



## 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 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 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 favour 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**

Sun 01 Jan 2012 - Mon 31 Dec 2012

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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

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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\$)

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0.6

#### Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry and companies in the information technology and telecommunications sectors 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 not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email [respond@cdproject.net](mailto: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

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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

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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, among other goals, 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 **Financial Products and 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.

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## 1.2

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

No

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## Page: 2. Strategy

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## 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

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### 2.1a

**Please provide further details**

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 by four members of the Board of Directors and are 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 by 9 members and their 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.

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## 2.2

### Is climate change integrated into your business strategy?

Yes

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#### 2.2a

##### Please describe the process and outcomes

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. Due to the existence of a Sustainability Committee and a Sustainability Area, Climate Change integration to the Company's strategy is constantly under discussion. For 2013, BM&FBOVESPA's Sustainability Policy, which is already drafted and approved, it's expected to be implemented at all company's levels following the Board of Directors' approval. 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 internal sustainability actions, the Exchange reports their GHG emissions to the CDP annually and in 2012 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 2012, more than 50 companies participated in the ICO2 process. 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 comprised by the initiative is gradually expanded, inducing participating companies to upgrade the quality and completeness of their inventories.

Another related initiative launched was the "Report and Explain", where listed companies were recommended to indicate on their "Reference Form" if they publish a Sustainability Report. In case, negative, companies should explain why not. By using this approach BM&FBOVESPA hopes to prepare the companies participating for the competitive environment in a low carbon economy by creating an incentive for emissions inventories' development and disclosure. 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 2012. 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. Furthermore, it was elaborated a field for each questionnaire indicator, to allow companies to complement with relevant information the responses given.

Besides these actions, BM&FBOVESPA and the State of São Paulo, through the Department of the Environment of São Paulo State Government and São Paulo Environmental Technology Company (CETESB), signed in June of 2012 a memorandum of understanding, which aims to study and propose institutional and regulatory support needed to develop an environmental market. The focus initially is the Compensation Legal Reserve segment.

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### 2.3

**Do you engage in activities that could either directly or indirectly influence policy on climate change through any of the following? (tick all that apply)**

Other

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### 2.3g

**Please provide details of the other engagement activities that you undertake**

To BM&FBOVESPA, sustainability is a new management model that inspires conducting business in synergy with the current and future interests, such as the society and the planet, and tries to incorporate the concept of sustainability to its products and services, involving all areas of the company's business. As already mentioned, examples of this induction of good practice's policy, is the development of "green" stock indexes, such as the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2), and the recently launched initiative "Report or Explain", where the Exchange requires information about the existence of Sustainability Report by the participants – If so, the information about where it is available is followed while an explanation is requested, in case response is negative.

In addition, at the United Nations Conference this year, the company has signed jointly with other exchange companies an agreement to promote long-term responsible investments and the report of related information of the companies listed. This initiative influenced the SSE initiative that encourages the dialog between the companies with the purpose of a responsible investment development and the corporate and sustainability governance report disclosure.

All these actions represent the continuous commitment of BM&FBOVESPA to encourage environmental impacts mitigation in aligned to cost reduction, both internally and externally.

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### 2.3h

**What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

In order to guarantee that all this practices and guidance will be followed in the same way at all levels of the company, BM&FBOVESPA is working on new Mission, Vision and Values' statements, as well as on their Sustainability Policy, which is expected to be implemented in 2013.

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## **Page: 3. Targets and Initiatives**

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### 3.1

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

No

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### 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 services are not as carbon intensive as construction or power generation companies, since their 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 over these emissions due to their high vulnerability to unexpected events. 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 reduce by half, the national emission factor from one year to another. BM&FBOVESPA has no control over this factor and for this reason the company monitor and manage its energy consumption, regardless of GHG emissions associated to the electricity generation. Even though there are no specific targets to reach, the company has been implementing energy efficiency measures, such as modernization of the lifts and refrigeration systems, reducing its business travel by installing video conference call meeting rooms, using the “bike boy” option for short distance transportation services instead of moto boy services, installing a bicycle parking, developing a carpool project – called Carona Solidária –, restricting the use of taxis by employees – named Política de Táxi -, so they can reduce their emissions during commuting and outsourcing printings. In addition to these measures, information about sustainability is shared on the BM&FBovespa’s intranet, leading to the adoption of best practices, especially related to climate change, contributing to reduce the environmental impact of BM&FBovespa’s activities.

