitute for the activity itself. Marvin T. Brown also insists on the fact that to him, the purpose of ethics is not to control and monitor behavior but to improve the decision-making process of an organization ensuring that the best decisions possible are taken.

There are many different conceptions of ethics applied to the business field. Taken as a decision making process, related to the idea of responsibility, considered essentially as a practice, it is at the discretion of the corporation concerned to adopt one or another vision.

Ethics in the Banking sector

What are the practices related to ethics in the banking sector? Who are the Banks who claims to be ethical? What is their differential? These are the main questions that will be answered in this section for the lector to make an idea of what is an ethical bank supposed to be in the existing literature.

A- Scope covered by the term banking sector

First of all, the term bank has to be clarified in order to understand what we consider when using it. Indeed, we are used to the word “bank” that is commonly employed, but it should not be confused with any other type of financial institution such as, on the one hand consumer finance firms or credit card companies that grant credits but are not banks, and on the other hand investment funds and such kind of companies.

There are various types of bank, from commercial banks to investment banks, through wholesale banks... As the difficulty we were confronted to, when defining business ethics, there is no global consensus on a definition of bank. The IBFED (International Banking Federation, representing the Banking Federation of the entire world) declares: *The IBFed notes [...] the lack of a common, single definition of the banking system or even of global consistency over what a bank is and what it does.*⁴ Numerous definitions exist, beginning with the laws of each country, and other sources.

A bank can be in a first place determined by its primary role in the society, which is the intermediation. Thus, a bank is *a financial institution, which serves as a financial intermediary among various components of the society*. Moreover, the primary characteristic of a bank is to receive deposits and grant credits by lending or through capital market. (Goyal, Joshi 2011).

The Encyclopædia Universalis, a famous french encyclopédie in which articles are written by specialists of the area, explains in its article « Bank »: the banks are the financial institutions that raise deposits from the public and grant credits to companies and households. Banks are qualified of financial intermediary because they collect the savings of the economical agents with a financing capacity in order to allocate it to agents with a financing need. Banks are the only financial intermediary having a monetary creation power.

Taking the above definitions as a basis, we will consider a bank as an institution that receive deposits from the public and lend money, but also that

⁴ http://www.financialstabilityboard.org/press/c_110901i.pdf

inserts itself in its country financial system and is legislated by the laws of this financial system.

Therefore, interesting initiatives such as the Banco Palmas in the Conjunto Palmeiras, Favela in Fortaleza. The Bank established a parallel economy and does not inscribe itself in the traditional financial circuit that puts it out of our scope of study.

B- A General overview of what is done by banks in terms of ethics

In the first place, it has to be underlined that Banks, as other corporations, **generally consider that legislation is one of the main component of ethics.** Therefore, compliance with the legislation is considered as one of the element that contributes to a bank perception of itself as ethical. According to a KPMG study, employees in highly regulated industries, such as banking, finance and insurance, reported lower rates of observed misconduct than other industries⁵.

It seems that the banking corporations give more importance to the regulations aspect than to organizational aspects in terms partnership orientation. For instance it is the case of the Banks in Great Britains which, in terms of environmental information collect, do not want to involve themselves and only provide the declarative information in the annual reports, according to the environmental rules and norms. (P. Thompson, C. Cowton, 2004). Consequently the legislation cannot be left aside when looking at the integration of ethics in Banks. The legislation for banks is actually national. There are regulations designed by supranational instances such as the BIS but it belongs to each country to adopt the regulation or not. The Bâles recommendations or the Sarbanes Oxley Act are international norms. They are particularly focused on risk, control, monitoring.

An interesting norm largely adopted to look at is the **Equator Principles**. Basically, when a Bank signs these principles, it commits itself to select projects in function of their inherent environmental and social risks; the more risky

⁵ KPMG Forensic, 2008

projects have to come with a responsible plan. (C. Wright, A. Rwabizambuga, 2006 ; C. Wright, 2007 ; B. Scholtens, L. Dam, 2007). The bank commits itself thus to only contribute to project that respect the social and environmental criteria defined by the World Bank and the IFC (International Finance Corporation). Currently, 73 financial institutions in the world signed this norm, from which 4 are Brazilian.

Efforts were made by some banks in order to introduce environmental management systems to reduce the direct and indirect impact of their activities (Delphi International, 1997). Nevertheless, the studies realized **do not underline significant practices' differences between the bank that signed and the bank that did not sign ethical principles and codes** (P. Thompson, C. Cowton, 2004).

The banks show various environmental preoccupations that **do not always have impact on the value chain**, through the integration of communication about gas emissions or non-renewable energy consumption in their annual reports, or integration of communication about initiative for sustainable development in their reference documents (sponsorship, presence in the extra financial indexes). Now, almost all the activities of the value chain of a corporation have an incidence on its environment (Kramer & Porter, 2006). Another practice of the banks is revealed by Jeucken who shows that the « social component » progressively played a major role in the banks, **usually through the development of charity and sponsorship**. (Jeucken 2001).

We can see an example of the corporation foundations in Brazil in which it is possible to identify a foundation for each one of the biggest banks of the country.

NAME	FOUNDED	LATIN 500 RANK	SECTOR
BRAZIL			
Fundação Banco do Brasil	1986	N.A.*	banking
Fundação Bradesco	1956	N.A.*	banking
Fundação Brascan de Assistência Social, Pesquisa E Cultura	1985	N.A.	holding
Fundação Iochpe	1989	Iochpe-Maxion No. 363	manufacturing
Fundação Itaú Social	2000	N.A.*	banking
Fundação Marcopolo	1988	No. 280	manufacturing
Fundação Maria Cecília Souto Vidigal	1965	N.A. (family)	banking (Banco Mercantil de São Paulo)
Fundação Nestlé Brasil	1987	No. 72	food
Fundação O Boticário de Proteção à Natureza	1990	N.A.	cosmetics
Fundação Odebrecht	1965	subsidiary Braskem No. 47	construction/chemical
Fundação Roberto Marinho	1977	N.A.	media (Globo)
Fundação Semear	1996	N.A.	33 companies/business people
Fundação Tide Setúbal	2005	N.A. (family entity)	banking (heirs to Itaú)
Fundação Vale	N.A.	No. 5	mining/steel
Instituto Alpargatas	2003	No. 287	textiles
Instituto Arcor	2004	No. 172	food
Instituto Camargo Corrêa - ICC	2000	No. 43	holding
Instituto Elektro	2003	No. 231	technology
Instituto Embratel de Educação e Pesquisa	2001	No. 66	telecom
Instituto Gerdau	2005	No. 16	steel
Instituto Holcim	2002	No. 390	cement
Instituto Lojas Renner S.A.	2008	No. 261	retail
Instituto Medial Saúde	2001	No. 278	health
Instituto Paulo Montenegro	2000	N.A.	research (Ibope)
Instituto Souza Cruz	2000	No. 118	manufacturing
Instituto Unibanco	1982	N.A.**	banking
Instituto Vivo	2004	No. 38	tech
Instituto Wal-Mart	2005	No. 31	retail
Oi Futuro	2006	No. 12	telecom
Whirlpool e Instituto Consulado da Mulher	2002	No. 103	manufacturing

Source: LATIN TRADE, 07-08/2010, p53

The banks also involve themselves in activities in parallel of their core business, for instance through partnership with social economy institutions, as the French bank credit agricole does with the Grameen Bank. In some banks they proceed to a sensitization or raising awareness of their core business through the training of the commercial to environmental issues in the French bank Société Générale. And sometimes these banks create specific financing products

directly focused on environment or to have a social impact.

Itau Unibanco specific products designed to obtain social benefit

Product or service developed to generate specific social benefit* (F57)

Microcredit	243 microcredit contracts.
<i>Crédito Universitário</i> (University Credit)	R\$30 million in assets.
<i>Microcrédito Produtivo Orientado</i> (Guided Productive Microcredit)	The active portfolio of clients had 3,510 clients by December 2010; The amount granted in 2010 was R\$14,918 million; The number of loans granted in 2010 was 4,309.
Life Insurance for women	As the <i>Instituto Brasileiro de Controle do Câncer</i> (Brazilian Institute for Cancer Control – IBCC) was a partnership with Unibanco, we are entering into a new contract that also includes the products of Itaú. For this reason, we do not yet know the amount Itaú Unibanco granted in 2010. Unibanco alone granted approximately R\$36,000.
PIC capitalization plan	The amount granted to AACD (Association for Assistance to Disabled Children) in 2010 was R\$2.1 million.
<i>Seguro Itaú Vida</i> (Itaú Life Insurance)	The <i>Seguro Itaú Vida</i> product offers, once for each term, a Basic Check Up (an appointment with a general practitioner, a return visit and the following exams: hemogram, blood sugar, cholesterol and, for women, pap smear) as from the third month of the policy. From January to December 2010, we recorded 128,894 sales.
Unemployment insurance	Approximately three million policyholders have unemployment coverage.
Extended warranty	From January to December 2010, the insurance premiums of the line 95 (Extended Warranty – Assets) reached R\$1.16 billion (Source: Superintendency of Private Insurance – SUSEP).
<i>FIES – Fundo Itaú Excelência Social</i> (Itaú Social Excellence Fund)	R\$320 million (equity on December 20, 2010).
<i>Fundo Social Itaú Personalidade Futura DI</i>	R\$240 million (equity on December 20, 2010).
<i>Fundo Crédito de Carbono</i> (Carbon Credit Fund)	R\$190 million (equity on December 20, 2010).
<i>Fundo Governança Corporativa</i> (Corporate Governance Fund)	R\$32 million (equity on December 20, 2010).

* Monetary value, in reais, of this product or the number of transactions or clients.

Source: Itaú Unibanco sustainability report 2010

In general, most of the banks would engage in activities parallel to their main activity, and **would not proceed to a full integration of the principles, which would still be the privilege of the social economy financial institutions.** F. Bensebaa, A. Béji-Bécheur, 2007).

In some cases, traditional banks **incorporate ethical and social aspects through the Corporate Social Responsibility (CSR).** However, these activities, rather than to moral duty, seem to be oriented to get a higher economic profitability, or at least to maintain the profitability using the CSR as a source of competitive advantage, as Vogel states.

In what this **integration of ethical aspects through corporate social responsibility** consists? According to Frederick (1986), the corporate social responsibility is the result of a coexisting ethical and managerial vision of this

concept. For T.Jones (1980) it is a self control that reports corporation's obligations towards the groups present in the society, other than simply the ones stipulated by law. A bank stakeholders can be categorized in internal (shareholders, management board, employees) and external (clients, suppliers, competitors, media, ONG, other financial institutions, society, governments) (Jeucken, Bouma 1999). A responsible behavior considers for the strategic decisions the interests of all the stakeholders, the management of their expectations being made or in a conflicting way, or in a consensual way (M. Jensen, 2001). Thus, banks must provide various and numerous information and answers, using adequate supports in order to target different audiences: annual reports, sustainable development reports and or website. Besides, so as to measure the performance of the CSR strategy, there is a need of management tool. The usual tools to this respect concerning the environmental part are the norm ISO 140001 and EMA ("Eco Management and Audit Scheme") (A. Dohou et N. Berland, 2007). Among the management tools of the strategy, the balanced scorecard would be relevant (M. Epstein, P. Wisner, 2001). Other tools exist such as the triple bottom line reporting and the Global reporting initiative (GRI). These tools do not ensure the responsible performance of the corporation. There may be a disconnection between the structures that integrates sustainable development principles and the activities of the corporation (J. Meyer et B. Rowan, 1977). Some corporations maintain their legitimacy through a strong institutionalization in their formal structure of practices and procedures legitimate externally but with no coherence with the internal activities so that it is impossible to coordinate both together. This symbolic management consists in acting so that the corporation appears in conformity to the social expectations and values (B. Ashforth, B. Gibbs, 1990). **In this case the corporation does not modify its production system and do not have to satisfy actors' needs, as far as she appears legitimate.** The communication of social information may enter in this approach. In terms of sustainable development, such a disconnection may cause a conflict between the public demands, the regulation and the financial interests of the managers. This is more likely to happen in the organizations that orient ethics exclusively

towards communication (G. Weaver et al. 1999). Weber reveals that in order to neutralize this effect, it is useful to proceed to an integration of ethics within the daily decision making and practices of the employees (J. Weber, 1981, p. 47). K.Basu and G.Palazzo (2008) state that the integration of principles through a CSR policy is a three level process: there are principles that guide the corporation relationship with the stakeholders, the line taken by the organization through which it justifies its commitment and the organizational practices. Thus the social and environmental performance is an organizational configuration of principles, policies and observable results (D. Wood, 1991). The management of the integration of these principles has to be analyzed looking at the principles and speech as well as at the behaviors and their regularities. It questions on the one hand the influence of this integration strategy on the management and control characteristics of the corporation, and on the second hand the management tools used in order to measure in all the level of the organization the performance of the strategy implemented.

We will mention that **the CSR vision developed in the banks social reportings is clearly oriented towards relationships with the stakeholders, while the transversal aspects related to compliance and risk management seem strongly related to CSR** (De Serres, Gendron & Ramboarisata, 2006).

Institutionalization of organizational ethics applied to banks

Powell & DiMaggio affirm that are submitted to institutional pressures from the environment as regards legitimation and, consequently, survival (Powell & DiMaggio 1991). The institutional theory relies in part on this information organizations operating in the same area are often very similar and that it results from a phenomenon of institutional isomorphism mechanisms, coercive, mimetic and normative.

Organizations

Vincent Maymo and Valérie Pallas Saltiel elaborated a lecture grid in order to understand how the banks integrate of the CSR principles.

They based themselves on the theory of Scott, who reveals that the institutions

“consist of cognitive, normative and regulatory structures and activities that provide stability and meaning to social behavior. They are transported by various carriers –cultures, structures and routines- and they operate at multiple levels of jurisdiction”. He adds that these three elements are the pillars of the institutions. Each pillar corresponds to a specific manner for the institution to integrate it, which is qualified of isomorphism.

The authors took these isomorphisms, these ways of integrating pillars, and used them in order to **theorize the institutionalization of the CSR strategies applied to banks**. Their concept is the following:

- the regulatory pillar structures the actors' behaviors and justifies the organizational practices (P. DiMaggio, W. Powell, 1983). The banking sector is particularly concerned by the strong institutional pressures at the international level (Bâle standards) or national (laws): the regulators are stakeholders providing to the bank a regulatory legitimacy (D. Deephouse, 1996; D. Deephouse, S. Carter, 2005). It corresponds to a coercitive institutionalization through identification by the institution of the management tools that structures the behavior of the banking actors in their daily work.
- The normative pillar introduces a prescriptive dimension, evaluative and mandatory for social life. The actors are embedded in a complex network of rules and conventional beliefs. The equator principles illustrate this. It corresponds to a normative institutionalization through identification of the professional and work norms. The sensitization of the employees, informing them and training them
- The cognitive pillar consists in the construction and negotiation of the social reality by the actors in a preexisting cultural framework. It corresponds to a mimetic institutionalization that consists in an observation of what the other banking actors do in terms of creativity in their daily practices.

These 3 ways of institutionalization are conceived to be aggregated one to another. According to the authors, the integration of CSR by banks is dynamic so that they can evolve from a way of institutionalization to another, the highest degree of institutionalization being when the strategy of integration is composed of the integration of the three pillars. According to grid of lecture, the conclusion is that according to their institutionalization of CSR, the banks can be qualified as reactive, defensive, accommodating or proactive.

Finally, the other common practice that can be observed in the banks in respect to ethics is the creation of codes of ethics. All the banks currently have a code of ethics. Not only the banks but the majority of the corporation possesses a code of ethics. Thus there is an extensive literature concerning these codes that were massively adopted in the United States in reaction to the series of scandals that affected the moral credibility of the American corporations in the end of the 70's. The objective of a code of ethics' adoption, was for the corporation to be able to show that she could regulate herself and prevent this type of scandals from happening again.

A corporate code of ethics by most definitions is a written, distinct, and formal document, which consists of moral standards which help guide employee or corporate behavior (e.g., Hosmer, 1991; Schwartz, 2001; Stevens, 1994). It is supposed to discuss behavior which goes 'beyond the law' or address the 'spirit' in addition to the 'letter' of the law (Cressey and Moore, 1983; White and Montgomery, 1980). Thus, codes of ethics are meant to contain normative guidelines for behavior. But as Schwartz has observed, the two stages of a code of ethics development that are the implementation and administration, are very often ignored. This author developed a set of "universal" moral standards by which all corporate codes of ethics could be evaluated, and applied them to four different stages of code of ethics' development. He performed then an ethical audit of four companies, each one supposed to be representative of its sector of activity. His conclusion concerning the bank is that it fulfills 6 of the 9 criteria for a good ethical program. In a nutshell, The 6 criteria are the following:

- The code contents the six universal moral standards, trustworthiness; respect; responsibility; fairness; caring and citizenship, respected by

other code content and given priority over bottom line concerns. The consequences for violating the code are clearly stated.

- The code content is understandable, achievable and justified.
- The code is widely distributed and made fully accessible to the public.
- The Board of Directors, the CEO, the President, and all senior managers are obligated to demonstrate their support for the code, particularly by acting as role models through their own behavior.
- The bank enforces its code, and does so in a consistent and fair manner.
- The banks ensure that a mechanism is in place to monitor and obtain feedback on its code.

The 3 criteria that the banks did not fulfill are the following:

- All employees should be brought into the code creation process by offering each employee an opportunity to comment on the code.
- Sufficient training, support, and reinforcement should be provided in relation to the code.
- Sufficient protections should be provided to employees who report violations of the code.

Most of the banks integration of ethics in their organization consists in compliance with laws and norms imposed by the regulators.

They also may adopt a series of practices related to concrete issues, apparently resulting from ethical preoccupations, but totally disconnected from their activity so that it does not influence their behavior.

Some other banks recognizes that it matters to integrate responsible principles in the heart of the banking activity. They adopt management practices related to sustainable preoccupations and focus on the relationship with stakeholders and the resulting obligations. These are the corporate social responsibility practices. In both cases the structure, procedures and practices implemented involves a code of ethics adoption and are legitimated externally. Nevertheless, a CSR integration may be deep rooted in the case of pro active banks.

Who fits into the category of ethical bank within the literature?

The aim of ethical banking goes beyond the economic benefits, and includes the social ones, assuming that both of them are relevant in a socio-economic model.

There is a consensus between various authors (Green, 1989; Lynch, 1991; Cowton and Thompson, 1999; Alsina, 2002; Kendric, 2004) on two characteristics belonging to ethical banking. The obtaining of social profitability, understood as funding (placement of the assets) economic activities with social added value and as the absence in any case of investments in speculative projects or in those that fulfil negative criteria. The other is obtaining of economic profitability, which means benefits. The dimension of obtaining benefit refers to the good management of the bank, because ethical banks do not distribute benefits between stockholders or, if they do so, the distribution is very limited, so it is a residual profit in this sense.

Both aspects are necessary: the social dimension makes the bank ethical and the benefit dimension makes the bank economically sustainable.

One of the main characteristic of the banks identified as ethical relies on pursuing a same objective which is to contribute to the development of a society but a development that enhance the welfare of the entire society; Moreover, these banks allocate their financing to individuals, economic agents and organizations that will use it in activities that support sustainable development, solidarity and social cohesion so that these funds generate economic and social value added. Ethical banks investment policy takes into account the viability and social impact of the project to be financed. They intend to offer products and services with a direct positive influence on people and environment. Their products are designed to be suitable for the client. The origin of the funds collected and their allocation are transparent.

