



More companies adhere to “Report or Explain”

Integrated reporting has already been adopted

São Paulo, July 15, 2014 – The third annual update of the “Report or Explain for Sustainability or Integrated Report” database shows how this issue has remained on the agenda of listed companies. These companies continue to publish non-financial information or explain why not, with 18 new firms adhering to the initiative, representing 71.17% of all of the companies listed on the Exchange (see graph 1 below). The 2014 databank contains companies that manifested themselves via the Reference Form by May 31.

This year, “Report or Explain” has begun publishing details of explanations. These are the reasons why Brazilian listed companies have still not published this type of information. According to table 1 below, adding the companies that are already at the stage of drawing up the report (17) to those structuring themselves to publish this document (10), we can see that the number of firms adhering to the publication of non-financial information has risen to 189. As it does every year in order to help companies proceed when they do not respond to the initiative or only explain why, BM&FBOVESPA will invite them to presentations and workshops in the second half in partnership with GRI – Global Reporting Initiative.

EESG: integration included in the acronym

“Report or Explain” has been renamed this year, in line with the international Integrated Reporting movement and showing support for the International Integrated Reporting Council (IIRC). The results show that companies have already begun to use the Integrated Reporting framework – three companies have said that they will adopt the model proposed by IIRC – or are aware of the issue.

BM&FBOVESPA believes that the integration of financial and non-financial information is fundamental for the adoption of a new trading model and a society premised on truly sustainable development. To put this understanding into practice, it has been proposed that the market use the acronym EESG (Economic, Environmental, Social and Governance), which adds the economic-financial dimension to the internationally-recognized ESG acronym (Environmental, Social and Governance).

To visualize the “Report or Explain” result, simply access the [table](#) on the Exchange’s website, which has links to the companies publishing the reports, the explanations of

the companies that still do not carry out this practice, and the companies that have given no answer.

Graph 1

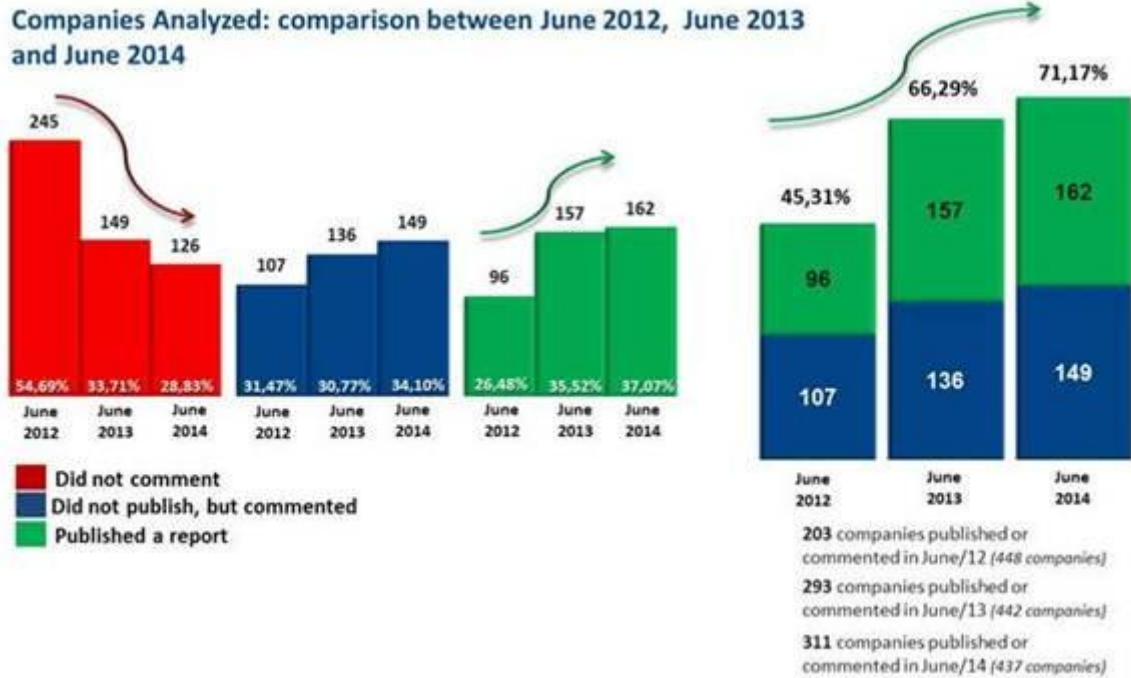


Table 1

Category	Number of companies
Actions only announced	33
No need seen / Not a priority	27
Studying the possibility	23
No justification	17
Report being drawn up	17
Nature of the operation / company's situation	12
Being structured for publication	10
Misunderstanding about the report	9
Covered in the holding company's report	1
Total	149

About “Report or Explain for Sustainability or Integrated Report”

“Report or Explain for Sustainability or Integrated Report” is an Exchange recommendation launched in December 2011 in partnership with GRI – Global Reporting Initiative. It seeks to encourage companies to publish non-financial

information (which has a growing impact on investment decisions) and to provide this databank with ease and speed to all stakeholders - investors and analysts in particular - offering greater transparency to the market. The first results were announced at Rio+20, in 2012.

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