

The image features a close-up, vertical shot of a piece of white, textured paper being torn. The paper is on the left side, with its edges jagged and uneven. The background is a dark teal color, which transitions into a solid black area on the right side. The lighting is dramatic, highlighting the texture of the paper and the sharp edge of the tear.

Stewardship Report 2023

fama re.capital

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Who we are?

Pioneering Brazilian Asset Manager in Responsible Investment

fama re.capital is a Brazilian asset manager founded in 1993 by Fabio Alperowitch and Mauricio Levi with the aim of investing in responsible companies aligned with their personal values. Since its founding, it has incorporated an ethical and corporate responsibility stance into its DNA, which is reflected in its portfolio structure, ambitious commitments, robust engagement, advocacy, and transparency.

Over 30 years, fama managed a single product and a single strategy (FAMA FIC FIA) employing a fundamentalist bottom-up approach and ESG¹ incorporation strategy in a concentrated portfolio of approximately 15 to 17 Brazilian listed companies, aiming to maximize returns for its investors, while promoting improvements on specific ESG issues with investees.

In 2023, fama re.capital decided to expand its operations and strategies to include various asset classes and geographies. The primary objective of this expansion is to generate a greater and more tangible positive impact, directing capital towards the most urgent and pressing challenges. This initiative is driven by the recognition that there is a significant lack of concrete action within the financial market, and further delays are unacceptable. Despite this expansion, the company's current strategy, which focuses on ESG integration, will remain unchanged.

By the end of the year two new funds were added to fama's Portfolio. The LatAm Climate Turnaround Fund is a stewardship-focused investment fund designed to promote the decarbonization of major carbon emitters in Latin America through engagement and the best available science. The Fama Gaia Socio-bioeconomy Fund, created in partnership with Grupo Gaia, aims to foster social and environmental positive impact by financing small farmers and local and traditional communities involved in the socio-bioeconomy.

Please be aware that this report is focused on the results of 2023, therefore, it only concerns to the FAMA FIC FIA Fund (ESG Integration strategy).

For more details on the new strategic agenda of fama re.capital, please [click here](#).

¹ ESG is an acronym for Environmental, Social and Governance

+30

Years of experience

3

Investment strategies

2020

Certified as B Corp

Our Philosophy

Our approach to responsible investing revolves around allocating capital to companies of exceptional quality that embrace ethical standards, uphold core values, foster sound corporate governance structures, and prioritize the interests of all stakeholders. These companies should also demonstrate a firm commitment to respecting human rights and environmental sustainability, generating value that extends beyond financial gains.

By incorporating ESG factors into the evaluation and oversight of companies, we can gain a comprehensive perspective on their primary risks, challenges, long-term competitive advantages, and opportunities for value creation and accelerated growth. In essence, this allows us to assess their genuine investment potential and fulfill our fiduciary responsibility by delivering exceptional, risk-adjusted returns while actively contributing to the UN Sustainable Development agenda.

Ethics lies at the heart of our principles

While we recognize that companies may encounter evolving ESG challenges across various areas, when it comes to ethics, we have a zero-tolerance policy for any form or degree of deviation.





What does it mean Stewardship?

As stated in our [Responsible Investment and Stewardship Policy](#), stewardship can be defined as **the proactive and positive influence exerted by investors on investees, with the objective of maximizing sustainable value creation for all stakeholders.**

Stewardship is implemented through individual and collaborative tools, including, but not limited to, engagement and voting practices, as described below. Common practices include interactions with portfolio company representatives, voting in shareholder meetings, filing shareholder resolutions/proposals, assuming formal roles on boards, negotiating and monitoring stewardship actions over company supply chains, engaging with policymakers and standards setters, contributing to public goods (e.g., research) and public discourse (e.g., media), and, if necessary, litigation.

- **Engagement:** interactions with current or potential investees, conducted with the aim of collecting or confirming information/data, demanding clarification on a certain controversy or doubt, or suggesting improvements in strategic ESG practices and processes. Based on the type of interaction, engagements can have different durations and make use of different resources.
- **Voting:** exercising the right to vote in management and/or shareholder resolutions to formally express approval (or disapproval) on relevant matters. In practice, this includes taking responsibility for how votes are cast on matters raised by management, as well as submitting shareholder resolutions for other shareholders to vote (in jurisdictions where this is possible). Voting can be done in person or by proxy.