Barbu et Boitan (2009), who agree with the two last mentioned points, adds that the objective of ethical banks is to have sufficient liquid assets in order to maintain a reduced exposure to insolvency risk and lack of liquidity risk. Ethical bank would have a minimum investment in financial derivatives. Besides

they would not be listed on a regulated market, which implies a lower concern for shareholder to aggressively increase profits and the market price of shares. Ethical Banks would not participate in operations on the interbank market, in the sense that they don't attract funding neither make investments in other banks. Consequently they would not be negatively affected, by means of the contagion effect, by the vulnerabilities faced by traditional credit institutions.

The work of Leire San-jose about the characteristics of ethical banking and their differences with traditional bank is also pertinent in ethical banking literature. After having identified 4 factors relevant to characterize ethical banking, « information transparency, placement of assets, guarantees and participation. », a sample of 119 European banks is analyzed through the use of an index (Radical Affinity Index). The results revealed that transparency of information and placement of assets were factors that indeed differentiated ethical banks from the rest of financial intermediaries. Nevertheless, it also showed that the guarantees and participation were not evident relevant factors of differentiation.

Using Barbu and Boitan explanation of the basic characteristics of ethical banks, Icke.B , Caliskan, Ayturk and Icke.M elaborated the following table:

Characteristics of Ethical Banks

Operate with a clear set of ethical values, known, accepted and respected at all the hierarchical levels.
Pursue the obtaining of both financial and social gains.
The investment decision belongs, firstly, to customers (depositors, creditors), by choosing the ethical project to be financed with their funds.
Publish on a regular basis a list with all the investment projects that received financing.
Finance those companies whose projects exert a positive influence on society and environment.

Note. Source: Barbu and Boitan (2009).

Example of banks considered as ethical

It is instructive to have a look at example of banks qualified as ethical banks, and to identify some of their policies. Most of these banks are European Banks, except two distinct groups, which are the development banks and the micro credit institutions.

There is a first group composed of the development bank. The Islamic development bank, the regional banks such as the BIRD, EIB, the Andean finance corporation, the BED, BAD and BID are typically ethical banks. Created in order to finance the development of the countries, the origin of their funds is well known and comes mostly from countries or international financial institutions, but also from private investors. In every case, the status of these banks obliges them to a transparence total, and their purpose is not to make the maximum profit. The priority of these banks is to support vast programs of fights against poverty.

Another type of bank can be identified through the example of the famous Grameen. The Grameen bank is a pioneer in terms of micro credit which was defined during the Microcredit Summit of 2-4 February 1997 as “programs extend small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families.” The bank was awarded the Nobel Prize for Peace in 2006 “*for their efforts to create economic and social development from below* ». The Grameen Bank claims to be different from traditional banks as exposed in the appendix 1. The micro credit activity has some specificity especially in terms of human resources in order to manage the credit and to follow the borrowers that turns the micro credit institutions particular organs. We can underline that just as they do not offer credit to a large scale or credit of large amounts, the « traditional » banks do not offer such small financings as a microcredit institution does, simply because they are not structured to operate this type of business in terms of costs/return criteria. It would not be viable for them. Actually, the « traditional » banks involved in micro credit invest in micro credit institutions. They do not operate this loan directly by themselves but inject funds into the organizations

that will manage the small loans.

In the United Kingdom, the Cooperative Bank was particularly noticed because of its credits with no interest proposal. The bank presents also the following characteristics: first it shows a real preoccupation with all its stakeholders. Its strategy relies on an equal division of the benefits between all the stakeholders, looking for synergies so as to conciliate their interests. This cooperation between all the stakeholders is in the heart of its vision and defines until its name, the Cooperative bank. The bank goes so far in its desire to take into account the opinion and concerns of every stakeholder, that it inclusively based its offer on a survey made with its employees and clients. Its ethical policy also results from a questionnaire sent to around 2 million of clients. Five fields of concern were chosen to be taken into account by this policy, that can be divided into two categories, "negative" and "positive" ethical criteria. On the one hand, the negative ethical criteria lead the bank to exclude some categories of investment or any involvement of its financing activities. In these categories enter every entity that violates human rights and every entity responsible for the fabrication of armaments sold to regime that violates the human rights. It also comprises the prohibition of any of its activities with organization that proceeds to animal testing, exploitative factory farming, blood sports or the fur trade, this in order to safeguard animal welfare. The environmental issues are also contemplated, preventing the bank from doing business with organizations related to fossil fuels production causing acid rain, to chemicals causing ozone depletion and to deforestation. On the other hand, the positive ethical criteria is the incentive for the bank to develop its activities with organizations socially involved or participating in fair trade. In terms of investment choice and transparency, the bank allows to its client direct information in order to choose his money destination or to what it will be allocated. This way it concretizes the possibility of synergies between the interests of the stakeholders; it is simpler to let them dialogue in a certain way.

Another element used in order to demonstrate a real preoccupation with society and a deep local community involvement is the choice of the headquarter which to the contrary of the majority of the banks located in London, is located in

Manchester where the bank was created.

Finally, it is relevant to mention the communication of the bank about its approach of ethics, highlighting the social benefits and moral satisfaction of its financing when a traditional bank would rather insist on financial gains.

The cooperative bank system appeared for the first time in Germany in response to the impossibility for some categories of people to access credit, not only because of a poverty matter but because of a structure issue, for instance entrepreneur with short banking history. It was also affecting some sectors of the economy in particular agriculture. Therefore, various cooperative systems were designed, with the main principle being the access of all the debtor categories to all the resources offered by the creditors. Once again, we can see that ethics in this case is strictly related to the structure and the organizational aspect of the bank.

Other banks in Europe presents particularities that makes them being considered as ethical; for example in Sweden, Ekobank hall-mark is to ask to its investors to which type of projects they want their investment to be allocated. Another example is in Germany where Ethibank appeared in reaction to the growing number of ecological and ethic funds. The bank approach is focused on ecology, prohibiting investment in companies related to atomic issues or development of genetically altered organisms.

We can notice in all the examples mentioned previously that ethics in each case is in the heart of the strategy and business model. It becomes one of the main issue within the bank activity.

Ethical banking seems to be a specific line of business within the banking activity.

The Institutions belonging to this line of sector would have in common the purpose of their activity which would be to contribute to sustainable development of the society keeping an economic profitably. They would have various characteristics in common, among which there is a consensus about transparent origin and allocation of their funds, and placement of assets with

direct positive influence in the society. We also observe through the examples of banks considered as ethical that their organizational structure, procedures, products, way of functioning is deeply permeated with ethical principles so that what defines the bank which is to make banking activity seems is as important as the fact of practice ethics.

In consequence these financial institutions would be the only banks to fully integrate ethical principles.

III- Research Design

In a first part, the literature review gave a brief, simple and clear idea of what are the main theories related to ethics. Beginning with the general definitions and exploring the evolution of the concept through time, it allowed us to progressively focus on the field that interested us more specifically, business ethics. It also led us to understand what would be ethics in a particular business sector which is the banking sector, through the collocation of the practices observed and exposed in the literature. In addition, concrete examples of banks considered as ethical were given in order to make possible a comparison with the case that will be examined further on.

In order to elaborate this paper, all the information publicly available concerning Itau Unibanco were used.

- Institutional websites (Itau Unibanco Holding SA, Itau relações investidores, Itau fornecedor, Fundação Itau social)
- Sustainability reports
- Ethical code
- newspaper articles

Since, as previously stated, one of the main characteristics of an ethical bank is to be transparent, the volume of information available was supposed to be consequent. Moreover, the information concerning ethics is in general largely divulged since it contributes to a positive image of the corporation.

In a second step, an interview of the Itau Unibanco Holding SA corporative Ethics consultant George Barcat was realized. In addition to its role within the bank, George Barcat is an ethics and History of philosophy professor.

The interest of doing the interview with Mr Barcat relies on its privileged position in the corporation studied. Actually, he is the one actor in the corporation who possesses all the existing information about the studied issue since He thought and elaborated all the documentation, as well as participated to all the decision committees related to this matter. Through this interview the objective was to obtain the vision of the corporation itself, the view of the executive responsible for the orientations given to the corporation, in order to understand the corporation approach of ethics. The purpose was not to examine how ethics in the corporation is perceived by the employees or other stakeholder but to understand what is implemented or what is done by the corporation to deal with ethics.

It is rare to be able to realize this type of research in a corporation of this size and this importance in the world with, in principle, an access to all the information. At the same time, it may difficult the delimitation of the theme and the judicious treatment of the information, with a risk to remain superficial.

A request was made to the ethical committee of the bank in order to get the authorization of disclosing information that would be used to elaborate our analysis.

The authorization was conceded without any difficulty.

The interview lasted two hours and took place in the meeting room of the Itau Unibanco Holding SA ethics consultancy, in the Headquarter of São Paulo.

It was based on a series of questions elaborated after having collected

information about the theme within the existing literature.

It included voluntarily broad opened questions in order to authorize the consultant to express himself about ethics theoretical fundamentals as well as its application in Itau Unibanco, so as to generate a more complete discussion.

The objective of the interview was to obtain explanations on the ethics approach of the bank and to understand in details how it works.

The discussion was initiated with the question: Is Itau Unibanco an ethical bank?

According to the answers of the consultant and the discussion thread, the questions initially defined were changed.

After a theoretical explanation, the discussion focused on the Itau Unibanco program of ethics and its implementation.

IV- Case Study

Context

A – Main reason for the raise of preoccupations for ethics in Business

The importance of ethics in business grew up considerably through history and even reached an essential place nowadays. Indeed, with the multiplication of the large-scale scandals related to ill effects of some companies' activities, all the actors of the society became more concerned with how the companies are doing business.

One of the main scandals concerned the American company Enron which was one of the biggest in terms of market capitalization and were responsible for the loss of hundreds of thousand savors' pension capital, without mentioning the mass lay offs of around 20000 workers and the economical consequences on the prices and electricity regulation in the United States.

This type of scandals contributed to the society awareness that activities of companies have impacts on the environment in which they act, not only economical but also social and environmental, and that it affects third parties outside of the transactions' participants.

Nevertheless, although the Enron case particularly chocked because of the number of people concerned, such excess in the corporate world was not new. Looking at the history of modern corporations, the first time we could observe a similar drift from a company with major repercussions was in 1873 with the collapse of Jay Cooke&Company. This bank was in the origin of what was called the bond drive, which consisted in encouraging all the US citizens to invest their savings through the purchase of US government debt. Later on, the company, which had acquired a strong notoriety, started to sell US treasury bonds. This process was used in order to finance the World War I and II. Finally Jay Cooke&Company began to invest in a railroad company, the Northern

Pacific Railroad, which turned itself its only bond agent. The mechanism consisted in Jay Cooke&Company bank buying bonds from the Northern Pacific railroad, and then selling the debt to investors. Since the investors were not inclined to buy railroad companies' bonds, the bank ended up detaining around 75% of the company and started to spend a lot in operating expenses. When these financial details went public, the bank's clients started to withdraw their deposits, which provoked Jay Cooke&Company's bankruptcy and triggered a series of other bank failures but also many companies, initiating a depression in the economy that lasted around 3 years. Back at the time, if the real financial situation of this bank had been known before it actually went public and if there had been any regulation in place, the disaster could have been avoided.

Sixty years later, the United States experienced a story even more similar to Enron's collapse. In the end of 1931 and beginning of 1932, Samuel Insull electric Utility Corporation failed, to the surprise of the entire society, annihilating the holdings of 6000,000 shareholders and 500,000 bondholders who believed that they had invested in a safe and secure electric utility company. It was perceived as the biggest business failure in the history of the world. While building his business, Samuel Insull had created a pyramid of public companies organized under a parent holding company. The companies passed stock shares, funds and loans between themselves, often out of shareholders' view. For example, utility profits paid for losses on electric railways Samuel Insull controlled. When industrialist Cyrus S. Eaton threatened Insull's company with stock buyout, the latest trying to avoid a loss of control increased the size and complexity of his holding-company network. Besides, in order to buyout Eaton's stake, Insull took out a very high debt. When the economy went down in the 1930's, his empire did not resist. Samuel Insull was indicted on state and federal charges of embezzlement, fraud and other violations.

Looking at these corporate scandals, we can make a comparison with the most recent years. When the Enron scandal broke, as in the Jay Cook&Company and Insull's cases, a series of other cases came out. In the years 2001 and

2002, numerous scandals went public related to very big corporations of various sectors especially in the telecommunications and pharmaceutical. Companies such as AOL time Warner, Merck, or Vivendi were implicated. Besides, it was proven that the audit firms KPMG and Pricewaterhouse coopers helped in various cases of fraud while they are supposed to be control bodies. The Banks are not immune either since two major groups, Citigroup and JP Morgan Chase & Co, were involved in the Enron case for example.

All the corporate scandals mentioned above broke on the United States soil, even if they had repercussions abroad, but it is fair to also call to mind the corporate scandals in other parts of the world. Moreover, besides the scandals we can qualify as financial, some related to other issues such as environmental for instance are also worth mentioning.

To begin with, In Europe back in the 40's, many companies were involved in activities related to the Nazis. Various example can be examined, among others the French national train company which transported people to concentration camps or the German pharmaceutical company Bayer (at the time IG Farben) which made human experiments and sold the gas Zyklon-B used in the extermination chambers among other things. In this case, 24 executives of IG Farben were indicted and charged with 5 counts including "slavery and mass murder". In the same order of ideas, nowadays, the society also became aware of wrong proceedings in pharmaceutical industry. Facts such as diseases caused by drugs would have been hidden by pharmaceutical companies in order to manage launching new drugs on the markets. Nevertheless, the scandals are less visible in this type of industry and it is harder to name examples that were revealed and in which the guilt of the company was proven. Yet, in the end various drugs from European pharmaceutical companies were taken out from the markets for these reasons.

Another contemporary battlefield in terms of business ethics turned out to be the treatment of the human beings that are the workers. Two parallel processes made topics such as child labor and labor conditions, the heart of the ethical preoccupations in Business. On the one hand, the growing influence from

transnational and multinational corporations on global society made more critical the role of business ethics in the governance of corporations (Barclay and Smith, 2003). The internationalization of business and externalization of manufacturing in countries in which ethical norms are different from the ones in the Headquarter countries. On the other hand, the constant rise of the general preoccupation for Human rights. One of the biggest companies pointed at to this respect was the giant footwear company Nike. In 1997 was published a photography of a child making a ball in Pakistan. NGO's alerted by the fact began to investigate Nike's manufactures and found out many abuses that they denounced. Among others, Nike became famous for its "sweatshops" and the scandal deeply affected the sales of the Company which became the symbol of the non ethical behavior.

The environment became also a concern that matters when looking at ethics in business. Various famous facts can be remembered, from Chernobyl and the toxic cloud in Ukraine to the Bhopal chemical factory of Union Carbide in India, catastrophes that gave rise to judicial trials. These two catastrophes became a symbol of the worst consequences of lack of responsibilities from companies.

The companies indirectly or directly taking part in a conflict in a region of the world such as in the case of diamonds trade in several African countries can also be stressed out. In this example, the Diamonds are stolen or illegally mined in order to be sold for money raising purposes to support rebel militia or armed groups involved in civil war. The international company De Beers is the most representative in this sector and was accused of contributing to sustain the war mainly in Angola. Moreover, De Beers was accused of forcing Bushmen in Botswana to evacuate their traditional land in order to effectuate diamond prospecting. Accusations of forced dislocations apply in the mining sector in general but also to the oil and gas companies that are negatively perceived by civil society as shows, for instance, the Gallup poll⁶. Americans were asked whether they had a very positive, somewhat positive, neutral, somewhat negative, or very negative opinion about 25 business and industry sectors in the United States. In the final ranking, oil and gas companies arrived in the latest

⁶ <http://www.gallup.com/poll/12748/business-industry-sector-ratings.aspx>

position with a 64% of negative opinion in 2011. Recently, the BP offshore platform catastrophe in the Mexican gulf surely did not improve this image. To finish with the sample of corporations accused of having unethical behavior, a look at Tobacco companies gives others perspectives. Indeed, despite efforts to engage themselves into corporate social responsibility improvements, tobacco companies still suffers from negative image linked to the heart of its business. **Even when no obvious scandal comes out**, the activity of these corporations in its essence is questioned. The behavior of their representatives is also denounced but it is mainly the fatal character of their products that makes them subject to lack of ethics' accusations. Going even further, we can think about the arm industry but in this example, it is interesting to identify the difference of perception between countries. It is well known that the right to bear an arm is written in the United States constitution and is very important, whereas it is forbidden in other countries. Therefore, the arm industry must be perceived differently depending on the countries.

This non-exhaustive list of companies' behaviors considered as wrong and condemned by the society, demonstrates that all parts of the world are concerned, but also all the sectors from chemical industry to audit firms. We also demonstrated it is not a new phenomenon and the consequences can be environmental, financial, related to health, etc.

To finish, we can evoke studies that revealed that 56% of employees in the United States of America (US) faced pressure to behave unethically in order to achieve targets (Tang and Chiu, 2003), 48% admitted of being unethical at work (Lonkevich, 1997), 31% witnessed ethical misconduct, and 29% were forced to rely on unethical means for promotion (Gross, 1995). It shows that the concern for ethical behavior even among the employees of the corporation is strong, and that it results in difficult dilemmas. `

B- The response brought by the Civil Society and the Corporations

All these observations induce a questioning about how these corporate scandals can happen and how to prevent them from happening since it causes negative and undesirable externalities within the society.

Larry.D Thompson⁷ brings an interesting answer. Basing himself on his experience as a prosecutor and white collar criminal defense lawyer, he suggests to look at **corporate cultures**. According to him, “companies develop their own methods that guide employees’ thoughts and actions”. He defines a corporate culture as a set of attitudes and practices that remains in the corporation independently of individuals and employees’ turnover. This culture can inculcate respect for the law or raise contempt and malfeasance. Besides, he asserts it is the organization itself that must be held answerable for the culture and the conduct it promotes.

Therefore, to address the lack of ethics’ issue in corporation, he supports the idea of concentrating the corporate mind and changing the corporate culture. While there had been a tendency to systematically respond through a judicial solution, history showed that increased regulation can never cover all possible forms of abuse. That’s the reason why Larry.D Thompson sees regulation enforcement as necessary but not sufficient. As a complement, he is in favor of the implementation of **a corporate culture that emphasizes ethical conduct by all involved in the company**. He states “Such a positive corporate culture, consistent with the revised sentencing guidelines for organizations, will emphasize openness and employee reporting of compliance problems.” Howard and Joanne Rockness⁸ share this point of view.

We can verify the History shows that increased regulation is not a solution. `

The President Roosevelt, during his first term, signed the first of two securities

⁷ Larry.D Thompson is a Senior Fellow with the Brookings Institution in Washington, D.C. and served as Deputy Attorney General in the U.S. Department of Justice. He led the Department of Justice’s National Security Coordination Council and was also named by President Bush to head the Corporate Fraud Task Force. Within this framework he supervised the Justice Department’s investigations related to Enron. He was selected by Congress to chair the bipartisan Judicial Review Commission on Foreign Asset Control.

⁸ <http://www.cbe.wvu.edu/dunn/rprnts.SOXImpacts.pdf>

acts that put in place the world's most effective disclosure and anti-fraud regime, and completely reformed America's banking system through the institution of deposit insurance. After these reforms, the utilities industry was totally restructured so as to avoid machinations that could lead to misinform the investors, and as a matter of fact, the New Deal regulatory framework was created in reaction to the Insull's crash. This same framework was once again reformed and toughened by the American Congress in response to the Enron disaster which proves what had been done previously had not been sufficient. In the same time, the President Bush proposed that the penalties for corporate fraud be increased from five to ten years, and he announced the creation of a new Corporate Fraud Task Force that would "function as a financial crimes SWAT team, overseeing the investigation of corporate abusers and bringing them to account." Nothing was decided in terms of prevention. The other American corporations were invited to "commit themselves to an "ethic of personal responsibility", but nothing was said about how to do concretely achieve this commitment. This did not prevent the collapse of Lehman Brothers and the crisis that followed, nor other scandals that broke recently.

