

BM&FBOVESPA

A Nova Bolsa



**BM&FBOVESPA - BOLSA DE VALORES,
MERCADORIAS E FUTUROS S.A.**

**United Nations Global Compact
Communication on Progress – 2009**

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Support and respect the protection of internationally proclaimed human rights.

Principle 2

Make sure the business is not complicit in human rights abuses.

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Uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4

Uphold the elimination of all forms of forced and compulsory labor.

Principle 5

Uphold the effective abolition of child labor.

Principle 6

Uphold the elimination of discrimination in respect of employment and occupation.

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Support a precautionary approach to environmental challenges.

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Undertake initiatives to promote greater environmental responsibility.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

Pg.15 Anti-Corruption**Principle 10**

Work against corruption in all its forms, including extortion and bribery.

Committed to the development of good practices

2009 was an important period for consolidation of BM&FBOVESPA, a company created through the integration of the Sao Paulo Stock Exchange (Bovespa) and the Brazilian Mercantile & Futures Exchange (BM&F) in 2008. The new company begins its journey by appreciating the heritage of its predecessors, but also aiming to develop and constantly improve its business practices.

As the only securities, commodities and futures exchange operating in Brazil, BM&FBOVESPA plays a strategic role in the national socioeconomic scenario. Today, it serves both the needs of the local market and those of foreign investors.

Aware of the prominence of Brazil in the global scenario, the Exchange's goal is to become a reference in the globalized capital market. Developing policies for sustainability and social responsibility is an essential part of this strategy.

Likewise, in 2009, the Board of Sustainability was established. The creation of the new area will allow the inclusion of this topic in the projects developed by BM&FBOVESPA, in a strategic and crosscutting way.

The move reinforces the commitment to build new business models and the search for shared solutions to address the current challenges of society – such as social inclusion, global warming, development of new consumption patterns, and use of natural resources.

Becoming a part of the Global Compact and a member of the Global Compact Brazilian Committee, aimed at developing actions to implement their principles and guidelines, was a key step in the improvement of our sustainability policies and practices.

This commitment was made in pioneering fashion by Bovespa in 2004, the first stock exchange in the world to join the Global Compact.

For believing that businesses have a relevant role to play in advancing the social and economic conditions of countries and communities in which they are inserted, we work toward making BM&FBOVESPA increasingly more an example to be followed. Not only for its economic results, but for incorporating and encouraging the adoption of best social and environmental practices in a systematic and continuous way.

Therefore, in 2009, BM&FBOVESPA reaffirms its commitment to the UN initiative and its ten principles.

Edemir Pinto
Chief Executive Officer

Profile

Established in 2008, BM&FBOVESPA is Latin America's leading exchange in number of transactions and one of the world's largest in market value. In 2009, it accounted for 80% of all trading in the derivatives market and 90% of the trading of equities. A listed company, it has 1,079 permanent employees and 67 interns (*figures for December 2009*).

Through its trading platforms, it holds the registration, clearing and settlement of transactions with equities, securities, commodities and others. It also acts as a central securities depository; licenses software and stock indices; provides information to support the market; and performs risk management activities of transactions made through its systems.

For its stance, it also bears responsibility for promoting the domestic capital market through education projects and popularization of its products and services.

The growth of businesses and the purpose of enhancing the relationship with different stakeholders are followed by the pursuit of ongoing improvement of its practices through the development of processes, systems and projects designed to operate in accordance with the best principles of corporate management.

In 2009, BM&FBOVESPA initiated the insertion of the sustainability approach into its business management in a formal way, by establishing the Board of Sustainability, with the responsibility to integrate and manage the existing programs for social and environmental investment and to set up the corporate sustainability policy. The mission of the area is also to induce, promote and support the adoption of measures that take into account the economic, social and environmental dimensions in the activities of the Exchange.

The purpose of BM&FBOVESPA is to serve as a benchmark for listed companies. In line with this, it has been developing a consistent governance framework aimed at ensuring safe decision-making, restraining deviations in conduct, watching over the smooth progress of internal processes, controlling systems and procedures, and offering maximum transparency to all its stakeholders.

