



Climate Change 2016 Information Request BM&FBOVESPA

Module: Introduction

Page: Introduction

CC0.1

Introduction

Please give a general description and introduction to your organization.

Bolsa de Valores, Mercadorias e Futuros S.A. – BM&FBOVESPA is a public company with stock trades under ticker symbol BVMF3 on Novo Mercado, the premium listing segment for issuers with the highest corporate governance standards. BVMF3 is tracked by the Ibovespa, IBRX-50, IBRX and ITAG indexes, among others. Headquartered in São Paulo, Brazil, the group also comprises the BM&FBOVESPA's Market Supervision (BSM), Settlement Bank and Social Institute. It has representative offices in NY, London and Shanghai to support local market players and build up relations with regulators and governments, as well as to meet potential investors and promote the Brazilian market. In 2015, BM&FBOVESPA had 1,323 employees, 69 interns and a market value of R\$ 19,765 billion (on December 31st) and took the first steps of building strategic partnerships with LATAM's major exchanges with the acquisition of 8.3% equity interest in the Santiago Stock Exchange (Chile). The main objective is to contribute to the development of the region's markets, help on the creation of new products, and ease reciprocal access by issuers and investors.

The company offers trading in stocks, bonds, spot foreign exchange, and derivatives contracts based on equities, financial assets, indexes, rates, agricultural commodities and spot currencies; providing registration, clearing and settlement services and acting as central counterparty to ensure cash settlement of the transactions performed in its environments. It lists companies and other issuers of securities, acts as a central securities depository, manages securities lending transactions, certifies commodities, and licenses software. It also supplies market data and operates an over-the-counter market in derivatives and fixed-income securities. In 2015, the Exchange launched the following products: Start of trading in the Call Option Contract on S&P 500 Futures and Put Option Contract on S&P 500 Futures; International ETF; and structured rollover transactions for Mini US Dollar Futures, Mini Ibovespa Futures and Cash-Settled Hydrous Ethanol Futures.

BM&FBOVESPA stands out in the exchange industry for its vertically integrated business model, which enables operation in all stages of the process, providing all the services required by market members, from organizing purchase and sale transactions to clearing, risk control, settlement and securities custody. This structure is vital to the company's growth model, based on credibility, reputation, and on a qualified management team attentive to trends and opportunities in the global industry and to corporate governance best practices. Thus, BM&FBOVESPA fosters innovation by inspiring new practices and starting new products and services that foresee needs from market players, make processes more efficient, minimize externalities, and above all add value.

BM&FBOVESPA knows its duty to raise public attention to the importance of long term investing. The company keeps its commitment to the principles of transparency & ethics providing special listing segments for issuers with high corporate governance standards (Novo Mercado, Levels 1 & 2, and Bovespa Mais). The exchange expects to be perceived as a sustainability booster within its sector and with national Companies.

In 2009, BM&FBOVESPA began a diffusion of sustainability within the organization and formed a Sustainability Area linked to the CEO. It was the 1st exchange in the world to sign up the UN Global Compact, in 2004. In this context, it is member of the UN Global Compact Brazilian Committee and participates in two groups: the Sustainable Development Goals Commission and the Energy & Climate Working Group. Has participated of COP Brazilian Delegation in the United Nations Climate Change Conference since 2009. In 2010, it became the 1st exchange in any emerging-market country to formally commit to the Principles for Responsible Investment (PRI) as well as the 1st exchange to become an organizational stakeholder in the Global Reporting Initiative (GRI). In 2012, it was a founding signatory of Sustainable Stock Exchange (SSE) with other peers, an agreement to foster long-term responsible investments and sustainability reporting; and since 2014, became a member of the Sustainable Working Group (SWG) at World Federation of Exchanges, which aims to address ESG concerns and tries, through a research-driven dialogue, to build consensus among its members on sensitive issues, and then present those findings to the WFE. From 2016 to 2018, BM&FBOVESPA was elected as vice-chair of SWG. Following these commitments, BM&FBOVESPA seeks to embed the concept of sustainability in its

products & services, engaging all business areas with the Sustainability Policy guidance, approved by the Board in 2013 and based on 4 pillars that bring together relevant themes – Market–and ESG, including climate change. Examples of initiatives are the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2).

CC0.2

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

Thu 01 Jan 2015 - Thu 31 Dec 2015

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Brazil
United States of America
United Kingdom
China

CC0.4

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\$)

CC0.6

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 sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.

If you are in these sector groupings (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@cdp.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.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

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

i) The highest body responsible for dealing with climate change issues at BM&FBOVESPA is the Sustainability Committee.

ii) 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 4 executive members, 4 directors and 2 external members. The Managing Director of Internal Controls, Compliance & Corporate Risk and the Managing Director of BM&FBOVESPA Bank are part of the Sustainability Committee as permanent members, which represents a very important composition of the Committee for an effective climate change risk management process. The Committee meetings were held quarterly in 2015 with reporting to the Board of Directors. It is important to mention that the minutes of the sustainability committee's regular meetings are circulated to all directors, in order to engage them and seek for their support on the issue. Climate change was constantly on the Committee's 2015 agenda especially to prepare the company leaders to the 21th Conference of the Parties (COP 21).

Created, among other goals, to provide support to the Sustainability Committee, the Sustainability Working Group is in charge of proposing and conducting the Company's sustainability agenda, as well as reporting the actions undertaken for the Committee. The Sustainability Working Group is made up of high level administration members, reports to the Sustainability Director and meetings are held on a monthly basis.

The Sustainability Committee and the Sustainability Working Group 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.

CC1.2

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

No

Further Information

CC2.1

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

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	It is considered all the units and countries where BM&FBOVESPA has activities.	3 to 6 years	As part of the corporate governance structure, the Sustainability Committee is the main forum for climate change risks and opportunities discussion, with the duty to support the CEO on setting the best strategies to handle these issues within the Exchange’s operations. The body sends its reports and remarks to the Executive Board. Another 2 Committees join this process: 1-Business Continuity Committee addresses issues that may affect the operation in short/medium term, sets up work groups to create the best action plans to lessen the risks. 2-The Corporate Risk Advisory Committee meets monthly to monitor the main risks related the Exchange’s activities from strategic, operational, financial and regulatory views. Formal reports with all risks are showed to the Board’s Audit and Risk & Financial Committees every half-year, ensuring knowledgement of the highest levels of management. The Sustainability Head participates in the Risk Advisory Committee, bringing important subjects to the forum.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

BM&FBOVESPA is a central institution in the Brazilian capital market that provides trading and post-trading services, with the role of a self-regulator of its own market. The Exchange's risk and opportunities identification process considers the complex context it is inserted with a holistic analysis, not limited only to operational questions. This process addresses endogenous and exogenous strategic, operational, financial and regulatory issues. BM&FBOVESPA is the only national stock exchange that trades shares and derivatives in a relationship with companies of many sectors interested in operation financing, while major financial institutions are also participants in its market. This makes its risk identification a lot challenging and embracing. To meet its goals, BM&FBOVESPA relies on a structure composed by 3 committees:

i) Company Level: : 1) The Sustainability Committee, whose mission is to identify threats linked to sustainability, and climate change. It provides international benchmarking and alignment with companies from various sectors in this field; 2) The Business Continuity Committee identifies potential threats to operation, discusses and handles action plans designed to face threats such as climate change; and 3) The Corporate Risk Advisory Committee monitors risks of any order, including those identified by the other two Committees, and reports them each semester to the Executive Board, Board of Directors, Audit Committee, and regulatory bodies.

ii) Asset Level: The Process and Risk Department documents the corporative process, identifying its risk factors. It identifies opportunities for improvement as well as strategic, operational, financial and regulatory issues. In addition, the company has sustainability drivers in products and systems development. Risks are identified by the bodies above and results are reported to the executive and strategic levels of the Company aiming to define action plans and monitor it.

