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**UNCTAD, OECD, CDSB and GRI Workshop on  
Climate Change Reporting**

16 March 2012, Room XXV  
Palais des Nations, Geneva

**SESSION I**

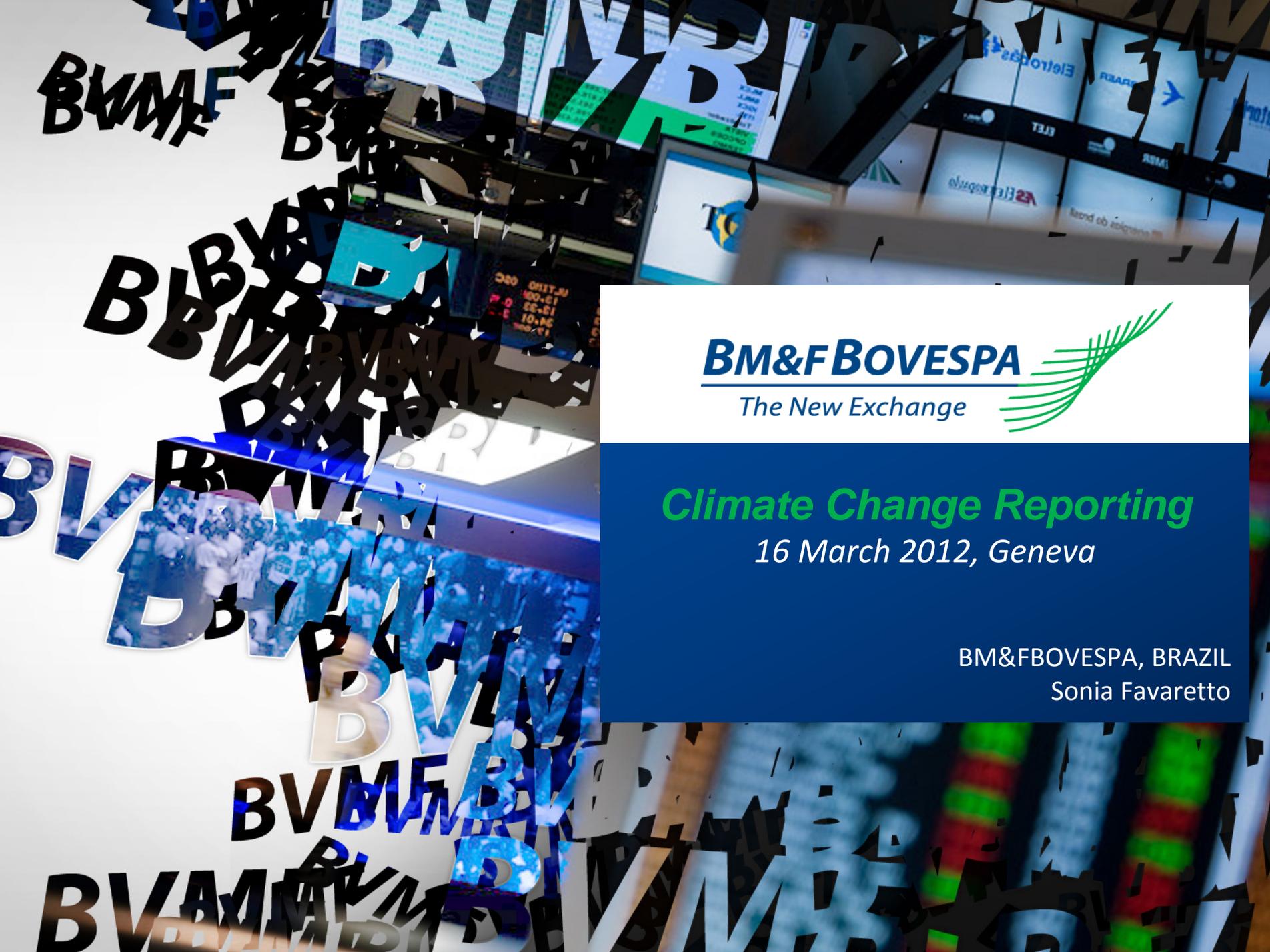
**THE POLICY DIMENSION:  
CURRENT NATIONAL PRACTICES  
IN CLIMATE CHANGE REPORTING**