For the next five years, BM&FBOVESPA believes that their GHG emissions may increase at the following sources:

- Scope 1: Increased consumption and combustion of fossil fuels by BM&FBOVESPA’s own fleet of vehicles due to an increase in business activities;
- Scope 1: Increase in emissions from the release of refrigerant gases due to an increase in the number of 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 implementation phases)**

Yes

#### 3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*	13	
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 (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
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.				
Energy efficiency: Building services	Deactivating one elevator during less active or busy periods of the day. Voluntary initiative impacting emissions from scope 2.				
Behavioral change	New rules for usage of air conditioning during weekends. Voluntary initiative impacting				

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
	emissions from scope 2.				
Transportation: use	Reducing indirect emissions by hiring a company specialized in bike transportation instead of motorcycles. Voluntary initiative impacting emissions from scope 3.				
Transportation: use	Introduction of a policy that restrict the use of taxis for commuting.	20			
Behavioral change	Outsourcing of printing – removal of 82 printers and substitution for 29 in the building of XV de Novembro street.				

### 3.3c

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

Method	Comment
Dedicated budget for other emissions 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 places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In voluntary communications (complete)	The whole document relates to climate change	<a href="https://www.cdproject.net/sites/2013/35/22735/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/BMFBovespa%202012%20GHG%20Emissions%20Inventory.pptx">https://www.cdproject.net/sites/2013/35/22735/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/BMFBovespa 2012 GHG Emissions Inventory.pptx</a>
In mainstream financial reports (underway) – previous year attached	Pages 42 to 53 are related to climate change	<a href="https://www.cdproject.net/sites/2013/35/22735/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/BMFBovespa%20Annual%20Report%202012.pdf">https://www.cdproject.net/sites/2013/35/22735/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/BMFBovespa Annual Report 2012.pdf</a>

## Module: Risks and Opportunities

## Page: 5. Climate Change Risks



5.1

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

- Risks driven by changes in regulation
- 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
BMFO1	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	Reduced demand for goods/services	6-10 years	Indirect (Client)	About as likely as not	Medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		liquidity of their shares.					
BMFO 2	Carbon taxes	<p>This consideration is based on risk analysis of BM&amp;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</p>	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>regulatory government fees and taxes on GHG emissions 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. In addition, even not being a significant polluter, BM&amp;FBOVESPA can also have targets under a scheme similar to the CRC (carbon reduction committee), from the UK, which is focused on service-based companies. These targets would unavoidably imply in direct increase of operational costs.</p>					
BFM03	Cap and trade schemes	<p>This consideration is based on risk and 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 clear</p>	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>interest in evaluating the feasibility of 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 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.</p>					

**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 anticipating 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 could 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 still difficult to quantify.

### 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
BMFO4	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	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
		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.					
BMF05	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 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 as likely as not	Medium-high
BMF06	Change in precipitation	This consideration is	Reduced demand for	Unknown	Indirect (Client)	About as likely as	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
	in pattern	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 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.	goods/services			not	

#### 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 for 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. In June 2012, the Exchange launched Cash-Settled Soybean Futures Contract at the Price of the CME Group Mini-Sized Soybean Futures. 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 the agribusiness sector, that participate in the Exchange, could use to mitigate or adapt to the risks related to price fluctuation are the 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 participating in the last three COP Meetings (COP-15, COP-16, COP-17 and COP-18). Therefore, there are risks associated with certain aspects of the market through socially and environmentally responsible choices and attitudes of institutions.	Reduced demand for goods/services	1-5 years	Direct	About likely as not	Medium-high

#### 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 of which the related financial implication is difficult to measure, since it is related to social behaviour, namely, an intangible value. To make a quantitative estimate the adoption of several assumptions would be required and it would not accurately reflect the reality. In fact, changes in consumption pattern and behaviour 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 environmental asset market in future, including carbon credit auctions, 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: 6. Climate Change Opportunities**

**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 agreements	BM&FBOVESPA identifies that its main opportunity arising from climate change regulations is available through the institutionalization of the Carbon Market and other environmental asset-related markets/instruments, 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.	New products/business services	1-5 years	Direct	About as likely as not	Medium
BMF09	Cap and trade schemes	BM&FBOVESPA identifies that its main opportunity arising from climate change regulatory measures is available through the institutionalization of the Carbon Market and other	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
		<p>environmental asset-related markets/instruments, 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 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 a mandatory national target is still under debate.</p>					

**6.1b**

**Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (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 and other environmental asset-related markets/instruments. 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. Within this initiative, 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 Inter American

Development 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.