For more on BM&FBOVESPA's programs and projects, please visit: www.bmfbovespa.com.br.

Human Rights

Principle 1

Support and respect the protection of internationally proclaimed human rights.

Principle 2

Make sure the business is not complicit in human rights abuses.

• Commitment

BM&FBOVESPA addresses the issue of human rights with a focus on education and community qualification as well as on the appreciation of its employees and good business practices. All actions are based on the principles enshrined in the Universal Declaration of Human Rights of the United Nations (UN) and are aimed at promoting citizenship and democracy, in addition to encouraging social and economic inclusion especially of the most vulnerable sectors of the population.

• Actions and projects

Sports, culture & leisure

BM&FBOVESPA Athletics Club

Created in 2002, Clube de Atletismo BM&FBOVESPA (BM&FBOVESPA Athletics Club) aims at training and educating high-level athletes, including youngsters. Participants receive financial and technical support from a team comprised of 14 professionals. They are also assisted by a medical team consisting of 10 professionals, including doctors, physiotherapists and a nutritionist. Each month, the Club pays athletes a grant approved by the program's Special Committee, provides transportation to competitions, full uniforms, and, in many cases, housing aid.

In 2009, the program assisted 99 athletes for sporting events such as sprint race, jump, shot put and throws, and middle- and long-distance races. Grupo Pão de Açúcar, the City of São Caetano do Sul (SP) and Nike also support the athletes.

Since 1998, BM&FBOVESPA has been promoting the Olympic Gold Award to honor Brazilian athletes in different sporting events who won gold medals in Olympic and Pan-American

Games. By 2009, 70.7 kg in gold bars had been distributed to awarded athletes.

Results

Some top Brazilian athletes are part of the BM&FBOVESPA Athletics Club. Among other distinguished athletes are Vanderlei Cordeiro de Lima, marathon runner who won a bronze medal in the Athens Olympic Games (2004) and Pierre de Coubertin Medal, awarded to only five athletes in history; Maurren Maggi, women's long jump gold-medalist in Beijing; Marilson Gomes dos Santos, two-time winner of the New York City Marathon; and Fabiana Murer, South American pole vault record holder. The Club has also won eight times the Caixa Brazil Trophy of Athletics, the country's major track and field event.

BM&FBOVESPA Sports and Cultural Center (EECB)

Created in 2003, Espaço Esportivo e Cultural BM&FBOVESPA (EECB - BM&FBOVESPA Sports and Cultural Center) is another project with BM&FBOVESPA Institute, and aims to provide comprehensive development of children and youth through the arts, culture and sports. It assists children and adolescents aged 6 to 18, from the community of Paraisópolis in Sao Paulo. In the cultural area, the activities involve reading workshops, games and jokes, music, fine arts, communication, culture of peace and craftwork. At the sports court, the center offers free lessons in tennis, basketball, football and volleyball.

The Center includes also the Norberto Bobbio Library, with about four thousand volumes including children's literature, science, philosophy, general knowledge and history, among other subjects, to encourage critical thinking.

Results

Annually, the Sports and Cultural Center receives an average of

800 children who complement their studies with a number of sporting and cultural activities. In 2009, the Norberto Bobbio Library loaned 1,257 books to 564 people from the community.

Norberto Bobbio (CENB) Study Center

Opened in 2005, as part of the BM&FBOVESPA Institute, Centro de Estudos Norberto Bobbio (CENB - Norberto Bobbio Study Center) aims at researching and disseminating the subjects addressed by Italian thinker Norberto Bobbio – human rights, democracy and legal philosophy. The main activities developed at ECBS include public attention, organization of research groups, promotion of events and work with the publication of texts. Open to public consultation, the collection includes 1,100 books, including works by Bobbio or directly connected to him, and other classics of philosophy, political thought, human rights and the general theory of law. In the collection, there are also 102 unpublished writings donated by Bobbio's family when the Center was founded.

The reflections by the Italian thinker on democracy, human rights, and the relationship of the State with the individual and civil society support the emphasis of BM&FBOVESPA on the visibility of its procedures and corporate governance.