PRESENTED BY

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The background is a complex collage of financial and market-related elements. It features numerous instances of the letters 'B' and 'V' in various colors (black, blue, white, green) and sizes, some appearing as 3D block letters. There are also blurred images of financial data screens, including one with a 'TEC' logo and another with 'Eletronas' text. The overall aesthetic is dynamic and high-tech, representing a financial exchange.

**BM&FBOVESPA**

*The New Exchange*



## **Climate Change Reporting**

*16 March 2012, Geneva*

BM&FBOVESPA, BRAZIL

Sonia Favaretto

- **Brazil's figures**
- **BM&FBOVESPA**
- **Sustainability in exchanges and BM&FBOVESPA**
- **BM&FBOVESPA's initiatives for Climate Change Reporting**

# Brazil's figures

World's leading exporter of iron, coffee, soybeans, orange juice, beef, chicken, sugar and ethanol

One of the world's largest petroleum reserves

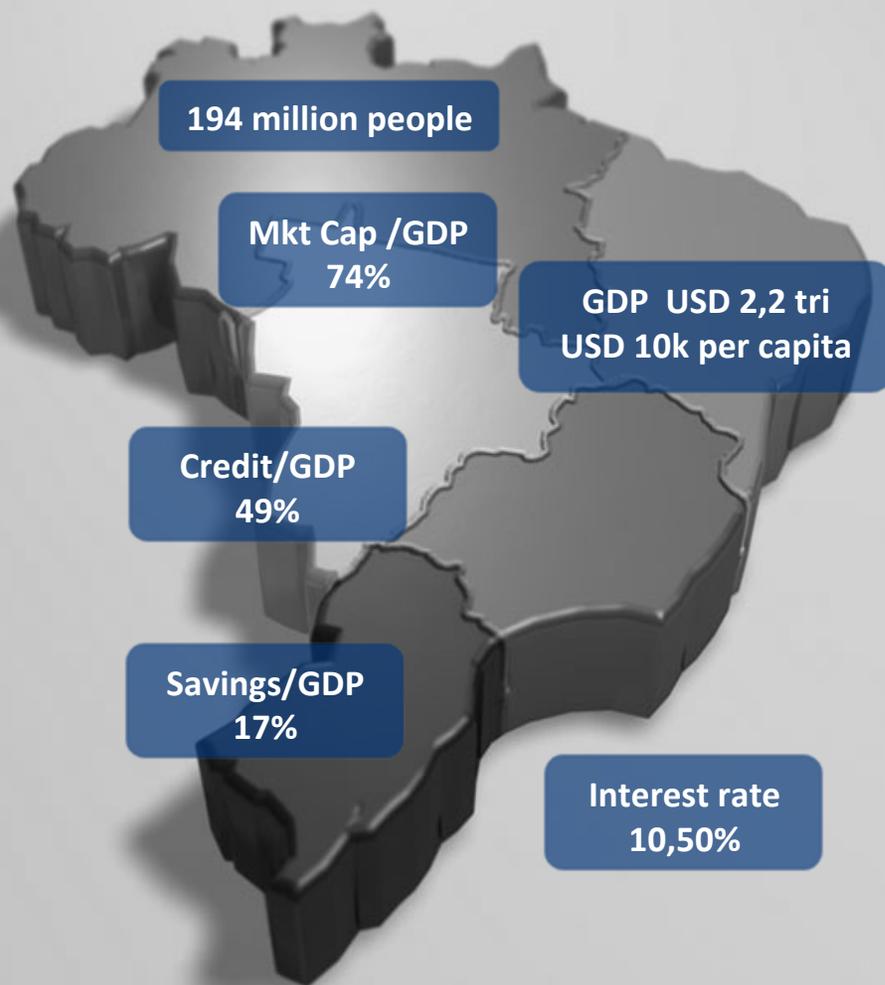
Reference in production of bio fuels ethanol

