



Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

BM&FBOVESPA S.A. - Securities, Commodities and Futures Exchange is a publicly held company created from the integration of Bovespa and the Brazilian Mercantile & Futures Exchange in 2008. Headquartered in São Paulo, BM&FBOVESPA has offices in Rio de Janeiro, United States, China and the United Kingdom. It is the only exchange in operation in Brazil, a leader in Latin America and one of the world's largest exchanges in market value. Its shares are traded on Novo Mercado under the code BVMF3 and are listed on the Ibovespa, IBrX-50, IBrX, ITAG, ICO2, among other indices. BM&FBOVESPA's markets include equities, futures contracts, foreign exchange, funds and ETFs (index funds), carbon credits, auctions, and private and public fixed income. The Company's activities comprise the development, implementation and provisioning of trading systems, registration, clearing and settlement of securities traded on its markets, especially in its equity, derivatives, foreign exchange and securities clearinghouses, thus offering its participants vertically integrated solutions. BM&FBOVESPA also acts as depository center for securities traded in its trading environments, licenses software and indices, disseminates market data to support the market, and operates securities lending transactions. Furthermore, BM&FBOVESPA also plays an important role in the development, training and market inclusion of a new generation of investors and educates its audiences on the importance of saving, building assets and investing for the long term. Mission As a Latin American leader in the securities and derivatives market, BM&FBOVESPA's mission is to act in the macroeconomic growth dynamics of the Latin American market and position not only the Exchange but also Brazil as an international financial hub for equities, commodities and other financial instruments based on operational excellence and socially responsible attitudes. Sustainability Sustainability at BM&FBOVESPA is perceived as a new management model underlying the conduction of business in synergy with current and future interests of both the society and the planet. To the Exchange, this is a new value, so much so that the BM&FBOVESPA Institutional Sustainability Program is titled New Value. This is typically part of initiatives such as the United Nations Global Compact. In 2004, BM&FBOVESPA was the first Exchange in the world to become a signatory to the Principles for Responsible Investment (PRI) – a United Nations investor-led initiative developed by major fund managers and other financial market players in favor of responsible investment.

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Sat 01 Jan 2011 - Sat 31 Dec 2011

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Brazil

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

BRL(R\$)

0.5

Please select if you wish to complete a shorter information request

0.6

Modules

As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will be marked as default options to your information request. If you want to query your classification, please email respond@cdproject.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Module: Management

Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

Please identify the position of the individual or name of the committee with this responsibility

The highest body responsible for dealing with climate change issues at BM&FBOVESPA is the Sustainability Committee. The Committee's mission is focused on strategic guidance and approval of the Company's macro planning and initiatives. The Committee is chaired by the BM&FBOVESPA CEO and consists of executive members of the Company and an external member. The Committee meetings are held bimonthly with reporting to the Board of Directors.

Created to provide support to the Sustainability Committee, the BM&FBOVESPA Sustainability Commission is in charge of proposing and conducting the Company's sustainability agenda, as well as reporting the actions undertaken for the Committee. The Sustainability Commission is made up of members at management level and meetings are held on a monthly basis.

This internal governance was created in 2009 (one year after the integration between BM&F and BOVESPA), when, in addition to its social and environmental responsibility activities, BM&FBOVESPA began the structured dissemination of the sustainability concept within the new organization through the creation of a Sustainability Area linked to the CEO.

The Sustainability Area is responsible for incorporating this approach into the Exchange business. Furthermore, the Area serves as an internal consultancy, whose duties are to mobilize, encourage and guide the construction of strategies and actions grounded in the sustainability concept.

The Commodities Area, through the Environmental, Energy and Metal Products Department, is responsible for coordinating the development and management of products geared to environmental issues, including climate change, carbon efficient index and the carbon market, as further detailed in the following pages.

The strategic discussion of climate change issues (risks, opportunities, strategies, accounting and reporting of emissions) is the responsibility of these two bodies, which act in an integrated manner.

BM&FBOVESPA examined the need to create an exclusive area for the discussion of climate changes within the organization. However, after detailed analysis of the projected targets and the results achieved in 2010 with the present model (as described above), the Company concluded that this model is aligned with the current goals of the Exchange.

As will be seen later, this is due to the fact that the profile of its GHG emissions is relatively low and has an administrative nature. Therefore, the Exchange's key mission is to disseminate information concerning the topic of climate change and provide platforms that encourage the management of GHG emissions of the companies listed on its system.