The methods identified to make use of the opportunities arising from climate change regulations do lead to an increase in the internal costs to the company, but it is very difficult to quantify.

#### 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 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.	New products/business services	1-5 years	Direct	About as likely as not	Medium
BMF11	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, COP-17 and COP-18). Therefore, there are opportunities associated with certain aspects of the market	Increased demand for existing products/services	Unknown	Direct	About as likely as not	Medium-high

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		through socially and environmentally responsible choices and attitudes of institutions.					

#### 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 behaviour and a corporation's reputation. To make a quantitative estimate, the adoption of several assumptions would be required and it would not necessarily reflect the 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 favour 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.

The methods identified to make use of those opportunities do lead to an increase in the internal costs to the company, but it is very difficult to quantify.

#### 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 jeopardize the harvesting 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 negative 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.

BM&FBOVESPA do recognise that opportunities can also exist, since the expected changes in the climate could lead to an increase in productivity but they're estimated to be minor for the mentioned commodities. Among the tools that the agribusiness sector adopts to prevent risks related to price fluctuation, the hedging transactions (i.e. price setting) is an important one, through the 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**

**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)
Sun 01 Jan 2012 - Mon 31 Dec 2012	548.25	1631.24

**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
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1

**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
CO2	IPCC Second Assessment Report (SAR - 100 year)
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 - <a href="http://www.ghgprotocol.org/calculation-tools/refrigeration">http://www.ghgprotocol.org/calculation-tools/refrigeration</a>

**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/2013/35/22735/Investor\\_CDP\\_2013/Shared\\_Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/Emission\\_Factors\\_Question\\_7.4.xlsx](https://www.cdproject.net/sites/2013/35/22735/Investor_CDP_2013/Shared_Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/Emission_Factors_Question_7.4.xlsx)

**8.1**

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

Operational control

8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO<sub>2</sub>e

548.25

8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO<sub>2</sub>e

1631.24

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 2 emissions 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
Less than or equal to 2%	Assumptions	Most activity data were obtained from accurate sources.	More than 2% but less than or equal to 5%	Data Gaps Extrapolation	Most activity data were obtained from accurate sources. There is no available data for the electricity consumption at the international offices. Therefore, the energy consumption was estimated.

8.6

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

Third party 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

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	ISAE3000	<a href="https://www.cdproject.net/sites/2013/35/22735/Investor_CDP_2013/Shared_Documents/Attachments/Investor-8.6b-C3-RelevantStatement/63029-CDP_verification_template_2013_KPMG_BMF_Bovespa_V2_CLIENTE.pdf">https://www.cdproject.net/sites/2013/35/22735/Investor_CDP_2013/Shared Documents/Attachments/Investor-8.6b-C3-RelevantStatement/63029-CDP verification template 2013_KPMG_BMF_Bovespa_V2_CLIENTE.pdf</a>

8.7

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

Third party 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

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	ISAE3000	<a href="https://www.cdproject.net/sites/2013/35/22735/Investor_CDP_2013/Shared_Documents/Attachments/Investor-8.7b-C3-RelevantStatement/63029-CDP_verification_template_2013_KPMG_BMF_Bovespa_V2_CLIENTE.pdf">https://www.cdproject.net/sites/2013/35/22735/Investor_CDP_2013/Shared Documents/Attachments/Investor-8.7b-C3-RelevantStatement/63029-CDP verification template 2013_KPMG_BMF_Bovespa_V2_CLIENTE.pdf</a>

8.8

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

#### Further Information

Biological carbon dioxide emissions: Scope 1 - 5,18 t CO<sub>2</sub>; Scope 2 - 0,79 t CO<sub>2</sub>; and Scope 3 - 347,01 t CO<sub>2</sub>

**Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)**

9.1

Do you have Scope 1 emissions sources in more than one country?