Brazilian Stewardship Code

Globally, stewardship codes were created after the 2008 global financial market crisis, triggered by heated discussions regarding how to effectively prevent events that could significantly disrupt the real economy. The Financial Reporting Council (FRC) issued the world's first stewardship code in 2010, largely unchanged from a previous document dated from 1991 "The Responsibilities of Institutional Shareholders in the UK"; however, not backed up by the market.

The UK model has served as a blueprint for other jurisdictions worldwide, including Brazil, which in 2016, established its own Stewardship Code through the efforts of AMEC (Capital Market Association - from Portuguese).

In 2022, fama re.capital decided to officially support the code, recognizing its significance and the importance of fostering widespread institutional support for its principles. This decision reflects our previous efforts on engagement and underscores our commitment to encouraging other institutions to join in promoting and upholding the code's principles.

Principles of the Brazilian Stewardship Code

1

**To implement a
stewardship
program**

2

**To have appropriate
mechanisms for
managing potential
conflicts of interest**

3

**To integrate ESG
aspects in the
investment process
and stewardship
activities**

4

**To monitor
securities issuers**

5

**To be active and
diligent in the
exercise of voting
rights**

6

**To define collective
engagement criteria**

7

**To be transparent
about the
stewardship
activities**

1 To implement a Stewardship Program

Every company has their own history, values, sector, location, processes, strategy, culture, and technology, and each of them are in different stages in their sustainability journey. Consequently, this demands specific stewardship actions that allow us to support them in advancing their sustainability objectives and addressing their most material issues. **We firmly believe that stewardship, when properly executed, maximizes overall value for our investees, our portfolio and our clients.**

Recalling what was mentioned, **stewardship is the proactive and positive influence exerted by investors on investees.** While we value the importance of voting and activism, **we consider engagement to be the most comprehensive and impactful approach.**

Since our foundation in 1993, engagement has been a fundamental part of our routine. **In 2022, we decided to enhance our stewardship program, making it more robust, structured, and focused while preserving the proximity and flexibility we have built with our investees over time.**

2 To have appropriate mechanisms for managing potential conflicts of interest

We understand that conflicts of interest may exist between various individuals and entities, including fama employees, customers, current and/or future investors as well as investee companies. Failure to properly identify or resolve a conflict of interest can have serious negative repercussions. Improper handling of a conflict may result in litigation and/or disciplinary action.

We see the following scenarios as potential conflicts of interest:

- Immediate family members (up to third degree) of employees working in a financial services company other than fama,
- Immediate family members of employees acting as general partners or managing members of pooled investment vehicles related to our investee companies,
- Immediate family members of employees working in any of our investee companies,
- Employee or any immediate family member of the employee serving as trustee, agent or in a similar capacity for any of our clients,

- Employee or any immediate family member of the employee who has any other business relationship with any of our clients.

fama's policies and procedures, such as (i) Voting Policy, (ii) Personal Investment Policy, (iii) Allocation and Division of Orders Policy, (iv) Compliance and Internal Controls Policy, (v) Performance in the Distribution of Investment Fund Quotas Policy and the (vi) Compliance, Ethics and Corporate Conduct Manual were prepared to identify and disclose, mitigate and/or eliminate applicable conflicts of interest.

However, we understand that potential conflicts of interest may not be covered in these documents and therefore it is necessary for everyone to use common sense to identify and appropriately respond to actual or apparent conflicts. Conflicts of interest involving fama and/or its employees, on one hand, and clients or investee companies on the other hand, must be fully resolved and/or disclosed. If an employee believes that a conflict of interest has not been identified or properly addressed, he or she must immediately bring the matter to the attention of the CEO/CCO.

fama's Voting Policy addresses potential conflicts of interest that may arise when attending assemblies due to interactions between analysts and portfolio managers with issuers of assets in the portfolios, as well as their shareholders, administrators, employees, customers, suppliers, creditors, or debtors. The policy stipulates that in cases of potential conflict, votes may only be cast after shareholders are informed of the content and provided with a justification for the vote, ensuring that their interests and the continuous appreciation of the portfolio assets are considered.

To integrate ESG aspects in the investment process and stewardship activities

The Investment Committee

fama's investment analysis and decision-making process is the responsibility of the Investment Committee, made up of four research analysts – one of them focused on transversally supporting the deepening of ESG analysis and engagement with companies, and two portfolio managers. All analyses and investment decisions are made within the committee.