Results

In 2009, CENB published the work "The Absent Third" by Bobbio, which deals with the effectuation of human rights in the international order, a classical still unpublished in Portuguese.

Cultural Tourism

Launched in 2005, the project offers diversified cultural programming for low-income children and teenagers in Sao Paulo. In 2009, tours were promoted on Saturdays with groups of 40 children, from 7:30 AM to 2:30 PM. The BM&FBOVESPA Institute is responsible for organizing the

tours and providing meals. Children are monitored by a team of educators and receive educational materials to follow up the learning process.

Results

In 2009, 1,252 children from 35 institutions participated in the Cultural Tourism.

BM&FBOVESPA Cultural Center

As part of the cultural map of the city of Sao Paulo since 2002, Espaço Cultural BM&FBOVESPA (BM&FBOVESPA Cultural Center) promotes four exhibitions each year and attracts an audience of approximately 20 thousand people. The Center has held exhibitions by renowned artists, particularly of Brazilian Arts, such as Di Cavalcanti, Portinari, Tarsila do Amaral and other important names in the History of Arts. Admittance is free.

Results

In 2009, more than 19 thousand people visited the BM&FBOVESPA Cultural Center.

Financial education

BM&FBOVESPA offers a number of courses and activities that address personal finance and the stock market, tailored to different audiences. They are:

Monitored tours

Since 2002, BM&FBOVESPA has been offering free monitored tours for individuals interested in learning about its operation. In 2006, the BM&FBOVESPA Space was opened at the floor plan of the Rua XV de Novembro building, where the former open outcry trading floor used to operate. Visitors enjoy several attractions such as an investment simulator, 3D movie, a museum of the Exchange history, and a lecture on the market.

Results

Over 509 thousand people have already participated in the monitored tours since its inception, and about 432 thousand people visited the BM&FBOVESPA Space between 2006 and 2009.

Free courses

BM&FBOVESPA has been offering free courses and lectures since 2005, when **Educate** was launched, the Exchange's financial education program. At the course, BM&FBOVESPA specialists teach participants how to organize their personal finances using a language adapted to different audiences and age groups. In addition to Educate, the Exchange offers also the course **How to Invest in Equities**, approaching topics such as investments, Stock Exchange, and the stock market.

Results

Since its inception, Educate has already served over 120 thousand people from all over Brazil – more than 30 thousand in 2009. The course How to Invest in Equities served over 3 thousand people in 2009, totaling about 4,500 participants since it was launched in 2004.

BM&FBOVESPA Challenge

It is an educative contest on the stock market, intended for secondary school students and teachers from public and private schools in the state of Sao Paulo, aimed at disseminating the concepts of financial education and the stock market. At the contest, groups of 210 schools – consisting of an advisory teacher and between three and five students – participate in courses on financial education and stock market concepts, before performing tests and investment simulations. The five schools with better profitability win prizes. From 2010, the Challenge will be held also over the web, in similar fashion, thus allowing the participation of schools from all over the country.

Results

Since it was launched in 2006, BM&FBOVESPA Challenge has already welcomed over 8,500 participants, including students, teachers, and accompanying crowds to cheer them up. In 2009, over 1,600 people participated in the contest.

Financial Education TV

ATV program launched in August-December 2009 guides the audience to manage their finances in an independent and practical way. TV Cultura airs the program on Saturdays at 10:15 AM. The episodes can also be viewed at the program's website: www.tveducacaofinanceira.com.br.

Results

With an investment of R\$ 428 thousand in 2009, each program has been attracting an average audience of 80 thousand people per episode (based on the city of Sao Paulo).

Community & Social Development**BM&FBOVESPA Job Training Association**

Founded in 1996, Associação Profissionalizante (APBM&FBOVESPA - BM&FBOVESPA Job Training Association) promotes personal and vocational education for low-income young people, preparing them to enter the job market. With an investment of R\$ 3.7 million in Sao Paulo and Rio de Janeiro in 2009, APBM&FBOVESPA has been offering a number of educational and social assistance programs, aimed to change actuality and ensure the future of these young people.