Concerning the audit firms whose responsibility is *planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud*,⁹ they were prohibited from offering most consulting services to their audit clients, and in 2002 a new overseer, the Public Company Accounting Oversight Board (PCAOB), was created so as to reinforce the controls.

When it comes to other type of drifts, besides the judicial repression and regulation improvements, different attitudes adapted to the commercial sector concerned were taken. Going back to the case of diamonds trade, when the International community became aware of the problem, she reacted in 3 ways. Besides the improvement of regulation through the creation of experts' comities and sanctions, she also acted by pressuring the industry threatening of boycott and divulgating NGO's press campaigns to impose "the respect of basic ethical

⁹ Public Company Accounting Oversight Board Interim Auditing Standards, AU 110.02, Responsibilities and Functions of the Independent Auditor and AU 316.01, Consideration of Fraud in a Financial Statement Audit.

rules”¹⁰. The corporations were forced to take into consideration these actions and the biggest one of the sector, De Beers, took measures so as to avoid suffering from the consequences of a behavior judged as wrong by the society. The corporation stopped selling gross diamonds to diamond-cutters who were considered guilty of having bought gross diamonds coming from countries at war.

This example is particularly talkative since it brings the idea of the obligation for corporations to observe ethical rules in accordance with civil society’s criteria. Many members of the general public have the perceptions that businesses do not put enough emphasis on ethical considerations in their operations (Alam, 1995). This example of “boycott” can also be applied to other types of corporations such as Nike, referring to the example we already have examined previously.

As De Beers, corporations are more and more driven to adopt “ethical” behavior from the society point view.

The reaction of society sometimes can concretize itself in the form of NGO’s, for example Corporate Ethics International whose mission is “to *bring corporations back in service to and under the control of the citizenry*”. This may traduce a society idea of the corporation main objective, which would be to serve her.

Legislation improvement and control reinforcement is not a solution to prevent scandals and negative externalities of corporations’ activities for the society. It should be completed by a corporate culture that emphasizes ethical conduct by all involved in the company.

¹⁰ « Les diamants et les relations internationales illicites », Revue internationale et stratégique 3/2001 (n° 43), p. 64-72. David Mugnier

C- The banking sector: critical and particularly exposed

The crisis of 2009 came to reinforce the highlights on the lack of control, the numerous embezzlements and malpractices insisting on a particular sector: the banking sector. The collapse of Lehman brother in 2008 which triggered the crisis was the largest in history as its assets surpassed those of Enron, Lehman was the fourth-largest U.S investment bank at the time of its collapse, with 25,000 employees worldwide. The list of scandals in which banks are implicated is long, of course because of the nature of its activity.

Even after the crisis of 2009, various cases of extremely costly frauds burst.

One of the most spectacular was the Madoff case, resulting in around 50bn dollars loss for the set of investors and in which an incredibly long list of banks was involved. Nevertheless, not all of these banks were sued. ABN AMRO Bank NV, Fortis Prime Fund Solutions Bank (Ireland) Ltd, Citibank Inc., Natixis, Banco Bilbao Vizcaya Argentaria SA, Merrill Lynch International & Co, Nomura Bank International PLC, Bank of New-York Mellon, JP Morgan and Deutsch Bank were actually sued, this is without mentioning all the little banks that were also involved and sued, accused of having overlooked warning signals about Mr. Madoff's fraud while receiving transfers of money from his company through "feeder funds" that invested most or all of their assets with him. The complaints also accuse the banks of helping sustain the fraud by creating derivative investment products linked to the performance of Madoff feeder funds. Bernard Madoff was supposed to realize investments for its investors, when He was using the money of its new investors to remunerate the old ones.

The French bank Société Générale also was confronted to a major fraud that led to a \$7bn losses for the bank. What was pointed out in this case was the lack of monitoring of the employee and the general lack of control. At the same time, what can interest us particularly is that, contrary to what happened in Madoff case which was more based on a trust relationship than in the Société Général case, there was some controls but the employee was able to avoid them. Here can enter the issue of ethics in the corporation more than the simple fact of controls. That's where we begin to understand once again that control is

not a sufficient solution.

Even after this case that is recent, and even with other similar cases such as the one that led to the Barings bank bankruptcy, more recently, UBS also had to deal with a similar configuration. The trader Kweku Adoboli was responsible for a \$2bn loss in September 2011 and charged with fraud by abuse of position and two counts of false accounting. He was accused of having “*dishonestly falsified a record of an exchange traded funds with a view to personal gain or the intent to cause loss to another*”.

The banks as the other corporations are subject to the bad behaviors of some of their employees and although there is a regulation and there are many controls, it do not prevent this scandals from happening in this sector either.

The reaction to these scandals was the same as the previous one in the same type of circumstances and led to an improvement of the legislation. The two most recent remarkable international norms to this respect were the Sarbanes Oxley act and the Basel III. Besides, the banks are also more and more confronted to the questioning from different stakeholders or social movements in order to report about the social and environmental consequences of their activities. For that reason, the banking corporation management is forced to take more and more into account its different stakeholders (Lamarque, 2003). Some NGO's and societal rating organization began to monitor the banks. For instance, Banktrack lists the bank participating to to project financing operations that do not respect the Equator principles¹¹. The societal rating agency Ethibel realized a study of the societal performance of 63 european banks. Its report underlines the substantial gaps between the speech and the practices of the banks¹². These scandals gave rise to a questioning of some activities segment within the investment banking in particular but the retail banks operations also aroused numerous questions, in particular concerning access to banking, bank-client relationship in terms of transparency and pricing, access to credit and consumer protection in order to prevent overindebttness, financial education to

¹¹ Banktrack, (2007), « Benchmarking Credit Policies of International Banks ». http://www.banktrack.org/download/mind_the_gap/0_071221_mind_the_gap_final.pdf.

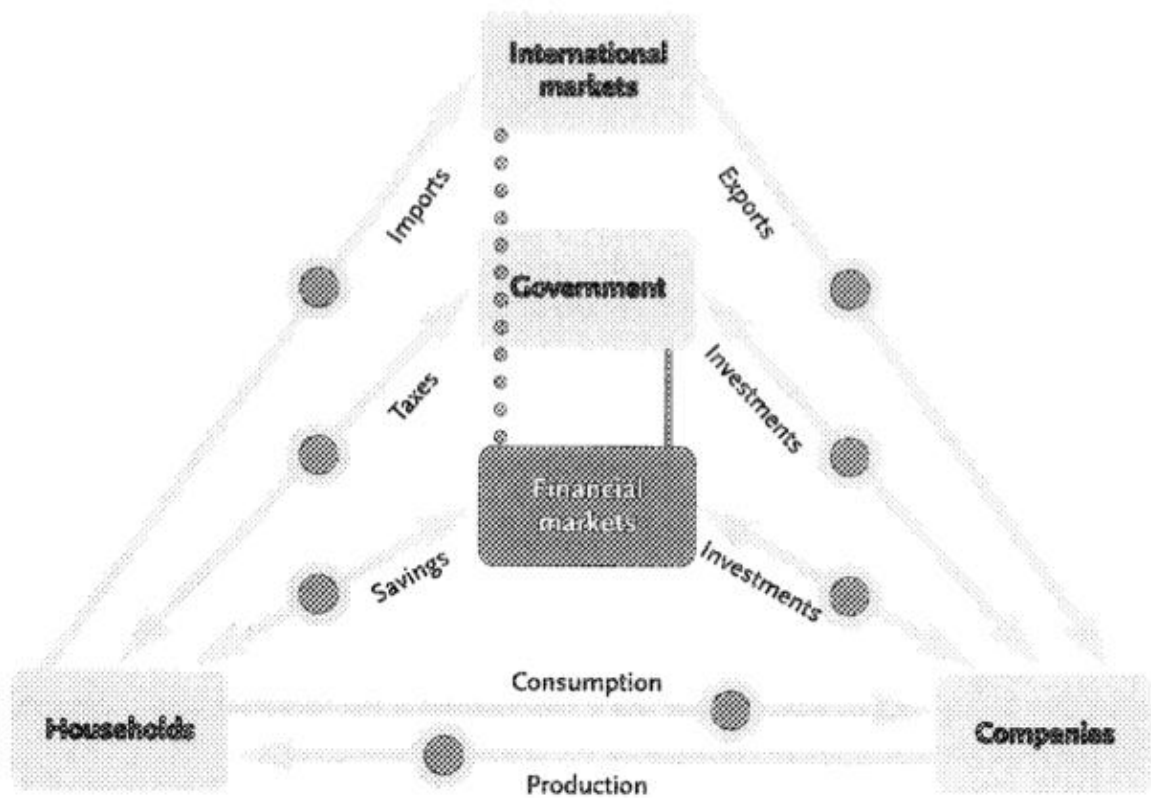
¹² Forum Ethibel (2008), « What are banks doing with ‘their’ money ? » ; <http://www.ethibel.org>

make the comprehension of financial products easier etc (Serge-Eric Gadioux, 2010).

Though, it seems all the more relevant to focus on the banking sector since, if the consequences of a manufacturing firm's failure are for the most part local meaning that it concerns usually only the employees and the shareholders, when it comes to banks failure however, the repercussions are generally much larger, although it depends on the case and could concern only the bank itself.

While the financial sector is a priori less concerned than the industrial sector by the sustainable development, many authors underline the impact of the banks on societies. (B. Snoy, 1989 ; P. Thompson, C. Cowton, 2004 ; E. Marsiglia, I. Falautano, 2005 ; B. Scholtens, 2006, 2009 ; J. Andrew, 2007).

There is no social actor that has absolutely no link at all with Banks. Banks plays a direct role in all the societies' daily activities. Within this framework we understand that the banks' responsibility in the society is essential. Thus, Jeucken and Bouma explain that the banks play an intermediary role in the economy and that their position and all the information they possess resulting from this position make them a privilege actor able to have a high influence on sustainability in the society.



Source: (Jeucken, 1999)

That's the reason why banks are involved in a financial responsibility chain (F. Harvey, 2005).

Their financing activities involve their financial and moral responsibility on their clients' projects and they can influence their socially responsible behavior (B. Scholtens, 2006, 2009). It implies the integration of social and ecological preoccupations to their commercial activities and relationship with their stakeholders.

A bank's responsibility extends to Government, customers, shareholders, staff, and the community (Green, 1989).

For G.Palazzo and L.Rethel (2007), the financial intermediary has a role of protection of the depositor assets with broader social implications. Because of its fiduciary function, he would have professional ethical obligations as well as accountant, doctor or jurist. Thus, there would be an implicit contract between the bank and the society, since the latter recognizes the existence of the other one provided that the other one serves its interests.

The Banks are, as the corporations acting in other economical activity sectors, causing impacts on society that can be negative. They are all the more concerned that they have a key role in the society and the impact of their activity is major.

The choice of Itau Unibanco as object of study

The Itau Unibanco Bank has an important history of being considered as one of the most ethical and sustainable bank, not only in Brazil but also in Latin America and for the first time in 2011 in the world. Looking in the recent past and now, various interesting facts may be underlined.

In 2005 and 2006, a ranking already classified Itau as the most ethical and sustainable Bank of Latin America. The study was made by the Spanish research and rating company Management & Excellence, which is specialized in ethics, sustainability, corporate governance, transparency and corporate social responsibility. Around 280 criteria were used in order to evaluate the various banks.

In 2007, in the international finance monthly periodical Euromoney magazine, the Itau Bank was awarded for being the best bank in Latin America. Itau was said to offer quality of products and services, competitive prices, social responsibility and to show a deep commitment to the environment and ethics. The bank is also recognized for having managed to adapt in a highly changing sector. Another key point would be the particular attention given to the needs of the markets instead of trying pushing products. Itau adopted a strategy focused on loans to consumers and small and medium-sized companies, developing in parallel its high-income segment, Itaú Personnalité, and creating at the same time a strong investment banking franchise. It concentrated its efforts in capturing current and savings accounts in the lower-income areas. Moreover, the article underlines that Itau is specifically leader in two elements: investor relations and social and ethical responsibility. Further more, Brazil is considered

as a country leader in this two fields, so as in terms of alternative fuels for example. Concerning investor relations the bank *put a lot of effort into investor relations and paid a lot of attention to what analysts and investors say. Itaú has one of the highest levels of transparency among institutions in the world, not just in Latin America and Brazil. We keep increasing transparency by releasing new kinds of information*¹³. Concerning sustainable development, on the one hand, the bank responded to the consumers' desire, since they *are more and more demanding about social responsibility and cultural aspects*. On the other hand, the Bank considers these characteristics *to be sustainable and profitable; in a growing company, you do have to have social responsibility and ethical attitudes*.

In 2010, Itau was included on the Dow Jones Sustainability World Index for the 10th consecutive year. It is the only Latin American Bank to participate in the index since it was created in 1999.



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Itaú CEMIG	Itaú CEMIG Embraer Unibanco	Itaú CEMIG Embraer Unibanco	Itaú CEMIG Embraer Itaúsa	Itaú CEMIG Itaúsa	Itaú CEMIG Aracruz	Itaú CEMIG Aracruz Itaúsa Bradesco Petrobras	Itaú CEMIG Aracruz Itaúsa Bradesco Petrobras Usiminas	Itaú CEMIG Aracruz Itaúsa Bradesco Petrobras Usiminas Votorantim	Itaú Unibanco CEMIG Aracruz Itaúsa Bradesco Petrobras Redecard	Itaú Unibanco CEMIG Aracruz Itaúsa Bradesco Petrobras Redecard Embraer

Source: Itau Unibanco Holding Institutional Presentation

The Dow Jones Sustainability World IndexSM is composed of global sustainability leaders as identified by SAM through a corporate sustainability assessment¹⁴. The index represents the top 10% of the largest 2,500 companies in the Dow Jones Global Total Stock Market IndexSM based on

¹³ President of Itau, M. Setúbal, during an interview given to Euromoney magazine in 2007

¹⁴ SAM is an asset management company focusing exclusively on Sustainability Investing,

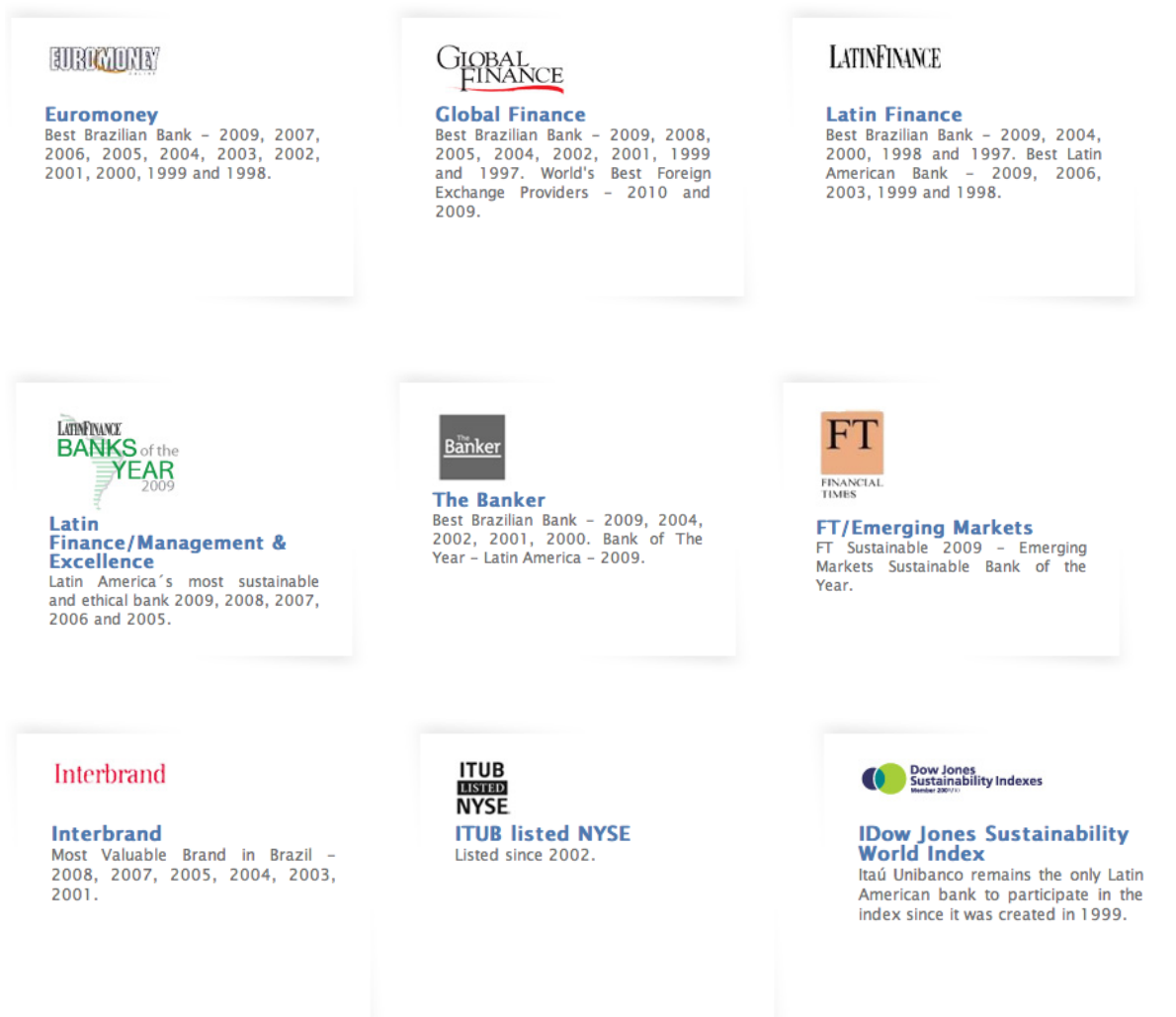
long-term economic, environmental and social criteria including climate change strategies, energy consumption, human resources development, knowledge management, stakeholder relations and corporate governance.

In 2011, Itau Unibanco was awarded by the Financial Times and the IFC (International Finance Corporation- World Bank Group), **sustainable bank of the year**. The other Financial Institutions considered for this award were The Co-operative Financial Service (Great Britaine), YES Bank (India), Access Bank (Nigeria) and Bank Sarasin (Switzerland). Itau was also among the finalists with its in the category “Achievements in basic needs financing”, which recognizes ground-breaking transactions, programs, and initiatives that use the power of finance to address the scarcity of essential goods (including food, water, housing, and energy) across society.

*The Sustainable Finance Awards highlight how financial institutions create shared value that benefits both shareholders and society*¹⁵. Created in, this award was launched by the Financial Times magazine, which has recognized the efforts for sustainable development of Financial Institutions in the entire world. In 2011, 187 initiatives from 161 institutions representing 61 countries were competing for the awards, a participation record that gives even more value to the award received by Itau Unibanco according to the Editor of the Financial Times, Martin Dickson. He also explained that for the jury, what was decisive was the fact that Itau made sustainability the heart of its business strategy.

In this same framework, in 2009, Itaú Unibanco had already been recognized as the most sustainable in Latin America and in 2010 as the most sustainable in Emerging markets.

¹⁵ Lars Thunell, IFC Executive Vice President and CEO



Source: <http://www.itauinstitutionalclients.com/itauinstitutionalclients/about-us/recognition/index.html>

Other recognitions are listed in appendix 2 p89 .