CC2.1c

How do you prioritize the risks and opportunities identified?

There is a Corporate Risk Advisory Committee, composed by a representative group of directors that aims to discuss the company's risk profile in a monthly basis, address mitigation actions and disseminate a risk culture. Regarding sustainability issues this committee relies on the support of the Sustainability Director. The main risks identified are classified according to its impact and probability, and a risk level is stated according to an internal methodology. After classification, risks are prioritized and action plans for mitigation are defined. Reports about these risks are issued every semester and submitted to the Board's Audit and Risk & Financial Committee as well as to the Board of Directors itself.

Secondly, it is used a bottom-up approach (asset level), in which the company's risk profile is assigned from detailed operational information. This level of detail provides a better definition of responses and metrics for risk rating, allowing a continuous risk monitoring through indicators listing.

Using this approach, the Internal Controls, Compliance & Corporate Risk department has identified and reported the main risks, including the "Shortage of natural resources affecting BM&FBOVESPA's critical operations", a risk related to climate change and drought. As a physical risk, it was assigned to the Business Continuity Committee that established some action plans for mitigation:

- Mapping the buildings' water tanks self-sufficiency

- Institution of a work group composed by 7 directors and 2 superintendents, for monitoring and deliberating the actions to handle the water crisis

- Measures to reduce consumption, improving reservoir's autonomy and strategies for supply in case of rationing

- Presentation of the water concerns to the Post-trade Advisory Committee, followed by a lecture to stimulate market participants to act preventively

- Application of a survey with market agents to measure their level of preparedness facing a scenario of water supply rotation 5x2

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

The creation of a Sustainability Committee, with the mission to provide strategic guidance and approve the Company's sustainability macro planning has enabled a constant discussion of Climate Change integration into the business strategy. In 2015, the Committee intensely prepared the company leaders to the 21th Conference of the Parties (COP21). The Sustainability Director attended to the event as part of the Brazilian Delegation and held sessions to disseminate the importance of the Paris Agreement to the market back in Brazil. The Risk Director, who has a key role in strategy formulation is a permanent member at the Committee while the Sustainability Head participates in the Exchange's overall strategic planning, addressing the topic. In 2011, the Exchange's CEO took part in the Honorary Council of the CDP South America, while the Sustainability Head joined the Technical Advisory Council for the CDP South America, as part of the organization commitment with the issue. The assimilation of sustainability and climate change in the Exchange's business strategy strongly occurred with sustainable products and services release, once it took the duty to spur market members to develop best practices. The most important initiative regarding Climate Change was the creation of a Carbon Efficient Index (ICO2), announced at COP15, with its first portfolio launched at the COP16. Before this initiative, only 30% of IBRX-50 companies reported their emissions, today more than 79% do it. The ICO2 2016 represents 62.57% of total market value. 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. This methodology is not a static process and each year the minimum requirements of disclosure are assessed, in order to gradually expand the criteria and consequently induce participating companies to upgrade their inventories quality and completeness. With a combination of ICO2 plus the Climate Change Dimension of the Corporate Sustainability Index (ISE) Questionnaire, BM&FBOVESPA hopes to prepare companies for the competitiveness of a low carbon economy, encouraging emissions inventories development and disclosure. BM&FBOVESPA hopes to offer transparent data of companies' emissions by creating investment opportunities for investors. As part of its intention to contribute to the development of LATAM markets, BM&FBOVESPA created a new Directory to whom was assigned the goal to "promote interaction with the IberoAmerican Federation of Exchanges (FIAB) in sustainability issues" in partnership with the Directory of Press, Sustainability and Communication.

Regarding its own impacts, BM&FBOVESPA started to measure GHG emissions in 2009 and has implemented GHG Inventory independent audit since 2010, disclosing the data in the Brazil GHG Protocol Program every year, with a Gold stamp. Since 2013, BM&FBOVESPA compensates annually its GHG emissions that it has been unable to reduce, thus becoming carbon neutral. This process dates back to 2011 and seeks to encourage the adoption of best practices in sustainability by listed companies and by the market in general.

The Sustainability Policy, approved by the Board in 2013, provides a solid foundation for the development of climate change oriented initiatives with endorsement of the Exchange's highest governance body. Environment is one of the 4 sustainability's pillars, in which the company commits itself (in long and short term of its strategy) to adopt eco-efficiency programs, optimize energy and manage GHG emissions, in order to reduce its direct impact and climate change risks. The 1st phase of deployment resulted in a map of 90 existing actions and on the proposition of 63 new ones. In 2015, it was started a process of monthly monitoring environmental indicators - the first step to the definition of targets related to resources consumption. After 3 years of a succeeded policy implementation across 17 key directories, there was a need to change the strategy of the Press, Sustainability and Communication Area, since the demands started to be identified by the directories themselves. The Area assumed an advisor role acting in 2 lines: by demand, supporting specific projects owned by the directories; or by opportunity, when the sustainability team identifies a potential project, it contacts each directory.

BM&FBOVESPA also seeks to develop projects that enable gains of energy and other resources efficiency on its operation, reducing GHG emissions. Settled in 2014, the new data center, certified by the LEED sustainable building standard, was a strategic investment to assure business growth with cutting-edge technology, reduce energy & other costs and increase of security in operations. As part of the post-trade integration project, a new Clearinghouse will replace the four existing segmented clearings. The new Clearinghouse will unify settlement, back office and risk management processes for the different markets and ensure the reliability, improving efficiency and capital allocation. A Project Prioritization Committee is responsible for the analyses and approval of large scale projects. This process includes the assessment of social and environmental impacts of the project, through the application of a specific questionnaire.

BM&FBOVESPA's stakeholder engagement with brokerage houses, analysts, opinion makers, shareholders, investors, governments and civil society is reflected in the review process of the Special Corporate Governance Segment criteria, in which BM&FBOVESPA is promoting a public hearing for market members and other stakeholders to advice about the changes suggested to its Regulation. One of the topics included in the survey is the requirement of companies on the Special Corporate Governance Listing segments to disclose ESG information, including GHG emissions data. In addition, it was included a specific ESG question focusing on suppliers.

To gain competitive advantage over its peers, BM&FBOVESPA is going forward on sustainability and climate changes initiatives ,providing to investors a range of relevant informations about listed companies,

through ISE, ICO2 and "Report or Explain" initiative.

In 2015, BM&FBOVESPA launched initiatives under the context of ISE's 10 years anniversary, which includes, "ISE's Platform of Indicators, that makes available a sustainability database where researchers and analysts can access statistical performance data of the companies that have integrated the index since 2005. Also, it was launched the "ISE's World", a tool that represents the ISE's themes through images, giving an easy comprehension of the index itself, spreading the relevant practices related to the questionnaire.

BM&FBOVESPA ranked 3rd among companies in emerging countries that best disclose their absolute CO2 emissions according to the 2015 ET BRICS 300 Carbon.

