

BM&FBOVESPA announces 10th portfolio of the Corporate Sustainability Index

- + transparency: number of companies authorizing publication of their answers to the questionnaire rises from 22 to 34, growing from 55% to 85% of the portfolio
- + diversification: a new sector and four new companies are now included in ISE

São Paulo, November 26, 2014 – BM&FBOVESPA announced today the tenth portfolio of the Corporate Sustainability Index (ISE), effective from January 05, 2015 to January 02, 2016. The new portfolio is composed of 51 stocks of 40 companies. The companies are drawn from 19 sectors and have a combined market capitalization of BRL 1.22 trillion, or 49.87% of the combined figure for all of the companies traded on BM&FBOVESPA, based on the close of trading on November 24, 2014 (in the previous year, combined market capitalization was BRL 1.14 trillion, the equivalent of 47.16% of the total, based on the close of trading on November 26, 2013).

Of the 40 companies in the current portfolio, four are new: JSL, B2W DIGITAL, LOJAS AMERICANAS and LOJAS RENNER, with the latter three being responsible for the Retail sector going onto ISE. The larger number of sectors increases attractiveness for investors, due to greater diversification, and also demonstrates that the Sustainability trend is gaining maturity as its reach stretches further across sectors.

The tenth ISE portfolio also shows a significant increase to companies' transparency. The number of companies authorizing the publication of answers to the questionnaire has risen from 22 to 34 (see table below) and now represents 85% of the total of the new portfolio. Last year it was 55% of the total. The answers will be published in the afternoon of November 26, on the index's website: www.isebvmf.com.br.

This year, once again, the ISE process includes KPMG validation, which helps grant even greater credibility to the procedures. ISE has also maintained its daily press monitoring partnership with the company Imagem Corporativa.

The 182 companies with the 200 most liquid stocks on the Exchange at the time of portfolio renewal in January 2014 were invited to join the new portfolio. Of this group of companies, 49 signed up for one or more of the three categories (46 as Eligible, one as Training and eight as Simulated).

New Portfolio – 2015

AES TIETE*	CEMIG*	ELETROBRAS*	ITAUSA*	SABESP
B2W DIGITAL*	CIELO*	ELETROPAULO*	ITAUUNIBANCO*	SANTANDER BR*
BRASIL (BANCO DO BRASIL)*	COELCE*	EMBRAER	JSL*	SUL AMERICA*
BICBANCO*	COPEL*	EVEN*	KLABIN S/A*	TELEF BRASIL (TELEFÔNICA)
BRADESCO*	CPFL ENERGIA*	FIBRIA*	LIGHT S/A*	TIM PART S/A
BRASKEM*	DURATEX*	FLEURY*	LOJAS AMERIC (LOJAS AMERICANAS)*	TRACTEBEL*
BRF SA*	ECORODOVIAS*	GERDAU	LOJAS RENNER*	VALE*
CCR SA*	ENERGIAS BR (EDP)*	GERDAU MET	NATURA*	WEG*

* Companies that have authorized the publication of their answers to the questionnaire

X-Ray of the Portfolio

- 65% of companies have a Sustainability Committee that reports to the Board of Directors (2013: 58%) and 63% have board members on this committee (2013: 58%).
- 98% of companies have a department responsible for sustainability questions that reports directly to the highest levels of the company (2013: 95%).
- 83% of companies have corporate policy regarding climate change, approved by the Board of Directors or highest levels of the company.
- 65% of companies have a variable remuneration system that foresees the correlation between risks taken on, remuneration effectively paid and the company's earnings (2013: 53%).
- 63% of companies systematically monitor sustainability indicators and at the same frequency as financial information (2013: 50%).
- 84% of companies say that they publish an inventory of greenhouse gas emissions (GGE); and 67% have committed to GGE reduction targets, of which 49% have met or surpassed their objectives. Meanwhile, 33% of the companies have not established these targets.
- 77% of companies in the portfolio incorporate environmental requirements into new products/services, processes or enterprises.

About ISE

- The Corporate Sustainability Index (ISE) was created in December 2005, being the fourth of its kind in the world (1st: New York; 2nd: London; 3rd: Johannesburg).
- It seeks to act as a driver of good practices in the Brazilian corporate world and to be a reference for socially responsible investment.
- ISE reflects the average return of a theoretical portfolio of equities in publicly –traded companies listed on BM&FBOVESPA and which have sustainability best practices.
- Its methodology is the responsibility of the Sustainability Study Center (GVCes) of FGV-EAESP, which is based on a questionnaire that has seven dimensions: Environmental, Social, Financial-Economic, Corporate Governance, General, Nature of the Product and Climate Change. The assessment of companies occurs in two fields: quantitative (answers to the questionnaire) and qualitative (submission of supporting documentation in sample form).
- The ISE partners are KPMG for process validation and Imagem Corporativa for daily press monitoring.
- The index is calculated by BM&FBOVESPA in real time throughout the trading session, considering the prices of the last trades executed in the cash market. Companies that have the 200 most traded equities in the trading session in terms of liquidity are invited to take part in the process.
- ISE's option for the investor with an awareness of this agenda is ETF ISUS11, which was listed on October 31, 2011. ETFs seek to mirror their indexes, and their shares are traded on the Exchange in the same way as equities.
- ISE's highest level of corporate governance is its Advisory Board (CISE), which is made up of more than ten bodies: the Brazilian Association of Pension Funds (ABRAPP), the Association of Capital Markets Analysts and Investment Professionals (APIMEC), the Brazilian Financial and Capital Markets Association

(ANBIMA), the Group of Institutes, Foundations and Enterprises (GIFE), THE Brazilian Institute of Independent Auditors (IBRACON), Brazilian Institute of Corporate Governance (IBGC), the International Finance Corporation (IFC), the United Nations Environment Programme (UNEPFI) and the Brazilian Ministry of the Environment.

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