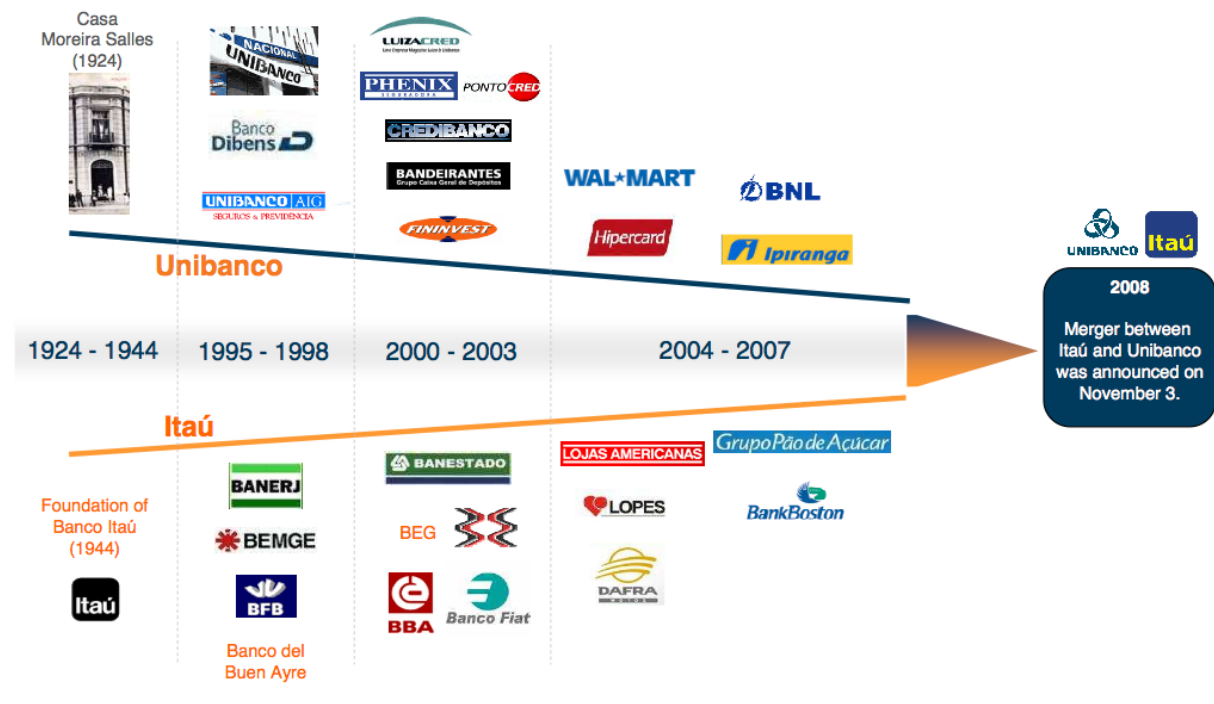
This confirms that Itaú Unibanco is considered as particularly sustainable but also ethical.

At the same time, Itaú-Unibanco is currently **one of the 10 largest banks in the world in market value**, and it is the largest private-sector bank in Latin America. In 2011, Itaú Unibanco has posted the highest-ever annual profits for a bank from Brazil. These elements are commonly associated to a negative image in terms of ethics. Besides, it does not correspond to what was defined previously as an ethical bank, but may be closer to what was observed as current practices in terms of ethics in the banks.

Presentation of the company

The Itau Unibanco Holding SA as it is nowadays is the result of a merger of Itaú and Unibanco. Itau acquired Unibanco for around R26bn (\$12.5bn) in 2008.

Founded in September 1924, Itau Unibanco is the conclusion of a successful series of acquisitions, mergers, joint ventures and partnership through years.



Source : Itau Unibanco Holding Institutional Presentation

As of April 2011, Itaú Unibanco had over 109,836 staff and 4,935 branches.

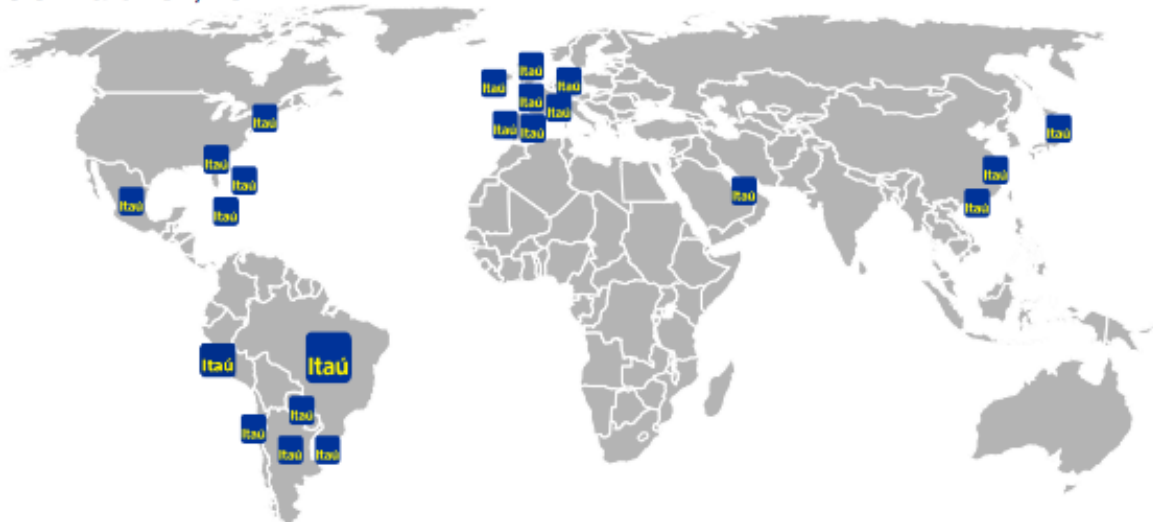
Itau Unibanco is a complete bank, which proposes

“a full range of investment and retail banking services, consumer credit cards, real estate financing, leasing, foreign exchange and foreign trade financing services. It also provides services in underwriting,

securities brokerage, investment fund management, insurance, private pension and other banking sectors. It also has commercial banking operations in all Mercosur countries.

Itau Unibanco Implantations in the world

As of March 31, 2011

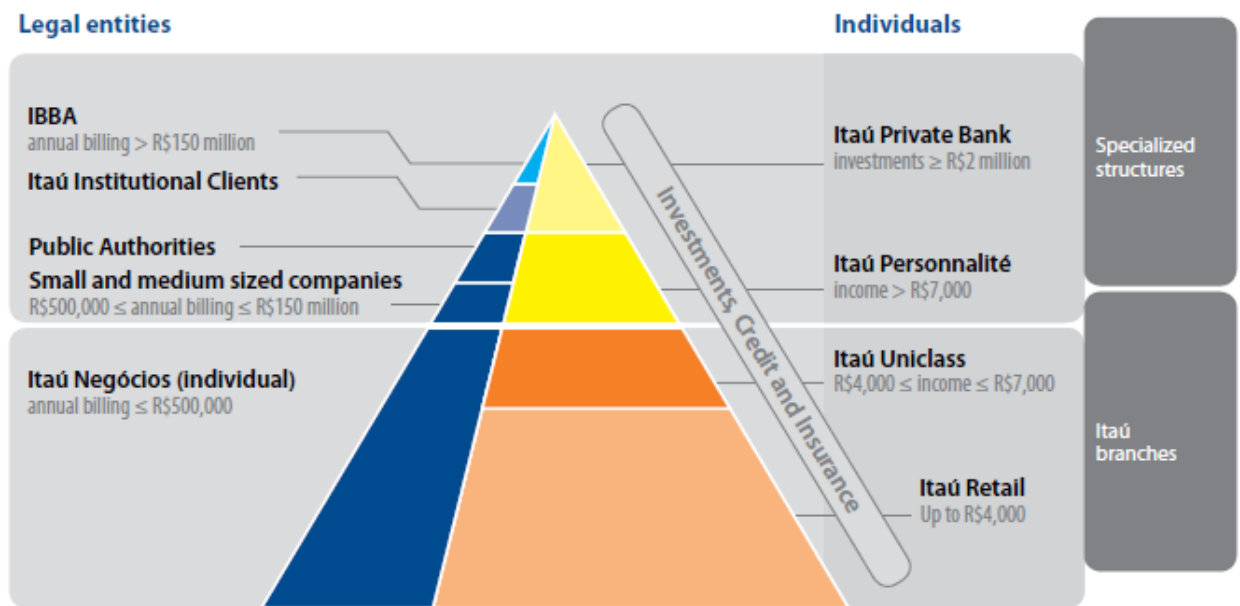


Source : Itau Unibanco Holding Institutional presentation

The most important brands of Itau Unibanco Holding S.A. or its subsidiaries are “ITAÚ”, “ITAÚ PERSONNALITÉ”, “ITAÚ BBA”, “ITAUCARD”, “HIPERCARD” and “GARANTEC”.

“Itau Unibanco is a Publicly-held company with shares traded under the ITUB code on three stock exchanges: São Paulo Stock Exchange (Bolsa de Valores, Mercadorias & Futuros de São Paulo – BM&FBovespa), Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires – BCBA) and NYSE.”

Organization of the commercial banking segment in function of the type of clients



Source: Itaú Unibanco Holding Institutional presentation

The integration of Ethics in Itau unibanco

A- Itau Unibanco's definition of corporate ethics

In the context of a wide range of definitions, the Itau Unibanco ethics' method of approach begins with a clarification of what it considers to be corporate.

Itau Unibanco recognizes the current necessity of **corporate ethics** and attributes it mainly to very deep and quick changes that occurred in society in the 80's in terms of values, conception of the world, institutions, purposes and sense of justice. Indeed, these changes, coupled to a growing moral relativism, made it more difficult to behave according to our contemporary ethical requirements.

To take this fact into consideration, but also to respond to what the bank identified as a request of the market and society, Itau Unibanco established its definition of business ethics and uses it as a starting point for the integration of ethics in its activity and practice.

Corporate Ethics is defined as a **management know-how** that provides concepts and tools, so as **to achieve two objectives**.

The first objective is to inscribe in the organization culture and identity, the habits of following closely moral guidelines, so that this habit will be deeply rooted in the culture. This objective is concretized through **Business ethics**.

The second objective is to help managers and collaborators keep themselves –in their decisions, conducts (relationship with norms) and behaviors (relationship with people) at a safe distance from egocentric, immediate, dubious or dishonest temptations. This objective is concretized through **Ethics in working environment**.

In addition to these two parts, Itau Unibanco conception of ethics includes a third component which is **behavioral ethics and leaders' training**. It is meant to prepare the employees to deal with the resolution of ethical dilemmas.

The management know-how is composed of teams, guidelines and practices, in order to lead ethically the organization strategies and operations.

If we look at the set of authors and theories previously developed, Itau Unibanco definition of ethics is largely shared. It is very close of the definition Philip V Lewis built, based on its research; nonetheless, a deeper look reveals first that unlike the focus of corporations is usually on rules, principles, codes and guidelines, Itau Unibanco within its management know-how gives also a high importance to practice. In this question, it is even closest to Bob Jickling or Marvin.T.Brown's .

It is interesting to notice that ethics as a management Know-How is exactly what Frederick (1986) defines as corporate social responsibility.

As far as we could see, while there are many definitions of ethics, Itau Unibanco does not propose a radically new vision on this point. But it thought about the issue and adopted a definition in order to give foundations to its policies.

B- Further than the definition, a global conception of ethics that has various key consequences

On the one hand, according to Itau's conception, ethics cannot be merged with legal concerns, because the law does not always guarantee justice. Even when being within the authorized by law, it is possible not to be ethical. Thus, law is considered as just one field of ethics, specific, coming as an obligation when ethics outside the law does not. Besides, ethics does not have limits, in the sense that it evolves constantly, as we could understand in the definition that transpires from the literature. It changes through time, from society to society; what was considered normal at a certain time is not anymore etc. This limit that changes through time is the one between the law, what is judged as fair, and ethics. **This conception has two critical impacts: all the matters linked to law and compliance are distinct from ethics and treated by a separate structure within the bank**, and ethics means a lot more than just obey the law. Itau commits itself to go beyond the law. In this respect, Itau's vision rejoins the idea that law and regulation is not the solution to prevent corporations' attitudes condemned by society.

On the second hand, Itau Unibanco reckons that corporate ethics has a cost,

not always quantifiable in terms of money but sometimes only in terms of sacrifice, efforts, etc. It states the simple fact that ethics concretization goes through actions that has a cost. This cost impacts directly the bank profit. Itau defines two types of profit, the good profit and the maximum profit, the good profit being the one justifiable from the ethical point of view. It claims looking only for good profit. Itau Unibanco's vision of ethics in the business framework, in connection with performance, is clearly that ethics snatch profit from all the actors receiving parts of this profit.

In the CSR literature in general, there is a new tendency to argue that ethics will bring more profit to the corporations or at least being used as a competitive advantage, as Vogel argues for example.

Finally, in order to provide a framework, a structure that will ensure its ethical commitment according to its definition, conception or vision of ethics, Itau Unibanco designed a **program of Ethics**, made of 6 basic components, each one associated to a function and various practices. This program is proposed in annex.

Indeed, if we dissect the idea of "management know-how" or management technique, according to what is a know-how, ethics is for Itau an *information, knowledge or skill that imparts an ability to cause a desired result, and may include tangible or intangible material*¹⁶. This know-how is composed of guidelines, practical process to apply these guidelines, and people and teams in order to apply them.

The 6 components of the program present certain particularities that will be the point of the following particular sections.

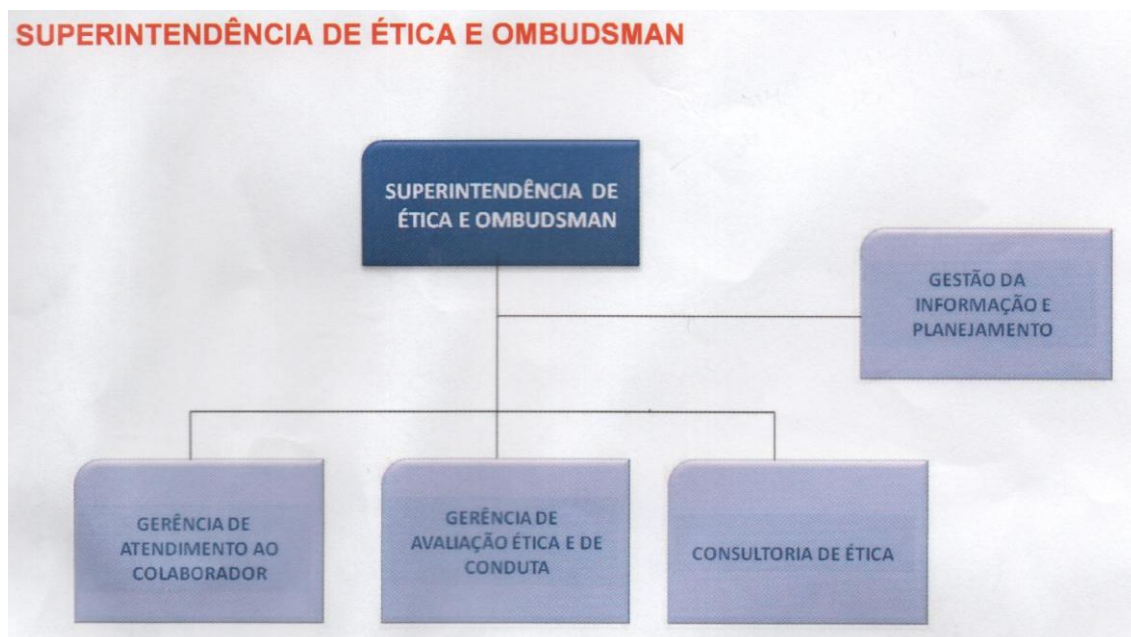
¹⁶ Definition of Know-how in the business dictionary

C- Institutionalization of ethics through the formal structure

Different from the structure responsible for compliance, one of the components of Itau Unibanco organizational structure is the Bureau responsible for ethics, which only deals with ethical issues. This is unique in the banking sector but as far as we know unique for a corporation in general. As we could observe in the literature, the most developed ethics' materialization in banks appears to be through corporate social responsibility, which drives many corporations to adopt a CSR department, or sustainability department. But a department dedicated to ethics or even a program of ethics are still the privilege of the State or other type of institutions more directly related to the administration of the society.

Being a part of the Human Resources division - "área pessoas" – the Bureau of ethics is a supervision department directly responsible in front of the vice president. The same structure exists in order to administrate the questions of sustainability for example, which is not mixed with ethics because, according to the Bank, ethics is a particularly "abstract" issue that if mixed with others will lose itself in the concrete considerations.

Created in 2002, the Ethics and Ombudsman department is itself divided into four organs with distinct attributions.



Source: Itau Unibanco internal document

Superintendência de ética e ombudsman: Ethics and ombuds-man Bureau
Gestão da informação e planejamento: Information and planning management
Gerência de atendimento ao colaborador: collaborators' service management
Gerência de avaliação ética e de conduta: behavior and ethical evaluation
Consultoria de ética: ethics consultancy

The first organ, collaborators ' service management, is also denominated OMBUD. It is a communication canal for the collaborators through which they can complain, denounce and make suggestions. This organ is in charge of the mediation in case of interpersonal conflicts. It also investigates the complaints about misalignment with "O nosso jeito de fazer" (set of behaviors that define Itau unibanco corporate culture and includes the item "*responsible and ethical leadership*"), prejudice, discrimination, position abuse, harassment and administrative process. Besides, it makes presentations about the Bureau. This point is worth attention since sufficient protections provided to employees who report violations of the code of ethics is one of the requirements defined by Schwartz for a program of ethics, that is usually not fulfilled by banks. Nevertheless, the ombudsman department is an obligation imposed by the Central bank of Brazil. It demonstrates at the same time an avant gardism in terms of legislation in Brazil, and diminishes the previous comment that tended to show how Itau Unibanco was more concerned by ethics than the rest of the banks in general. It is worth underline that Schwartz realized its study in Canada which is a different environment but usually considered as early in terms of ethics.

The second organ, Ethics Management, is in charge of the various ethics meetings, boards, committees, all qualified with the general term of "Councils". It helps defines the agenda of each one. This organ also manages the Institutional Communication plan, including all the websites (about ethics), and is responsible for the information management (indicators, management reporting).

The Ethics consultancy is the organ in the origin of all the ethical system. It deals with the Code of Ethics and the guidelines associated, interprets the

guidelines, analyses ethical dilemmas, conflicts of interest and juridical questions, as well as being in charge of the Ethics continued education program.

A fourth body takes care of the Bureau activities' planning and of the budget management.

Besides this specific department, in order to manage the guidelines and practices of the program of corporate ethics within the corporation, were established 24 direct committees and boards, a board of directors that takes place twice a year, and a **high commission for ethics** (as there are various within the bank, such as the high commission for negotiation, high commission for products...). Each entity in the Itau Unibanco corporation in Brazil has its committee composed of a chairman being the head of the bank and his directors. Besides, each entity vice-president is responsible for at least a behavior sectoral committee. In total, there are more than 40 meetings per year dedicated to ethics in the whole corporation. These meetings have an average duration of 1 hour and a half.



Source: Itau Unibanco internal document

Conselho de administração: board of directors

Comissão Superior de Ética: high commission for ethics

Area de pessoas: Human Resources area

Comitês de Ética: Committees of Ethics

Comitês Setoriais de Conduta: behavior sectoral committee

There are two main topics for these meetings. Within the board of directors and the high commission for ethics are discussed in priority ethics in business and to a lesser extent ethics in the work environment. Within the behavior sectoral committees, to the contrary, are discussed ethics in the work environment and to a lesser extent business ethical management.