Results

In 2009, in Sao Paulo alone, 600 young people enrolled in the qualification programs promoted by APBM&FBOVESPA – Capacity-Building for Employability, Do-It-All and Beauty Parlor. In Sao Paulo and Rio de Janeiro, 518 of them concluded the qualification program and many of them have already started attending college and technical programs.

Programs with the Job Training Association

Capacity-Building for Employability – offers basics in business administration, with a focus on management and emphasis on communication. In 2009, 132 young people were served.

Do-It-All – prepares the young people to work in civil construction and building maintenance. In Rio de Janeiro, in partnership with Samba School Estação Primeira de Mangueira, the program was adapted to local conditions and needs, and restructured in two courses: installer module and civil construction module. In 2009, in Rio de Janeiro, the courses received 180 students, monitored by 16 former students. In Sao Paulo, 88 young people attended the qualification programs.

Beauty Parlor – provides training for hairdressers, makeup artists, manicurists and pedicurists, with classes in body and facial massage and hair removal. It holds workshops on marketing, communication, health, sexuality, and information technology. In 2009, in Sao Paulo, it received 30 students (aged 15-20), divided in two full-time classes. In Rio de Janeiro, the newly created space received 78 students, divided in two shifts – mornings and afternoons.

Social Actions by Students – the program encourages students with the Association to help directly their own communities. In 2009, students restored the facilities of Social Action Religious and Civil Association (Arca), an organization that works to educate the homeless, and offers beauty care to 25 patients and companions at the Center of Reference for the Elderly at the Mandaqui Hospital, in Sao Paulo.

Attention to former students – offers complementary courses for former students with the Association. In 2009, 110 young people attended classes in accounting, vocational guid-

ance, telemarketing, English language, Spanish language, and reading residential plans. For multiplication of knowledge, 14 former students were selected as monitors for new classes.

Tours to Companies – in 2009 the Association promoted six tours to companies, fairs and trade shows, attended by 250 young people.

Volunteers' Network – Comprised of 19 professionals, the network contributes to the work of inclusion and citizenship sponsored by the Association. These professionals include dentists, lawyers, language teachers, psychologists and students.

Job Center – offers placement services for current and former students. 65% of graduated students landed a job, either assisted by APBM&FBOVESPA or on their own.

Benefits to Students and Family Members – the Association supports and offers benefits to students and family members.

In Sao Paulo, in addition to basic food baskets (992), uniforms (894 sets), school material (250 kits), glasses (8), transportation vouchers (56,244) meal vouchers (90,421) and assistance grants (1,182), APBM&FBOVESPA provided benefits such as:

- medical attention: 1,007 doctor visits, including lab tests and surgeries;

- dental attention: 3,895 treatments, including prostheses, in partnership with Odontoprev;

- psychological attention: 410 visits to a especially hired psychologist.

In Rio de Janeiro, 1,258 basic food baskets and 1,466 assistant grants were distributed, and 24,262 snacks were served to enrolled students.

Social Partnerships – The Association closed the year with 16 partnering companies: Proart – Beauty Accessories and Equipment, Lannes & Hoffmann, Odontoprev, Taiff, Suvinil/Basf, Fabrimar, Knauf – Drywall, Cordeiro Fios e Cabos, Depilbella, Tigre and FAV105. In Rio de Janeiro, it relied on the support by Wella, Lafarge, Sika, Starnail and Rede Werner Coiffure, in addition to Fabrimar, Knauf-Drywall, Suvinil/Basf and Tigre.

ISO 9001 – in 2009, APBM&FBOVESPA underwent internal and external audits by ABS Quality Evaluations to renew its ISO 9001 certification in Sao Paulo with upgrade to version 2008.

Environment and Social Investment Exchange (BVS&A)

The project's target audience consists of organizations that develop social and environmental projects, and individuals and companies wishing to invest in these projects. On the one hand, there are investors interested in contributing to the improvement of social and environmental issues, and on the other hand, there are projects that require resources for their implementation. The goal is to boost projects developed by Brazilian NGOs.

Only NGOs with a focus on education and environmental conservation are eligible to register their initiatives at the website www.bvsa.org.br to be reviewed and approved. All projects are listed on the website. Donations can be made via credit card or bank payment slip, and the progress of the application can be accompanied by investors.