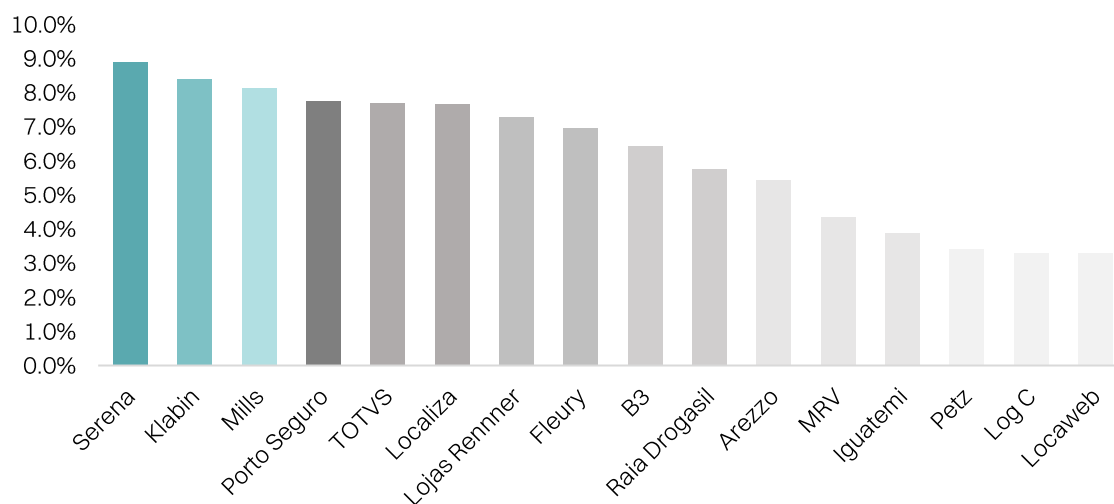
Portfolio managers are responsible for allocation decisions, respecting the risk and liquidity parameters of each security and the entire portfolio (funds and managed accounts). They are also responsible for guaranteeing alignment with our philosophy, values, and policies.

All members of the Investment Committee must be certified in ESG Investing by the CFA Institute.

Our Investment Process

We begin our approach to ESG incorporation with an exclusion filter, followed by the integration of ESG factors into our analysis and decision-making processes. This integration is further complemented by stewardship, which places a strong emphasis on active engagement with our investees.

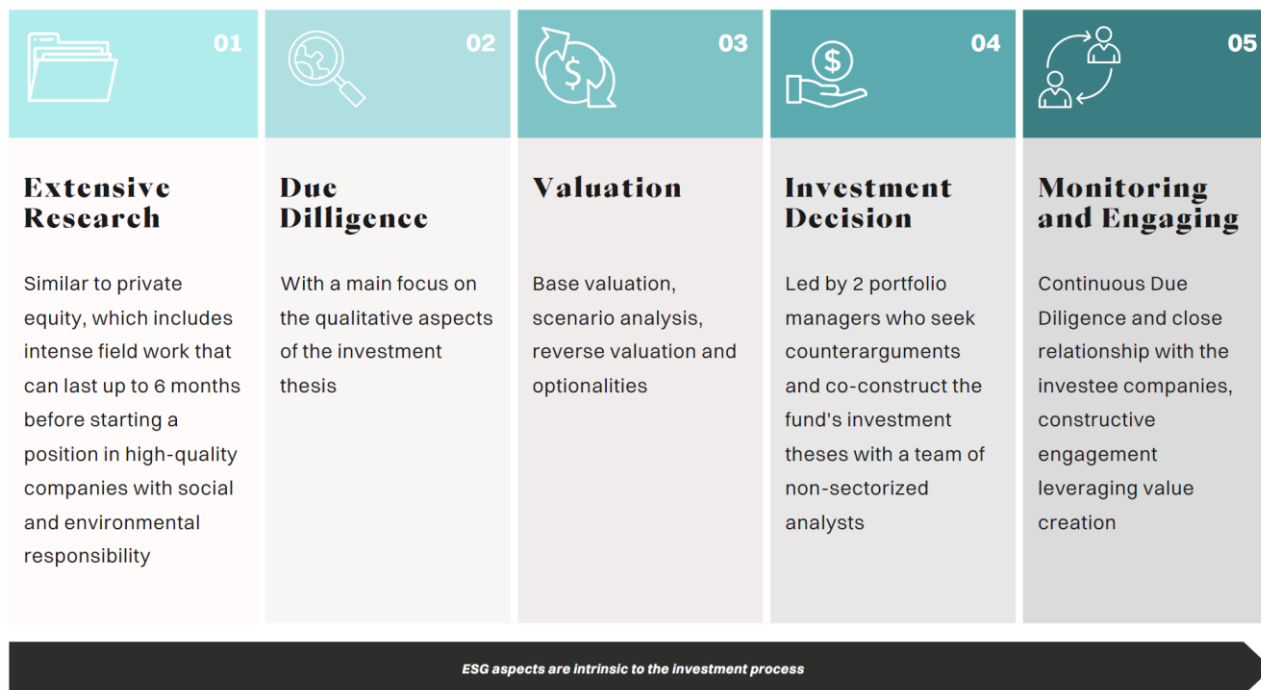
The investment process is structured to ensure that the entire investment team is well-informed about all aspects of each company in an integrated and holistic manner. This approach facilitates more comprehensive and less biased debates and analyses. **ESG factors, alongside other qualitative and financial considerations, play a significant role in influencing the investment team's analysis and decision-making.** These factors inform various aspects of the investment process, including company selection, ongoing portfolio management, stewardship efforts and if necessary, divestment decisions.