The specific attributions of each committee is detailed in appendix 3 p 90.

This double structure, with a department on the one hand, and a set of decisions' meeting focused on ethics on the other hand, allows to position ethics as a key issue in terms of decision making since it is approached frequently by the Executives of the bank. It forces them to take the issue very seriously. It places ethics in the heart of the corporation culture. It constitutes the "administration" component of the program of ethics.

D- The Ethical code and its associated politics and guidelines

In the Heart of the program of ethics, the code of ethics is closely related to the ten cultural values of the corporation denominated *Nosso Jeito de Fazer (Our way to do it)*¹⁷. It was elaborated around 4 ethics principles from which results 86 behavior rules.

The 4 principles divided into two groups, one being related to the corporation commitment, which includes identity and interdependence, and the other related to personal and professional behavior, which includes good faith and excellence.

¹⁷ *All together for the client, Passion of performance, responsible and ethical leadership, aces who play for the team, focus on innovation and focused innovation, processes in the service of people, agile and simple, abuse of position will not get anywhere, gleam in the eyes and big dream*

The division between principles and rules within the code are explained as the following:

The principles define moral goods: the “north” of a decision; what is good and has intrinsic value. They require analysis, thought and personal commitment. Their purpose is to guide the decision-making in front of questions and dilemmas.

The rules define duties, permissions and prohibitions. They require a mechanic and passive application. Their purpose is to guarantee rights, resolve early probable conflicts between people, groups or communities.

The code of ethics is distributed to each new employee and explicated and commented during the welcoming sessions. It is also tackled by the first e-learning module of the mandatory ethical training given to the employees. The employee can make suggestions whenever he desires that will be taken into account for the next revision of the code.

In comparison to what was stated about code of ethics in the literature review, it appears that the 3 elements that constituted a lack with respect to a good management of the code of ethics are fulfilled by Itau Unibanco as we just described and will see later on.

Principles of the Code of Ethics

Identity

We align our businesses with our corporate identity, based on high standards of ethics, resilience and respect for sustainability;

Good Faith

Our actions are transparent and we take responsibility for our actions and choices;

Interdependency

We are open to dialogue and we interact with our stakeholders in order to share

actions and goals that lead to the common good.

Excellence

We develop environments that are conducive to high quality work, which is important for those who perform it for the institution and for society.



Source: internal document

The codes of ethics adopted in banks are usually present, in parallel with sustainability and social initiatives, charity, and sponsorship but there is no evident link between these isolated actions and the code adopted. In the case of the Itaú Unibanco, it inserts itself within a program and constitutes only one of the components.

The code of ethics is considered as an internal guideline. It is accompanied of external guidelines which are the laws and norms such as the equator

principles, the Principles for Responsible Investment (PRI) of the United Nation, the Sarbanes Oxley Act, but also the national regulations.

Example of reporting of the activity directly related to the adoption of Equator principles

Project finance¹ contracted (under the Equator Principles criteria) in 2010 (FS11)

	Number of projects contracted	Total Investment (In millions of reais)	Itaú BBA's share (In millions of reais)
Classification² of project finance			
B	2	242.7	90.5
Industry of project finance contracted			
Electric energy	1	37.5	10.5
Sanitation	1	205.2	80.0
Location of project finance contracted			
Southeastern Brazil	1	205.2	80.0
Northern Brazil	1	37.5	10.5
Total project finance contracted			
Total	2	242.7	90.5

Notes: 1 – Project finance as defined by the Basel Accord at <http://www.bis.org/publ/bcbs107.pdf>
 2 – See Principle 1, available at http://www.equator-principles.com/resources/equator_principles.pdf

Source: Itaú Unibanco Sustainability report 2010

E - Interaction with stakeholders

Coming directly from the definition of corporate ethics as *“the science and the art of conciliating the interests of the corporation with the stakeholders’ ones”*, **the relationship with the stakeholders is a key element for Itaú Unibanco. It is the core of the Program of ethics of the bank.**

“Stakeholders” or interested parties, can be considered as a synonym of society. They are all the actors that interact with the bank. Nevertheless, since it is not possible to work with society in general, it is necessary to divide this group in smaller ones, so as to identify the interests of each. The bank identifies 3 groups of stakeholders. The first one is composed of the external stakeholders, without direct link with the corporation. Within this group enter for example the government, the media, etc. The second one is composed of the external stakeholders, this time having a direct link with the corporation. It refers

to clients, suppliers, etc. The third and last one is composed of the internal stakeholders, being mainly the whole staff and shareholders. This vision of banks stakeholders is exactly the one exposed in the CSR literature by Jeucken and Bouma.

The group of stakeholders considered by Itau Unibanco is broad since it also contemplates the mute stakeholders, which are the future generations, through its way of processing sustainability. It looks for including each interested party without forgetting anyone.

Its relationship with stakeholders comes within the scope of the **AA1000 norms** adopted by the Bank in 2006 and implemented in 5 years through 3 stages, a learning phase, an incorporation phase and a relationship with strategic public phase. It was the first time that a Brazilian corporation adopted these norms, created in 1999 by the ISEA (Institute of social and ethical accountability) whose current name is AccountAbility. The general purpose of these norms is to encourage the production of sustainability reporting, checked and validated by a third party in order to guarantee their content in accordance with the sustainability principles of the norm. Its particularity is to work basing itself on the relationship between corporations and its stakeholders, looking for including the stakeholders into the decision process of the corporation. Indeed, their participation helps the corporation identify possible gaps and opportunities of acting in terms of sustainability, and also helps to establish performance objectives and indicators in this field.

Therefore, the norm gives orientations in order to establish practices of commitment towards and dialogue with interested parties, based on values sharing, good corporate governance and obligations reciprocity. These practices take into account stakeholders' needs and concerns, as well as the evaluation of their participation. Thus, it is not only a question of good reporting but also a matter of good functioning through appropriate response to stakeholders' concerns¹⁸.

¹⁸ Joe Sellwood, AccountAbility Director in Brasil – Itau Unibanco site«Relações com Imprensa - 13/05/2009. »

The norm is composed of 3 principles, one being the foundation principle that is the principle of inclusion of the stakeholders that, as we said, is the main concept. The two other ones are the principle of materiality, which *determinates the relevance and significance of an issue to an organization and its stakeholders*, and the principle of responsiveness which is the *organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders*¹⁹.

Within the norms adopted, the AA1000APS is used in order to help develop a sustainability strategy, and the AA1000AS is related to the credibility of the sustainability reportings.

Besides the AA1000, which is a general framework encompassing all the stakeholders, various other practices in the form of programs or actions focused on one of the stakeholders, are developed in order to improve the relationship between them and the bank.

Concerning the clients, we can refer first to the Bank vision “Be the leading bank in performance and clients’ satisfaction”. Corporate vision defines basically the purpose of the organization and *serves as a focal point for employee direction* (King and Cleland, 19790). Actually vision is even often confused with mission among the corporations. Thus, placing clients’ satisfaction as one of its reasons for existence, the bank consequently developed an agenda in order to improve the experience of the clients with its products and the transparency in their relationship.

In 2010 was implemented the program ***All together for the clients***, in order to improve client’s satisfaction. In practice, objectives to achieve in terms of clients’ satisfaction and complaints ‘reduction are set. Within this framework, vice-presidents and directors had to experience working in the call center, answering the phone and solving client’s problems. Moreover, the dialogue between the bank and the consumers ‘defense organizations was improved so

¹⁹ AA1000 accountability principles standard 2008-

that some products are presented to them for evaluation before being launched. Furthermore, other actions were initiated in order to improve specifically transparency in the relationship with the client, among others alerts by sms to inform the client about movements in its credit card, warning e-mails... The bank also started a process of simplification of the language used in all the contracts and substitution of the technical terms in bank statements and invoices. Another relevant action was to modify the *debt value correction for delay* rule, adopting the new legislation that came into force in the end of 2009 not only for the future contracts, but for all the contracts, attitude that was not taken in the banking sector in general.

Concerning the employees, in terms of communication, the special canal OMBUD already presented was put in place. It is under the responsibility of one of the organs of the Department of ethics and OMBUD (the collaborators' service management).

Globally, the bank keeps a close relationship with the stakeholders through frequent meetings every year. The canal of communications are multiple and much more numerous compared to what can be seen in other banks; only for the investors, 6 communication canals are available, from dedicated e-mail, to events, conferences. Another observation that can be made is that all the process within the bank are explained and justified, such as how suppliers are chosen for example.

An interesting comparison to be done in terms of relationship with the stakeholders is with the Bradesco Bank in Brasil. This bank seems to follow the same scheme as the Itau Unibanco. We can see that the internet sites designed respectively for the suppliers and investors are apparently very similar.

One of the main point of focus of the bank nowadays in relation to their corporate social responsibility is the stakeholders relationship. The fact of this element being strongly tackled by the Itau Unibanco is not surprising or different from what is done by the other actors of the same industry.

F - The integration of the corporation ethical culture by the workers

One of the 6 components of the program of ethics is the dissemination of the ethical guidelines of the corporation, which are the first component of the program.

The guidelines dissemination plan is built around two axis, an axis of commitment and an axis of implanting or rooting.

With the axis of commitment is the program of in-service training in ethics begins with e-learning modules.

It is composed of 5 e-learning modules, one of introduction explaining Itau Unibanco's vision of ethics and presenting the bank structure to deal with ethics, as exposed in the precedent second section of this case study. The five following e-learning modules are focused on the presentation of the code of Ethics, how it was elaborated, the rules related to it and then one e-learning for each of the 4 principles detailed farther, identity, good faith, interdependence, and excellence. A sixth e-learning module consists in a final evaluation. This is the basic set, mandatory for all the Itau Unibanco employees. In addition, an extra e-learning module of ethical and responsible leadership was specifically designed for the directors and superintendents.

The collaborators do not complete all the e-learning modules at the same time since the learning process related to ethics may be heavy and requires some times in order to be digested. After around 2 months within the bank, the collaborators are called to do the e-learning module of introduction. Around 2 months later, they are asked to do the second one, and so on during a year.

Coming directly from a conception of ethics as a daily practice, being a choice in the context of moral dilemmas, the e-learning ethical training designed for the Itau employees is based on a set of cases, which require a resolution and implicate the employee choice. In the end of the case, they are given an explanation on what was expected from them, if they did wrong why they did so, and how to choose according to the bank ethical guidelines.

Within the axis of rooting, to complement the e-learning training program after the latter being completed, a set of trainings was created by the *Itau Unibanco*

*Business School*²⁰ including always ethics subjects related to the employee post within the bank. Each employee has to go through a training at least once a year. The ethical part of the training follows the same model as the e-learning modules, there are practical cases to resolve but there is always a theoretical part. As there is a specific e-learning module for the higher posts, there are also specificities in the ethical part of the trainings destined to the higher posts occupants. There is a focus on the decision taken process and how to choose between what is good for the bank and what is good for the client. Besides, with the committees' system previously presented, all the directors participate at least each 2 or 3 months of an ethics committee.

As it has been said, by the Director of the Ethics Consultancy of the Itau speaking in the name of the corporation, but also in the definitions of ethics in the literature, ethics is not something mandatory at the risk of being punished for example. It is not imposed or forced. That is why ethics is different from law and rules. Moreover for Itau Unibanco ethics is a management know-how and as a result has practices associated. These practices has to be observed and to do so, Itau Unibanco chooses to impose the observation of these practices to the workers, since disseminating is not sufficient in order to ensure it. Nevertheless, this is not the only way to spread ethics within the corporation. It only comes as a complement in the process of education and appropriation by the worker of the ethics of the corporation, which happens once he understand the value of the rule or norm he has to follow.

The two complements to this process are thus the fear/gain system and the mass effect. The way of working of the fear/gain system is based on the fact that a person follows rules because she fears to be punished or because she gains something by following the rules. Therefore Itau Unibanco implemented sanctions through fear and sanctions through incentives. Concretely, the first one is realized through administrative sanctions such as, for example, firing for just cause in case of serious rules violation. The second one is realized through

²⁰ Escola Itau de Negócios is an organ of the bank in charge of the employees's skills development. This organ offers around 460 courses for the collaborators.

salary, a part of the variable part of the salary depending on the performance in the behavior of the employee, a good behavior results in more points in his general evaluation so that his salary will be slightly higher. Concerning what we can call the “mass effect”, it refers to the fact that an employee usually wants to do the same as the others in order to belong to the group. Using this mechanism, the President of Itau Unibanco, as well as the chairman always communicates on ethics in order to give the example, to show the way, the superintendents are encouraged to say that it is important to do this way, to read the code of ethics and to explain that in the banks things are done such a way because of what is written in this page of the code etc.

So in a nutshell, in complement of the dissemination of ethics within the bank uses the administrative sanctions, salary incentive and the hierarchy power of influence on the mind of the workers in order to ensure the following and application of the rules and practices resulting from the guidelines of the program of ethics. It is striking to see that the same theory of the institutionalization of the principles presented in the literature was deployed by Itau Unibanco at a smaller scale for its employees to integrate ethical principles. It is an internal replica of the model also applied at the corporation level.

G - An evaluation to validate the Program of ethics and its implementation

The ethical guidelines incorporate an external evaluation of the program of ethics. In 2009, two certification bodies, Terra Mater and SGS, evaluated the ethics guidelines, of the corporation, made a benchmark of it, checked if all the important issues were tackled, and how the management process worked, always making comparison with what is done in other corporations. The evaluation process is long (9 months duration for the last one) and has to be repeated each 2 years. Resulting from this validation process, a series of recommendations is provided to the bank in order to improve ethics treatment.

In addition to this external evaluation, the bank proceeds to an internal evaluation based on efficiency indicators' management, with 3 types of indicators, firstly to evaluate if the program is actually implemented and working, secondly to verify that the program is renewed (and this is done using the

Dowjones, Bovespa and other indexes) and thirdly to measure the stakeholders' perception of ethics in the bank through a survey done with the collaborators, the clients and the suppliers.

These external and internal evaluations allow to measure all the components of the program, the guidelines, practices and management, and constitute the basis of the various committees' agenda. The bank insists on this last point that goes together with a conception of ethics as a practice and not something philosophical or only in the field of ideas and thoughts.

In consequence, Itau Unibanco recognizes having a responsibility within the society.

In 2004, Itau Unibanco began a campaign for conscious credit use. In reaction to the growing demand for credit, the bank felt it should help the consumer to use properly this product. Within this initiative of financial education, various practical actions were developed, such as sites and blog of information, conferences etc. A specific training for the collaborators of whom 50000 participated was designed.

Another significant example in the effort of the bank to respond to a society need was the changes done in terms of life insurance. The previous way the selling the product which implicated compulsory sale was abandoned to only offer the product to who is interested. The result of this action was a 20% loss of sales but at the same time a reduction of 40% of the costs related to insurance because of the lower index of cancellation. This shows to what extent a full integration of ethical principles within the corporation may affects the core business and demonstrates that Itau Unibanco does not belong to the corporations who only perform a symbolic management of ethical principles as argues by B. Ashforth, B. Gibbs.

Itau Unibanco is also trying to share its experience and contribute to a larger debate within the sector and by extension within the society, bringing to the FEBRABAN (Federação brasileira de banco) issues to discuss. Nevertheless, the focus of the FEBRABAN and the sector in general is still the rules, the obligation to observe the rules and the law.

H - The integration of ethics in Itau Unibanco through the lecture grid of institutionalization of principles

We will use the theory enounced in the literature review in order to qualify the integration of ethics in Itau Unibanco corporation. First of all, it is important to notice that this grid of lecture was established to evaluate the integration of sustainable development in banks, but it is based on other theories that allow replicating the model for our purpose.

According to what was defined by the authors and previously presented, Itau Unibanco uses the 2 institutionalization's schemes described, in order to integrate ethics principles in the corporation.

The coercitive institutionalization related to regulation is the most obvious process, considering that legislation in general is one of the components of ethics. We can take into account all the laws obviously observed by the bank. It is also composed of the internal rules included in the code of ethics.

The normative institutionalization can be observed through a set of elements: the adoption of various norms qualified as external guidelines but not mandatory, the Sarbanes Oxley act, the equator principles, the GRI, that the major parts of the banks adopts.

The mimetic institutionalization of the principles is based on the idea that the behaviors of the actors of the corporations are divided between their autonomy and following the norms.

The corporation will then infuse an ethical behavior not through rules and procedures but through attitudes and examples. That's one of the components of ethics principles diffusion within the corporation exposed by George Barcat. This examples and attitudes are both encourages by the corporation and coming from the individuals managers. We cannot forget that one's business ethics cannot be separated from his personal ethics or other ethics, and relying on that observation, the individual may themselves besides the ethical corporation culture they convey, influence the others individual ethics. By using its private wealth to help solve social concerns, as well as other famous

corporation directors, Setubal instigates indirectly an ethical behavior through Itau Unibanco.

As a result of these observations, we can conclude that Itau Unibanco is a proactive bank in terms of ethics integration and could lead other banks to replicate its institutionalization model.

V- Conclusion

As a conclusion, we can underline that Itau Unibanco approach of ethics in its entirety does not differ significantly from what is stated in the literature.

It adopts globally the same practices as the others corporations of the sector and likes to say it is a legalist.

What differentiates fundamentally Itau Unibanco from the other traditional banks in terms of integration of ethics approach is its organizational particularity relying on its structure dedicated to ethics, distinct from other entities dedicated to sustainability or social issues, and focused on ethical thoughts. This organizational choice conveys the idea that ethics is given a special attention by the corporation.

We observe there is a gap between what we can find on the theories about business ethics and the practices in the banks. In our study case, Itau Unibanco 's concepts and theories of ethics are totally in sync with the business ethics theories and its ethics practices differ slightly from what can be observed in other banks. The main point appears to be Itau Unibanco capacity to articulate the ethical guidelines and principles, in other words all the theoretical concepts related to ethics, with the practices of the bank, showing coherence and a logical link between both.

A substantial work was made around ethical theories from which results the Itau Unibanco integration of ethics. That's the reason why we could qualify this bank as a "proactive" bank in relation to ethics institutionalization. It demonstrates its capacity to innovate in this matter, show a deeper preoccupation for this issue and in the end distinguishes itself from the other traditional banks without adopting the same model as what we can qualify of "social economy financial institutions". These latter seemed to be the only ones managing to fully integrate its ethical principles. Nevertheless we can state, independently of the results in terms of CSR, evaluation of the different programs, real application of the norms adopted, that Itau Unibanco fully institutionalizes ethics and attempt to practice it.

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VII- Appendix

Appendix 1

Is Grameen Bank Different From Conventional Banks ?

October,2011

Grameen Bank methodology is almost the reverse of the conventional banking methodology. Conventional banking is based on the principle that the more you have, the more you can get. In other words, if you have little or nothing, you get nothing. As a result, more than half the population of the world is deprived of the financial services of the conventional banks. Conventional banking is based on collateral, Grameen system is collateral- free.

Grameen Bank starts with the belief that credit should be accepted as a human right, and builds a system where one who does not possess anything gets the highest priority in getting a loan. Grameen methodology is not based on assessing the material possession of a person, it is based on the potential of a person. Grameen believes that all human beings, including the poorest, are endowed with endless potential.

Conventional banks look at what has already been acquired by a person. Grameen looks at the potential that is waiting to be unleashed in a person.

Conventional banks are owned by the rich, generally men. Grameen Bank is owned by poor women.

Overarching objective of the conventional banks is to maximize profit. Grameen Bank's objective is to bring financial services to the poor, particularly women and the poorest — to help them fight poverty, stay profitable and financially sound. It is a composite objective, coming out of social and economic visions.