Results

In 2009, BVS&A raised R\$ 691 thousand, which were allocated in the development of 24 listed projects. Five of them were already concluded – two social and three environmental projects. On the BM&FBOVESPA's Social Responsibility Day, when a percentage of the fees collected on the trading session is intended for BVS&A projects, R\$ 420 thousand were donated in 2009.

In Good Company Website

A virtual environment intended to disseminate social and environmental activities developed by the companies listed in the stock market, seeking to foster these practices by expanding the access of investors and the public at large to their information.

Results

At the end of 2009, the website had 44 participating companies, with 307 projects listed. The website received average 5 thousand visits per month along the year.

Philanthropy

Aimed at providing institutional support to the work developed by civil society organizations focused on health and social assistance, the BM&FBOVESPA Institute makes contributions to several institutions working in areas such as treatment of cancer, multiple sclerosis, chemical addiction, AIDS, mental impairment, in addition to day care centers, orphanages and shelters.

Results

In 2009, the BM&FBOVESPA Institute supported 69 institutions that received R\$ 1.35 million.

Internal public

Benefits to employees

The human resources policy supports and encourages employees and is a key factor in their well-being and in the company's goals.

Health plan – This major benefit is offered to employees, dependents and interns. The plan has complete coverage for consultations, tests and hospital admittances – surgical and obstetrics – with access to an extensive service network nationwide, and also free choice. All categories offered by the plan include admittance in private room and the monthly fee is 100% subsidized by the company.

Dental plan – Employees, dependents and interns are offered Comprehensive or Master plans, both with exclusive attention in an accredited network. The Comprehensive Plan provides coverage for consultations, fillings, surgery, cleaning, prophylaxis, endodontics, emergency, some types of prostheses, and is 100% subsidized by the company. The Master Plan, in addition to the coverage under the Comprehensive Plan, includes the specialties of Orthodontics and Prosthesis.

In this plan, the company subsidizes part of the cost, according to the salary level of the employee.

Agreements – Partnerships with institutions in a number of sectors provide discounts in fitness centers, pharmacies, language schools, and access to personal credit at special rates in banks.

Complementary pension plan – BM&FBOVESPA offers a complementary pension plan to all employees through the Multi-sponsored Pension Fund of the Financial and Capital Market Institutions (Mercaprev). Mercaprev is a closed complementary pension plan entity, created under the “Defined Contribution” mode, which provides the participants with the formation of a constituted reserve with the contributions of both sponsors and participants, intended for retirement, provided the eligibility conditions are met, as set forth in the sponsor’s benefit plans.

Life Insurance – A compulsory life insurance is offered to all employees, who are automatically included in the policy, 100% subsidized by the company. The insurance coverage includes natural and accidental death and total permanent disability by accident or disease – the coverage is extended to spouse and children. The insurance also covers Funeral Assistance service, which handles all procedures, documentation and expenses necessary to carry out the funeral, limited to R\$ 5 thousand. Employees are offered the option of increasing the value of the compulsory insurance coverage, but the monthly cost of insurance shall be borne by the employee.

Emergency Loan – Strictly intended for emergency situations, characterized by unexpected events, it is limited to two monthly salaries for repayment in up to 24 months with no interests.

Food Voucher – A financial benefit covering part of the family ex-

penses with supermarket may be used in a wide network of outlets in Brazil.

Meal Voucher – Intended to assist employees in their food expenses during workday breaks, meal vouchers can be used in restaurants and snack bars.

Day Care/Nursery Aid – Intended to benefit female employees with children under 5 years and 11 months old, or separated or widowed male employees who have custody of the children at this age bracket. This is a monthly allowance for spending on child care centers, equivalent institutions, or duly registered nannies.

Transportation Voucher – It aims at contributing to employee commuting to/from work when used in urban public transportation by regular lines and fare determined by the public agency concerned.

Profit Sharing – The company provides Profit Sharing (PLR in the Portuguese acronym), payable semiannually, according to an agreement registered annually with the trade union, and approved by the committee of employees.