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 emissions (metric tonnes CO2e)
CO2	66.77
CH4	0.23
N2O	0.47
HFCs	480.78

### 9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Stationary	53.49
Mobile	12.11
Fugitive	482.65

## Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

### 10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

### 10.1a

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
Brazil	1604.51	24967.44	
China	13.50	17.63	
United States of America	9.20	17.63	
United Kingdom	4.03	8.81	

### 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 emissions (metric tonnes CO2e)
BVMF	1547.69
BVRJ	50.46
International Offices	26.74
BBM	4.77
BM&FBOVESPA Institute	1.58

**Page: 11. Energy**

11.1

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

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

11.2

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

Energy type	MWh
Fuel	305.61
Electricity	24958.88
Heat	
Steam	
Cooling	

11.3

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

Fuels	MWh
Diesel/Gas oil	271.49
Liquefied petroleum gas (LPG)	3.86
Other: NGV	30.26

11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
No purchases or generation of low carbon electricity, heat, steam or cooling	0	

**Page: 12. Emissions Performance**

12.1

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

Increased

### 12.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities			
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			
Change in boundary		Increase	
Change in physical operating conditions	130.40	Increase	There was a significant increase in scope 2 emissions due to shortage of precipitation in the country and the high reliance on hydroelectricity. The emission factor of the grid has increased from 0.029 to 0.0653 tCO <sub>2</sub> /MWh.
Unidentified			
Other	761.36	Increase	BM&F Bovespa's scope 1 emissions are mainly a result of leakages in refrigerant systems. Since the company has a low level of overall direct emissions, any variation in refrigerant gases recharges from one year to another will be easily noticed, which is the reason for the higher scope 1 emissions in 2012. Additionally, during a maintenance in one of the company's facilities, there was an automatic discharge of refrigerant gases for safety reasons, which was responsible for a significant percentage of the total leakage emissions in 2012.compositions when compared to R-22.

### 12.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO<sub>2</sub>e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000000952	metric tonnes CO <sub>2</sub> e	unit revenue total	159	Increase	There was a significant increase in the GHG emissions of scopes 1 and 2, between 2011 and 2012, for the reasons stated in item 12.1

### 12.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO<sub>2</sub>e 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
0.000381	metric tonnes CO2e	FTE employee	118	Increase	There was a significant increase in scope 2 emissions due to shortage of precipitation in the country and the high reliance on hydroelectricity. The emission factor of the grid has increased from 0.029 to 0.0653 tCO2/MWh.

12.4

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
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#### Further Information

Considering all the direct and indirect GHG emissions sources in 2012 and 2011, it can be observed that the highest increase on the emissions were consequence of the generation of the electricity consumed in BM&FBovespa facilities. Although BM&FBOVESPA does have control over the amount that consumes, it has no control over the electricity generation – and the national grid emission factor –, which is the main responsible to vary those emissions, as shown in applicable section.

### Page: 13. Emissions Trading

13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

13.2

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

No

#### Further Information

In 2010, BM&FBOVESPA has coordinated studies on the carbon credit market in Brazil, which are part of Projeto Fortalecimento das Instituições e Infraestrutura do Mercado de Carbono no Brasil, implemented by the company, with the support of the World Bank PHRD program, financed with funds from Japanese government, and FINEP (Financing Agency for Studies and Projects). The studies provide consolidated and contextualised information, which should contribute to the development of the carbon market in the country, on the following topics: survey CDM (Clean Development Mechanism) opportunities in Brazil; lifting barriers and the potential of programmatic CDM in Brazil; guide performance of the public sector in the CDM and the carbon market; regulation of environmental assets in Brazil, and organization of the carbon credit market in Brazil. The subjects of 2010 studies were drawn based on previous discussions with market participants, as well as from the analysis of existing studies. Carbon trading on the BM&FBOVESPA is an electronic trading environment developed to facilitate, in a fast, secure and transparent way, closing deals with generated credits by projects of the Clean Development Mechanism (CDM) and in the voluntary market.

Operations are conducted through electronic auctions, web, and scheduled by BM&FBOVESPA as a request of organizations - public or private - who wish to offer their carbon credits in the market. Each auction of carbon credits on BM&FBOVESPA is modeled according to the specific characteristics of the offer. The trading rules adopted by each auction are disclosed to the market through public announcements (or announcements).

Also in 2012, BM&FBOVESPA and Santander Brazil signed a partnership to stimulate the carbon credits market in Brazil. The goal is to study the creation of new products referenced in carbon credits for trading on a stock exchange as derivative contracts and/or spot products. Through the agreement, the two institutions will jointly evaluate the development of products targeted to the Brazilian and international markets, and also develop joint studies to analyze the economic feasibility and, if necessary, suggest regulatory measures needed to launch these products. The initiative also provides the creation of a Market Maker Program focus on products eventually launched as a result of the partnership. On June of 2012, the Exchange held the third auction of certified emission reductions (CERs) owned by the City Hall of São Paulo. Mercuria Energy Trading, based in Geneva (Switzerland), purchased the lot to € 3.30 per carbon credit, which represents a premium of 22.22% over the minimum price of € 2.70 per carbon credit. In total, the auction had a volume of € 1,749,000 (approximately R\$ 4,477,000). Were auctioned in a single batch, 530,000 CERs, generated under the Clean Development Mechanism (CDM), by the Projeto Bandeirantes de Gás de Aterro e Geração de Energia.