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

No

Page: 2. Strategy

2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

2.1a

Please provide further details (see guidance)

The risks and opportunities management procedures related to climate change on BM&FBOVESPA are carried out in an integrated manner, namely, there is not an exclusive process directed at the topic. The Exchange has a Risk Committee composed of four members of the Board of Directors – of which two are independent members – responsible for conducting, monitoring and assessing market, liquidity, credit and systemic risks of the markets managed by the Company, with a strategic and structural focus. Furthermore, the Sustainability Committee also provides support to the Risk Committee and strengthens the new management strategy. The Sustainability Committee is composed of nine members, one of whom is an independent member, and its duties include strategic guidance, planning approval and the approval of sponsorship associated with sustainability, including climate change. Currently, the main risks related to climate change are in the process of identification through meetings of both the Sustainability Committee

and Commission. Risks and opportunities related to potential laws, company reputation and consumer habit changes are being considered. However, except for the reputation risk, in a preliminary analysis, BM&FBOVESPA's climate change risks are largely regarded as indirect risks, since they affect companies that use its service platform and do not directly affect the organization's activities, which are related to the financial services industry. The magnitude of these risks, as well as their impacts, continues under review by the organization. Therefore, the possibility that both the risks and their impacts are minimal and/or positive is not ruled out. With regard to opportunities, BM&FBOVESPA has identified several ways of enabling business through sustainability and GHG emissions indexes (e.g. Corporate Sustainability Index (ISE) and Carbon Efficient Index (ICO2) and through the Company's position as an engagement mechanism. The engagement strategy via the institutionalization of indexes repeats a previously successful experience obtained by BM&FBOVESPA in 2001, when it created the IGC - Stock Index with Differentiated Corporate Governance. Some other strategic decisions involving these two instances enabled studies on the topic of Sustainability in partnership with the World Bank and some projects and programs that have been implemented by the Exchange's Sustainability and Commodities areas. Such projects will be further discussed under the Risks and Opportunities section.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

By taking a responsible attitude towards Climate Change, the Company contributes to a positive change of values, while shifting to a more sustainable path both in the environmental and social and economic realms. BM&FBOVESPA has a Sustainability Committee and a Sustainability Area, in which Climate Change and the Company's strategy on this issue are constantly under discussion. Furthermore, the Sustainability officer in charge participates in the Exchange's strategic planning by addressing this topic. However, as previously emphasized, sustainability risks exert an indirect impact on the Company. In order to draw up its internal sustainability agenda, a diagnostic survey was carried out between May and August 2010 using the Corporate Sustainability Index (ISE) questionnaire. In September 2010, the results of the survey and an action plan for 2011 were presented to the Sustainability Committee and further approved. In 2011, the Exchange's CEO took part in the Honorary Council of the Carbon Disclosure Project (CDP) South America, while the Sustainability officer joined the Technical Advisory Council for the CDP South America and became a member of the Advisory Group for the GRI Focal Point in Brazil. Among its internal sustainability actions, the Exchange reports its GHG emissions to the CDP annually and in 2011 had a budget approved to develop its GHG emissions inventory with the assistance of an specialized third party consultancy company. Furthermore, BM&FBOVESPA has a list of energy efficiency projects in the pipeline that will contribute to the mitigation of GHG emissions. However, the most important sustainability action undertaken by BM&FBOVESPA with regard to the Climate Change strategy was the creation of a Carbon Efficient Index (ICO2). The initiative was announced at a workshop held at the COP 15 meeting in Copenhagen, and the Exchange's first portfolio was launched at the COP 16 meeting held in Cancun in late 2010. The ICO2 Index is the result of a partnership between BM&FBOVESPA and the Brazilian Development Bank (BNDES) and its creation relied on the support of an international consulting firm specialized in sustainability. Nowadays, the ICO2 is technically supported by Center for Sustainability Studies from the Getulio Vargas Foundation (GVCes), which has a department specialized in climate change issues, and is responsible for the "Programa Brasileiro GHG Protocol". The main goal of the ICO2 Index is to measure the return of a theoretical portfolio consisting of shares from IBrX-50 companies which adhere to the ICO2 weighted by its free float factor and by those companies' emissions ratio. In 2011, 49 companies participated in the ICO2 process. In December 2011, 37 companies composed the ICO2 portfolio since they were the ones that were at the IBrX-50 portfolio at that time. With regard to the methodology for calculating the ICO2 Index, it is worth mentioning that BM&FBOVESPA held a public hearing before its official launch. It should be noted that this methodology is not a static process and each year the Company will assess, together with BNDES, the minimum requirements related to GHG emissions inventories to be provided by participating companies. The minimum emission sources encompassed by the initiative may be gradually expanded, inducing participating companies to upgrade the quality and completeness of their inventories. By taking this approach BM&FBOVESPA hopes to prepare participating companies for the competitive environment in a low carbon economy by creating an incentive for completion and release of emissions inventories. BM&FBOVESPA also hopes to provide the market with transparent information on emissions from Brazilian companies by creating investment opportunities for investors who are sensitive to climate issues. Besides the creation of ICO2 and its clear growth in Brazil, it's worth mentioning the progress reached by ISE in 2011. As another incentive for good

practices on carbon management, companies' responses to the Climate Change section of the questionnaire started to be accounted for in the calculation of their share in the index composition.