Life Quality Program

The program is intended to offer opportunities to promote health and well-being. The activities are structured on three pillars, each with different actions that integrate to each other.

More Balance Pillar

+ Você – Our Personal Support Program – For believing that personal and professional life are inseparable, BM&FBOVESPA offers + Você (+ You), which consists of a guidance and personal support service in various specialties, aimed to help employees

deal with situations such as family problems, stress or legal issues. To seek help from the program, the employee should call 0800 770 0321 for free service, 24 hours a day, seven days a week. The benefit includes family members and provides psychological counseling, social service, legal advice, nutrition, physiotherapy, personal trainer and children education. The service is totally confidential.

Wellness Space – Designed to be a place for relaxation, the Living & Wellness Space provides Shiatsu massage and an ample space for rest. The 12-minute chair and foot massage is free.

More Health Pillar

Fitness – BM&FBOVESPA has an agreement with Bio Ritmo Fitness Center – Downtown Unit to encourage a healthy lifestyle and provide an opportunity for employees to practice gymnastics, bodybuilding and other sports in a facility close to work. Employees and interns enjoy a monthly allowance and exemption in the enrollment fee.

Running and Walking Group – For beginners or those wishing to improve their performance, the goal of the benefit is to promote health through a customized physical fitness program prescribed by sports advisors Ztrack Sport and Health, with regular walking and running practice. Employees and interns interested in joining the BM&FBOVESPA Running and Walking Group undergo a clinical evaluation to make sure they are able to perform the chosen activity. BM&FBOVESPA pays 50% of the tuition fee.

Flu immunization – Once a year, BM&FBOVESPA promotes the Flu Immunization Campaign, for the benefit of employees, interns and third-parties. In addition to vaccination, other prevention methods are disseminated such as washing hands and avoiding crowded places.

Check-up program – The program's goal is to offer employees health monitoring, focusing on prevention and well-being. Exclusive to directors, managers and senior specialists, it is held on an annual basis for employees aged over 50, and every two years for employees up to 49 years old.

More Leisure and Culture Pillar

Turma da Bolsa (Exchange Class) – In 2009, for the first time BM&FBOVESPA opened the doors to welcome children of employees. Around 100 children, aged 5-10, attended the program especially prepared to receive them, including a gymkhana, theater and creative workshops. Held at the BM&FBOVESPA Space, Turma da Bolsa was created to make children acquainted with their parents' workplace and to participate in a series of creative and amusing activities. 'Turma da Bolsa' is also the name of a financial education program held by BM&FBOVESPA to children, developed during 2009. The program's activities include videos of 'O Porco e o Magro' and a website intended to educate with fun, in addition to an area dedicated to parents and educators.

Football court – BM&FBOVESPA rents a football court to be used by all employees during weekends, and promotes an In-Company Football Tournament.

Tickets for Parks, Movie and Theater – To facilitate the access to these activities, employees and interns with BM&FBOVESPA enjoy a special channel to buy tickets at differentiated prices and payment methods.

CIPA

The Internal Commission for Accident Prevention (CIPA in the Portuguese acronym) consists of representatives appointed by BM&FBOVESPA and members elected by employees. Its objectives are to prevent accidents and illnesses resulting

from work, preserve life, promote the health of employees, as well as observe and report situations of risk.

Results

In 2009, SIPAT (Internal Week for Work-related Accident Prevention) was held online and recorded 1,400 accesses. During the week of December 9, the following topics were approached: ergonomics, healthy eating, STD/AIDS, Summer Protection and HPV.

Labor

Principle 3

Uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4

Uphold the elimination of all forms of forced and compulsory labor.

Principle 5

Uphold the effective abolition of child labor.

Principle 6

Uphold the elimination of discrimination in respect of employment and occupation.

• Commitment

BM&FBOVESPA maintains a professional relationship with trade unions and supports all the principles of the International Labor Organization (ILO). It also endeavors to offer equal labor conditions by promoting inclusion and respecting and encouraging diversity.

• Actions and projects

Employees with disabilities and special needs

Aiming to educate managers and teams about the importance of diversity within the organization, the program sensitizes employees and promotes the development of people with disabilities for their inclusion to occur naturally.

