



BM&FBOVESPA publishes the 12th portfolio of the Corporate Sustainability Index (ISE)

*Full transparency is a prerequisite
The Sustainable Development Goals (SDG) have been added to the
questionnaire*

São Paulo, November 24, 2016 - BM&FBOVESPA announced today the 12th portfolio of the Corporate Sustainability index (ISE), effective from January 02, 2017 to January 05, 2018. The new portfolio is composed of 38 stocks of 34 companies. The companies are drawn from 15 sectors and have a combined market capitalization of BRL 1.31 trillion, or 52.14% of the combined figure for all of the companies traded on BM&FBOVESPA, based on the close of trading on November 22, 2016 (in the previous year, ISE's combined market capitalization was BRL 1.15 trillion, the equivalent of 45.68% of the total).

Companies with the 200 most liquid equities at the time of portfolio renewal are invited to join the ISE annual process. ISE's technical partner since its creation is the Sustainability Study Center (GVCes) of FGV-EAESP. For the portfolio process announced today, 179 companies were invited. Of these, 41 signed up, with 39 qualifying as Eligible and two qualifying for Training.

In 2017, the ISE portfolio starts to have the disclosure of questionnaire answers as a prerequisite for participating in the Index. The answers given by the 34 companies are therefore already available on the www.isebvmf.com.br website.

This portfolio also inaugurates the timely inclusion of the Sustainable Development Goals (SDG) in the questionnaire in line with the adoption of SDGs by the UN at the end of 2015. Questions were structured through an integrated approach so that the companies could:

- *Analyze the implications of business practices in relation to SDGs;*
- *Have advance knowledge of indicators and targets in relation to SDGs and their expected results;*
- *Have advance knowledge of resources compatible with their goals and targets;*
- *Consider cooperation possibilities for reaching goals and targets.*

From its creation in 2005 up until the November 22, 2016 close of business, ISE gained +145.36%, against 94.11% for Ibovespa. In the same period ISE was also less volatile: 25.25% compared to 28.05% for Ibovespa.

The 2017 portfolio process had external Assurance by KPMG, once again, which awarded it “Limited Assurance no Reservations” status. The ISE assurance process has been carried out since 2012 and grants even greater credibility and trustworthiness to the index. ISE has also maintained its daily press monitoring partnership with the company Imagem Corporativa.

New Portfolio – 2017

AES Tiete	BRF	Copel	Eletrobras	Fleury	Lojas Renner	SulAmerica
B2W	CCR	CPFL	Eletropaulo	Itaúsa	Light	Telefônica
Banco do Brasil	Celesc	Duratex	Embraer	Itaú Unibanco	MRV	Tim
Bradesco	Cemig	Ecorodovias	Engie*	Klabin	Natura	Weg
Braskem	Cielo	EDP	Fibria	Lojas Americanas	Santander	

*Tractebel changes corporate name to Engie on July 21, 2016.

Current Portfolio – 2016

AES Tiete	BRF	Copel	Eletrobras	Fleury	Light	SulAmerica
B2W	CCR	CPFL	Eletropaulo	Itaúsa	Natura	Telefônica
Banco do Brasil	Cemig	Duratex	Embraer	Itaú Unibanco	Oi**	Tim*
Bradesco	Cesp*	Ecorodovias	Even	Klabin	Lojas Renner	Tractebel***
Braskem	Cielo	EDP	Fibria	Lojas Americanas	Santander	Weg

*Companies that did not publish their answers to the questionnaire

**On June 21, 2016, Oi went into exceptional trading status, ceasing to be part of the ISE portfolio on June 22, 2016

*** Tractebel changes corporate name to Engie on July 21, 2016.

X-RAY OF THE PORTFOLIO

- **100%** of companies adhered formally and publicly to widely accepted **voluntary commitments to Sustainable Development** (97% in 2015);
- **100%** of companies published their **GRI model Sustainability Report** in the last year;
- **100%** of companies declared formal and public adherence to the **commitments on climate change** (100% in 2015);
- **95%** of companies have a **department that reports directly to top management** and which is tasked with dealing with **questions related to sustainability** (92% in 2015);

- **97%** of companies have processes and procedures implemented in relation to the application of **socio-environmental criteria** for management of all of their **critical suppliers** (89% in 2015);
- **50%** of companies currently have one or more **woman on their Board of Directors** (56% in 2015);
- **12%** of companies currently have one or more **black person on the Board of Directors** (10% in 2015);
- **98%** of companies reported having a **risk policy** and **95%** a **corporate risk management** that considers socio-environmental aspects* (*these questions were created from one in 2015 whose percentage was 92%*)

X-RAY – SDGs (inclusion of the questionnaire as of this year)

- **98%** considered Agenda 2030 and the Sustainable Development Goals (SDGs) as references in the management of business practices. Of these, **87%** carried out analysis to identify whether there is a direct and relevant relationship between the business practices resulting from their voluntary commitments and the SDGs.

The five most frequently noted SDGs by these companies are:

- **85% - SDG 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- **83% - SDG 13:** Take urgent action to combat climate change and its impacts;
- **81% - SDG 5:** Achieve gender equality and empower all women and girls;
- **81% - SDG 12:** Ensure sustainable consumption and production patterns;
- **80% - SDG 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

The five least frequently noted SDGs by these companies are:

- **52% - SDG 6:** Ensure availability and sustainable management of water and sanitation for all;
- **50% - SDG 10:** Reduce inequality within and among countries;
- **50% - SDG 1:** End poverty in all its forms everywhere;

- **33% - SDG 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- **9% - SDG 14:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

The percentages refer to the proportion of companies that name these SDGs as important

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 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 Association of Capital Markets Analysts and Investment Professionals (APIMEC), the Brazilian Association of Pension Funds (ABRAPP), 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.*