2.3

Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

2.3a

Please explain (i) the engagement process and (ii) actions you are advocating

BM&FBOVESPA maintains an ongoing dialogue with Brazilian governments with the purpose of working on the legal architecture of a possible regulated Brazilian domestic carbon market. In 2010, in partnership with the World Bank, the Exchange organized some studies and seminars aimed at training and higher performance of organizations from the public and private sectors in the carbon market. The studies coordinated in partnership with the World Bank are available on BM&FBOVESPA website (<http://www.bmfbovespa.com.br/en-us/markets/carbon-market/studies-about-the-brazilian-carbon-market.aspx?Idioma=en-us>). In 2011, the Company started a partnership with Interamerican Bank in order to conduct a study related to governance and legislative requirements for the creation of a potential pre-compliance domestic carbon market in Brazil. By the end of 2011, the study has not been completed yet. Moreover, BM&FBOVESPA participates in the EPC (Companies for Climate), an initiative launched on October 8, 2009 by the Center for Sustainability Studies from the Getulio Vargas Foundation (GVCes), which is also member of the Advisory Board. This is the first domestic platform aimed at creating the regulatory base within the economic adaptation to climate change. The Companies for Climate program provides participants with tools and guidelines for the management practices of GHG emissions and business sustainability. By joining the platform, companies commit to publishing their GHG inventories in accordance with the Brazilian GHG Protocol methodology and develop policies and management plans for greenhouse gases to ensure competitiveness, innovation and encouragement towards a low carbon economy in Brazil. Furthermore, BM&FBOVESPA created a carbon credit auction platform aimed at promoting carbon credit trade within the Exchange's trading environment in Brazil, while offering an alternative for Brazilian companies to sell their GHG emission reduction projects in the country. Through its trading platform, the Exchange provides global participants with a safe and transparent trading channel. Auctions for both the Kyoto regulated market and the voluntary carbon market have been conducted on the BM&FBOVESPA carbon credit auction platform.

Further Information

The next carbon auction is scheduled to June 12th 2012. The auction will offer a single lot of 530,000 CERs generated by the Bandeirantes Landfill Gas to Energy Project, owned by the Municipal Government of São Paulo, in accordance with the terms of the Clean Development Mechanism (CDM). In 2012, BM&FBOVESPA and SANTANDER announced a partnership in order foment the carbon market in Brazil and work on the creation of carbon derivatives and/or spot carbon related contracts."

Page: 3. Targets and Initiatives

3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

No

3.1e

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

BM&FBovespa's activities and products are not as carbon intensive as construction or power generation companies, since its main emissions are indirect and related to commuting, business travel and electricity

purchased in its offices. Therefore, the low amount of annual emissions makes it harder for BM&FBovespa to establish both absolute and intensity targets due to their high vulnerability to unexpected events. For instance, the direct GHG emissions from 2011 were considerably lower than 2010's mainly because of a refrigerant gas recharge occurred in 2010 during a maintenance procedure in air conditioning pieces of equipment. If the company's overall emissions were larger, this procedure would hardly be noticed when evaluating the emissions' behavior over the years. In terms of indirect emissions from purchased electricity, Brazilian interconnected grid has a significant contribution from hydro power plants, which makes it vulnerable to droughts and other climate events that might double, or cut in half, the national emission factor from one year to another – the variation in the emission factor from purchased electricity was the main reason for the decrease in BM&FBovespa's Scope 2 emissions in 2011. That's why the company aims at controlling its energy consumption, regardless of GHG emissions associated to the electricity generation. Even though there are still no specific targets to reach, the company has been implementing energy efficiency measures, such as modernization of the elevators and refrigeration systems, reducing its business travel by installing video conference call meeting rooms, using the "bikeboy" option for short distance transportation services, installing a bicycle parking and developing a carpool project – Carona Solidária – so employees can reduce their emissions during commuting, offsetting emissions from the congress of Campos do Jordão, among others. But for the next five years, we believe that there may be increased emissions of greenhouse gases by some sources as listed below: - Scope 1: Increased consumption and combustion of fossil fuels by BM&FBovespa's own fleet of vehicles due to increased business activities; - Scope 1: Increase in emissions from the release of refrigerant gases due to an increase in staff and facilities - Scope 2: increased electricity consumption due to an increase in staff and facilities; - Scope 2: Increase in the emission factor for consumption of electricity purchased from the national power grid due to long drought periods and greater thermal power plant activity.