Results

BM&FBOVESPA currently employs 35 people with disabilities and a project is in progress to expand the number of these professionals.

Young Apprentice Program

Through the program, destitute adolescents, aged 16 and older, are hired to receive hands-on professional qualification. Most of these young people are trained by the BM&FBOVESPA Professional Association, which prepares them for the job market. The project is carried out in partnership with ESPRO (Social Vocational Teaching), an NGO to train apprentices.

Results

Currently, BM&FBOVESPA employs 10 young apprentices.

First College Program

BM&FBOVESPA believes that the institution's success and perpetuity depend on its staff qualification and, likewise, it subsidizes up to 60% of the tuition fees for employees wishing to attend college for the first time. Courses should be related to the company's interests such as business management, economics, accounting, engineering, law, data processing and social communication. Enrollment is made every half year and priority is given to lower-paying positions. The tuition fee should be of as much as 20% of the employee's salary.

Results

BM&FBOVESPA currently subsidizes the education of 50 employees.

National Pact for the Eradication of Slave Labor

The National Pact for the Eradication of Slave Labor is coordinated and monitored by a Committee set up by Ethos Institute – Business and Social Responsibility, Social Observatory Institute, Repórter Brasil NGO, and the International Labor Organization. Its mission is to implement tools for preventing the business sector and Brazilian society at large from marketing products originated in suppliers that use forced and compulsory labor.

BM&FBOVESPA became a signatory to the Pact in 2005.

Code of Conduct

The BM&FBOVESPA Code of Conduct includes a specific provision that addresses the issue of discrimination in the workplace. Below is its wording, extracted from the Code:

Relations with the internal public and its environment

1. Relations at the Workplace

The Human Resources Policy of BM&FBOVESPA is based on fairness, transparency, impartiality and professionalism. All Employees with the Group shall establish relationships of courtesy and respect in the workplace in order to build ties of loyalty and trust, as well as team spirit and search for results.

The following behaviors are not acceptable:

- to discriminate against color, race, religious creed, gender, sexual preference, age, etc., in recruitment and selection, training, compensation, promotion, transfer or other factors related to the work environment.

Relations with Trade Unions

Agreement on a Database of Hours – The Assembly of Employees, attended by Trade Union representatives, approved the Agreement on a Database of Hours, which will record all overtime worked by employees subject to the single system for offsetting worked hours, the so-called Database of Hours. According to the rules as established in the agreement, limits have been set for hours to be converted and those not convertible, and the maximum amount of hours recorded. These hours shall be converted to paid leave in no later than 120 days or, at the option of the employee, converted to additional days to the vacation period.

Environment

Principle 7

Support a precautionary approach to environmental challenges.

Principle 8

Undertake initiatives to promote greater environmental responsibility.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

• Commitment

BM&FBOVESPA believes that social responsibility shall be manifested by social and economic inclusion and environmental conservation. In line with this, it develops actions in the three dimensions of sustainability as a way to contribute to the continuous development of society towards a sustainable model.

• Actions and projects

Environmental and Social Investment Exchange (BVS&A)

As already mentioned in the Human Rights chapter, BVS&A has, on the one hand, investors interested in contributing to the improvement of social and environmental issues, and on the other hand, projects that require resources for their implementation.

Results

In 2009, BVS&A raised R\$ 691 thousand, allocated in the development of 24 listed projects. Five of them were already concluded – two social and three environmental projects.

Corporate Sustainability Index (ISE)

Created in 2005, ISE represents one of the greatest advances towards driving the implementation of sustainable practices in publicly traded companies in Brazil. It is a market index based on the concept of Triple Bottom Line (TBL), consisting of stock issued by companies that present high level commitment to sustainability. Three additional indicators have been added to the TBL principles: corporate governance, overall characteristics and nature of product.

Applicant companies answer questions related to these themes, addressed in a questionnaire that is divided into four groups of criteria: policies (commitment indicators), management (plans,

programs, targets and monitoring), performance (performance indicators) and legal (compliance with environmental, labor, competition, consumer protection, among others).

