

ASSOCIAÇÃO DE INVESTIDORES NO MERCADO DE CAPITAIS – AMEC

REUNIÃO DO GRUPO DE TRABALHO – CÓDIGO DE STEWARDSHIP

Date and Venue: São Paulo, February 21st, 2019, 11:00am BRT, via Conference call.

Participants: Mauro Rodrigues da Cunha (Amec), Laura Bosch (Robeco), Jaime Gornsztejn (Hermes), Andrea Marinho (Petros), Raphael Azeredo (BNDES), Alexandre Gazotti (Itaú-Unibanco) e Daphne Breyer (BBTDVM)
Claudia Chapman and Olivia Mooney (FRC)

• **Ata preparada por:** MAS

Em: March 11th, 2019

PRINCIPAIS PONTOS DISCUTIDOS E DECISÕES DA REUNIÃO

O Presidente Executivo deu boas – vindas a todos e iniciou a reunião do Grupo de Trabalho de *stewardship*.

1. **FRC Consultation – Stewardship Code review:** The CEO welcomed our guests Claudia Chapman and Olivia Mooney, from the FRC. They went through the presentation, including the following topics: (1) background to the UK Stewardship Code; (2) why we are reviewing the code; (3) main changes proposed; and (4) timescales. The main focus was on the changes that are being proposed – currently under public consultation, namely: (1) Focus on purpose and governance: The Code also aims to encourage the application of the Principles across asset classes, including but not limited to: listed and private equity holdings, bonds, venture capital, infrastructure and alternatives. Signatories should use the resources, rights and influence available to them to exercise stewardship; (2) Stewardship beyond UK listed equity: encourage the application of the Principles across asset classes, including but not limited to: listed and private equity holdings, bonds, venture capital, infrastructure and alternatives. Signatories should use the resources, rights and influence available to them to exercise stewardship; (3) Inclusion of ESG factors: The Code now recognises the materiality of ESG factors, and that signatories are expected to take account of these factors when fulfilling their stewardship responsibilities; (4) Differentiation between roles: The Code is written for asset owners, asset managers and entities providing services to the institutional investment community, including: investment consultants, proxy advisors and other service providers that want to demonstrate their commitment to stewardship; and (5) New reporting activities and outcomes. Focus not only on what has been done, but how that relates to the states objectives of stewardship. The consultation goes on until the end of March. Publication is expected in June.

Este texto se refere à ata da reunião do GT do código de stewardship da AMEC ocorrida no dia 18.01.2019.

2. **Approval of last meeting's minutes:** The CEO asked participants if there were any considerations regarding the minutes. As there were no manifestations it was considered approved

3. **Recent cases of engagement:** The CEO shared some interesting cases of engagement such as the press release by Shell agreeing with the demands of investors to set a climate change target that will impact compensation structure, similar to what's happening to BP when management decided to support a shareholder resolution for greater climate related disclosure. It's known that it happened because investors worked with management to then propose a resolution and make way for the support from management to take place. These are very good examples of stewardship in practice. Another case is the investors' statement of a group of investors led by the endowment of the Church of England, including the Swedish pension funds, the Dutch APD Robeco, amongst others, in reflection of the tragedy at Vale. The CEO encouraged the signatories to read it as it shows a very mature reaction to the situation. He also highlighted an interesting survey by EY talking about the top 7 items of engagements on the agenda of institutional investors in companies, starting with board diversity and going through climate change and risk, human capital management and risk management. The survey has very interesting insights on how to build engagements, something particularly useful both in the building of stewardship policies and in the preparation of the reports. Laura Bishop (Robeco) informed they were involved with this investment statement as well as with the Shell engagement and are open to discuss any of these cases with the group in one to one conversations.

4. **Update 30% Club:** Hermes had shared with the group the letter that they sent to companies and a number of signatories, some were on this call, also decided to write to Brazilian companies specifically targeting the goals of the 30% Club. By now Brazilian companies have received at least 2 letters, one from Hermes, one from the 30% Club, making that case.
The launch of the 30% Club Brazil Chapter will take place on March 21st. Amec is not a formal member of it because they understand it is more up to individual investors to decide to sign up but being there will be a strong statement in terms of supporting this worldwide initiative.
Also shared with the group was a statement issued by CPP, the Canadian Pension Plan, stating, as others are doing, they'll start voting against nomination committee chairs of companies with no women on boards. Brazilian companies do not have a nominating committee so Amec is questioning them as to how translate that to the Brazilian reality, but it's a strong message to companies that, whether they believe or not in diversity, this is something investors will require.

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5. Signatories update – 2018 Report: As the deadline for the submission of the 2018 reports approach the CEO asked the signatories about any difficulties or if any of them believed that may not meet the deadline and offered Amec's support to build the report. He also explained that, more important than meeting the deadline is to build a useful tool both for internal and external purposes. Itaú has collect all their data and is compiling it. BBDTVM believes they will have no problem meeting the deadline and Robeco will follow the same structure as last year and produce a specific Brazil attachment to their report which serves as a good example for the local members.

Signatures:

Mauro Rodrigues da Cunha – CEO _____

Participants:

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