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

No

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*	12	
Implemented*		
Not to be implemented		

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Other	Offsetting emissions from "Congresso Internacional dos Mercados Financeiro e de Capitais" in Campos do Jordão. Voluntary initiative impacting emissions from scopes 1, 2 and 3.	325			
Energy efficiency: building services	Green IT, reducing energy consumption by making servers more efficient. Voluntary initiative impacting emissions from scope 2.				
Transportation: use	Increasing the usage of video conference room to avoid business travels. Voluntary initiative impacting emissions from scope 3.				
Energy efficiency: building services	Upgrading elevators and air conditioning pieces of equipment. Voluntary initiative impacting emissions from scope 2.				
Energy efficiency: building services	Switching CRT computer screens to more efficient LCD ones. Voluntary initiative impacting emissions from scope 2.				
Behavioral change	Incentives to avoid using elevators whenever possible in all the company's buildings. Voluntary initiative impacting emissions from scope 2				
Transportation: use	Reducing commuting emissions by creating bike parking spots in one of the company's buildings. Voluntary initiative impacting emissions from scope 3.				
Transportation: use	Reducing commuting emissions by carpool incentives through an online tool. Voluntary initiative impacting emissions from scope 3.				
Energy efficiency: building services	Deactivating unnecessary lamps in the stairs of 2 buildings Voluntary initiative impacting emissions from scope 2	2			
Energy efficiency: building services	Deactivating one elevator during less active or busy periods of the day Voluntary initiative impacting emissions from scope 2	0			

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Behavioral change	New rules for usage of air conditioning during weekends. Voluntary initiative impacting emissions from scope 2.	1			
Transportation: use	Reducing indirect emissions by hiring a company specialized in bike transportation instead of motorcycles. Voluntary initiative impacting emissions from scope 3.				

3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for other emission reduction activities	Funds come from the Sustainability and Administrative areas through annual budget allocations.
Dedicated budget for low carbon product R&D	Funds come from the Sustainability Area through annual budget allocations.
Internal finance mechanisms	Funds come from the Sustainability Area through annual budget allocations.

Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section Reference	Identify the attachment
In annual reports (underway) – previous year attached	Pages 58 and 59	BMFBovespa RA2011 GRI EN.pdf
In voluntary communications (underway) – previous year attached	The whole document relates to climate change	BMF Bovespa 2010_Final.pdf

Attachments

https://www.cdproject.net/Sites/2012/35/22735/InvestorDocuments/Attachments/InvestorCDP2012/4.Communication/BMF Bovespa 2010_Final.pdf
<https://www.cdproject.net/Sites/2012/35/22735/InvestorDocuments/Attachments/InvestorCDP2012/4.Communication/BMFBovespa RA2011 GRI EN.pdf>

Module: Risks and Opportunities

Page: 2012-Investor-Risks&Opps-ClimateChangeRisks

5.1

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in physical climate parameters
 Risks driven by changes in physical climate parameters
 Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
BMFO 1	International agreements	This consideration is based on risk analysis of BM&FBOVESPA's trades in congruence with the likely political and regulatory developments of impacts of climate change on the global market, if a new commitment period under the Kyoto Protocol is agreed upon between the parties whereby the Annex II countries set goals to reduce GHG emissions and are under commitment. An eventual imposition of regulatory targets for emissions reduction may result in changing the competitiveness of the domestic market against the international market, as such measures would lead to higher costs in the operations of the companies affected, and could eventually have some sort of impact on the value and liquidity of their shares.	Reduced demand for goods/services	1-5 years	Indirect (Client)	About as likely as not	Medium
BMFO 2	Carbon taxes	This consideration is based on risk analysis of	Reduced demand for goods/services	1-5 years	Indirect (Client)	About as likely as not	Medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		<p>BM&FBOVESPA's trades in congruence with the likely political and regulatory developments of impacts of climate change on the global market. On a national scale, a trend is observed toward carbon pricing through various mechanisms, with a clearer interest in market pricing mechanisms either on a state or national level. However, in the case of São Paulo State, which boasts the largest concentration of companies in Brazil, public fees and taxes are mentioned as viable options for carbon pricing. Law No. 13.798 enacted in São Paulo State, which sets forth the State Policy on Climate Change, stipulates: Article 22 – For the purpose of this Act, the Executive Power shall: II - Set public fees, tariffs, taxes and other types of charges for business activities emitting greenhouse gases; An eventual imposition of regulatory government fees and taxes on GHG emissions may result in changing the competitiveness</p>					