Portfolio holdings FAMA FIC FIA by December/2023

Our investment process is primarily driven by qualitative analysis, complemented by quantitative tools and analysis. We gather information directly from companies through interactions with employees across various business units, hierarchical levels, and functional areas. Additionally, we engage with external stakeholders such as customers, suppliers, competitors, industry associations, communities, and others. Our data collection also includes thorough examination of public documents.

This comprehensive information enables us to assess various intangible aspects of a company, including management capabilities, ethical behavior, and transparency, which are critical factors in our investment process. A brief overview of our process is provided below.



FAMA's investment process (simplified)

After a company joins our portfolio, we develop an ESG Engagement Plan following a thorough analysis of the company's ESG attributes, challenges, and progress. Further details on this process are provided in the following section.

ESG fully integrated

ESG serves as a powerful tool for us in risk management and opportunity identification. It allows for a comprehensive assessment of companies, covering economic, financial, ethical, social, environmental, and governance aspects. **We firmly believe that integrating ESG considerations into our investment process goes beyond mere moral correctness; it represents the most effective way to fulfill our fiduciary duty towards our investors.**

We recognize the uniqueness of each company, considering factors such as its history, values, sector, location, processes, strategy, culture, and technology. **We believe that effective ESG incorporation involves understanding the corporate culture and assessing whether decision-making processes prioritize the interests of the company's stakeholders.** Therefore, we advocate for ESG integration supported by both quantitative and qualitative analysis, rather than solely relying on quantitative indicators.



4

To monitor securities issuers

Establishing a close and proactive relationship with the companies we invest in is not merely a preference—it is a cornerstone of our stewardship strategy. This engagement underscores our commitment to fostering transparency, accountability, and sustainable growth in our investees. **Through regular and meaningful interactions, we ensure that these companies not only align with our investment values but also commit to continuous improvement in their practices.** This collaborative approach allows us to address potential issues promptly and reinforce our dedication to achieving long-term, positive outcomes for all stakeholders involved.

To ensure effective engagement with all our investees, we aim to develop a tailored engagement plan. This plan typically consists of three to five SMART² objectives, each with a specific timeline and escalation methods. These methods are triggered if the engagement fails under the conditions established beforehand. Some escalation methods include:

- Holding a meeting with board and/or c-level members to raise concerns and set up a clear plan.
- Collaboratively engaging the entity with other investors.
- Publicly engaging the entity (e.g., open letter).
- Filing, co-filing or submitting a shareholder resolution or proposal.
- Voting against the board of directors, chair, or annual reports.
- Divesting or implementing an exit strategy.

Our expectations are focused on finding the main topics to engage, respecting, and pursuing three elemental criteria, materiality, action perspective, and impact in value creation, as explained below:

1. **Materiality:** the topic needs to be relevant in terms of impact, whether in mitigating risk or addressing opportunities. We will only engage on topics that are relevant for the company.
2. **Action perspective:** the topic needs to be subject to concrete improvement actions, either because the company has a clear gap to fill, or because there are tools available to substantially improve current processes. We will not discuss matters that do not add value,

² SMART: Acronym for Specific, Measurable, Achievable, Relevant and Time-bound

either because they are already being well addressed or because there are no feasible solutions within our reach.