CC2.2c

Does your company use an internal price of carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.3

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

Direct engagement with policy makers

Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Other: Mandatory sustainability reporting, including GHG emissions indicators	Support	BM&FBOVESPA participates in the two following groups of the Brazilian Ministry of Environment. 1-The Network of Brazilian Women Leaders for Sustainability mobilizes woman that occupy leadership positions to leverage sustainability issues in their market niche. 2- The Working Group of Sustainability Reporting aims to point out guidelines to drive the Government to establish a national strategy of promoting the disclosure of reports with financial and non-financial information, in alignment to the Brazilian participation in the Paragraph 47 of the Declaration the Future We Want (Rio+20). The Group is composed by 12 governmental and international organizations such as Regulation Agencies, Central Bank of Brazil, GRI, CDP and Febraban.	The Working Group of Sustainability Reporting produced and presented a paper to the Government with the following proposals: 1-Establish the requirement that all State-Owned Enterprises must annually disclose environmental, social and governance (ESG) information, including climate change performance, in the context of the "Report or Explain" initiative 2 – Encourage large and private held companies to publish financial information in the basis of IFRS, considering that it already comprises structures that enable the disclosure of non-financial information, compiled from a materiality definition and from the integration of financial & non-financial actions and processes with the objective to enhance transparency in the performance of business 3- Require that companies that participate in public bids have to report annually ESG information, as an amendment to the scope of Law 8.666 4- Extend to all Regulatory Agencies the good practices of socio-environmental induction already adopted by

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
			Aneel (Electric Energy National Agency) and Bacen (Brazilian Central Bank) 5- Coordinate the development of database related to socio-environmental information to public use in the scope of the Brazilian Institute of Geography and Statistics (IBGE).

CC2.3e

Please provide details of the other engagement activities that you undertake

BM&FBOVESPA is strongly committed to strength internal and external discussions on sustainability & climate change, and spread to its stakeholders the best practices in transparency and corporate management in several ways. Important sustainability initiatives started from the inside out, as part of its portfolio, incorporating the concept into products and services while engaging with the market members. Examples:

- "Green" stock indexes: Corporate Sustainability Index (ISE) and Carbon Efficient Index (ICO2): In 2015, ISE completed 10 yrs promoting socio, environmental & governance transparency and performance among listed companies. To celebrate it, new tools were released in 2015, which can be highlighted: 1) the "ISE Platform Indicators" which provide statistical performance data of the companies that have integrated the index since 2005; and 2) "ISE's World", a tool that represents the ISE's themes through images, , giving a easy comprehension of the index itself, spreading the relevant practices related to the questionnaire.

- Report or Explain for Sustainability or Integrated Reporting: in 2012, the BM&FBOVESPA started to ask listed entities to declare on whether they disclose a Sustainability Report or to explain why they didn't. From 2016 on, BM&FBOVESPA will no longer request such disclosure since companies will have to answer directly to the Regulator ("CVM - Securities and Exchange Commission of Brazil"). This is a great achievement to BM&FBOVESPA, as a sustainability sponsor.

- E-book "Sustainability in Business: How to start, who to involve and to prioritize": developed in 2015 and implemented in 2016, to support privately held companies on the adoption of sustainability practices in their business, demystifying the idea that sustainability is limited to large enterprises.

- State-Owned Enterprise Governance Program: launched in September 2015, it aims to inspire listed state-owned companies and companies in the IPO process to improve corporate governance practices, including the reporting of ESG information - a relevant initiative to renew confidence between investors and state companies.

On the other hand, the Exchange also participates in external groups and discussions related to the public climate change policy development. In 2015, the Exchange had an active role in climate change discussion, carrying out some tasks prior, during and after COP21. The Sustainability Director attended to the Conference as part of the Brazilian Delegation and conducted a Panel to present the climate change initiatives of the Exchange. Back in Brazil, her team hold sessions to disseminate the important results of the Paris Agreement, especially to the Exchange's staff and to market members.

BM&FBOVESPA is also a member of the Brazilian working group of the "Task Force on Climate related Financial Disclosures", which is a global initiative promoted by the Financial Stability Board (FSB) aimed to "develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.

BM&FBOVESPA also joins many sustainability bodies and is a signatory of national and international conventions that include climate change as a priority, as listed below:

- Chair of the ISE Deliberative Board (CISE)
- Vice-Chair and member of the Sustainability Working Group of the World Federation of Exchanges (WFE)
- Founder Signatory, UN's Sustainable Stock Exchanges (SSE) initiative
- Signatory, UN Global Compact, Member of the Brazilian Global Compact Committee, Energy & Climate Working Group and Sustainable Development Goals Commission
- Signatory, Principles for Responsible Investment (UN PRI) – member, PRI ESG Practices Working Group Brazil
- Member in the advisory board of the Business for the Climate Platform, FGV
- Member, AMCHAM's Sustainability Committee
- Member, Platinum Qualification Working Group from the Brazilian GHG Protocol Program
- Member, GRI's Focal Point Brazil Advisory Group and Stakeholder Council
- Member, Steering Committee, Ethos Indicators, Third Generation
- Member, Technical Advisory Council, Carbon Disclosure Project (CDP), LATAM

-Member, Rural Brazilian Society Sustainability Committee (SRB) Member, Brazilian Federation of Banks (FEBRABAN) Intra-Sector Sustainability & Environment Commission and Social Responsibility & Sustainability Committee

In the context of the Sustainable Stock Exchanges (SSE) and in FEBRABAN participations, the Exchange supports the following actions:

-Communication to Stakeholders and Model Guidance: SSE initiative to engage capital market members in a dialogue on responsible investment and sustainable business practices.

-"Inquiry into the Design of a Sustainable Financial System: Policy Innovations for a Green Economy" from United Nations Environment Programme: support as part of Social Responsibility & Sustainability Committee of FEBRABAN.

CC2.3f

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?

The Sustainability Committee, which is responsible for Climate Change integration into the Company's strategy, is constantly discussing the Press, Sustainability and Communication Area duties, to ensure that BM&FBOVESPA's participation in policy development and voluntary initiatives are consistent with the company's overall climate change strategy.

In 2013, BM&FBOVESPA's Sustainability Policy was approved by the Board of Directors, ensuring a solid baseline for the development of projects to reduce its own environmental impacts (eco-efficiency, optimize energy and manage its greenhouse gas emissions levels) and to engage with other market agents on the promotion of sustainability best practices. The complete text of BM&FBOVESPA's Sustainability Policy is available at <http://ri.bmfbovespa.com.br>, in "Corporate Governance, Bylaws, Codes and Policies". As a result of the Policy's implementation, 63 new sustainability actions were proposed since the policy was launched. This internal sustainability governance is very important to inspire issuers, shareholders, investors, analysts and brokerage houses in this direction, considering the Exchange's potential to influence the market as a whole.

In 2015, the Exchange has implemented 10 environmental actions from which 5 are climate change related. To keep activities aligned with the company's strategy and ensure that proper attention is given to them, these actions are monitored with the use of a Control Panel tool and have their progress disclosed internally by the Sustainability Policy Tutorial, which is quarterly updated. Another outcome from the policy is a monthly monitoring process on environmental indicators with an interactive Panel, which is the first step to the future definition of targets related to of energy, water and waste generation reduction.

In 2016, BM&FBOVESPA held its first Investor Briefing ESG Event: a presentation of BM&FBOVESPA's Annual Report, with a detailed focus on Company's sustainability programs, reporting and materiality analysis.