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		of the domestic market against the international market, as such measures would lead to higher costs in the operations of the companies affected, and could eventually have some sort of impact on the value and liquidity of their shares.					
BMFO 3	Cap and trade schemes	This consideration is based on risk analysis of BM&FBOVESPA's trades in congruence with the likely political and regulatory developments of impacts of climate change on the global market. On a national scale, a trend is observed toward carbon pricing through various mechanisms, with a clearer interest in market pricing mechanisms either on a state or national level. These markets are necessarily tied to a binding target, as stipulated in São Paulo State laws and in the national Law No. 12.187/2009 - National Policy on Climate Change (PNMC), although the obligatoriness of a national target is still under debate. An eventual imposition of regulatory targets for emissions	Reduced demand for goods/services	1-5 years	Indirect (Client)	More likely than not	Medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		reduction may result in changing the competitiveness of the domestic market against the international market, if not well implemented. In that case, measures could lead to higher costs in the operations of the companies affected, and could eventually have some sort of impact on the value and liquidity of their shares.					

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

In this preliminary analysis, regulatory risks from climate change are considered indirect. Given this, there is a complexity in the estimating what would be the potential financial implications of the risks listed above – BMF01, BMF02, BMF03. However, there is the possibility of impact on the operations and activities of some industry sectors of companies listed on the Exchange. An eventual imposition of regulatory targets for emissions reduction may result in changing the competitiveness of domestic companies in some industry sectors against the international market, if not well implemented. In that case, such measures would lead to higher costs in the operations of the companies affected, and could eventually have some sort of impact on the value and liquidity of their shares, especially as the number of investors concerned about climate change issues grows. Through an analysis of the companies listed on the Exchange, we can identify companies in critical sectors as regards climate change i.e. agribusiness, energy, mining, steel and oil and gas. Therefore, one of the regulatory risk management methods focuses on monitoring of laws and national and international agreements involving regulatory measures that might eventually focus on two main issues: emissions taxation and/or creation of a cap-and-trade market which might or might not be tied to binding reduction targets. Another method used by the Exchange is the development of products, events and availability of materials related to climate change to familiarize its customers and prepare them for possible laws and/or agreements. As an example of this, we can cite the ICO2 and ISE indexes, several published educational materials, workshops, and direct interaction with government agencies. With regard to the ICO2 Index, the expected impacts on companies include their preparation for the competitive environment within a low carbon economy and creating incentives for implementation and dissemination of an emissions inventory. As to the market, the impacts include providing transparency on emissions by Brazilian companies and creating investment opportunities for investors concerned about environmental issues. The purpose of the ISE Index is to encourage companies to adopt best corporate sustainability practices and assist investors in decision making of socially responsible investments. The questionnaire contains an exclusive field to climate change issues. The methods for managing regulatory risks described above entail a cost to the company. However, since they were not developed exclusively for risk mitigation, they are difficult to measure.

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
BMFO 4	Change in mean (average) temperature	This consideration is based on risk analysis of BM&FBOVESPA's trades regarding the physical impacts of a change in the average temperature in Brazil on the country's agriculture and consequently on the commodities trading market. The main agricultural commodities traded on BM&FBOVESPA are Coffee, Corn, Soybean, Live Cattle and Ethanol. It should be noted that these commodities are from the agricultural sector, which is very likely to be affected by physical events of climate change. Therefore, the impacts may influence the price of such commodities and eventually increase the demand for the risk management instruments traded on the Exchange.	Reduced demand for goods/services	Unknown	Indirect (Client)	About likely not as	Medium-high
BMFO 5	Change in mean (average) precipitation	This consideration is based on risk analysis of BM&FBOVESPA's trades regarding the physical impacts of a change in the average rainfall in Brazil on the country's agriculture and consequently on	Reduced demand for goods/services	Unknown	Indirect (Client)	About likely not as	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		<p>the commodities trading market. The main agricultural commodities traded on BM&FBOVESPA are Coffee, Corn, Soybean, Live Cattle and Ethanol. It should be noted that these commodities are from the agricultural sector, which is very likely to be affected by physical events of climate change. Therefore, the impacts may influence the price of such commodities and eventually increase the demand for the risk management instruments traded on the Exchange.</p>					
BMFO 6	Change in precipitation pattern	<p>This consideration is based on risk analysis of BM&FBOVESPA's trades regarding the physical impacts of a change in the average rainfall in Brazil on the country's agriculture and consequently on the commodities trading market. The main agricultural commodities traded on BM&FBOVESPA are Coffee, Corn, Soybean, Live Cattle and Ethanol. It should be noted that these commodities are from the</p>	Reduced demand for goods/services	Unknown	Indirect (Client)	About as likely as not	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		agricultural sector, which is very likely to be affected by physical events of climate change. Therefore, the impacts may influence the price of such commodities and eventually increase the demand for the risk management instruments traded on the Exchange.					