3. **Impact on value creation:** engagements must have a clear effect on value creation and/or risk mitigation. We are clear about our role as an investor and our ESG engagements need to focus on this.

Plans play a pivotal role in directing resources effectively toward tangible outcomes, facilitating meticulous monitoring, and serving as integral inputs in the iterative investment analysis and decision-making process. Each plan is meticulously structured based on a proprietary assessment of the company's most material topics, specific progress achieved, and anticipated challenges lying ahead. It is imperative to note that these material topics may diverge from those outlined by the company itself. This strategic alignment ensures that our engagement efforts remain targeted and impactful, addressing the core issues that are most pertinent to the company's sustainable growth and value creation.

The stewardship program, encompassing its strategy, development, monitoring, and transparency, falls under the purview of the ESG analyst, with the backing of the entire investment committee. Both engagement activities and voting processes are handled internally, ensuring alignment with our investment principles and objectives.

Once the initial assessment is concluded by the ESG analyst, a prospective engagement plan undergoes discussion and validation within the investment team. Upon achieving consensus within the team, the impressions gathered from the targeted company are collected, potentially influencing modifications to the initial engagement plan, provided they are justified. It's crucial to highlight that failure to address raised concerns could directly trigger some of the escalation methods mentioned earlier. This iterative process ensures that our engagement efforts remain responsive and effective in addressing material issues while upholding our commitment to fostering sustainable growth and value creation.

Climate change is a cross-cutting engagement topic that applies to all our investees, irrespective of their individual characteristics.

This decision is rooted in the recognition that climate change presents significant risks to social, environmental, and financial stability. Moreover, it aligns with our commitment, as founding members of the [Net Zero Asset Managers' Initiative](#), to achieve net-zero emissions by 2050. Additionally, we aim to ensure that 100% of our investees have established and verified science-based targets by 2040, with a base year of 2019. For certain companies, particularly those with high carbon intensity, Climate Change-related objectives may also form part of their specific engagement plan.

Diversity, Equity and Inclusion, as well as Corporate Governance are also cross-cutting topics for engagement, due to their critical significance within the Brazilian corporate context. In a nation marked by profound social inequality, pervasive corporate governance scandals, and widespread corruption, these issues assume heightened importance. Addressing diversity, equity, and inclusion is imperative for promoting social justice and economic opportunity, particularly in a country where disparities are stark. Likewise, robust corporate governance practices are essential for restoring trust and integrity in the business sector, combating corruption, and fostering a climate of transparency and accountability.

Unplanned engagements may arise when significant and unexpected ESG-related events occur or when there are notable changes in circumstances. Additionally, they may be initiated when specific information or data is sought. These unplanned engagements are essential for addressing emerging issues promptly and ensuring that our investment decisions are well-informed and responsive to evolving ESG considerations.

Our engagements are prioritized primarily based on several factors, including the significance and stability of the company within the portfolio. Additionally, we consider the materiality of potential issues to be addressed, which reflects the likelihood of impacting the company's operational and/or financial performance. Furthermore, we assess the potential ripple effects that these issues may have on other companies, sectors, markets, and the economy as a whole. This prioritization framework ensures that our engagement efforts are focused on areas where they can have the greatest impact and drive positive change.

We view collective engagement as a fundamental aspect of responsible investing, as it enables us to address matters of shared interest with companies and leverage our time, knowledge, and resources effectively. However, while collective engagement has its merits, in many instances, we prioritize individual and direct engagement with our investees, due to the proximity and longstanding relationships we typically maintain with them.

Engagement in numbers

In addition to our collective engagements, which will be elaborated on in the following sections, in 2023, we conducted **thirteen engagements with ten investee companies, representing 65% of our invested value**. Two of these engagements were conducted in person, while the remainder took place via video call. One engagement was exclusively via email, and four included interactions via both email and video call. The remaining engagements were conducted solely via video call (emails for setting meeting details were not considered).



*considering only bilateral (and not collective/collaborative) engagements

Four of the engagements focused on implementing Engagement Plans for two companies. **These plans addressed various issues, including the climate agenda** (incorporating elements such as decarbonization targets, new technologies, and training and education), **water and forest management, transparency, and relevant market standards and certifications**.

