

BM&FBOVESPA publishes 11th portfolio of the Corporate Sustainability Index (ISE)

+ transparency: 33 out of the 35 companies authorized the disclosure of questionnaire answers, an increase from 85% to 94% of the portfolio

+ attractiveness: five new companies took part in the ISE process

São Paulo, November 26, 2015 - BM&FBOVESPA announced today the 11th portfolio of the Corporate Sustainability index (ISE), effective from January 04, 2016 to December 29, 2016. The new portfolio is composed of 40 stocks of 35 companies. The companies are drawn from 16 sectors and have a combined market capitalization of BRL 960.52 billion, or 44.75% of the combined figure for all of the companies traded on BM&FBOVESPA, based on the close of trading on November 24, 2015 (in the previous year, ISE's combined market capitalization was BRL 1.22 trillion, the equivalent of 49.87% of the total, based on the close of trading on November 26, 2013).

The new ISE portfolio also evidences a significant increase to companies' transparency. The number of companies authorizing the publication of answers to the questionnaire has risen from 85% to 94%. This year 33 out of the 35 companies gave their authorization, compared to 34 out of 40 last year. The answers are published on the index's website: www.isebvmf.com.br.

Companies with the 200 most liquid equities at the time of portfolio renewal are invited to join the ISE annual process. ISE's technical partner since its creation is the Sustainability Study Center (GVCes) of FGV-EAESP. For the portfolio process announced today, 180 companies were invited. Of these, 46 signed up for one of more of the three categories (42 as Eligible, one as Training and eight as Simulated).

The 2016 portfolio was drawn up in an emblematic year for the index in which it celebrated its ten-year anniversary. In this decade ISE gained +128.88%, against 51.28% for Ibovespa (based on the November 24, 2015 closing). In the same period ISE was also less volatile: 25.57% compared to 42.81% for Ibovespa. This latest portfolio also inaugurates the "Long Cycle" of the questionnaire, which is an in-depth review period to be held every three years. To create the latest questionnaire more than 580 contributions from companies and other stakeholders were considered, gathered in a wide-ranging consultation process between 2014 and 2015. The results, which were debated and approved by the ISE Deliberative Board at the start of June, outline important trends in the Corporate Sustainability field.

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

New Portfolio – 2016

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

**companies that did not publish their answers to the questionnaire*

Current Portfolio – 2015

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

** companies that did not publish their answers to the questionnaire*

BicBanco PTO – Delisting on October 28, 2015

X-Ray of the Portfolio

- 75% of companies include periodical discussions and assessments of socio-environmental issues at meetings of the Board of Directors or of the committees that report to it
- 56% of companies have one or more woman on the Board of Directors (46% in 2015), 22% have one or more black person on the Board of Directors.
- 93% of companies declare a corporate policy regarding climate change, approved by the Board of Directors or upper management of the company (83% in 2015).
- 56% of companies include criteria/indicators related to their socio-environmental performances within the variable remuneration and assessment metrics of their management (board and/or executives).
- 80% of companies declare a risk policy and 92% have corporate risk management with socio-environmental aspects.
- 100% of companies publish a Sustainability Report in accordance with GRI directives (93% in 2015).
- 93% of companies adopt practices or procedures to assess potential impact (positive or negative) on biodiversity, with 10% doing so systematically throughout their value chain.

- 93% of companies declare that they have committed to previously established GGE reduction targets (67% in 2015), of which 53% have met or surpassed their objectives. (49% in 2015). Meanwhile, 7% of companies have not established these targets (33% in 2015).
- 89% of companies have processes and procedures implemented for the application of socio-environmental criteria for the management of all of their critical suppliers. Of these, only 37% require that critical suppliers comply with labor legislation.

About ISE

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