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

Since this is an indirect risk and the uncertainties involved are large, it becomes very difficult to estimate quantitatively the potential financial implications on the company. This consideration is based on risk analysis of BM&FBOVESPA's trades regarding the possible physical impacts of a climate change on the commodities trading market. The main agricultural commodities traded on BM&FBOVESPA are Coffee, Corn, Soybean, Live Cattle and Ethanol. Furthermore, the Exchange launched the trading of hydrated ethanol and soybean contracts with cash settlement in May 2010 and January 2011 respectively. Climate events such as fluctuations in temperature, heavy rains and droughts are some of the factors that can affect the harvest volume each year and consequently the market price of agricultural commodities. Among the tools that participants in the agribusiness sector can use to guard against risks related to price fluctuation are hedging transactions (i.e. price setting) through derivatives contracts. In this respect, BM&FBOVESPA offers agribusiness market participants the possibility to trade futures and options contracts. The risk management methods for climate events described above entail a cost to the company, but it is very difficult to estimate.

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
BMF07	Changing consumer behaviour	This risk arises from the influence of climate change impacts on the cultural transformation of citizens and society. This perspective is reaffirmed through surveys and by popular demand from those	Reduced demand for goods/services	Unknown	Direct	About as likely as not	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		participating in the last three COP Meetings (COP-15, COP-16 and COP-17). Therefore, there are risks associated with certain aspects of the market through socially and environmentally responsible choices and attitudes of institutions.					

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

This is a risk whose potential financial implications is difficult to measure, since it is related to social behavior, namely, an intangible value. To make a quantitative estimate the adoption of several assumptions would be required and that would not accurately reflect reality. In fact, changes in consumption pattern and behavior should bring about – and this has already been taking place – an updating of listed companies as old businesses may disappear and new businesses may emerge and join the Exchange. In order to manage this risk, BM&FBOVESPA has an active and engaging position through the creation of sustainably focused products and services, such as the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2). Furthermore, in June 2010 BM&FBOVESPA concluded its first GHG emissions inventory (base year 2009) and started responding to the Carbon Disclosure Project. The second emissions inventory (base year 2010) was completed in May 2011 and the third one (base year 2011) in May 2012. These initiatives are important milestones in the Company's management regarding the climate change issue. BM&FBOVESPA believes in the development of a carbon credit market and building a low carbon economy in Brazil, and intends to continue to promote carbon credit auctions in future, as it did in April 2010. This risk arises from the influence of climate change impacts on the cultural transformation of citizens and society. Risk management methods from changing customer habits as described above entail a cost to the company, but it is very difficult to estimate.

Page: 2012-Investor-Risks&Opps-ClimateChangeOpp

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
 Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
BMF08	International	BM&FBOVESPA identifies	New products/busin	1-5 years	Direct	About as likely as	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
	agreements	that its main opportunity arising from climate change regulatory measures is available through the institutionalization of the Carbon Market, which in the long term can bring financial gains to the institution, should Brazil and Brazilian companies set some kind of target for GHG emissions reduction.	ess services			not	
BMF09	Cap and trade schemes	BM&FBOVES PA identifies that its main opportunity arising from climate change regulatory measures is available through the institutionalization of the Carbon Market, which in the long term can bring financial gains to the institution, should Brazil and Brazilian companies set some kind of target for GHG emissions reduction. On a national scale, a trend is observed toward carbon pricing through various mechanisms, with a clearer interest in market pricing mechanisms either on a state or	New products/business services	1-5 years	Direct	About as likely as not	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		national level. These markets are necessarily tied to a binding target, as stipulated in São Paulo State laws and in the National Policy on Climate Change (PNMC), although the obligatoriness of a national target is still under debate.					