Overall, **combining individual and collective engagements, we engaged with eleven investee companies in 2023, representing 70% of our portfolio by invested value** (as of the end of 2023). Additionally, a former investee company, which was part of our portfolio until May 2023, participated in a collaborative CDP engagement; however, it was not included in the engagement statistics.

Engagement Case – 2023

Lojas Renner

Industry Group (GICS): Consumer Durables and Apparel

Invested since: March 2020

Engaging since: June 2020

Last engagement cycle (2022) focused on: Forest Management, Water Management, Transparency

Context

In November 2022, we introduced to the company a proposal for a tailor-made Engagement Plan, detailing the topics and objectives we expected to work on within a specific timeframe we deemed adequate. After internal discussions, the company agreed to the Plan (with small, justified adjustments), and since then, we have been following a schedule of targeted meetings where we discuss the agreed topics, including progress, points of improvement, and mutual collaboration when needed.

In broad terms, our Engagement Plan aims for greater transparency from the company regarding forest and water management, recognizing the significant environmental impact associated with these areas, particularly in the consumer durables and apparel sector. These are two topics we consider highly relevant, given the raw materials used in their production process, such as cotton and viscose, which often have complex supply chains intertwined with forest ecosystems. Additionally, the textile industry is known for its substantial water consumption and discharge of effluents, contributing to water scarcity and pollution. We acknowledge the importance of addressing these environmental challenges and promoting sustainable practices; therefore, our Engagement Plan emphasizes transparency and accountability in forest and water management practices. We agreed that the CDP platform serves as an effective tool to address these topics, facilitating data collection, benchmarking, and collaboration among stakeholders to drive positive environmental outcomes.

Discussions

When discussing the Forest Management and Water Security questionnaires, both available on the CDP platform, the company mentioned that they were considering responding to the Forest Management questionnaire first and leaving the other one for later. We encouraged the company to prioritize the Water Management questionnaire over the Forest Management questionnaire, mainly because there was comparatively less available information regarding the first one. Responding to the water management

questionnaire first would require the company to collect more internal information and data, as well as to ensure better organization for reporting purposes.

Progress

Over the course of a year and a half since our first meeting, we have observed publicly available improvements that are worth mentioning here. The company has completed a study on the risks and opportunities of water scarcity, encompassing its own operations and tier 1 and 2 suppliers. The results of this study have been made accessible through the CDP platform, providing details on potential commercial and financial impacts and facilitating a more structured approach to water management within the company, guiding internal efforts towards enhancing water efficiency and resilience across their operations.

Furthermore, the company has committed to achieving certain targets. By 2025, they aim to have 51% of all denim products assessed, with a target of achieving 60% of those with a low water consumption rate. Notably, in 2023, 53% of the denim products were classified as low water consumption during the manufacturing and finishing stages for suppliers with intensive water usage. Currently, the company is in the process of establishing a quantitative goal for reducing water consumption.

Lastly, in 2023, the company reported for the first time to the CDP Water Security questionnaire and achieved an impressive score of A- (on a scale ranging from D- to A+), marking a significant accomplishment.

Regarding Forest Management, the company is committed to preserving biodiversity as outlined in its Sustainability Policy, which is endorsed by the Board of Directors and Executive Board. They strive to avoid, reduce, restore, and compensate for biodiversity impacts through various initiatives. In 2023, the company became the first Brazilian fashion retailer to join the Brazilian Business Commitment to Biodiversity, adopting three of the nine proposed goals related to their operations and value chain. These goals include promoting and strengthening best practices for the rational use of biodiversity resources, developing and supporting research, technology, and innovation projects that contribute to biodiversity conservation and ecosystem services, and publicly sharing collected information to enhance regional biodiversity management and ensure transparency with society. Throughout 2023, the company also conducted a preliminary biodiversity risk analysis, which will be detailed in 2024 based on the Taskforce on Nature-related Financial Disclosures (TNFD) approach called LEAP (Locate, Evaluate, Assess, and Prepare).

5 To be active and diligent in the exercise of voting rights

In addition to engagement, voting at shareholder meetings allows us to formally express approval or disapproval on various matters. However, advancing ESG issues through voting poses challenges, particularly due to the prevalence of controlling shareholders in most Brazilian companies, which limits shareholder activism.