**Page: 14. Scope 3 Emissions**

**14.1**

**Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions**

Sources of Scope 3 emissions	of 3	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services		Not evaluated				
Capital goods		Not evaluated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)		Not evaluated				
Upstream transportation and distribution		Not relevant, calculated	3.16	Emission factors according to IPCC.	100%	Refers to the transportation of employees in service and documents.
Waste generated in operations		Not relevant, calculated	32.97	Emission factors according to IPCC.	100%	
Business travel		Relevant, calculated	1388.83	Emission factors provided by Defra, basing on the number of tickets issued and on the distance traveled by the flights / Emission factors provided by IPCC.	100%	Refers to the road and air transportation of employees in service.
Employee commuting		Relevant, calculated	646.04	All employees take a survey periodically to supply data regarding their commuting, such as distance, type of transportation used and	57.60%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			frequency.		
Upstream leased assets	Not evaluated				
Investments	Not evaluated				
Downstream transportation and distribution	Not evaluated				
Processing of sold products	Not evaluated				
Use of sold products	Not evaluated				
End of life treatment of sold products	Not evaluated				
Downstream leased assets	Not evaluated				
Franchises	Not evaluated				
Other (upstream)	Not evaluated	52.66	Leakage of refrigerant gases, estimated based on the amount of gases recharged into the systems.	100%	
Other (downstream)	Not evaluated				

#### 14.2

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

Third party verification or assurance complete

#### 14.2a

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

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

#### 14.2b

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

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	ISAE3000	<a href="https://www.cdproject.net/sites/2013/35/22735/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-14.2b-C3-RelevantStatementAttached/63029-CDP%20verification%20template%202013_KPMG_BMF_Bovespa_V2_CLIENTE.pdf">https://www.cdproject.net/sites/2013/35/22735/Investor CDP 2013/Shared Documents/Attachments/Investor-14.2b-C3-RelevantStatementAttached/63029-CDP verification template 2013_KPMG_BMF_Bovespa_V2_CLIENTE.pdf</a>

#### 14.3

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

Yes

**14.3a**

**Please complete the table**

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Other: Reduced the number of national flight but increased the international ones.	3.14	Decrease	
Waste generated in operations	Other: Minor variation due to the amount disposed.	6.95	Decrease	
Upstream transportation & distribution	Other: Optimization of transportation services and higher control.	5.35	Increase	
Employee commuting	Other: Higher sample and more accurate information.	26.75	Increase	
Other (upstream)	Other: Variation due to the uneven frequency of maintenance of HFC's leakages.	41.23	Decrease	

**14.4**

**Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)**

Yes, other partners in the value chain

**14.4a**

**Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success**

BM&FBOVESPA is recognized for its responsible management, for its transparency and efficiency. In 2012, had again received the Transparency Award and won the prize of Best Companies to Shareholders in Corporate Governance criteria. For the second consecutive year, the company was voted as the Most Sustainable Stock Exchange in Latin America, by Exchanges & Brokers Awards, and for the fourth consecutive year, publishes its annual report compiled from the guidelines of the Global Reporting Initiative (GRI), continuing the efforts to meet their environmental ideals. The company is a member of the Advisory Board and member of EPC - Business Program for Climate / FGV, Brazil GRI Advisory Council, Honorary Council of the CDP - Carbon Disclosure Project - Latin America, the GRI Stakeholder Council, among others, and has initiatives for sustainable development as the Carbon Efficient Index (ICO2) and Corporate Sustainability Index (ISE). In 2012, the company also presented the main highlights of the new questionnaire-based evaluation of candidate firms to the selection process of the eighth ISE portfolio. This recognition demonstrates that the Exchange seeks constant improvement of good corporate governance practices, ensuring alignment of interest between the company and its directors, controlling shareholders, their markets participants and other stakeholders.

**Module: Sign Off**

**Page: Sign Off**

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

Rodrigo Da Costa Aguiar  
Coordinator – Sustainability and BM&FBOVESPA Institute