The commitment to promote, induce and assure the sustainability best practice was materialised by the institution of the "Green" stock indexes such as the Corporate Sustainability Index (ISE) and Carbon Efficient Index (ICO2), which are good examples of Sustainability & climate change opportunities integration to the Exchange's Business Strategy, in short and long terms. They have generated new businesses while promoting best practices across the market. The process of ISE's portfolio selection comprises companies' application to a 7 sustainability dimension questionnaire, in which one of these is climate change. The Corporate Sustainability Index's Board of Governors (CISE), the highest body of governance within the Index structure, has the mission to ensure that the processes of the Index management, including questionnaires construction and selection of the enterprises, occurs in line with the Exchange's sustainability strategy and following the principles of transparency.

Further Information

Page: CC3. Targets and Initiatives

CC3.1

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

No

CC3.1f

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

i) 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, data center 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 motor 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. In addition to these measures, information about sustainability is shared on 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. Besides that is important to mention that BM&FBOVESPA compensate its greenhouse gas (GHG) emissions that it has been unable to reduce, thus becoming carbon neutral.

ii) For the next five years, BM&FBOVESPA believes that its 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, however it may be reduced by the initiatives mentioned above;
- Scope 1: Increase in emissions from the release of refrigerant gases due to growth of staff and facilities. It is expected to raise the use of R-407C in 3% because of compressors "overhall", what would represent less than a 2% increase of Scope 1 emissions.
- Scope 2: increase of electricity consumption in 50% due to the new Data Center process of occupation and to the growth of staff and facilities, even deactivating the data centers of two sites. This could result in a 50% increase of Scope 2 emissions if the Brazilian Government maintains the same balance on the use of renewable and non-renewable energy sources.

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Product	<p>BM&BOVESPA enable GHG emissions to be avoided by the companies listed by promoting, inducing and assuring climate change best practice through the ISE (Corporate Sustainability Index). More information can be found at http://www.bmfbovespa.com.br/en_us/products/indices/sustainability-indices/.</p>	Avoided emissions	<p>Other: There isn't a unique methodology since ISE is composed by companies from several sectors. With this initiatives, BM&FBO VESPA is recognized to have an important role in stimulating companies to enhance their GHG emissions management and reporting, as well as to develop projects on the reduction and compensation of emissions.</p>	0%	Less than or equal to 10%	<p>The Climate Change Dimension of the Corporate Sustainability Index (ISE) is also encouraging the emissions inventories' development and disclosure, as well as emissions reductions. The questionnaire also contains questions on whether companies compensate their emissions, have targets for reduction or use an internal price of carbon in any of its projects, product line or investments decision making process. By using this</p>

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						<p>approach BM&FBO VESPA hopes to prepare participating companies for the competitive in a low carbon economy. BM&FBO VESPA 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.</p>
Product	<p>BM&BOVESPA enable GHG emissions to be avoided by the companies listed by promoting, inducing and assuring climate change best practice through the ICO2 (Carbon Efficient Index). More information can be found at http://www.bmfbovespa.com.br/en_us/products/indices/sustainability-indices/.</p>	Avoided emissions	Other: There isn't a unique methodology since ICO2 is composed by companies from	0%	Less than or equal to 10%	The main goal of the ICO2 Index is to measure the return of a theoretical portfolio consisting of shares

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
			<p>several sectors. With this initiative, BM&FBO VESPA is recognized to have an important role in stimulating companies to enhance their GHG emissions management and reporting, as well as to develop projects on the reduction and compensation of emissions.</p>			<p>from IBrX-50 companies which adhere to the ICO2 weighted by its free float factor and by those companies' emissions ratio. Before the creation of ICO2, only 30% of IBrX-50 public reported their emissions, today more than 79% reports their emissions, representing a great progress by the companies with regards to their internal carbon management. In 2015, 31 companies participated in the ICO2 process. Each year</p>

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						<p>the Company assesses the minimum requirements related to GHG emissions inventories to be provided by participating companies. The minimum emission sources comprised by the initiative are gradually expanded, inducing participating companies to upgrade the quality and completeness of their inventories. By using this approach BM&FBO VESPA hopes to prepare participating companies for the competitive in a low</p>

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
						carbon economy. BM&FBO VESPA 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.

CC3.3

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

CC3.3a

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	4	0
To be implemented*	2	0
Implementation commenced*	0	0

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Implemented*	5	35.12
Not to be implemented	0	0

CC3.3b

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)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Installation of power switches at the data center allowing lightening to be turned off when there isn't anybody at the building	11.91	Scope 2 (location-based)	Voluntary	52193	1500	<1 year	Ongoing	
Energy efficiency: Building services	Adjustment on pressurization of the Emergency /Exit stairwell	2.58	Scope 2 (location-based)	Voluntary	11310	3000	1-3 years	Ongoing	There was an interruption of the continuous functioning of the exit stairs pressurization fans – necessary to keep the air pressure in higher levels and avoid the entrance of smoke in the chamber. The new system has smoke sensors that will automatic

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
									ally turn on the fans in case of fire.
Energy efficiency: Building services	Deactivation of lightening in the corridors and ambience in some floors of the Praça Antonio Prado building	10.35	Scope 2 (location-based)	Voluntary	45360	0	<1 year	Ongoing	
Energy efficiency: Building services	Modification of the set point of the acclimatization system of the Praça Antonio Prado Building from 5° C to 6,5° C	10.28	Scope 2 (location-based)	Voluntary	45061	0	<1 year	Ongoing	
Behavioral change	Rearrangement of the timetable of turning on and off the air conditioning and lightening of the sites Praça Antônio Prado and XV November Street	0	Scope 2 (location-based)	Voluntary	0	0	<1 year	Ongoing	There could be GHG and monetary savings if data was measured or estimated. Considering that there isn't available data, an assumption of zero savings was undertaken as a conservative approach.

CC3.3c

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, Administrative and IT areas through annual budget allocations.
Other	Dedicated budget for infrastructure modernization: Funds come from the Building Administration Area through annual budget allocations.

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization'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	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	The whole document related to climate change: http://www.bmfbovespa.com.br/en_us/bm-fbovespa/sustainability/at-bm-fbovespa/reports/greenhouse-gas-ghg-inventory.htm	https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/CC4.1/4.1_1Report_BMFBOVESPA GHG Inventory 2015_English_VF.pdf	
In mainstream reports (including an integrated report) in accordance with the CDSB Framework	Underway - previous year attached	Pages 43 to 45 - http://ir.bmfbovespa.com.br/enu/s-20-enu.html?idioma=enu http://ir.bmfbovespa.com.br/enu/2773/RA2015_EN.pdf	https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/CC4.1/4.1_2.pdf	The company's Annual Report always presents the emissions of the previous year. The deadline for the report release is always before

Publication	Status	Page/Section reference	Attach the document	Comment
				e the schedule of preparing and auditing the GHG Emissions Inventory.
In voluntary communications	Underway - previous year attached	Page 1 - http://www.bmfbovespa.com.br/pt_br/produtos/indices/indices-de-sustentabilidade/indice-carbono-eficiente-ico2-emissao-de-gases.htm	https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/CC4.1/4.1_3.jpg	
In voluntary communications	Underway - previous year attached	Page 1 - https://registropublicodeemissoes.com.br/index.php/participante/11	https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/CC4.1/4.1_4.pdf	
In voluntary communications	Underway - previous year attached	Page 1 - http://www.sseinitiative.org/factsheet/bovespa/	https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/CC4.1/4.1_5.pdf	

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks 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

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Time frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
General environmental regulations, including planning	Given the advancement of environmental regulations at global and local level, BM&FBOV ESPA, as a listed company and self-regulating, is watchful and monitors the development of laws and agreements focused on the environmental market and climate change. Considering that, the company includes in its Risk Analysis Matrix a specific item on the potential failure adequacy and noncompliance with these guidelines and regulations.	Inability to do businesses	>6 years	Direct	Unlikely	Low	According to BM&FBO VESPA Risk Analysis Matrix this is a low impact risk. The company methodology determines the impact based on qualitative and quantitative criteria, however, due to the high uncertainty of risk it is not possible to estimate the financial implications. This risk is contemplated in BM&FBO VESPA risk matrix.	The Corporate Risk Advisory Committee, composed of more than half of the company's directors, assesses, discusses and monitors through monthly meetings the operational, strategic, financial, regulatory, image and environmental risks, which comprise the corporate risk profile of BM&FBO VESPA. The Directory of Press, Sustainability and Communication also integrates this Committee and addresses aspects or environmental and climate change risks.	The methods for managing regulatory risks described entail a cost to the company. However, since they were not developed exclusively for risk mitigation, they are still difficult to quantify. This risk is contemplated in BM&FBO VESPA risk matrix.