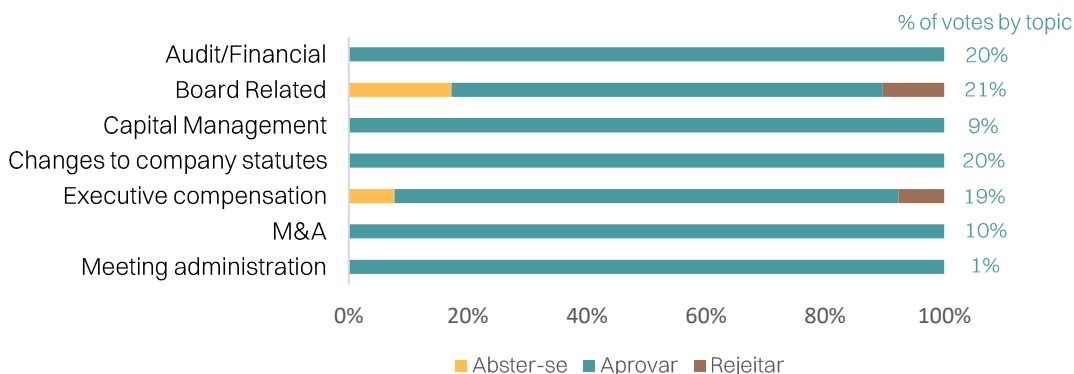
Nevertheless, we remain committed to actively and diligently exercising our voting rights. **All pertinent voting matters, including those related to ESG topics, are thoroughly discussed in advance at weekly investment committee meetings.** These discussions are meticulously recorded in internal tools and transparently communicated to the public.

We consider it a best practice, although not mandatory, to communicate our voting intentions privately and directly to the company when they diverge from management proposals. Similarly, ensuring that our votes are accurately recorded at the meetings in which we participate is crucial. We find it acceptable to utilize the remote voting form at meetings where this option is available.

During the year 2023, we voted in 100% of the AGM/EGM (Annual General Meetings/Extraordinary General Meetings) for which we were entitled to vote, totaling thirty-five (35) meetings and two hundred and sixty (260) proposals. Of these proposals, forty-two (42) were written and yes/no votes and are not included in the statistics provided below.

Out of the remaining two hundred and eighteen (218) proposals, we categorized one hundred and thirty-seven (137) as relevant, indicating votes on material issues. Among these relevant proposals, we abstained from voting on 5%, voted against 4%, and supported 91% of the proposals.

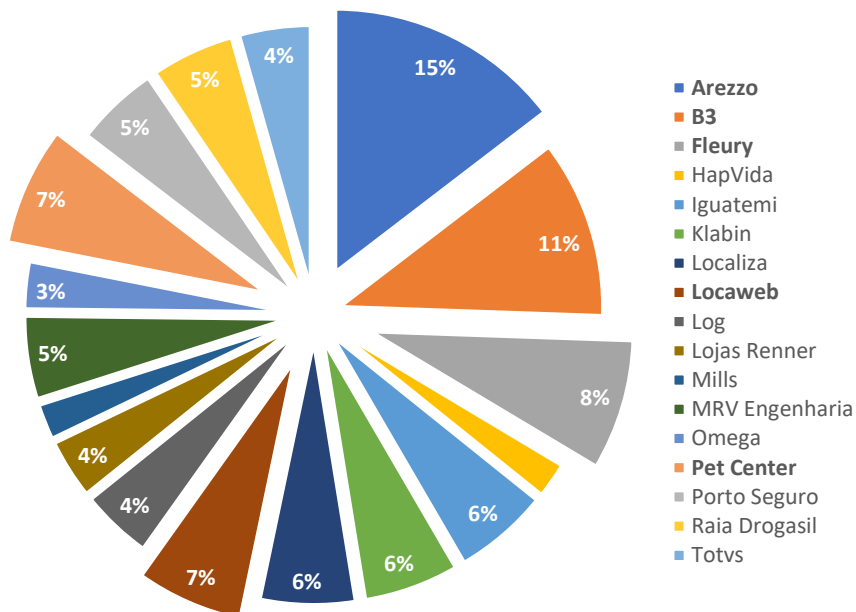
Voting Activity per Topic



Most of the proposals voted were related to “Audit/Financial”, “Changes to company statutes”, “Executive Compensation” and “Board Related” with an average of 20% of the votes, followed by “Capital Management” and “M&A” with an average of 10% of the votes and lastly, “Meeting Administration” representing 1% of the votes.