Conventional banks focus on men, Grameen gives high priority to women. 97 per cent of Grameen Bank's borrowers are women. Grameen Bank works to raise the status of poor women in their families by giving them ownership of assets. It makes sure that the ownership of the houses built with Grameen Bank loans remain with the borrowers, i.e., the women.

Grameen Bank branches are located in the rural areas, unlike the branches of conventional banks which try to locate themselves as close as possible to the business districts and urban centers. First principle of Grameen banking is that the clients should not go to the bank, it is the bank which should go to the

people instead. Grameen Bank's 22,124 staff meet 8.35 million borrowers at their door-step in 81,379 villages spread out all over Bangladesh, every week, and deliver bank's service. Repayment of Grameen loans is also made very easy by splitting the loan amount in tiny weekly installments. Doing business this way means a lot of work for the bank, but it is a lot convenient for the borrowers.

There is no legal instrument between the lender and the borrower in the Grameen methodology. There is no stipulation that a client will be taken to the court of law to recover the loan, unlike in the conventional system. There is no provision in the methodology to enforce a contract by any external intervention.

Conventional banks go into 'punishment' mode when a borrower is taking more time in repaying the loan than it was agreed upon. They call these borrowers "defaulters". Grameen methodology allows such borrowers to reschedule their loans without making them feel that they have done anything wrong (indeed, they have not done anything wrong.)

When a client gets into difficulty, conventional banks get worried about their money, and make all efforts to recover the money, including taking over the collateral. Grameen system, in such cases, works extra hard to assist the borrower in difficulty, and makes all efforts to help her regain her strength and overcome her difficulties.

In conventional banks charging interest does not stop unless specific exception is made to a particular defaulted loan. Interest charged on a loan can be multiple of the principal, depending on the length of the loan period. In Grameen Bank, under no circumstances total interest on a loan can exceed the amount of the loan, no matter how long the loan remains unrepaid. No interest is charged after the interest amount equals the principal.

Conventional banks do not pay attention to what happens to the borrowers' families as results of taking loans from the banks. Grameen system pays a lot of attention to monitoring the education of the children (Grameen Bank routinely gives them scholarships and student loans), housing, sanitation, access to clean drinking water, and their coping capacity for meeting disasters and emergency situations. Grameen system helps the borrowers to build their own pension funds, and other types of savings.

Interest on conventional bank loans are generally compounded quarterly, while all interests are simple interests in Grameen Bank.

In case of death of a borrower, Grameen system does not require the family of the deceased to pay back the loan. There is a built-in insurance programme which pays off the entire outstanding amount with interest. No liability is transferred to the family.

In Grameen Bank even a beggar gets special attention. A beggar comes under

a campaign from Grameen Bank which is designed to persuade him/her to join Grameen programme. The bank explains to her how she can carry some merchandise with her when she goes out to beg from door to door and earn money, or she can display some merchandise by her side when she is begging in a fixed place. Grameen's idea is to graduate her to a dignified livelihood rather than continue with begging.

Such a programme would not be a part of a conventional bank's work.

Grameen system encourages the borrowers to adopt some goals in social, educational and health areas. These are known as "Sixteen Decisions" (no dowry, education for children, sanitary latrine, planting trees, eating vegetables to combat night-blindness among children, arranging clean drinking water, etc.). Conventional banks do not see this as their business.

In Grameen, we see the poor people as human "bonsai". If a healthy seed of a giant tree is planted in a flower-pot, the tree that will grow will be a miniature version of the giant tree. It is not because of any fault in the seed, because there is no fault in the seed. It is only because the seed has been denied of the real base to grow on. People are poor because society has denied them the real social and economic base to grow on. They are given only the "flower-pots" to grow on. Grameen's effort is to move them from the "flower-pot" to the real soil of the society.

If we can succeed in doing that there will be no human "bonsai" in the world. We'll have a poverty-free world.

Appendix 2

Itaú Unibanco Prêmios e Ratings - 2011

Sustentabilidade

Dow Jones Sustainability Indexes

Dow Jones

Setembro 2011

O Itaú foi reconhecido pelo 12º ano consecutivo e é o único banco-latino americano a participar do índice desde a sua criação. A Itaúsa também está presente no índice e foi classificada como líder do setor Serviços Financeiros, pelo 5º ano consecutivo. Além disso, neste ano, tanto Itaú quanto Itaúsa aparecem com pontuação acima da média do setor em todos os itens de avaliação.

Prêmio Época Empresa Verde

Revista Época

Setembro 2011

O Prêmio Época Empresa Verde aponta as 20 empresas que mais investem em preservação ambiental e sustentabilidade no País. O Itaú recebeu o Prêmio Época de Mudanças Climáticas na categoria Serviços.

FT Sustainable Banks

Financial Times

Junho 2011

O Itaú ganhou pela 3ª vez como o Banco Mais Sustentável das Américas e pela 1ª vez, como o Mais Sustentável do Mundo, foi o primeiro banco brasileiro a ser escolhido na categoria principal do prêmio. Realizada pelo jornal britânico Financial Times e pelo IFC (International Finance Corporation, esta é a maior premiação global para investimentos e práticas bancárias sustentáveis.

50 empresas do bem

Revista Isto é Dinheiro

Abril de 2011

A revista Isto é Dinheiro realiza um ranking das 50 empresas do bem, considerando as iniciativas e projetos que aliam responsabilidade ambiental, econômica e social. Em 2011, o Itaú está presente neste ranking sendo

reconhecido como uma empresa que une sustentabilidade com saúde financeira.

Top 1000 Sustainable Companies

Justmeans

Janeiro de 2011

A consultoria americana Justmeans, líder mundial em soluções para negócios sustentáveis, organiza periodicamente o ranking Global 1000 Sustainable Performance Leaders. As empresas concorrentes são avaliadas em quatro categorias: financeira, ambiental, social e governança. O Itaú ficou em 18º lugar no ranking internacional Top 1000 Sustainable Companies, sendo a empresa brasileira mais bem colocada.

Fonte: Itaú Unibanco website -

http://www.itaunet.com.br/bem_vindo/conheca_premios.htm

Appendix 3

Ethical committees' attribution


colegiados	abrangência	composição	atribuições
Conselho de Administração	Conglomerado	- Conselheiros	- Definir o Código de Ética
Comissão Superior de Ética	Conglomerado	- Comitê Executivo - Membro do Comitê de Auditoria - Diretor Executivo de Auditoria	- Garantir o cumprimento do Código de Ética e das diretrizes associadas - Analisar casos de desvios de conduta, fraudes etc. que envolvam administradores - Coordenar as ações dos Comitês de Ética (empresas coligadas)
Comitês de Ética (total: 8)	Empresas Coligadas	Itaú Unibanco: - VP da Área de Pessoas - VP da AEMP - VP da ASPC e Marketing - VP do BPF-A - VP da WMS - Diretores representantes das Áreas Executivas	- Garantir o cumprimento do Código de Ética e das diretrizes associadas - Analisar casos de desvios de conduta, fraudes etc. que envolvam superintendentes - Coordenar as ações dos Comitês de Conduta do Itaú Unibanco
		IBBA BIA BIC BIE BIP BIU OCA - Head (presidente do Comitê) - Diretores da Empresa	- Garantir o cumprimento do Código de Ética e das diretrizes associadas - Analisar casos de desvios de conduta, fraudes etc. que envolvam administradores e colaboradores
Comitês Setoriais de Conduta (total: 13)	Áreas Executivas e Diretoria Executiva de Auditoria	- VP e todos os diretores das Áreas Executivas - Diretor Executivo, Diretores e Superintendentes da Auditoria Interna	- Analisar casos de desvios de conduta, fraudes etc. que envolvam colaboradores

Appendix 4

The role of the leaders with respect to ethics in the organization

Área de Pessoas | Ética e Ombudsman
PROGRAMA DE ÉTICA

Informação de
Uso Interno
Política de Segurança da Informação



7. O QUE SE ESPERA DOS LÍDERES

- Administrar a organização com diligência, transparência e responsabilidade.
- Disseminar pelo exemplo as atitudes do *Nosso Jeito de Fazer* e as diretrizes do *Código de Ética*.
- Estar consciente das consequências morais de suas decisões, ações e inações.
- Criar um clima favorável ao diálogo e ao esclarecimento de dilemas e conflitos relacionados à ética nos negócios e no ambiente de trabalho.
- Estimulando os colaboradores a usarem o Código de Ética. Exemplos:
 - Desenvolvendo o hábito de consultar o Código nas decisões que tomam e dar mostras de que fazem isto para suas equipes.
 - Estimulando os colaboradores a manifestarem suas dúvidas relativas ao Código e ajudá-los a resolvê-las.
 - Analisando dilemas éticos e conflitos de interesse concretos nas reuniões que realizam com as equipes.

Appendix 5

ÉTICA EMPRESARIAL: UM NOVO KNOW-HOW DE GESTÃO

Como qualquer ciência, a ética empresarial tem ramificações; as três mais bem elaboradas são: **Ética nos negócios**, **Ética no ambiente de trabalho** e **Ética comportamental e formação de líderes**.

2. ÉTICA NOS NEGÓCIOS

Ramo da ética empresarial que concretiza o objetivo (a) enunciado na página 1: *enraizar na identidade e na cultura da organização o hábito de seguir de perto diretrizes morais*.

Foco: moralidade das pessoas jurídicas.

Ferramentas:

- Auxiliam na concepção da governança corporativa e aprimoram a identidade da organização.
- Aprofundam o relacionamento da organização com seus stakeholders.
- Fortalecem o comprometimento da organização com metas e ações de desenvolvimento social, econômico e ambiental.
- Diminuem a dissonância entre o discurso e a fala, ou seja, aprimoram o grau de alinhamento dos negócios e operações da organização com seu código de ética/conduta.
- Diminuem o risco de a organização ser utilizada em atos ilícitos e criminosos.

Principais questões:

- Como compartilhar **valores** com os stakeholders? Isto é: como conciliar os interesses da empresa com os interesses de seus stakeholders?
- Como compartilhar **riqueza** com a sociedade e seus agentes? Isto é: como o lucro da empresa pode, ao mesmo tempo, promover o desenvolvimento socioeconômico das comunidades onde atua?
- Como empregar com justiça o poder de influência da organização?
- Quais são os usos que a organização pode fazer das informações que possui?
- Como definir e implementar, do ponto de vista da Ética, as estratégicas e práticas empresariais: gestão de pessoas; marketing; planejamento tributário; vendas; compras; gerenciamento de riscos; combate a corrupção e demais atos ilícitos; segurança da informação etc.?

Questões específicas do mundo financeiro:

- Como contribuir para a diminuição do sobre-endividamento de pessoas, empresas e até de nações? Em outras palavras: como sair do círculo vicioso do consumismo e ingressar no círculo virtuoso do uso consciente do dinheiro e do crédito?
- Como ampliar o interesse pelos fundos éticos de financiamento e investimento?
- Quais são os limites da autorregulação?

ÉTICA EMPRESARIAL: UM NOVO KNOW-HOW DE GESTÃO

- Como gerenciar produtos baseados em apostas e especulação?
- Quais são os limites da matematização dos produtos financeiros?
- Como gerenciar os estoques de derivativos a fim de evitar novas crises no mercado financeiro?

3. ÉTICA NO AMBIENTE DE TRABALHO

Ramo da ética empresarial que concretiza o objetivo (b) enunciado na página 1: *ajudar administradores e colaboradores a se manterem – em suas decisões, condutas e comportamentos – a uma distância segura de tentações egocêntricas, imediatistas, dúbias ou desonestas.*

Foco: moralidade das pessoas naturais (físicas).

Ferramentas:

- Aprofundam o significado do trabalho realizado por administradores e colaboradores e, em consequência, aumentam sua qualidade.
- Aprimoram a cultura e melhoram o clima organizacional.
- Ajudam a diminuir a ocorrência de desvios de conduta e comportamento por parte de administradores, colaboradores e fornecedores.

Principais questões:

São aquelas relacionadas aos seguintes temas:

- Direitos humanos
- Discriminação e preconceito
- Trabalho digno (combate ao trabalho infantil, escravo, forçado...)
- Relações interpessoais
- Assédio moral e sexual
- Abuso de cargo
- Prevenção a delitos e a desvios de conduta e comportamento
- Sanções disciplinares

4. ÉTICA COMPORTAMENTAL E FORMAÇÃO DE LÍDERES

Ramo da ética empresarial destinado a desenvolver programas de educação em ética.

Foco: preparar líderes e colaboradores para resolverem dilemas éticos, conflitos de interesses e questões de justiça.

Ferramentas:

- Sites e portais. E-learning. Vídeos etc.
- Cursos, palestras e workshops presenciais.
- Comunicação institucional (endomarketing).

Appendix 6

Código de Ética Itaú Unibanco



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Os fins e os meios



A Visão Itaú Unibanco – ser o banco líder em performance sustentável e em satisfação dos clientes – expressa nossa convicção de que organizações que desejam ser perenes não admitem o ganho a qualquer preço e de que seu sucesso depende de sua capacidade de liderar com ética e responsabilidade.

A sociedade cobra das grandes empresas transparência e comprometimento com os objetivos e compromissos assumidos. Pequenos deslizes podem arruinar em horas uma boa reputação e uma marca construídas ao longo de décadas.

Dentro dessa perspectiva econômica e social, eficiência e crescimento andam de mãos dadas com atitudes corretas e objetivos moralmente justificáveis. É preciso valorizar as questões socioambientais inerentes à nossa atividade; gerar benefícios à sociedade; e adotar modelos de gestão que garantam a perenidade da organização.

Temos um compromisso estabelecido com todos os nossos públicos de relacionamento. Precisamos manter o respeito e a confiança do mercado e a credibilidade que conquistamos ao longo de nossa história.

Por isso, nossos negócios e práticas devem estar aderentes aos nossos valores e princípios, materializados neste Código de Ética. Cabe a cada um de nós conhecer e se empenhar na disseminação e no cumprimento dessas diretrizes, com a consciência de que não há jeito certo de fazer uma coisa errada.

Mais do que um material de consulta, ele é um instrumento de trabalho que mostra a melhor forma de atuarmos. Ao mesmo tempo em que indica a conduta esperada de nossos colaboradores, apresenta a crença do Itaú Unibanco nas melhores práticas de mercado.

Temos a certeza de que o nosso Código de Ética nos ajudará a construir um banco ainda mais sólido e confiável, capaz de apresentar resultados diferenciados obtidos com base na aliança entre desempenho e ética. Um banco melhor para todos.

Pedro Moreira Salles
Presidente do Conselho
de Administração

Roberto Setubal
Presidente Executivo

A importância dos Princípios de Ética



Delimitar comportamentos e atitudes que beneficiem e facilitem a vida em sociedade. É com esse objetivo que são construídos os Princípios de Ética que regem os comportamentos individuais e organizacionais desejáveis nos diferentes tempos, lugares e culturas.

Foi também com base nessa premissa que o Itaú Unibanco elegeu os quatro princípios – Identidade, Boa-fé, Interdependência e Excelência – que agora fundamentam este Código de Ética. Em conjunto, eles refletem o compromisso do conglomerado com o bem-estar dos seus públicos de relacionamento, da sociedade e do planeta.

Embora apresente um conjunto de práticas e condutas que devem fazer parte do nosso dia a dia, este Código não é um manual de comportamento nem traz respostas prontas para tudo. Sua função é estimular a reflexão sobre os valores que queremos preservar em nossa prática organizacional.

Por isso, não hesite: se tiver dúvida, converse com seu gestor ou acesse os canais de comunicação para que possa tomar a decisão mais adequada.

Pense nos princípios como sendo os pilares que devem orientar a conduta de cada um dos nossos colaboradores. Agir em conformidade com eles é uma questão de integridade pessoal e profissional.

O Itaú Unibanco orgulha-se de atuar de forma correta, mantendo com todos os seus públicos relações baseadas na ética e na transparência. É dessa forma que queremos retribuir a confiança de nossos clientes, estabelecer parceria com nossos fornecedores e oferecer benefícios à sociedade.

Ricardo Villela Marino
Diretor Executivo de Pessoas

Nossos valores



Nossa ética corporativa está também refletida nos nossos comportamentos, nossas práticas, crenças e valores. É no exercício diário das nossas atividades que demonstramos de fato quem somos e como somos. Por isso, para o Itaú Unibanco, tão importante quanto a ética é a nossa visão e a nossa cultura corporativa.

Revisitados à luz da união de Itaú e Unibanco, Visão e Cultura ganharam força com a diversidade das nossas origens, formações, experiências. E foi possível identificar valores em comum que serão o grande diferencial dessa organização nos próximos anos.

No Itaú Unibanco, as pessoas estão em primeiro lugar. Sejam elas colaboradores, fornecedores, clientes ou a sociedade em geral. Ambicionamos a construção de equipes de alta performance, cujos talentos individuais só fazem sentido se forem capazes de formar times vencedores. Valorizamos pessoas que sentem prazer em trabalhar na organização, em servir ao cliente e em resolver os problemas de forma ágil e competente.

Queremos construir um ambiente informal, sem espaço para a rigidez ou a burocracia desnecessária, mesmo sabendo que acima de tudo está o respeito às leis e aos valores éticos, a busca constante pela transparência e o sigilo das informações dos nossos clientes.

Buscamos a inovação que facilite a vida de todos e que nos permita construir um banco cada vez melhor. O progresso, o crescimento sustentável, a performance são metas permanentes. O Itaú Unibanco se orgulha de ser um banco sólido, contemporâneo, presente na vida das pessoas. Um banco que busca construir relacionamentos saudáveis com todos à sua volta, consciente do seu papel na sociedade e do seu impacto no meio ambiente.

O mundo mudou muito nos últimos anos. O Itaú Unibanco também. Mas o que não muda são nossos valores e nossa ética. Neles reside a nossa força. É o que nos fará, a cada dia, ser um banco cada vez melhor. Evoluindo sempre. Como nossos colaboradores, fornecedores e clientes. Como nosso país.

Princípio da Identidade

Em uma sociedade de mudanças rápidas e competição intensa, o grande desafio para as organizações não é crescer, mas crescer com integridade. Para o Itaú Unibanco, significa preservar em todas as empresas do grupo os valores, princípios e objetivos que definem nosso jeito de pensar e de agir.

Garantir que a gestão das nossas empresas e que todos os nossos produtos e operações estejam alinhados com esses propósitos reforça a identidade do conglomerado e protege a parcela do nosso patrimônio formada por ativos intangíveis, como credibilidade, valor da marca, cultura, reputação, entre outros.

Somos uma organização que se orgulha em atuar de forma correta. Por isso, nos empenhamos no estabelecimento de vínculos efetivos com nossos públicos de relacionamento (stakeholders: colaboradores, clientes, acionistas e investidores, fornecedores, concorrentes, setor público, terceiro setor e mídia); na avaliação dos impactos socioambientais da atividade financeira; e na adoção de práticas que contribuam para a construção de um mundo sustentável.

Responsabilidade corporativa

- Cuidamos para que os negócios e as operações das empresas do grupo estejam alinhados com a Visão, Valores, Cultura, Política de Sustentabilidade, com este Código e com os compromissos de governança refletidos nas nossas políticas de gestão de pessoas, performance, gestão de riscos, controles financeiros, auditoria, compliance, controles internos e segurança corporativa.
- Disseminamos as orientações e disposições do Código de Ética Itaú Unibanco entre os nossos públicos de relacionamento e oferecemos a eles canais de diálogo em conformidade com a AccountAbility AA1000 – norma internacional de engajamento e diálogo com os públicos de relacionamento.
- Garantimos que nossos demonstrativos contábeis reflitam com clareza, simplicidade e consistência a realidade da instituição e das suas empresas e operações.
- Incentivamos, no dia a dia, a tomada de decisões eticamente orientadas e a adesão às melhores práticas internacionais de marketing e vendas.