Risk driver	Description	Potential impact	Time frame	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
International agreements	<p>This consideration is based on risk analysis of BM&FBOV ESPA's trades in congruence with the likely political and regulatory developments of impacts of climate change on the global market. In end of 2015, Brazil presented at COP 21 its Intended Nationally Determined Contributions (INDC), in which the Brazilian Government stipulated an absolute target relative to 2005, to reduce GHG emissions by 37% in 2025 and 43% in 2030 if a new commitment period under the Kyoto Protocol is agreed upon between</p>	Reduced demand for goods/services	>6 years	Indirect (Client)	About as likely as not	Medium	<p>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 risk listed.</p>	<p>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</p>	<p>The methods for managing regulatory risks described entail a cost to the company. However, since they were not developed exclusively for risk mitigation, they are still difficult to quantify.</p>

Risk driver	Description	Potential impact	Time frame	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>the parties whereby the Annex II countries set goals to reduce GHG emissions and are under commitment. This national target may split in sectorial regulatory targets for emissions reduction, which 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.</p>							<p>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. Moreover, at the present moment, the Legal department is responsible for monitoring</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								g the regulations that might affect the company and form work groups amongst the involved areas to define actions that might be needed to be compliant to the rules. The compliance department is responsible to assess in all the regulatory spheres those rules that might not have been identified as applicable for BM&FBO VESPA within the regulatory framework available, and take actions on those that the company is not adherent.	
Carbon taxes	This consideration is based on risk	Reduced demand for	3 to 6 years	Indirect (Client)	About as likely as not	Medium	In this preliminary analysis, regulatory	Through an analysis of the companies	The methods for managing regulatory

Risk driver	Description	Potential impact	Time frame	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>analysis of BM&FBOV ESPA'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</p>	goods/services					<p>risks from climate change are considered indirect. Given this, there is a complexity in anticipating the potential financial implications of the risk listed.</p>	<p>s 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</p>	<p>risks described entail a cost to the company. However, since they were not developed exclusively for risk mitigation, they are still difficult to quantify.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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 releasing greenhouse gases. An eventual imposition of 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</p>							<p>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. Moreover, at the present moment, the Legal department is responsible for monitoring the regulations that might affect the</p>	

Risk driver	Description	Potential impact	Time frame	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	affected, and could eventually have some sort of impact on the value and liquidity of their shares.							company and form work groups amongst the involved areas to define actions that might be needed to be compliant to the rules. The compliance department is responsible to assess in all the regulatory spheres those rules that might not have been identified as applicable for BM&FBO VESPA within the regulatory framework available, and take actions on those that the company is not adherent.	
Cap and trade schemes	This consideration is based on risk and trades in congruence with the likely political	Reduced demand for goods/services	3 to 6 years	Indirect (Client)	About as likely as not	Medium	In this preliminary analysis, regulatory risks from climate change are considered	Through an analysis of the companies listed on the Exchange, we could identify	The methods for managing regulatory risks described entail a cost to the

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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 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 obligation of a national target is still under</p>						<p>d indirect. Given this, there is a complexity in anticipating the potential financial implications of the risk listed.</p>	<p>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</p>	<p>company. However, since they were not developed exclusively for risk mitigation, they are still difficult to quantify.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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>							<p>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. Moreover, at the present moment, the Legal department is responsible for monitoring the regulations that might affect the company and form work groups amongst</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								the involved areas to define actions that might be needed to be compliant to the rules. The compliance department is responsible to assess in all the regulatory spheres those rules that might not have been identified as applicable for BM&FBO VESPA within the regulatory framework available, and take actions on those that the company is not adherent.	

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Induced changes in	Shortage of natural resources affecting	Inability to do business	>6 years	Direct	Unlikely	High	According to BM&FBOV ESPA Risk	Water scarcity is a factor related to	Due to decreased likelihood

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
natural resources	BM&FBOV ESPA's critical operations: The reduction of available natural resources such as energy and water is a climate change effect due to extreme droughts and precipitation significant variations. Mandatory rationing or lack of supply of energy and water could affect the continuity of business, especially if there isn't appropriate contingency strategies in place.						Analysis Matrix this is a high impact risk. The company methodology determines the impact based on qualitative and quantitative criteria	the business continuity of BM&FBO VESPA and is managed by the competent technical area, the Office of Engineering and Building Management (linked to the financial direction). The water consumption monitoring is carried out following an internal procedure for daily management of the levels of water storage tanks. Due to the water crisis in 2014, the water storage tanks of the buildings Antonio Prado Square and November XV were expanded in 25 and 50 m3, respectively. In case there is no water	d of this risk and, consequently, the actions focused directly on this issue, it is difficult to quantify its cost management.

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								supply in the future, the Exchange has a procedure in place to trigger suppliers and buy drinking water. Today the situation is normalized.	
Change in mean (average) temperature	This consideration is based on risk analysis of BM&FBOV ESPA'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&FBOV ESPA are Coffee, Corn, Soybean, Live Cattle and Ethanol. It should be noted that these commodities	Reduced demand for goods/services	Unknown	Indirect (Client)	About as likely as not	Medium-high	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&FBOV ESPA's trades regarding the possible physical impacts of a climate change on the commodities trading market.	Among the tools the agribusiness sector, that participate in the Exchange, could use to mitigate or adapt to the risks related to price fluctuations are the hedging transactions (i.e. price setting) through derivatives contracts. In this respect, BM&FBOV ESPA offers agribusiness market participants the possibility to trade futures and	The risk management methods for climate events described above entail a cost to the company, but it is very difficult to estimate.

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	es 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.							options contracts.	
Change in mean (average) precipitation	This consideration is based on risk analysis of BM&FBOV ESPA'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	Reduced demand for goods/services	Unknown	Indirect (Client)	About as likely as not	Medium-high	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&FBOV ESPA's trades regarding	Among the tools the agribusiness sector, that participate in the Exchange, could use to mitigate or adapt to the risks related to price fluctuations are the hedging transactions (i.e. price setting) through derivatives contracts.	The risk management methods for climate events described above entail a cost to the company, but it is very difficult to estimate.