Proposals voted by company



Most of the proposals voted over the year were related to Arezzo (15%), B3 (11%), Fleury (8%), Locaweb (7%) and Petz (7%).

For the votes cast as 'against' or 'abstained', we privately communicated the rationale behind our decision to the companies in 100% of the relevant votes.

We have a Voting Policy that addresses the general principles that regulate the exercise of voting rights and the resolution of potential conflicts of interest, which is available at fama re.capital website (www.famarecapital.com).

6

To define collective engagement criteria

We consider collective engagement to be a fundamental component of responsible investing. It enables us to jointly tackle common concerns with companies, maximizing the efficiency of our time, knowledge, and resources. However, collaborative stewardship in Brazil has not yet reached the level of maturity observed in other regions. We attribute this, in part, to the less developed and mature nature of the responsible investment market in Brazil. Nonetheless, **we remain committed to fostering collaboration and advancing responsible investment practices in the Brazilian market.**

The coordination of numerous collaborative engagements is often spearheaded by globally recognized institutions such as PRI and CDP. Here are some of the collaborative engagements we participated in during 2023:

- Nature Action 100 Engagement Initiative: We joined this global investor engagement initiative focused on encouraging greater corporate ambition and action to mitigate nature and biodiversity loss. Investors involved in the initiative engage companies across key sectors identified as crucial for reversing nature and biodiversity loss by 2030.
- CDP Non-Disclosure Campaign: In 2023, we took the lead in this campaign, which aimed to encourage listed companies to respond to CDP questionnaires on climate change, forest, and water security. These issues are highly pertinent for evaluating potential risks and opportunities. Notably, we were the sole Brazilian asset manager to express interest in leading this engagement effort. Of all the engaged companies, 83% responded to our outreach. Among these, 60% fully submitted to all our engagement leads, while the remaining 40% partially submitted (responding to some but not all of our engagement leads).
- SBTi (Science-Based Targets Initiative) Campaign: Since 2019, we have supported the collaborative engagement initiative led by CDP known as the SBTi campaign. This campaign aims to encourage the most carbon-intensive global companies to establish science-based emissions reduction targets within specified timeframes.

At its core, our approach to participating in collaborative stewardship initiatives is guided by several key principles. These principles include:

1. Evaluating the credibility of the coordinating entity: We assess the reputation and track record of the organization leading the collaborative initiative to ensure it aligns with our standards of integrity and effectiveness.

2. Examining the entities and individuals invited to participate: We carefully review the composition of participants to ensure they bring diverse perspectives and expertise relevant to the initiative's objectives.
3. Assessing the central objectives of the initiative: We analyze the stated goals and objectives of the initiative to confirm they align with our own values, strategies, and commitments.
4. Confirming alignment with our strategies and commitments: We ensure that our participation in the initiative supports our broader investment strategies and commitments to responsible investing, sustainability, and stakeholder engagement.
5. Gauging our capacity to contribute meaningfully: We assess our ability to make valuable contributions to the initiative, considering factors such as our expertise, resources, and available bandwidth.
6. Considering the initiative's transparency credentials: We evaluate the transparency of the initiative's processes, decision-making mechanisms, and reporting practices to ensure openness and accountability.

By adhering to these principles, we strive to engage in collaborative stewardship endeavors that align with our values, enhance our impact, and contribute to positive outcomes for stakeholders and society as a whole.

It's worth emphasizing that while we recognize the significance and advantages of collective engagements, **our primary focus remains on bilateral engagements**. This approach is preferred due to our close proximity and typically long-standing relationships with our investee companies, as mentioned earlier.

7

To be transparent about the stewardship activities

All engagements are meticulously documented in our internal tools and regularly monitored to track progress and identify any necessary adjustments or refinements. This approach enables us to promote transparency, accountability, and continuous improvement in line with the evolving needs of our investee companies and our own objectives.

Our annual report, accessible on our website, provides a comprehensive overview of our detailed investment process, our perspectives on stewardship, and the activities undertaken throughout the fiscal year, including key outcomes. Specific information regarding bilateral engagements is made available to all our clients.

Additionally, all voting details, including proposals and votes, are publicly accessible on our website and updated annually.

For more information, please visit www.famarecapital.com



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investing for change

Informações relevantes:

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