6th larger manufacturer of automobiles

3rd largest manufacturer of aircraft

World's largest river basin (81% of electricity generation)

Area of 8,5 million sq. Km and over 190 million population



**BM&FBOVESPA**

The New Exchange



3rd largest exchange in world by market cap: about 13.5 billion dollars

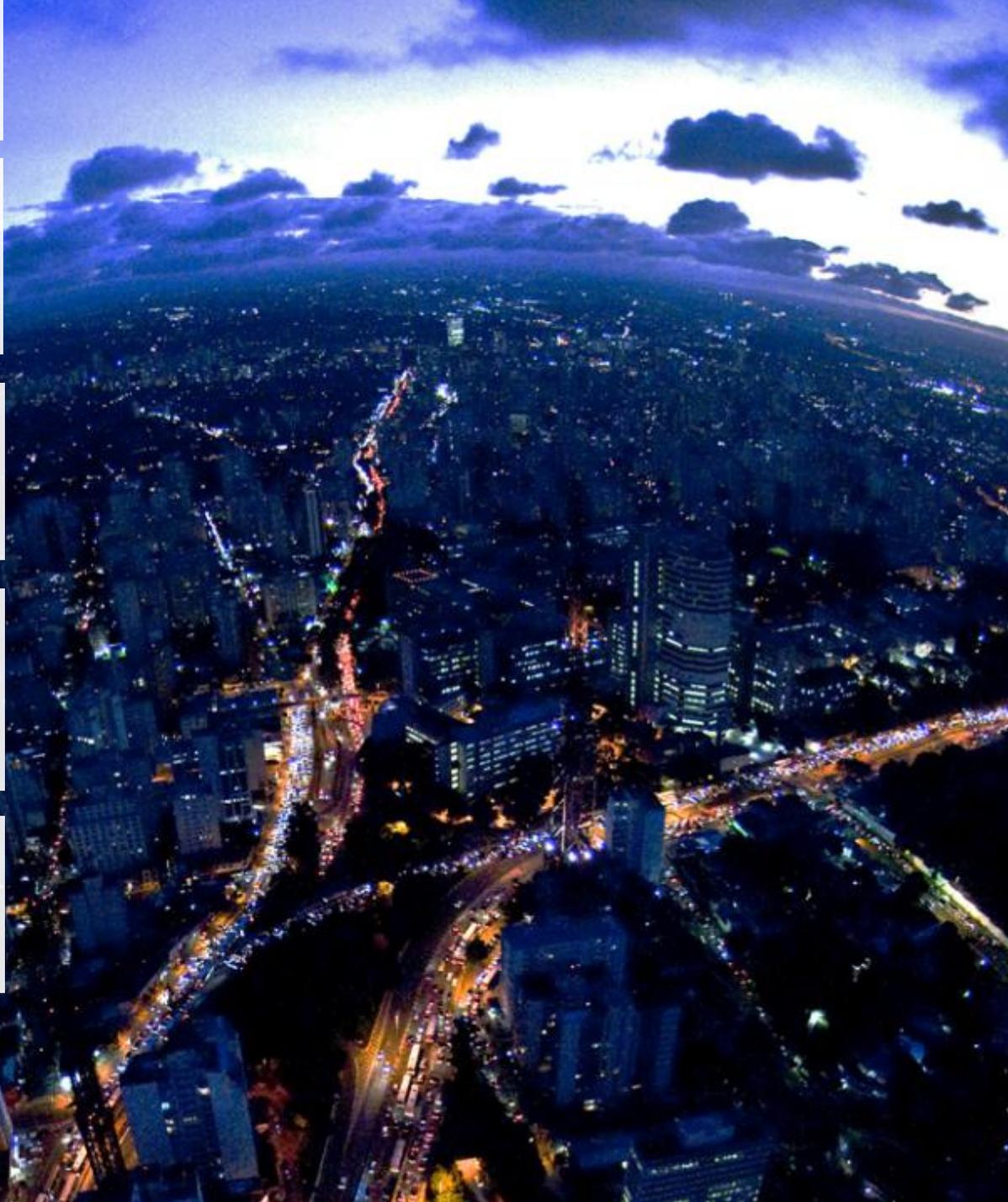
611,173 individual and corporate investors, and 466 listed companies