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>commodities traded on BM&FBOV ESPA 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>						<p>the possible physical impacts of a climate change on the commodities trading market.</p>	<p>In this respect, BM&FBOV ESPA offers agribusiness market participants the possibility to trade futures and options contracts.</p>	
Change in precipitation pattern	<p>This consideration is based on risk analysis of BM&FBOV ESPA's trades regarding the physical impacts of a change</p>	<p>Reduced demand for goods/services</p>	<p>Unknown</p>	<p>Indirect (Client)</p>	<p>About as likely as not</p>	<p>Medium-high</p>	<p>Since this is an indirect risk and the uncertainties involved are large, it becomes very difficult to estimate quantitatively the</p>	<p>Among the tools the agribusiness sector, that participate in the Exchange, could use to mitigate or adapt</p>	<p>The risk management methods for climate events described above entail a cost to the company</p>

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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&FBOV ESPA 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>						<p>potential financial implications for the company. This consideration is based on risk analysis of BM&FBOV ESPA's trades regarding the possible physical impacts of a climate change on the commodities trading market.</p>	<p>to the risks related to price fluctuations are the hedging transactions (i.e. price setting) through derivatives contracts. In this respect, BM&FBOV ESPA offers agribusiness market participants the possibility to trade futures and options contracts.</p>	<p>y, but it is very difficult to estimate.</p>

CC5.1c

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

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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 COP Meetings. In 22 April 175 parties (174 countries and the European Union) had signed the Paris Agreement, committing themselves to reduce and report regularly on their emissions and on their implementation	Reduced demand for goods/services	3 to 6 years	Direct	About as likely as not	Medium-high	The financial impact of this risk 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 it would not accurately reflect the reality. In fact, changes in consumption pattern and behavior should bring about – and this has already been	In order to manage this risk, BM&FBOV ESPA has an active and engaging position through the creation of sustainable focused products and services, such as the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2). Moreover, the “Report or Explain” initiative also stimulated the dissemination of sustainability best practices between the companies listed. Besides that, the BM&FBOV ESPA Institute of Education (IE), created in 1987, offers	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.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>tation efforts. This important step on international agreement demonstrate the global climate change concern. Therefore, there are risks associated with certain aspects of the market through socially and environmentally responsible choices and attitudes of institutions.</p>						<p>taking place – an updating of listed companies as old businesses may disappear and new businesses may emerge and join the Exchange.</p>	<p>courses and trainings for the stakeholders – specially the investors and professionals that wants to work at the financial and capital market, which includes sustainability modules in some of them. The IE majored more than 50 thousand of students directly and attended more than 4 million on its programs of financial education for the capital market, which makes the Institute a reference in the financial segment. Also, the IE offers professional certificates solutions and in company programs, elaborated in a personalized way in</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								accordance with the need of the client.	

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities 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

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
International agreements	BM&FBOV ESPA 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	New products/business services	3 to 6 years	Direct	About as likely as not	Medium	These are opportunities whose potential financial implications are difficult to measure, since they are related to an intangible value, namely Cap	Within the Carbon Market institutionalization process, in 2010, BM&FBO VESPA, in partnership with the World Bank and FINEP - Brazilian Studies and Projects Financing Agency, organized a program involving	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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	bring financial gains to the institution if Brazil and Brazilian companies set some kind of target for GHG emissions reduction.						and trade schemes. To make a quantitative estimate, the adoption of several assumptions would be required and it would not necessarily reflect the reality.	studies on the carbon market as well as training seminars for market agents and dissemination of the carbon market. In 2011, BM&FBO VESPA partnered with Interamerican Bank (IDB) in order to coordinate a study related to pre-compliance market in Brazil. Another initiative undertaken by BM&FBO VESPA 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	it is very difficult to quantify.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								and structure the market for buying and selling emission reduction certificates outside the Kyoto Protocol protocols.	
Cap and trade schemes	BM&FBOV ESPA 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 if Brazil and Brazilian companies set some kind of target for GHG emissions reduction. On a national scale, a trend is observed toward	New products/business services	3 to 6 years	Direct	About as likely as not	Medium	These are opportunities whose potential financial implications are difficult to measure, since they are related to an intangible value, namely Cap and trade schemes. To make a quantitative estimate, the adoption of several assumptions would be required and it would	Within the Carbon Market institutionalization process, in 2010, BM&FBOV ESPA, 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&FBOV ESPA	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.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.						not necessarily reflect the reality.	partnered with the Interamerican Bank (IDB) in order to coordinate a study related to pre-compliance market in Brazil. Another initiative undertaken by BM&FBO VESPA 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.	
General environment	New opportunities may arise	New products/	Unknown	Direct	About as	Medium	There isn't measure	BM&FBO VESPA actively	At this time, it's

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
regulatory changes, including planning	from the regulation created by the State Government of São Paulo regarding the CRA (Environmental Reserve Certificate). CRA issuance was a legal framework generically allowed by the most recent law for Forests in Brazil, but only in 2015 it was infra-regulated by a Federation State.	business services			likely as not		estimation of incomes or expenses in relation to this potential product, once the financial and capital market regulators is (Central Bank and Brazilian Securities Commission CVM) haven't pronounced about the subject yet.	participates on several forums for discussion of the issue including governmental, trade unions, environmental and capital markets ones. Based on this continuous market reading, the company constantly evaluate the opportunities in place.	difficult to quantify any cost associated with this initiatives.

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	BM&FBO VESPA identifies that another opportunity related	New products/business services	3 to 6 years	Direct	About as likely as not	Medium	These are opportunities whose potential	BM&FBO VESPA believes that an opportunity to address	The methods identified to make use of those

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.						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 it would not necessarily reflect the reality.	climate change comes with its role of a sustainability booster, as it was the 1st exchange in the world to be a Global Compact signatory and the 1st in emerging markets to sign up to the Principles for Responsible Investment (PRI), a UN initiative covering large asset managers and other financial agents. In addition of inspiring investors to join the PRI, the exchange also suggests that listed companies on its equity segments report on socio-environmental issues. BM&FBO VESPA also belongs	opportunities do lead to an increase in the internal costs to the company, but it is very difficult to quantify.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>as a founding member to the Sustainable Stock Exchanges (SSE), which fosters a sustainability agenda among exchanges and listed companies worldwide and is a member of the Sustainable Working Group (SWG) at the World Federation of Exchanges that aims to address ESG concerns and tries and to build consensus among its members. Furthermore, BM&FBO VESPA launches its Annual Report according to GRI G4 guidelines covering both financial and non-financial data in one</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>report, encouraging listed companies to do as well and analysts and investors to include ESG issues when assessing share prices. In line with the integrating reporting international trend, in 2014 the "Report or Explain" previously focused on Sustainability Reports, had its scope expanded to Integrated Reports. BM&FBO VEPA fosters the International Integrated Reporting Council with support dating back to the trend's start, when BM&FBO VESPA hosted a visit of its board to Brazil in 2011.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behavior	<p>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 four COP Meetings (COP-15, COP-16, COP-17 COP-18 and COP-21). Therefore, there are opportunities associated with certain aspects of the market through socially and environmentally responsible choices and attitudes of institutions.</p>	Increased demand for existing products/services	Unknown	Direct	About as likely as not	Medium-high	<p>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 it would not necessarily reflect the reality.</p>	<p>BM&FBO VESPA 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. The environmental indexes created by BM&FBO VESPA are: Corporate Sustainability Index – ISE and Carbon Efficient Index - ICO2. Besides that, the BM&FBO VESPA Institute of Education (IE), created in 1987, offers courses and trainings for the stakeholders – specially the</p>	<p>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.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>investors and professionals that wants to work at the financial and capital market, which includes sustainability modules in some of them. The IE majored more than 50 thousand of students directly and attended more than 4 million on its programs of financial education for the capital market, which makes the Institute a reference in the financial segment. Also, the IE offers professional certificates solutions and in company programs, elaborated in a personalized way in accordance with the</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								need of the client.	

