

March 4, 2021 Edited by: **Martin Wennerström**



Petrobras share slumps in face of leadership change

Petrobras will hold an EGM to vote on a proposal by the Brazilian federal government, which controls 50.5% of voting rights, to remove CEO Roberto Castello Branco from the board and replace him in this capacity with former military general Joaquim Silva e Luna. The removal would automatically put seven additional directorships up for reelection, and effectively means that Silva e Luna would replace Castello Branco as CEO. The government's formal proposal came mere days after President Jair Bolsonaro hinted at a Petrobras leadership change. Castello Branco, a University of Chicago economist, was appointed by the incoming Bolsonaro administration in 2019 with an ostensible mandate to dismantle oil price subsidies. This agenda has now run afoul of Bolsonaro's current push to lower fuel prices as a means of averting a trucking strike. Silva e Luna's appointment has rekindled investor anxiety over political interference in Petrobras' strategy and price setting, with share prices having declined by around 28% since the government published its proposal. Meanwhile, four directors have announced that they will step down at the EGM.

[Petrobras \(1\)](#) | [Petrobras \(2\)](#) | [Petrobras \(3\)](#) | [Reuters \(1\)](#) | [Reuters \(2\)](#) | [Offshore Engineer](#) | [Yahoo](#)

Former Rio Tinto executives keep equity packages

Rio Tinto's remuneration committee has bestowed "eligible leaver" status on the three executives, including former CEO Jean-Sébastien Jacques, who stepped down following outcry over the company's destruction of two sacred and culturally significant Aboriginal rock shelters in Western Australia. The damage occurred after the company opted against less destructive mining plans "in order to access higher volumes of high-grade ore." While the board did impose financial penalties through the cancelation of the annual bonus and a further AUD 1 million LTI reduction for the former CEO, the decision allows executives to retain their equity awards. In justifying its decision, the board cites the executives' lack of personal misconduct in the controversy.

[Rio Tinto](#) | [Reuters](#) | [Guardian \(1\)](#) | [Guardian \(2\)](#)

SEC to review climate change disclosure practices

The SEC has announced a review and assessment of U.S. companies' current climate change disclosure practices. The review will provide a basis for a planned revision of the current guidelines, which were last issued in 2010. These were limited in scope, requesting information on the financial impact from compliance with environmental legislation, climate-change related international accords, risks and opportunities of new market developments, as well as physical impacts of climate change on the business. The SEC will also consider existing foreign disclosure frameworks to inform its guideline revision, which is expected to pave the way for standardized climate change disclosure for U.S. listed companies.

[SEC](#) | [Reuters](#) | [WSJ](#)

Investors demand UK board diversity

The Investment Association, representing the interests of UK institutional investors with a combined GBP 8.5 trillion under management, will issue warnings to FTSE 350 companies that fail to disclose their boards' ethnic and racial composition. The decision follows a review of the disclosure practices among FTSE 100 companies during the latest proxy season, which found that such information is undisclosed by 75% of the studied companies. Ahead of the 2021 AGM season, the association will also issuing warnings to companies that do not disclose plans to elect at least one ethnic minority director, have less than 30% female directors, or that fail to disclose information relating to climate change risk.

[IA](#) | [Guardian](#) | [WSJ](#)

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