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

BM&FBOVESPA identifies that, currently, its main opportunity arising from climate change regulatory measures is available through the institutionalization of the Carbon Market. Therefore it created jointly with the Brazilian Ministry of Industry and Foreign Trade (MDIC), the Brazilian Carbon Trading Market (MBRE), whose main goal is the creation of a framework for a carbon credit market. This initiative also provides an alternative for Brazilian companies to undertake sale of their projects to reduce emissions. BM&FBOVESPA identifies that the establishment, regulation and development of the Brazilian Carbon Trading Market (MBRE) may in the long term bring financial gains to the institution, should Brazil and Brazilian companies set some kind of target for GHG emissions reduction. The first stage of the MBRE was the institutionalization of the BM&FBOVESPA Project Database (<http://www.bmfbovespa.com.br/shared/iframe.aspx?altura=700 & language = en & url = www.bmf.com.br / BMFBovespa / pages / MBRE / conheca.asp>), a system developed for recording projects validated by UN certifying agencies under the Clean Development Mechanism (CDM) principles. In parallel to this, BM&FBOVESPA implemented the Electronic Auction Trading System for Carbon Credits through which two auctions for certified emission reductions have been held. Furthermore, within the Carbon Market institutionalization process, in 2010, BM&FBOVESPA, in partnership with the World Bank and FINEP - Brazilian Studies and Projects Financing Agency, organized a program involving studies on the carbon market as well as training seminars for market agents and dissemination of the carbon market. In 2011, BM&FBOVESPA in partnered with Interamerican Bank (IDB) in order to coordinate a study related to pre-compliance market in Brazil. Another initiative undertaken by BM&FBOVESPA is the creation of a carbon auction platform, which also includes the so-called voluntary or non-regulated market, in which the regulated market framework can be used to create and structure the market for buying and selling emission reduction certifications outside the Kyoto Protocol protocols.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
BMF10	Reputation	BM&FBOVESPA identifies that another opportunity related to climate change	New products/business services	1-5 years	Direct	About as likely as not	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		stems from its reputation, especially as regards its position and engagement role in the dissemination of concepts related to the climate change issue, involving companies and consequently the market.					
BMF1 1	Changing consumer behaviour	This opportunity arises from the influence of climate change impacts on the cultural transformation of citizens and society. This perspective is reaffirmed through surveys and by popular demand from those participating in the last three COP Meetings (COP-15, COP-16 and COP-17). Therefore, there are opportunities associated with certain aspects of the market through socially and environmentally responsible choices and attitudes of institutions.	Increased demand for existing products/services	Unknown	Direct	About as likely as not	Medium-high

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

These are opportunities whose potential financial implications are difficult to measure, since they are related to an intangible value, namely, social behavior and a corporation's reputation. To make a quantitative estimate, the adoption of several assumptions would be required and that would not accurately reflect reality. BM&FBOVESPA identifies that an opportunity to address climate change stems from its position and engaging role in the dissemination of sustainable concepts involving companies and consequently the market. Underlining this commitment to sustainability, BM&FBOVESPA is a signatory of

the PRI and the Global Compact. Currently, BM&FBOVESPA is working the creation and management of indexes that favor companies which hold shares and has undertaken a more active stance towards environmental issues, especially those related to GHG emissions. The environmental indexes created by BM&FBOVESPA are: • Corporate Sustainability Index – ISE • Carbon Efficient Index - ICO2 These indexes are part of the Exchange's ongoing and successful process to encourage best social and environmental practices in companies. This process began with the creation of the IGC – Differentiated Corporate Governance Stock Index. The key driver to this index, established in 2001, was the dissemination of best corporate governance practices in companies by encouraging more transparent processes and a clearer balance of rights among shareholders in listed companies. The goal of the ICO2 is to encourage companies to measure, disseminate and manage their emissions, thus increasing transparency (with regard to the impact of their activities on the environment) to their shareholders and the market, while creating investment opportunities for investors concerned about environmental issues. The ICO2 portfolio consists of shares from IBrX-50 companies which adhere to the ICO2 weighted by the market value of free float shares and by GHG emissions ratio of the companies.

6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

Climate events such as fluctuations in temperature, heavy rains and droughts are some of the factors that can affect the harvest volume each year and consequently the market price of agricultural commodities. The main agricultural commodities traded on BM&FBOVESPA are Coffee, Corn, Soybean, Live Cattle and Ethanol. It should be noted that these commodities are from the agricultural sector, which is very likely to be affected by physical events of climate change. Therefore, the impacts may influence the price of such commodities and eventually increase the demand for the risk management instruments traded on the Exchange. Furthermore, the Exchange launched the trading of hydrated ethanol and soybean contracts with cash settlement in May 2010 and January 2011 respectively. Among the tools that participants in the agribusiness sector can use to guard against risks related to price fluctuation are hedging transactions (i.e. price setting) through derivatives contracts. In this respect, BM&FBOVESPA offers agribusiness market participants the possibility to trade futures and options contracts. This is not considered as an opportunity, but as a risk to be managed.

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: 7. Emissions Methodology

7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Sat 01 Jan 2011 - Sat 31 Dec 2011	63.7	708.1

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Brazil GHG Protocol Programme

7.2a

If you have selected "Other", please provide details below

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	Other: Calculating HFC and PFC Emissions from the Manufacturing, Installation, Operation and Disposal of Refrigeration & Air-conditioning Equipment (Version 1.0). - GHG Protocol - http://www.ghgprotocol.org/calculation-tools/refrigeration
CO2	IPCC Second Assessment Report (SAR - 100 year)

7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
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Attachments

https://www.cdproject.net/Sites/2012/35/22735/Investor_CDP_2012/Shared Documents/Attachments/InvestorCDP2012/7.EmissionsMethodology/Question_7.4_worksheet-to-input-of-EF.xlsx

Page: 8. Emissions Data - (1 Jan 2011 - 31 Dec 2011)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO2e

63.7

8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

708.1

8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

No

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Data Gaps Assumptions Other: Emission Factor Uncertainty		More than 5% but less than or equal to 10%	Data Gaps Assumptions Other: Emission Factor Uncertainty	

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance complete

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of assurance	verification or Relevant standard	verification	Relevant statement attached
Limited assurance	ISAE 3000		Independent auditors' limited assurance report.