Latin American leader in equities, other securities and derivatives

Strategic partnership with CME Group



Offices in New York, Shanghai and London



## **Fostering transparency and socio-environmental performance by listed companies**

- Minimum listing criteria
- Guidelines and recommendations for management and disclosure
- Engagement and training
- Forums for networking and exchanging experiences

## **Products and services to assist investor decision making**

- Sustainability indices – broad and sectoral
- Special listing segments
- Markets for clean technology companies, carbon credits and other goods and services

**Development of financial and capital markets**



**Source of financing and growth for companies  
and investment alternatives for market agents**



**Sustainable development**

**BM&FBOVESPA**

*A Nova Bolsa*

“Support, promote and practice the concepts and actions towards economic, social and environmental responsibility with the purpose of contributing to sustainable development”



**NOVO VALOR**  
BM&FBOVESPA  
SUSTAINABILITY

## ***NOVO VALOR*** (“New Value”)

Program created in 2010 as the umbrella of exchange’s sustainability actions. It aims to instigate and promote the sustainable development of BM&FBOVESPA and capital markets, involving various audiences: investors, companies, brokerage houses etc.

*As a self-regulatory organization,  
we encourage, foster and  
recommend the adoption of best  
practices, always in close contact  
with the regulator.*

*Some initiatives:*

## – ISE – Corporate Sustainability Index

- [“Climate change” dimension](#) included in questionnaire (2010)
- New question included in General Dimension – Transparency section of questionnaire to authorize disclosure of companies’ answers on ISE website (2011)
- [Strategic Goals 2011-2015](#)



## – ICO2 – Carbon Efficient Index

- Assumption of participation: greenhouse gas inventory
- Of the 60 firms invited, 49 adhered to the second ICO2 portfolio
  - Before: approximately 70% of the companies in the IBrX-50 (index that tracks the 50 most liquid shares traded on BM&FBOVESPA) did not report emissions data
  - After: approximately 74% of the companies in the IBrX-50 report emissions data for at least Scope 1 and 2



## **EM BOA COMPANHIA** *Sustainability in companies*

- **Sustainability Guide: “Novo Valor – How To Begin, Who To Involve and What To Prioritize”**. Reporting is one of the [13 steps](http://www.bmfbovespa.com.br/novo-valor/en-us/download/sustainability-guide.pdf) to insert sustainability into company.  
<http://www.bmfbovespa.com.br/novo-valor/en-us/download/sustainability-guide.pdf>



- [Report or Explain for Sustainability Reports](#) . Launch at Rio + 20

We welcome you in Brazil!



**RIO+20**

United Nations Conference  
on Sustainable Development

**Rio + 20, June 2012**

# Thank you!

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[www.bmfbovespa.com.br/novovalor](http://www.bmfbovespa.com.br/novovalor)

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INITIATIVES

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02/22/2012  
BM&FBOVESPA PUBLISHES ANNUAL REPORT CONTAINING FINANCIAL AND SUSTAINABILITY RESULTS - GRI STANDARD  
Exchange publishes economic, financial, social and environmental dimensions simultaneously in a single report for analysts and investors

01/04/2012  
BM&FBOVESPA RECOMMENDS LISTED COMPANIES PUBLISH A SUSTAINABILITY REPORT OR

Novo Valor:  
Corporate Sustainability  
How to begin, who to involve and what to prioritize  
Click to read more