- Contribuímos para a promoção do desenvolvimento sustentável das sociedades onde atuamos.

Cumprimento de leis, normas e regulamentos

- Cumprimos as leis, normas e regulamentos dos países em que estamos presentes, respeitando todas as instâncias do direito (administrativo, ambiental, cível, comercial, trabalhista e tributário).
- Seguimos as diretrizes éticas e operacionais dos órgãos reguladores do sistema financeiro, dos países e localidades onde atuamos, assim como os dispositivos autorreguladores das associações empresariais às quais nos vinculamos.
- Promovemos internamente a percepção de que leis, normas e regulamentos não dão conta das implicações éticas de todas as situações. Por isso, incentivamos a reflexão sobre como nossas ações, do ponto de vista ético, influenciam nossos públicos de relacionamento, a sociedade e o meio ambiente.
- Mantemos políticas e práticas de prevenção e combate a toda forma de corrupção (das propinas e do tráfico de influência aos favorecimentos indevidos), à lavagem de dinheiro, a fraudes e a outros atos ilícitos ou criminosos.

Relações do trabalho

- Cultivamos um ambiente de respeito à dignidade, à diversidade e aos direitos humanos.
- Adotamos políticas e práticas que contribuem ativamente para a prevenção, o combate e a erradicação de formas degradantes de trabalho (infantil, forçado e escravo).
- Coibimos qualquer tipo de discriminação, assédio, desrespeito, exploração e preconceito.
- Propiciamos o desenvolvimento humano e profissional dos nossos colaboradores por meio de práticas e políticas adequadas de salários e benefícios, além da promoção de programas de educação, segurança e saúde no trabalho.
- Respeitamos o direito de livre associação sindical e de negociação coletiva.

Princípio da Boa-fé

A boa-fé está na origem de toda conduta ética. Ela se baseia no respeito humano e tem como premissas a honestidade de propósitos, a sinceridade e a cortesia.

Sua prática melhora nossa percepção das necessidades alheias, aumentando o grau de confiança que temos uns nos outros e facilitando o diálogo e a convivência.

O resultado da boa-fé é uma atuação mais transparente e responsável, que influencia positivamente a concretização de bons negócios.

Atitudes que são exemplos de boa-fé

- Empenhar-se em fazer o que é certo.
- Fazer aos outros o mesmo que gostaríamos que fizessem conosco.
- Cultivar a cordialidade nos relacionamentos.
- Praticar o diálogo e não a imposição de um ponto de vista.

- Praticar a escuta ativa, acolhendo a diversidade de opiniões relativas ao trabalho e estimulando a proximidade de pares, colegas e equipes.

- Colaborar com os colegas para a boa realização das tarefas e orientar com paciência e interesse todos aqueles que nos procuram.

- Compartilhar informações não-confidenciais cujo desconhecimento possa induzir alguém a erro.

- Dar o devido crédito às ideias e realizações dos colegas.

- Não apresentar ideias, opiniões e preferências pessoais como se fossem da organização ou dos seus administradores.

Princípio da Interdependência

A Política de Sustentabilidade Itaú Unibanco parte da convicção de que nosso sucesso presente e futuro baseia-se na interação ética e transparente com clientes, colaboradores, acionistas e investidores, parceiros de negócios e sociedade em geral.

De fato, esses públicos têm interesses legítimos nos bons resultados e na continuidade da instituição. Compartilhamos com eles nossos interesses em comum e buscamos oportunidades de colaboração mútua, estabelecendo interações proveitosas para todos.

Acionistas e investidores

- Efetivamos boas práticas de governança corporativa, a fim de garantir a continuidade dos negócios e retornos competitivos.
- Mantemos o mercado informado de nossa performance, prestando contas oportunamente e com transparência.
- Administramos com imparcialidade e eficiência os interesses conflitantes.

Fornecedores, prestadores de serviços e parceiros de negócios e comerciais

- Estimulamos todos os parceiros a compartilhar dos nossos valores e princípios éticos.
- Promovemos o trabalho digno e apoiamos o desenvolvimento sustentável em toda a cadeia de fornecimento.
- Adotamos critérios transparentes de seleção e contratação e cultivamos relacionamentos baseados no profissionalismo e no respeito mútuo.

Clientes e consumidores

- Ouvimos com acolhimento sugestões, críticas e dúvidas e buscamos respondê-las com profissionalismo e agilidade, valorizando os interesses, o tempo, as opiniões e os sentimentos dos consumidores.
- Respeitamos a liberdade de escolha, fornecendo de forma clara e correta as informações necessárias para decisões conscientes.
- Rejeitamos o uso de artifícios como vendas casadas e outras formas de imposição ou constrangimento na realização de negócios.
- Adotamos contratos de fácil compreensão para formalizar nossas transações.

Setor público

- Orientamos nosso relacionamento com o setor público pelos princípios da cidadania corporativa.
- Mantemos nossas decisões livres de preferências partidárias ou ideológicas.
- Condicionamos eventuais contribuições a partidos e candidatos políticos às determinações das legislações locais e à conformidade com nossas diretrizes corporativas.

Terceiro setor

- Realizamos parcerias com entidades da sociedade civil, visando à promoção da sustentabilidade, o desenvolvimento social e cultural das comunidades e o favorecimento das gerações futuras.
- Condicionamos eventuais contribuições a Organizações Não Governamentais (ONGs), Organizações da Sociedade Civil de Interesse Público (OSCIPs), entidades filantrópicas e outras associações do gênero ao cumprimento das legislações locais e à conformidade com nossas diretrizes corporativas.

Concorrentes

- Participamos de associações empresariais com espírito de cooperação e visando o aperfeiçoamento do setor financeiro.
- Agimos em conformidade com os preceitos da livre concorrência e respeitamos a reputação e as opiniões dos nossos concorrentes.
- Prezamos a propriedade intelectual e não utilizamos informações de concorrentes sem sua autorização expressa.

Mídia

- Reconhecemos e respeitamos o dever da imprensa de informar a opinião pública.
- Baseamos nosso relacionamento com a mídia em princípios de veracidade e independência.
- Não misturamos o dever de informar com ações de marketing e de publicidade.

Princípio da Excelência

O modo como realizamos nossas tarefas, honramos compromissos e nos comportamos revela o valor que atribuímos aos outros e a nós mesmos, dando indícios de nosso caráter, civilidade e humanidade.

Nossos hábitos e atitudes tanto influenciam positivamente a reputação e a confiança que recebemos quanto geram descrédito, dando origem a insatisfações pessoais e profissionais, que, em casos extremos, podem levar à prática de corrupção e atos ilícitos. Daí a importância de cultivar comportamentos que protegem nossa dignidade pessoal e nos tornem confiáveis aos olhos dos colegas e da empresa.

Sobre condutas pessoais

- Respeite quem pensa diferente ou discorda de você.
- Lembre que ninguém deve ser discriminado por preferências políticas, sexuais, religiosas ou culturais.
- Não reproduza boatos e maledicências.
- Use o bom senso e a polidez para desfazer mal-entendidos.

- Se errar, não oculte o fato. Esforce-se para mitigar suas eventuais consequências negativas e procure aprender com seus erros.
- Utilize com consciência e responsabilidade os benefícios que recebe, tais como planos de saúde e odontológico, produtos bancários, acesso a clubes e estacionamento, entre outros.
- Participe com pontualidade e dedicação dos treinamentos oferecidos pela instituição.
- Cuide das instalações, recursos, equipamentos e materiais de trabalho e não os utilize para fins particulares.
- Controle o consumo de água, energia, papel, objetos de plástico e materiais de escritório, contribuindo para a preservação do meio ambiente.

Sobre práticas e relacionamentos profissionais

- Comunique ao gestor ou ao canal competente qualquer transgressão ao Código de Ética Itaú Unibanco.
- Realize seu trabalho de maneira consciente, com integridade, diligência e fidelidade aos interesses do conglomerado.
- Mantenha-se atualizado sobre os avanços de sua área, empenhando-se na obtenção das certificações necessárias e no cumprimento do código de conduta específico de sua profissão.
- Seja cauteloso com as informações a que tem acesso, impedindo seu vazamento.
- Jamais aconselhe, difunda informações ou negocie com base em boatos e rumores.
- Relacionamento com a equipe
Valorize o trabalho em equipe sendo participativo, entregando pontualmente o que foi combinado e compartilhando conhecimentos e informações que não sejam de natureza confidencial.

Sobre a gestão de finanças pessoais

- Previna-se contra desequilíbrios financeiros, pois eles acarretam prejuízos de ordem moral, psicológica, profissional e social.
- Gerencie os negócios pessoais e familiares com planejamento, prudência e responsabilidade.
- Evite a inadimplência.
- Priorize os investimentos de longo prazo e não realize negócios muito arriscados ou oportunistas.
- Use seus recursos financeiros de forma consciente.

- Relacionamento com parceiros de negócios e comerciais
Procure conhecer as atividades e a origem dos recursos dos parceiros de negócios, evitando que a instituição involuntariamente contribua com atos ilícitos.

- Relacionamento com clientes e consumidores
Procure os canais competentes para atender solicitações ou resolver conflitos que estejam fora das nossas atribuições.

Combata a lavagem de dinheiro, fraudes e demais atos ilícitos, seguindo as determinações do programa *Conheça o seu Cliente*.

- Relacionamento com a Mídia
Busque a orientação da assessoria de imprensa antes de participar de entrevistas e programas na mídia.

Abstenha-se de falar em nome do conglomerado ou de suas empresas se não for uma fonte previamente autorizada.

Sobre empréstimos, comércio e coletas entre colegas

- Evite solicitar ou conceder empréstimos a colegas de trabalho.
- Não compre nem venda qualquer mercadoria nas dependências da organização.
- Garanta participação facultativa e voluntária em coletas para custeio de comemorações ou doações e não divulgue nem registre os valores doados pelos participantes.

Sobre conflitos de interesses

Sempre que os interesses pessoais de um colaborador ou líder empresarial são antagônicos aos da instituição ou dos seus públicos de relacionamento, configura-se um conflito. Essas situações põem em risco nossa integridade e reputação. Por isso, precisam ser administradas com eficiência e transparência, além de prontamente comunicadas aos canais competentes. Confira as atitudes que ajudam a evitar o estabelecimento de conflitos.

- Proteção das informações e do know-how

As informações e o know-how (conhecimentos, tecnologias, métodos, sistemas, etc.) que circulam internamente são de propriedade do Itaú Unibanco e não podem ser usados para fins particulares nem repassados a terceiros. É preciso cuidado especial com as informações não-públicas (restritas, confidenciais e internas). Seu vazamento pode prejudicar nossos públicos de relacionamento e as relações de confiança que temos com eles.

Utilize nossas informações e know-how apenas em benefício do conglomerado e dos seus públicos de relacionamento.

- Respeite a privacidade dos clientes, mantendo em sigilo suas informações, operações e serviços contratados.

- Proteja e impeça o vazamento de qualquer documento ou informação que possa causar prejuízo ou desconforto a pessoas ou empresas.

- Certifique-se de que outros setores do conglomerado não tenham acesso a informações não-públicas que circulam em sua área.

- No relacionamento com o setor público, jamais ofereça ou aceite presentes, favores e cortesias de funcionários – concursados ou nomeados – de qualquer instância e instituição, incluindo os ocupantes de cargos políticos e seus partidos.

- Os administradores e colaboradores da Diretoria de Compras do Itaú Unibanco S.A. não devem aceitar nem oferecer qualquer brinde, presente ou cortesia, incluindo os mais simples como: agendas ou canetas.

- Atividades externas

O trabalho em outras organizações como funcionário, prestador de serviço, consultor, diretor ou conselheiro não pode conflitar em nenhum sentido (natureza, propósito, tempo) com sua atividade no conglomerado e deve ser autorizado por um dos colegiados de ética da instituição.

- Solicite a autorização de um diretor antes de utilizar informações e know-how do Itaú Unibanco em atividades e publicações externas ou de comentá-los em comunidades e veículos da internet.

- Ao se desligar da instituição, não leve cópias de informações, processos ou conhecimentos que sejam propriedade do Itaú Unibanco.

- Operações financeiras pessoais

Baseie seus investimentos, financiamentos e empréstimos em informações públicas, seguindo as legislações e as restrições das políticas, normas e procedimentos internos que proíbem o uso de informações privilegiadas.

- Brindes, presentes e cortesias

Evite aceitar ou oferecer brindes, presentes, gratificações, patrocínios, descontos em transações de caráter pessoal, viagens de negócios ou lazer, convites para participar de eventos e quaisquer outras cortesias.

- Se as práticas de mercado exigirem uma troca de cortesias, restrinja seu valor ao limite estabelecido anualmente pelo conglomerado, via norma interna.

- Relações comerciais

Solicite autorização expressa de um diretor antes de estabelecer relações comerciais particulares com clientes, fornecedores, prestadores de serviços, parceiros de negócios ou empresas que mantenham qualquer tipo de relacionamento, interesse ou vínculo com o conglomerado.

- Parentes na empresa

A indicação e a contratação de parentes são permitidas no âmbito da instituição, desde que não resultem em conflitos de interesse potenciais ou presumidos. No entanto, é vedado o trabalho de parentes até segundo grau em uma mesma superintendência. As exceções precisam ser analisadas e aprovadas por um colegiado de ética. De qualquer modo, ao indicar um parente, informe sempre ao responsável pela contratação.

Abrangência e gestão do Código de Ética



Ao difundir nossos valores e orientar os melhores comportamentos e atitudes para diferentes situações do cotidiano corporativo, nosso Código de Ética ajuda a garantir que as políticas e práticas da organização mantenham-se moralmente alinhadas e coerentes com os princípios que defendemos.

Suas diretrizes foram aprovadas pelo Conselho de Administração e fazem parte do Programa de Ética estabelecido pela Comissão Superior de Ética do conglomerado, que também avalia o cumprimento deste Código em todas as instâncias da instituição. Esse gerenciamento acontece por meio da Consultoria de Ética Corporativa, ligada à área de pessoas.

Por isso, mais do que um simples documento, o Código de Ética é uma ferramenta de trabalho para todos na organização, independentemente de nível hierárquico. Cabe a cada colaborador, conselheiro ou diretor de uma empresa da Itaú Unibanco Holding S.A., no Brasil e no exterior, agir de acordo com as orientações deste Código.

O efetivo compromisso com nossos Princípios de Ética é a primeira contribuição de cada um para a construção de um banco sólido, perene e capaz de se desenvolver de maneira sustentável e comprometida com seu tempo.

Comunicação de Desvios Éticos



Cada um de nós é responsável por garantir que o Código de Ética do Itaú Unibanco seja cumprido em todas as instâncias da organização. Administradores e colaboradores devem ficar atentos e comunicar eventuais irregularidades aos canais competentes.

No dia a dia, também podem surgir situações dúbias ou não previstas neste Código e que exigem uma avaliação individualizada.

Seja qual for o caso, o conglomerado mantém canais preparados para receber dúvidas, denúncias, reclamações e sugestões e encaminhar as apurações necessárias. Os manifestantes serão protegidos contra represálias e as apurações serão conduzidas com profissionalismo, imparcialidade, sigilo e confidencialidade. Manifestações anônimas também serão aceitas. O importante é não se omitir. **Se tiver dúvida, pergunte!**

Superintendência de Ombudsman

Recebe e encaminha para investigação fatos e práticas contrárias ao Código por parte de colaboradores e administradores de todos os níveis.

Recebe e encaminha para avaliação da Comissão Superior de Ética dúvidas de interpretação sobre o Código, questionamentos sobre situações não previstas, impasses e dilemas éticos e consultas sobre conflitos de interesse.

Appendix 7

Interview with George Barcat

O Banco Itaú é um banco ético?

Então ele é. Como a grande maioria das empresas, em particular dos bancos, são empresas éticas. Há muitos limites em relação à ética. A grande maioria das pessoas pensa à ética nos limites das leis. Nesse caso o banco Itaú se orgulha muito de ser um banco legalista, de seguir tudo na risca da lei. O que acontece é que nem sempre a lei garante a justiça e é aí que entra a ética. Se fosse tudo o que faz pensar apenas na justiça você pode cometer até barbaridades morais, barbaridades éticas etc. Todos os tipos de contratos que o Banco tem sempre foram elaborados visando proteger o banco. Então havia um jargão técnico difícil de ser entendido por clientes, sobretudo clientes mais simples com menos tempo na escola... É aí o perigo da falha ética, mesmo dentro da lei, mesmo seguindo todo direitinho, você pode cometer falhas éticas. E o banco sem dúvida nenhuma insiste, como todos os demais, não pretende fazer, de caso pensado, coisas não corretas, tanto do ponto de vista da lei, do direito, como do ponto de vista moral.

O que acontece é que nossa época tem muita dificuldade de entender o campo da ética: saber o que é, saber o que não é. As pessoas pensam que em ética tudo é relativo, há uma grande confusão em relação a isso. O Banco procura fazer as coisas de forma correta, não procura ter nenhum lucro que não seja de direito. Comete erros como todas as empresas e todas as pessoas. Por que as pessoas cometem erros? Porque tem muita dificuldade de identificar na situação o fato moral. Então fica sempre no ambiente dos negócios, dos costumes, se eu fizer desse jeito, tudo mundo faz então é aceitável, e não enxerga o motivo verdadeiro, e é um perigo do ponto de vista da ética e da moral.

A ética surge quando chegamos no ponto dos limites da lei, então tem uma parte que vem da lei e a outra parte que no caso seria a ética, da onde vem ?

Então, não é que ela surge. Todo campo de direito é um campo também da ética. Qual é a grande diferença entre uma norma ética e uma norma jurídica? A norma jurídica é obrigatória, a norma moral não. Uma parte vem dos costumes, de um grupo de uma sociedade, ou de uma pessoa.

E legal os bancos cobrar uma taxa de juros, mas é moral? Tudo isso vem para o banco? Não. Tem uma parte que vai para os investidores, uma parte é do governo, uma parte é dos funcionários do banco, uma parte é dos acionistas. Muita gente ganha com esses juros, não fica tudo com o banqueiro. E uma questão muito mais ampla do que só uma deliberação do banco. Resolve-se abaixar um porcentual da taxa de juro, pequeno, o que os decisores vão analisar? Que é melhor ficar no banco do lado.

Quando a gente tem que pensar em ética não é no certo e no errado, no bem no mal, no falso e no verdadeiro, isso é a parte mais óbvia. Considerando isso o Itau é um banco ético. Quando tem o certo e o errado não vai fazer o errado. Quando tem o falso e o verdadeiro vai ficar com o verdadeiro. O dilema é um dilema moral.

O que é um dilema? Quando lema, lema é uma norma, uma regra se divide entre dois bens e dois mais. Então você tem essa abertura, qual deles eu escolho? Quando ha um conflito de interesses também, onde as partes /interesses que estão conflitando tem mais ou menos o mesmo grau de razão. E ai que às vezes as pessoas ou as empresas falhem. Nesse caso dos juros eu acho que a sociedade toda esta falhando. A pesar da crise de 2008 e outras anteriores, continuamos mantendo o mesmo modelo.

Então o assunto de ética é diretamente relacionado à performance do banco ?

Sim esta ligado à performance dentro da empresa. Mas como entra aqui a questão da ética? Tem dois tipos de lucro, de performance, o econômico e o

financeiro sobre tudo. Um é o lucro máximo, eu vou buscar o lucro máximo que eu vou poder conseguir, o outro é o que a gente chama de lucro ótimo. Não é o lucro máximo, mas é o lucro mais justificado do ponto da ética empresarial.