Results

The portfolio as of November 30, 2009 comprised 38 stocks in 30 companies totaling R\$ 608 billion in market value. This amount corresponds to 26.8% of the total capitalization of the 394 companies listed in the Exchange, R\$ 2.27 trillion (as of November 2008). The selection of companies was held by qualitative analysis, i.e., by checking answers from documents submitted by the companies with the questionnaire and prior to the disclosure of the portfolio.

Carbon Efficient Index (ICO2)

To assist the most traded companies with BM&FBOVESPA to measure, disclose and manage their greenhouse gas (GHG) emissions, the Carbon Efficient Index (ICO2) was set up with the purpose of increasing transparency to shareholders and to the market at large, and generate opportunities for investors sensitive to environmental issues.

Developed by BM&FBOVESPA in partnership with the National Bank for Economic and Social Development (BNDES), this portfolio is based on the IBrX-50, comprised of the 50 most traded equities, with daily figures reaching US\$ 2.7 billion. ICO2 will be weighted by the coefficient of GHG emissions of the companies participating in the portfolio, which indicates the volume of GHG emitted by them to reach a certain amount of revenue. The lower the GHG/revenue rate, the more efficient the company is and, therefore, the higher will be its participation in the ICO2 portfolio when compared to its participation in the IBrX-50. In this sense, ICO2 will be a more efficient portfolio in terms of GHG emissions than the original IBrX-50 portfolio.

Results

Although planned in 2009, the Carbon Efficient Index was started in 2010, with no results in the period covered by this report.

Carbon Market

The Brazilian Carbon Market (MBRE) is a joint initiative of BM&FBOVESPA and the Ministry of Development, Industry and Foreign Trade (MDIC), aimed at creating an active carbon credit market in Brazil, in line with the principles of the Kyoto Protocol. First, the BM&FBOVESPA Database of Projects was structured – a system developed to register projects validated by certifying companies approved by the UN, based on the principles of Clean Development Mechanism (CDM). In a second stage, the Electronic System for Carbon Credit Auctions was implemented.

Results

Through the Electronic System for Carbon Credit Auctions, two events of certified reduction in emissions of the Sao Paulo Municipal Government were carried out.

Separate Collection Project

Aimed at encouraging employees with BM&FBOVESPA to discard correctly the waste produced at the workplace, the program is intended to collect material at the work stations, elevator halls, and at public spaces in the unit of Sao Paulo. The collected material is sold and the funds raised are allocated to the Job Training Association (APBM&FBOVESPA).

Results

In 2009, collection reached 46.6 tons of paper, 14.4 tons of cardboard, 2.19 tons of magazines, 15.8 tons of plastic, 524 kg of glass, 149.4 kg of aluminum, 1.14 ton of copper/iron and 326 kg of Tetra Pak packages, totaling 81.1 tons of material. Raised funds amounted to R\$ 13.3 thousand.

Anti-Corruption

Principle 10

Work against corruption in all its forms, including extortion and bribery.

• Commitment

BM&FBOVESPA has been adopting as the basis for its corporate actions and practices the principles of ethics and transparency. It is committed to fight corruption as a contribution to the integral and sustainable development of the country.

• Policies and practices

In order to clarify its stance on corruption and other issues, BM&FBOVESPA released the New Code of Conduct of the Company, adhered to by 100% of its employees.

• Actions and projects

Business Pact for Integrity and Against Corruption

BM&FBOVESPA is a signatory to the Business Pact for Integrity and Against Corruption. This Brazilian initiative involves several bodies, including the United Nations Development Program (UNDP) and the United Nations Office on Drugs and Crime (UNODC).

Results

Since 2008, BM&FBOVESPA has been participating in a work-group that promotes initiatives of incentive to fight against corruption, coordinated by Ethos Institute. As a signatory to the pact, the company complies with its commitments for ethics in businesses, especially in the relationship between the State and the private initiative.

Credits



COORDINATION

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EDITORIAL COORDINATION

Report Comunicação

PROOFREADING

Assertiva Comunicação

TRANSLATION

Arte Comercial - Assessoria Empresarial Ltda.