# *Annexes*

- Composed of up to 40 companies selected among the Issuers of the 200 most liquid shares
- Voluntary participation
- Portfolio revised annually
- Questionnaire-based methodology (Triple Bottom Line approach). Seven dimensions: General, Nature of the Product, Corporate Governance, Climate Change, Environmental, Social and economic-Financial.
- Drawn up through a participative process
- 2011 Portfolio: 45 shares from 37 companies; 18 sectors
- 42,6% of the market capitalization of all of the companies traded at BM&FBOVESPA. Ibovespa: 79.6% (22/11/2011)
- 100% of the companies are committed to sustainable development as formally set out in this strategy
- 97% publish this commitment on the open-access area of the website
- 100% publish a sustainability report



- Stock index launched in 2010 together with Brazilian Development Bank (BNDES).
- Calculation is based on companies' free floats and emission coefficients.
- Stocks Index weighted by companies greenhouse gases emissions (GHG).
- Starting point: portfolio of IBrX-50.
- Voluntary adherence.
- Inclusive approach.
- Launch of the first portfolio: COP 16, in Cancun, 2011.
- Of the 60 firms invited, 49 adhered to the second ICO2 portfolio.
  - Before: approximately 70% of the companies on the IBrX-50 did not report emissions data;
  - After: approximately 74% of the companies on the IBrX-50 report emissions data for at least scope 1 and 2

Índice  
Carbono  
Eficiente **ICO2**

**Institutional program of ongoing relationships with the companies listed at BM&FBOVESPA with a focus on sustainability: concepts, practices, dialogues, networks**

**Benefits:**

- **Add value to companies through their relationship with BM&FBOVESPA.**
- **Position BM&FBOVESPA as an agent for change and an articulator of sustainability practices together with the publicly-held companies.**
- **Advance corporate sustainability practices.**
- **Publicize all of the BM&FBOVESPA products and services which contribute to sustainability.**

1. Face to face meetings

2. Em Boa Companhia website: <http://www.bmfbovespa.com.br/emboacompanhia>

3. Guides



<http://www.bmfbovespa.com.br/novo-valor/en-us/download/sustainability-guide.pdf>

4. Books



# ***BVS&A***

## ***Environmental and Social Investment Exchange***

# **BVS&A**

## **Environmental and Social Investment Exchange**



The Environmental and Social Investment Exchange (BVS&A) is a pioneering program in the world introduced by BM&FBOVESPA to support Brazilian NGOs' projects on social and environmental issues by reproducing the same environment as that of a stock exchange. Our purpose is to foster a culture of individual philanthropy and to facilitate access to financial resources for NGOs, especially those with less visible projects

- Launched in 2003. Reviewed in 2010/2011 and will be re-launched in 2012.
- Stock exchange format but with no financial return.
- Environment where individuals and corporations can donate funds to NGOs.
- NGOs' social or environmental projects.
- Safe and transparent fund transfer over an easy-to-use platform



### How it works:

- **NGOs submit projects online.**
- **Technical staff assesses projects, according to predefined criteria.**
- **Selected projects are listed on [www.bvsa.org.br](http://www.bvsa.org.br).**
- **Individuals or corporations choose their preferred causes and donate online. (investment can be made through credit card Visa and payment slip).**
- **Funds are fully transferred to NGOs and projects are monitored by technical staff.**
- **Reporting: Achieved results and other relevant information are available online.**

### Results:

- **BVS&A has already raised R\$ 11,7 million (~USD 6 million) since its creation.**
- **86 have already received 100% of the funds.**
- **9 projects are listed on the website.**

# Institutional support



**UNESCO has supported the program since its very beginning.**



**Donations can be made free of all charges by using a Bradesco Bank payment slip.**



**United Nations' Global Compact has recommended it worldwide.**



**Donors can use their credit card to support environmental and social projects.**



**The United Nations' Development Program has suggested it to other Stock Exchanges.**



**Air tickets for technical visits to BVS&A-supported projects**