

São Paulo, 6 May 2026

To
Mr. Michael McGrath
European Commissioner for Democracy, Justice, the Rule of Law and Consumer Protection
European Commission

Subject: IBGC Submission – Review of the Shareholder Rights Directive (SRD)

Dear Commissioner McGrath,

The Brazilian Institute of Corporate Governance (IBGC), the leading reference in Brazil for the development of corporate governance best practices, respectfully submits its contributions in response to the European Commission’s call for evidence on the evaluation and potential review of the Shareholder Rights Directive (SRD). The IBGC welcomes the Commission’s decision to engage stakeholders at this early stage of the process, prior to the presentation of any specific legislative proposal, as it contributes to a more informed and evidence-based assessment of the current framework. In this context, the IBGC provides its perspectives on areas where improvements may be warranted, drawing on internationally recognized governance principles and market experience.

1. Safeguards for Multiple-Class Share Structures

The IBGC supports the principle of “one share, one vote” as the most effective mechanism to align economic interests and voting power, thereby promoting fairness, transparency, and accountability. This principle is expressly recommended by the IBGC’s *Code of Best Practices of Corporate Governance* (2023), which highlights proportionality between ownership and control as a key safeguard for minority shareholders.

In line with the IBGC’s *Code of Best Practices of Corporate Governance*, any departure from the “one share, one vote” principle should be carefully assessed and accompanied by clear safeguards. In particular, companies and shareholders should:

- assess whether such structures may negatively affect the company’s performance or its ability to access capital;
- ensure transparency regarding the reasons for adopting these structures and their potential impacts, enabling all shareholders to make informed decisions;
- provide clear and comprehensive disclosure of the political and economic rights attached to each class of shares, as well as how control is exercised within the company;
- establish a defined time limit for these structures, avoiding their permanence;

- implement governance mechanisms to address conflicts of interest, ensuring that decisions involving disproportionate voting power are taken independently, without the influence of the controlling party;
- adopt measures to mitigate imbalances between voting power and economic rights, particularly in situations such as changes of control or corporate reorganisations.

These measures are essential to mitigate the excessive concentration of power, increase transparency, and strengthen investor confidence. Furthermore, it is important to emphasize that such practices can be incorporated within the scope of the SRD, contributing to its development and fostering a more equitable corporate environment that is aligned with the interests of all shareholders.

The IBGC notes that these recommendations are aligned with international best practices and were explicitly supported in the letter “[ICGN Recommendations to the European Institutions on Shareholder Rights](#)” (2024), issued by the International Corporate Governance Network (ICGN).

2. Sustainability Disclosure as a Basis for the Exercise of Shareholder Rights

The effectiveness of shareholder rights depends directly on the quality of the information available to investors. Comparable, reliable, and verifiable sustainability disclosures are essential to support informed voting, engagement, and decisions on capital allocation.

IBGC emphasizes the importance of ensuring that the SDR promote alignment between sustainability disclosures and internationally recognized reporting standards, particularly those developed by the International Sustainability Standards Board (ISSB), established in 2021 by the IFRS Foundation. Such alignment is essential to enhance the comparability, consistency, and decision-usefulness of information, enabling stakeholders to more effectively assess risks, opportunities, and long-term value creation across jurisdictions.

Such convergence is critical to reduce regulatory fragmentation, avoid duplication, and ensure comparability of information across jurisdictions.

The IBGC also highlights that these recommendations are consistent with the ICGN's 2024 letter, which emphasizes the importance of high-quality sustainability disclosures as a prerequisite for effective stewardship and the proper exercise of shareholder rights.

The IBGC remains at your disposal for any further clarification and reiterates its commitment to contributing to the strengthening of corporate governance and capital markets.

Yours sincerely,



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