Um exemplo: o banco pode ter apenas 2 ou 3 grandes engenharia de construção que vão reformar qualquer prédio ou agência no Brasil inteiro. Esse é o lucro máximo, é mais barato para o banco, é mais sossegado para o banco etc. Porém existe uma questão, que tem tudo a ver com a ética, que é a questão de sustentabilidade. Todas elas têm a ver com a ética, se trata de uma escolha, vou consumir isto ou não, que é o fomento da sociedade onde a empresa atua. E umas das maneiras de fomentar essas sociedades, por exemplo, uma cidadezinha no interior do Pernambuco, interior da Bahia, interior do Goiás, nesses rincões do país, vamos dizer vou contratar um pequeno empreiteiro de lá, vai ficar mais caro para o banco, vai dar mais trabalho para o banco, vai ter que treinar a gente, por exemplo, que não está sabendo fazer é isso tira uma fatia do lucro. Diminui o lucro, e faz promover o desenvolvimento local através de contratação de fornecedores locais, e preparação desses fornecedores para eles crescerem, terem mais maquinários, terem pessoas mais preparadas, Isso tira um pedaço do lucro, é isso que chamamos de lucro ótimo. E onde que entra a ética? Todas as questões de sustentabilidade passam por ai. Aquele pedaço do lucro que eu vou tirar para fazer o desenvolvimento social, a proteção ambiental, uma partilha mais equilibrada dos lucros, Tem que arrancar um pouco de todo mundo que ganha com esse lucro, funcionários, acionistas, investidores, governo, todo mundo esta ganhando ai. No mundo das empresas a ética em relação à performance tem a ver na nossa opinião com isso. Quanto de lá eu vou redirecionar com outras ações desse tipo.

Quer dizer que a ética tem um valor? Tem um preço?

Uso o lema seguinte: valores morais não têm preço, têm custo. Você paga para defender um valor moral, inclusive em dinheiro. Se não é em dinheiro, é em esforço. Custo vem do latim « custas » que quer dizer determinação, empenho.

Então para eu fazer um desenvolvimento social, proteger o planeta, ajudar um pequeno empresário, quando eu faço um financiamento então vai o meu financiamento e vai uma consultoria para ele, gratuita porque ele não pode pagar uma consultoria, seja de contábil, o que for... A conduta ética tem preço. Uma diferença que podemos fazer entre ética e moral é a seguinte : moral são os nossos costumes, os nossos hábitos, as maneiras pelas quais a gente se correlaciona, define as nossas regras tácitas ou explícitas e inclusive entra o campo da lei. A ética é a ciência dessa moralidade. E a ciência e arte da moral. Muitas vezes a ética deve ter uma função de transgressão dos costumes, de transgressão da moral vigente. Caso do trabalho escravo, do papel da mulher na sociedade ou dentro da empresa, ela tem uma função de transgredir a moral e os costumes. No mundo das empresas é isso, costume é cobrar juro, e a pessoa paga, e se ela não paga eu vou atrás dela. Então no que ela tiver às vezes vou jogar fora. Às vezes o banco pega as coisas das pessoas que não têm valor nenhum e não vai vender. Prejudicou uma empresa, e ela acaba doando isso para alguma outra empresa, instituição de caridade, e aquele outro que ia fazer algo com isso, não vão fazer nada. E isso que ficamos discutindo, tomar essas coisas a troco do que? E até um prejuízo para o banco porque vai lá, gasta com isso.

Então com relação à ética, o lucro tem que diminuir.

E o que seria a ética então? Ética vem de Ethos, que antigamente antes da evolução da palavra, era o joelho do cavalo. A ideia é que o joelho sustenta postura, e se o cavalo perder o joelho tem que sacrificar o cavalo. Então a ética é essa ciência e arte de defender certas posturas, a ai tem os custos. A minha postura é a de fazer fomento social então não vou contratar duas ou três grandes empresas, vou gastar mais dinheiro contratando 500, 600 empresas, algumas minúsculas, com 4 ou 5 pessoas, outras gigantescas com 2000, 3000 pessoas trabalhando.

Tem linhas diretrizes decorrentes dessa visão, por exemplo, na escolha dos clientes de vocês?

Também. Por exemplo, a escolha dos clientes é um trabalho grande, junto com

combate a corrupção e propina, tem uma coisa que é da lei e o Itaú vai sempre um pouco além, que é de prevenção à atos ilícitos, lavagem de dinheiro, corrupção, etc. E um problema conhecer o seu cliente, o que é legislado pelo Banco central, é obrigatório, só que o Itaú vai além daqueles critérios mínimos. Mas algum funcionário às vezes para bater meta folga nisso, não segue as diretrizes que deveria seguir. Não vai lá e não olha tudo o que deveria olhar, faz vistas grossas, e quando o banco pega tem demissão por justa causa em relação a isso.

Como a Ética é integrada pelos funcionários?

Temos um programa, e ele tem esses 6 pontos básicos aqui. O primeiro é as diretrizes, tem a função é o componente do programa, e quais são as praticas. A primeira é a visão do banco « ser líder em performance sustentável e satisfação do cliente », só que de uma forma ética e responsável. Aqui tem uma opção de quesitos de ética. Tem um programa de cultura que é o nosso jeito de fazer, e um dos itens desse programa de cultura é a liderança ética e responsável.

Temos o código de ética, temos uma opção de políticas associadas,

Dentro da HF (holding financeira) são 5 itens

Além das diretrizes internas, a gente tem as diretrizes complementares e as diretrizes externas (segue o pacto global, o banco central)

E esse conjunto de diretrizes que precisa disseminar, dizendo aos colaboradores o tempo inteiro, ai a gente tem um plano de disseminação que tem dois eixos. O programa de educação continua em ética, começa com e-learning (são 5 e-learning), um de introdução (o que que a gente entende por ética, como são os colegiados de ética aqui, comités, comissões, apresentação da área de ética) e depois temos o código com 4 princípios, as regras, como ele esta estruturado, e depois tem um e-learning para cada principio. Tem um sexto e-learning que é avaliação. São obrigatórios. Todos os funcionários fazem, e ha um especifico de liderança ética e responsável para diretores e superintendentes. Mas não paramos nos e-learning. Temos uma grade de treinamento desenhado dos funcionários, desenhado pela escola de negócios,

sempre tendo matérias de ética. Esse sujeito mudou de cargo, ele vai ter uma nova grade de treinamento, vai ter ética também, e isso vai acompanhando a pessoa ao longo da vida dela no banco. Como funciona? são casos concretos que a pessoa vai resolvendo, como você resolveria essa situação, se a pessoa errar, recebe uma explicação sobre o porque do erro e como ele deveria ter resolvido a situação. Os funcionários não fazem todos os e-learning de uma vez: depois de mais ou menos 2 meses na empresa, estão convocados para fazer o e-learning de introdução, 2 meses depois vai fazer um outro e assim durante um ano. Depois vai fazer os cursos da grade de treinamento dele. Se ele trabalha nas vendas, os instrutores vão fazer curso sobre o que é ética nas vendas. Um funcionário tem pelo menos um treinamento por ano. A partir de analista senhor, esse cargo para acima, eles estão sempre fazendo curso. O funcionário tem que entender que ética não é um assunto separado do negocio dele. Esse é um risco, achar que são coisas separadas. Quais são os dilemas éticos que você tem envolvido ai na sua profissão? Além dos casos concretos, sempre colocamos um pouco de teoria também para o funcionário entender. Nos cursos específicos para cargos de gerentes e acima, sempre tem um foco sobre como eu faço nos meus processos de decisão. Como escolho entre dois bens, bem do Banco e bem do cliente?

Quem são esses instrutores?

A grande maioria vem de fora da empresa, quando são internos sou eu quem faz, ou outros colegas aqui, mas trabalhamos muito juntos. Para alguns cursos específicos, alguns são especialistas em ética, conhecem bem a matéria.

E os stakeholders? Qual é a relação deles com a ética?

A primeira maneira de o banco influir sobre a taxa de juros e essas coisas é fazer lobby. A segunda maneira, e é o que o Itaú tem feito, é conscientizar o cliente sobre os produtos aos quais ele tem acesso.

Os conscientes do dinheiro desde 2007. Têm programas de educação, programas de educação financeira para as empresas, como os empresários podem fazer uma gestão financeira melhor, as pequenas empresas sobre tudo,

as médias também precisam às vezes de uma orientação desse tipo. E que tipo de produto bancário, que fonte de empréstimo ele pode usar. Por exemplo, se você tem um carro, em vez de pegar um crédito pessoal, refinanceie seu carro. O juro é muito mais baixo. Então o Itaú tem dado essas dicas para os seus clientes. Dentro de um programa « todos pelos clientes ». Ainda não chegou pela ponta para todo mundo. Tem uma questão que é muito complicada que é a questão das metas. Os bancos não conseguem articular direito isso. Essa necessidade de performance, a necessidade social de que as pessoas use melhor o dinheiro, saem do círculo vicioso do consumismo e entrar no círculo virtuoso do dinheiro. O Banco vai tentando desenvolver isso. A pressão pelo resultado é muito grande. Vem dos acionistas, dos funcionários e do governo que cada um recebem 1/3. E uma questão complexa, não é só o valor do juro, é o que você estimula em termos de uso desse dinheiro. Uma coisa nas empresas, sobretudo as pequenas que têm de um a 3 donos, Todo mundo é culpado porque tudo mundo vai atrás de lucro.

A ética vai contra a natureza do banco?

Não é contra a natureza. Ela tem que fazer o que? Equilibrar as coisas e botar o treino no trilho correto. Isso leva tempo. Em ética é assim, você nunca chega ao limite. Você chega a um ponto, aí você precisa fazer mais coisas. A escravidão, é um consenso mundial. Teve uma época que estava dentro da lei. Depois teve países nos quais era admitido e outros não. Depois começamos a falar dos direitos das mulheres. Agora dos direitos dos animais, das crianças, dos idosos, de várias etnias... Nunca temos a última fronteira. Nas empresas o jogo é alargar as fronteiras. E a fronteira no entendimento do banco Itaú é a fronteira entre a justiça, o que a gente já aceita como justo, e o ético. Quanto mais você fica no justo, menos você tem aqui. Você entra em um círculo de quem vigia o vigia. Começa pela contabilidade que é uma forma de vigiar, depois tem a auditoria interna e externa, depois veio a compliance, depois os controles internos, etc. tem 6 estruturas, um vigiando o outro, e vai parar a onde? Aí entra a história da ética. Quanto mais tem necessidade de regras legais, menos você tem de regras espontâneas e restrições (porque a norma

ética incomoda). O que se aceitava anos atrás nos contratos super protetor de banco não se aceitam hoje. O Itaú decidiu simplificar todos os contratos, não conseguiu ainda, porque a rede/sistema jurídico é tão complexo que se mexesse em um contrato teria que reassinar milhões de outros contratos.

A importância do know-how de gestão: tem diretrizes, processos práticos para realizar essas diretrizes, e pessoas, equipes que vão realizar essas praticas. A administração do know-how de gestão é feita pelos colegiais, 24 colegiais diretos hoje, tem um conselho de administração que se reúne 2 vezes por ano, a comissão superior de ética, cada um dos bancos no Brasil e no exterior tem o seu comitê presidido pelo head da empresa mais os seus diretores, e cada vice presidente do banco tem pelo menos um comitê setorial de conduta. Nos conselho de administração e comissão superior de ética se discutem prioritariamente ética nos negócios, um pouco de ética no ambiente de trabalho. E inverte nos comitês setoriais de conduta onde se discute prioritariamente a ética no ambiente de trabalho e também um pouco de conduta ética dos negócios. Se for um comitê de ética dos seguros, algumas questões ligadas aos seguros. Por exemplo com relação ao produto de seguro estendido, o Itaú descobriu que a grande maioria das pessoas não usa porque esquece, decidiu sempre avisar o cliente quando o seguro estendido passa a valer. Não é uma obrigação do banco, pela lei é problema do comprador lembrar. Mas quando você sabe que a maioria das pessoas não usa porque esquece e que a maioria dos problemas dos aparelhos surge nesse momento, passou a ser um problema ético avisar as pessoas.

A particularidade do Itaú é o seu departamento dedicado de ética, bem distinto de um departamento de responsabilidade social corporativa?

Sem dúvida. Tem um departamento de superintendência, dentro da diretoria, essa superintendência responde direto pela vice presidência e tem status de diretoria por tanto. Tem uma superintendência de sustentabilidade que é responsável pelas questões de responsabilidade sócio-ambientais . E é diferente também da área que a maioria das empresas mistura, de compliance. Geralmente é administrada por advogados. Itaú separou.

O nosso departamento de ética so cuida de ética. Existe faz 7 anos. Esta na área de pessoas que é uma vice presidência. Prepara as pautas para as reuniões, tem mais de 40 por ano em toda a corporação. Tem varias comissões superiores no banco. Toda a diretoria executiva se reúne em comissões superiores. Tem comissão superior de negociação, comissão superior de produtos, e tem de ética. Não tem diretor da empresa que não participe cada 2 ou 3 meses de uma reunião de ética. Dura geralmente 1H30, 2H ou às vezes é mais curto 1h e pouco. Colegiado é um nome genérico para conselho e comissão.

Além da ética o departamento cuida do OMBUD, uma ouvidoria para colaboradores, onde eles podem fazer denuncias, queixas, mandar sugestões.

Por qué existe um departamento especifico de ética?

Porque o Banco da importância a isso. Ele entende que se ética fica misturado com essas coisas, como é um tema muito abstrato, se perde. As pessoas vão ficar muito mais no que é concreto, vamos cuidar das plantas, vamos cuidar da agua, e fica uma maneira muito mais estreita de pensar o problema social, não que isso não tem importância, do que se for pensar isso no atacado. Então se fica no varejo, uma questão por outra questão, e não pensa como a gente pode ter uma cultura é uma identidade organizacional, voltadas para essas preocupações, não para esta ou aquela questão localizada. Pode tratar então questões mais amplias como por exemplo como sair do circulo vicioso do dinheiro. Como você que é instituição financeira e tem os produtos, estimula as pessoas a usarem. Como você diminui o seu lucro aqui, botando programas de conscientização, disseminação, melhoria do produto, gastar mais dinheiro neste produto do que no outro, na aposentadoria do que no carro, como você faz lobby no governo, desestimular a compra de carro, E isso que discutimos nos colegiais na medida do possível.

Vocês participam de alguns comitês externos ao banco Itaú em termos de ética?

La na FEBRABAN (Federação brasileira de banco) levaram questões para discutir, mas ainda tem muita visão do compliance, cumprir as regras, cumprir as normas, cumprir as leis... aqui no banco esta separado, tem colegiados específicos para isso, não esta misturado com gestão de risco nem nada.

Qual seria concretamente a diferença que isso faz no banco? Como se traduz?

O Banco vai se preocupando cada vez mais com ética.

Como a gente define ética empresarial? E a ciência e arte de conciliar interesses da empresa com os dos seus stakeholders. Temos um programa hoje « todos pelos clientes ». O Banco tem até stakeholders « sem voz » que são as gerações futuras. Ai entra de novo a questão de sustentabilidade. Os stakeholders do banco é a sociedade em geral. Porém, você não trabalha com a sociedade em geral. Tem que partilhar. E quanto mais você partilha, melhor você vê os interesses deles. Para isso o banco tem no seu código de ética, a norma AA1000. Mas também conciliar os interesses dos stakeholders entre se, que são diferentes. Os interesses dos clientes são diferentes dos interesses dos acionistas, não todos, mas uma boa parte. Os acionistas querem o maior lucro, o cliente quer pagar o menor preço para o melhor produto. São interesses legítimos de um e do outro. E nesse processo de conciliar interesses, sempre vai ter que escolher, e é uma escolha do ponto de vista moral. Pode estar na lei, mas a lei não sempre garante a justiça, até porque a lei é feita pelos mais fortes então eles já tem como se defender graças à lei.

Essa parte de ética do banco é avaliada por um ator externado. Foi o caso com a Terra mater em 2009. Poderia explicitar o que é esse processo de avaliação?

Por diretriz, temos que fazer uma avaliação externa, uma acreditação, do programa de ética. A Terra Mater, junto com a SGS, viram no Banco para

fazer avaliação das diretrizes, um benchmark dessas diretrizes, ver se o banco esta cuidando de todos os grande temas, como é o processo de gestão, e compara com o que tem la fora e internamente. Foi um processo longo de 9 meses. O Banco vai voltar a fazer o ano que vem, seria bom fazer com os mesmos atores para poder comparar. Eles fazem recomendações, e temos 3 tipos de indicadores. Tem os indicadores de realização desse programa que permitem ver se esta sendo realizado ou não, os de renovação de programa para os quais são usados o dowjones, o indice bovespa e outros que nos permitem fazer benchmark, e a pesquisa da percepção da ética no banco que têm os stakeholders. Chama-se pesquisa clima ética. E feita com 3 grandes grupos ; colaboradores, clientes e fornecedores, para saber como eles percebem as praticas da corporação. Esses indicadores medem diretrizes, praticas e gestão. E a partir desses indicadores, as pautas dos colegiados são formatados. Isso para fugir da ideia que a ética é uma coisa filosófica ou pior ainda, que cada um tem a sua. Tem um Know-how de gestão, tem que ter diretrizes, pratica gestão, que envolve indicadores e coisas do tipo, para não ficar só na blablação.

Alem de perceber, eles têm como influir?

Influir é pela norma AA1000. Também o fato de pedir a percepção deles permite eles influir. Em função disso mudamos algumas coisas nas diretrizes e algumas coisas na pratica. E aqui no banco não tem diretriz sem pratica e pratica sem diretriz.

A ética é imposta pelo banco aos funcionários e administradores. E uma obrigação, como você fazem para impor as regras?

As pessoas seguem regras por 3 motivos principais. O primeiro é porque têm medo. O outro lado é o incentivo, quer ganhar alguma coisa seguindo a regra. A pessoa tem que ter um estimula para fazer a coisa certa. Como é esse estimulo? Uma parte da remuneração variável do funcionário tem a ver com o desempenho na atitude. Uma boa atitude aumenta pontos na avaliação geral dele, então vai ganhar um dinheiro a mais. Isso é uma sanção. Existem

sanções por medo, como a demissão por justa causa, e sanção pelo incentivo. O segundo motivo é porque quero sair bem na foto. E a questão da identificação também. Se ele age assim eu vou agir assim. Eu quero pertencer ao grupo.

O terceiro é que caiu a ficha. O funcionário percebe o valor da regra ou da norma.

Temos as sanções administrativas, tem os incentivos, tem a questão da cultura e da identificação, o exemplo, o Presidente sempre fala o chairman sempre falam, os superintendentes são estimulados a falar, que é importante fazer isso, abrir o código de ética, e dizer isso a gente faz porque esta aqui, e na consciência entra todo o processo de educação, de reflexão, de aprofundamento do que se entende.

Qual é o vínculo que o departamento de ética tem com o departamento de sustentabilidade?

Essa parte da sustentabilidade esta em baixo da mesma presidência; tem o mesmo vice-presidente. A politica de sustentabilidade tem a ver com a ética, o código de ética faz menção a ela.

E ética transforma uma intenção de ação por meio de valores corretos. Faz uma seleção de valores antes de tudo. O que nos faz dizer sim ou não.

Ter transparência com as partes interessadas. Na prática, isso implicou, por exemplo, redesenhar os produtos para que eles fossem oferecidos a quem precisa. Em seguro de vida, por exemplo, a oferta passou a ser feita a quem de fato está interessado no produto. Sem a chamada “venda empurrada”, houve 20% de perdas em vendas, mas redução de 40% nos custos dos seguros, por conta dos menores índices de cancelamentos.