CC6.1e

Please explain why you do not consider your company to be exposed to inherent 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 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.

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Fri 01 Jan 2010 - Fri 31 Dec 2010	155.57
Scope 2 (location-based)	Fri 01 Jan 2010 - Fri 31 Dec 2010	1024.10
Scope 2 (market-based)	Fri 01 Jan 2010 - Fri 31 Dec 2010	0

CC7.2

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
Brazil GHG Protocol Programme
Defra Voluntary Reporting Guidelines
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Brazilian Energy Balance - Year 2015 – published by the Energy & Mining Ministry and Energy Research Company;
MCTI – Science, Technology and Innovation Ministry.

CC7.3

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

Gas	Reference
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	IPCC Fourth Assessment Report (AR4 - 100 year)
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference

Further Information

The attachment refers to question CC 7.4 (pdf and excel)

Attachments

[https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/7.4 Fatores de Emissão.pdf](https://www.cdp.net/sites/2016/35/22735/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/7.4%20Fatores%20de%20Emiss%C3%A3o.pdf)
[https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/7.4 Fatores de Emissão.xlsx](https://www.cdp.net/sites/2016/35/22735/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/7.4%20Fatores%20de%20Emiss%C3%A3o.xlsx)

Page: CC8. Emissions Data - (1 Jan 2015 - 31 Dec 2015)

CC8.1

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

Operational control

CC8.2

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

232.02

CC8.3

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

No

CC8.3a

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
3306.33		Scope 2, market-based is not applicable

CC8.4

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

No

CC8.5

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	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Assumptions	Most activity data were obtained from accurate sources.
Scope 2 (location-based)	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.
Scope 2 (market-based)			Scope 2, market-based is not applicable

CC8.6

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

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/CC8.6a/8.6a_8.7a_14.2a.zip	Whole document	Other: ABNT NBR ISO14064-3:2007 / Brazilian GHG Protocol Programme Specifications Verification - 2011 Edition / Brazilian GHG Protocol Programme Specifications - 2nd Edition	100

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual processes	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/CC8.7a/8.6a_8.7a_14.2a.zip	Whole document.	Other: ABNT NBR ISO14064-3:2007 / Brazil GHG Protocol Programme Specifications Verification - 2011 Edition / Brazil GHG Protocol Programme Specifications – 2nd Edition	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	

CC8.9

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

Yes

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO₂

333.20

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)

CC9.1

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

No

CC9.2

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

By GHG type

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	89.05
CH4	0.35
N2O	0.42
HFCs	142.20

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)

CC10.1

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

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Brazil	3286.75	0	26236.22	0
United States of America	5.70	0	11.43	0
China	8.60	0	11.43	0

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United Kingdom	5.28	0	11.43	0

CC10.2

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

Further Information

Page: CC11. Energy

CC11.1

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

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

CC11.2

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

Energy type	Energy purchased and consumed (MWh)
Heat	0
Steam	0
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

386.76

CC11.3a

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

Fuels	MWh
Motor gasoline	17.11
Natural gas	37.72
Biodiesels	19.10
Diesel/Gas oil	271.76
Liquefied petroleum gas (LPG)	16.58
Other: Ethanol	24.49

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

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

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
26270.63	26270.63	0	0	0	

Further Information

Page: CC12. Emissions Performance

CC12.1

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

Increased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities			
Divestment	0.2	Decrease	The 0.2 decrease in Scope 1 and 2 occurred because BM&FBOVESPA discontinued its partnership in Bolsa Brasileira de Mercadorias (the Brazilian Commodities Exchange, or "BBM") and waived its rights as an equity holder. BBM's emissions were considered in the BM&FBOVESPA GHG Inventory until March 2015 when it was still part of the Group. $(-5.3 / 3,502.46 = -0.002 * 100 = -0.2\%)$ Emission reduction due to the discontinued partnership = - 5.3 ton CO ₂ e Emission in 2014 (Scope 1 and 2) = 3,502.46 ton CO ₂ e
Acquisitions			
Mergers			
Change in output			

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Change in methodology			
Change in boundary	2.3	Decrease	The 2.3 decrease in the total Scope 1 and 2 occurred because there was a reallocation of BVRJ's fugitive emissions from scope 1 to scope 3. The control of the maintenance of air conditioning equipment was no longer made by the BVRJ's staff. $(-82.6 / 3,502.46 = -0.023 * 100 = -2.3\%)$ Emission reallocated to Scope 3 in 2015 = - 82.6 ton CO2e Emission in 2014 (Scope 1 and 2) = 3,502.46 ton CO2e
Change in physical operating conditions	13	Increase	Emissions from the new data center that started to operate in 2015 added 13% of emissions to the Exchange's Scope 1 and 2. $(469.46 / 3,502.46 = 0.13 * 100 = 13\%)$ Data Center emission in 2015 = 469.46ton CO2e Emission in 2014 (Scope 1 and 2) = 3,502.46 ton CO2e
Unidentified			
Other			

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.000001439	metric tonnes CO2e	2458847000	Location-based	8	Decrease	Emissions remained stable (only a 1% increase), but the revenue increased in 9.5%. As the denominator gets larger, the emissions ratio gets smaller.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator or	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
1.553269	metric tonnes CO2e	full time equivalent (FTE) employee	2278	Location-based	7.5	Increase	Emissions remained stable (only a 1% increase), but the FTE reduced in 6.1%. As the denominator gets smaller, the emissions ratio gets larger.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.2

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

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit purchase	Hydro	Celtins and Cemmat Grid Connection of	CDM (Clean Development Mechanism)	4903	4093	Not relevant	Voluntary Offsetting

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
		Isolated Systems					

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Not relevant, calculated	4.33	Emission factors according to IPCC.	100.00%	Emissions related to the motorcycle services purchased for document transportation.
Capital goods	Not relevant, explanation provided				BM&FBOVESPA did not purchase or acquire any relevant capital goods in 2015.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not evaluated				
Upstream transportation and distribution	Not relevant, explanation provided				BM&FBOVESPA does not produce material goods. Therefore, the company doesn't purchase relevant raw materials quantities as an industry does, neither sells finished products to consumers.
Waste generated in operations	Not relevant, calculated	59.76	Emission factors according to IPCC.	100.00%	Emissions from the solid waste disposal in third party landfill.
Business travel	Relevant, calculated	784.02	Emission factors according to Defra, based on the	100.00%	Emissions from taxi use and air travel of

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			number of airline tickets issued and the flight distances. For emissions from taxi, emission factors according to IPCC were used.		BM&FBOVESPA employees.
Employee commuting	Relevant, calculated	932.11	All employees take the survey periodically to supply data regarding their commuting, such as distance, type of transportation used and frequency.	100.00%	Emissions from transport of employees from home to work.
Upstream leased assets	Not relevant, explanation provided				BM&FBOVESPA has not leased assets that can generate significant emissions.
Downstream transportation and distribution	Not relevant, explanation provided				Once BM&FBOVESPA is not a production unit (the exchange does not produce finished products or goods), there is no relevant emission related to the transportation of products sold.
Processing of sold products	Not relevant, explanation provided				Once BM&FBOVESPA is not a production unit (the exchange does not produce finished products or goods), there is no emission related to the sold products processing.
Use of sold products	Not relevant, explanation provided				Once BM&FBOVESPA is not a production unit (the exchange does not produce finished products or goods), there is no emission related to the use of sold products.
End of life treatment of sold products	Not relevant, explanation provided				Once BM&FBOVESPA is not a production unit (the exchange does not produce finished products or goods), there is no emission related to the sold

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					products' end of life treatment.
Downstream leased assets	Not relevant, explanation provided				BM&FBOVESPA has not leased assets that can generate significant emissions.
Franchises	Not relevant, explanation provided				BM&FBOVESPA does not have franchise operations.
Investments	Not evaluated				
Other (upstream)	Not relevant, calculated	82.67	Emission factors according to IPCC.	100.00%	Fugitive emissions from air conditioning not controlled by BM&FBOVESPA.
Other (downstream)	Not relevant, explanation provided				No other downstream emissions were identified.