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance complete

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of assurance	verification or Relevant standard	verification	Relevant statement attached
Limited assurance	ISAE 3000	Limited	report_KPMG_EN_2012.pdf assurance

8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

Yes

8.8a

Please provide the emissions in metric tonnes CO2e

188.1

Attachments

[https://www.cdproject.net/Sites/2012/35/22735/Investor_CDP_2012/Shared_Documents/Attachments/InvestorCDP2012/8.EmissionsData\(1Jan2011-31Dec2011\)/Limited_assurance_report_KPMG_EN_2012.pdf](https://www.cdproject.net/Sites/2012/35/22735/Investor_CDP_2012/Shared_Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Jan2011-31Dec2011)/Limited_assurance_report_KPMG_EN_2012.pdf)

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2011 - 31 Dec 2011)

9.1

Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

No

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By activity GHG type

9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 metric tonnes CO2e
CO2	63.0
CH4	0.22
N2O	0.45

9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 metric tonnes CO2e
Stationary	49.8

Activity	Scope 1 metric tonnes CO2e
Mobile	12.4
Fugitive	1.5

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2011 - 31 Dec 2011)

10.1

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO2e
Brazil	675.8
Other: USA	11.1
Other: China	16.3
Other: UK	4.9

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 metric tonnes CO2e
BVMF	666.20
BVRJ	6.99
Instituto BM&FBOVESPA	0.72
BBM	1.87
Escritórios Internacionais	32.33

Page: 11. Emissions Scope 2 Contractual

11.1

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

11.2

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

Page: 12. Energy

12.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

12.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	262.90
Electricity	23104.94
Heat	0
Steam	0
Cooling	0

12.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	185.68
Liquefied Natural Gas (LNG)	30.09
Motor gasoline	32.37
Other: Ethanol	10.91
Liquefied petroleum gas (LPG)	3.86

Page: 13. Emissions Performance

13.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Change in methodology	34.5	Decrease	There was a considerable reduction on Scope 1 emissions due to a large amount of R-407C recharge in 2010 during maintenance. Since that maintenance didn't occur in 2011, direct emissions were much lower. Additionally, the emission factor for Brazilian electricity grid was much lower in 2011, which contributed for the reduction of Scope 2 emissions.

13.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.00000036	metric tonnes CO2e	unit total revenue	35	Decrease	Significant reduction in Scope 1 emissions due to a R-407C recharge maintenance in the previous year and significant Scope 2 emission reduction due to a lower electricity grid emission factor in 2011.

13.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.00017335	metric tonnes CO2e	FTE Employee	55.2	Decrease	Significant reduction in Scope 1 emissions due to a R-407C recharge maintenance in the previous year and significant Scope 2 emission reduction due to a lower electricity grid emission factor in 2011.

13.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
	metric tonnes CO2e				

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

No, and we do not currently anticipate doing so in the next two years

14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

Page: 2012-Investor-Scope 3 Emissions

15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Waste generated in operations	35.4	Emission factors according to IPCC.	
Business travel	1358.8	Emission factors according to Defra, based on the number of airline tickets issued and the flight distances.	
Employee commuting	509.7	All employees take a survey periodically to supply data regarding their commuting, such as distance, type of transportation used and frequency.	
Upstream transportation & distribution	77.9	Emission factors according to IPCC.	Refers to the transportation of employees in service.
Downstream transportation and distribution	0.1	Emission factors according to IPCC.	Refers to document shipping.
Other (upstream)	89.6	Leakage of refrigerant gases, estimated based on the amount of gases recharged into the systems.	

15.2

Please indicate the verification/assurance status that applies to your Scope 3 emissions

Verification or assurance complete

15.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 90% but less than or equal to 100%

15.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of assurance	verification or	Relevant standard	verification	Relevant statement attached
Limited assurance		ISAE 3000		Limited assurance report_KPMG_EN_2012

15.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

15.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions (percentage)	value	Direction change	of	Comment
Business travel	Other: Increase in the number o flights	9.4		Increase		

Attachments

[https://www.cdproject.net/Sites/2012/35/22735/Investor_CDP_2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/Limited assurance report_KPMG_EN_2012.pdf](https://www.cdproject.net/Sites/2012/35/22735/Investor_CDP_2012/Shared_Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/Limited_assurance_report_KPMG_EN_2012.pdf)

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Sônia Bruck Pereira - Sustainability Manager