CC14.2

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

Third party verification or assurance process in place

CC14.2a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/35/22735/Climate Change 2016/Shared Documents/Attachments/CC14.2a/8.6a_8.7a_14.2a.zip	Whole document	Other: ABNT NBR ISO14064-3:2007 / Brazilian GHG Protocol Programme Specifications	100

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
					Verification - 2011 Edition / Brazilian GHG Protocol Programme Specifications - 2nd Edition	

CC14.3

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

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Employee commuting	Change in boundary	53	Increase	The 53% increase in employee commuting category was due to the inclusion of train and subway transportation of employees in the scope 3 emissions calculation of 2015.
Other (upstream)	Change in boundary	100	Increase	Emissions related to fugitive emissions sources not controlled by the company. The increase occurred because there was a reallocation of BVRJ's fugitive emissions from scope 1 to scope 3. The control of the maintenance of air conditioning equipment was no longer made by the BVRJ's staff. In 2014 there was no exchange of refrigerant gases in scope 3, reflecting an increase of 100%.

CC14.4

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

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

CC14.4a

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

BM&FBOVESPA is committed to foster sustainability among shareholders, brokerage houses, listed companies, government, investors, analysts and suppliers. Most of its initiatives are focused on market participants due to their significant impact and also because of the Exchange's potential to influence their management practices.

The company's stakeholder engagement practice include educational campaigns, surveys, participations in associations and the sponsorship of discussion forums and sustainability initiatives. All actions are followed by the Exchange's Advisory Committees, formed by industry representatives and set up to build closer ties with the markets.

More details of value chain-oriented initiatives are presented below:

- Investor Briefing: in 2015 BM&FBOVESPA started to host meetings to promote a dialogue between companies and investors, creating a forum in which participants can share best practices, discuss the main sustainability trends and challenges, such as integrated reporting. The event of August 2015 was attended by the Brazilian financial community and also by more than 20 international investors connected by conference call, actively participating.

Investor Briefing ESG BM&FBOVESPA: In 2016, BM&FBOVESPA held its first ESG (Environmental, Social and Corporate Governance) Investor Briefing. The event addressed the agenda of integrated initiatives promoted by the company on the economic, environmental, social and corporate governance fronts and was intended for investors and market analysts.

- 2^o EFFAS International Conference - LATAM ESG 2015: BM&FBOVESPA held for the 2nd time a conference promoted by the European Federation of Financial Analysts Societies (EFFAS) in partnership with the Brazilian Association of Capital Market Analysts and Investments Professionals (Apimec) to discuss how ESG issues have been included in investments analysis and decision making. The 2015 Edition, named TEGIA - Taking ESG into Account, aimed to bring closer LATAM's and European's practices of integrating ESG factors to financial and economic analysis criteria.

-Report or Explain initiative - In 2012 BM&FBOVESPA started to recommend listed companies to state on whether or not they published a regular sustainability report. After 4 years of inducing ESG transparency, from 2016 on, listed companies will be required to inform if they publish socio-environmental information by the Regulator CVM (Brazilian Securities and Exchange Commission).

-United Nations Sustainable Stock Exchanges (SSE) initiative: As a founding signatory BM&FBOVESPA has supported the development of the "Model Guidance of Reporting ESG information to Investors", which is a voluntary technical tool for stock exchanges to guide issuers on sustainability reporting. It also adopted the SSE's "Communication to Stakeholders" that has the purpose of presenting to investors and companies each exchange's sustainability approach, including climate change strategies.

- In 2015, BM&BOVESPA introduced a socio-environmental questionnaire as part of the supplier approval procedure. The 16 topic survey form, drawn up by the Financial and Press & Sustainability Directories, will have to be filled every year by strategic suppliers. For the non-critical and exclusive suppliers the questionnaire can be answered it on a two year basis.

-Carbon Efficient Index (ICO2) – Tracks the stocks of IBrX-50 companies that agree to participate and undertake to submit greenhouse gas inventory data for publication in the BM&FBOVESPA website.

-Corporate Sustainability Index (ISE) – Tracks the return on a portfolio of stocks issued by companies with a recognized sustainability commitment. Launched in 2005, the ISE has become a benchmark for sustainable management practices in Brazil and worldwide. To get into the portfolio, Companies must complete a questionnaire of 7 sustainability dimensions, including climate change.

- Introduction of ESG criteria in the Operational Qualification Programme (PQO): the program awards quality labels to brokerage houses and banks according to their performance in selected operational indicators. The Program PQO comprises more than 120 financial institutions and has already certificated more than 12.000 professionals in the market. The inclusion of sustainability criteria is an important engagement since brokers are the Exchange's "distributors". This is a way of bringing the theme to a key public.

- State-Owned Enterprise Governance Program: launched in September 2015, it aims to improve corporate governance of state owned and mixed-capital enterprises by 4 main courses of action: Transparency; Internal Controls; Board composition and Obligation of the Public Controlling Shareholder. One of the courses of action is focus on the disclosure of information (transparency) where is a specific item for Integrated or Sustainability Report.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend (direct and indirect)	Comment
73	15%	BM&FBOVESPA applies a questionnaire in the process of procurement to map the socio-environmental practices of its suppliers. The questionnaire implementation is a result of the inclusion of other criteria besides economical evaluation in the company's Purchase Policy, as part of the sustainability and climate change strategy. The next step is to assess and analyze the suppliers' responses in order to find out the material issues with higher potential of development in the scope of the Exchange's suppliers activities. Subsequently it is expected to include these topics in thematic workshops that are planned to be implemented - an initiative that aims to improve engagement with this public. One of the questions asks if the company has a Greenhouse Gas (GHG) Emissions Inventory in place and whether it has reduction targets or compensate its emissions. The Exchange believes that getting to know its supply chain emissions and practices is the first step to identify gaps and develop proposals on how they can improve.

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Identifying GHG sources to prioritize for reduction actions	BM&FBOVESPA applies a questionnaire in the process of procurement to map the socio-environmental practices of its suppliers. The questionnaire implementation is a result of the inclusion of other criteria besides economical evaluation in the company's Purchase Policy, as part of the sustainability and climate change strategy. The next step is to assess and analyze the suppliers' responses in order to find out the material issues with higher potential of development in the scope of the Exchange's suppliers activities. Subsequently it is expected to include these topics in thematic workshops that are planned to be implemented - an initiative that aims to improve engagement with this public. One of the questions asks if the company has a Greenhouse Gas (GHG) Emissions Inventory in place and whether it has reduction targets or compensate its emissions. The Exchange believes that getting to know its supply chain emissions and practices is the first step to identify gaps and develop proposals on how they can improve.

Further Information

Module: Sign Off

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CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Sonia Aparecida Consiglio Favaretto	Sustainability Officer/Director	Other: Sustainability Officer/Director

Further Information