

# COMPASS

gás & energia



# 2020

**SUSTAINABILITY  
REPORT**



# COMPASS

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01

# MESSAGE FROM CEO



## Message from CEO Compass Gás & Energia

| GRI 102-14 |

### **In Brazil, the natural gas industry faces constant change.**

Regulatory changes, plans to increase Brazilian production in the next ten years, high volumes of liquefied natural gas in the international market, and challenges in electric energy generation translate into opportunities to make this a more competitive and dynamic market.

Within this context, in March 2020 we introduced the market to Compass Gás & Energia: a company already born great, to expand the share of natural gas in the Brazilian power matrix and leverage the integration of the natural gas and electric energy markets in Brazil – already a reality in several countries.

Compass was established focused on four aspects: the **distribution** of natural gas, where we already own Comgás, the largest piped gas distributor in Brazil; the **sale** of gas and energy, connecting the increasing demand for natural gas to an increasingly competitive offer, with the reliability of Compass Comercialização, which for more than 10 years has been operating in the free electric energy market; the **generation** of the electric energy from natural gas, which improves the power transition in Brazil, as well as ensures security to the electric system by supporting renewable sources; and **infrastructure**, by extracting gas from pre-salt fields and international market production fields.







## VALUING PEOPLE AND THE SOCIETY, INCREASING POWER GENERATION WITH LOWER VOLUMES OF GREENHOUSE GAS EMISSIONS, AND HELPING TO DEVELOP BRAZIL'S INFRASTRUCTURE.

Immediately after Compass was established, the world was caught by surprise with the Coronavirus pandemic (Covid-19) and we had to adapt to the new challenging reality. Based on this scenario, we strengthened our commitment to the health, security and well-being of our employees, clients, partners and their respective family members. We implemented an effective plan to ensure our teams were safe and the continuity of our operations and ensured the uninterrupted supply of natural gas to more than 2 million clients. Aligned with the public policies to fight the pandemic, we suspended gas supply cutoffs from defaulting residential clients and small business clients during the most critical times, ensuring the gas supply to those who were most affected. We negotiated client debt without imposing interest or fines, and offered credit alternatives to our clients. We went above and beyond our call to provide an essential service: we expanded our investments in actions to support our neighboring communities and entered into partnerships with public and private entities to help in the fight against the pandemic and in the mitigation of related effects. Among other initiatives, we donated 70% alcohol and respirators to public hospitals, Covid-19 tests kits to non-profit hospitals and a water heating system to the largest field hospital in the State of São Paulo; in addition, we co-sponsored the new vaccine production plant being built by the Butantã Institute.

Despite of this challenging scenario, Compass, through Comgás, achieved consistent results in our expansion: we connected 125,000 new consumers to reach more than 2.1 million

consumers who enjoy access to piped natural gas. We received the AGA Security award from the American Gas Association, an important recognition of the initiatives towards preventing damages and increasing the safety of distribution operations. In addition, we reduced direct greenhouse gas emissions of Comgás by 26%, a landmark we conquered after fully replacing the cast iron network for polyethylene. We are proud to contribute positively to the environment.

And we didn't stop there. Compass is part of Cosan, one of the largest economic groups in Brazil, focused on the entrepreneurship in compliance with the best environmental, social and governance practices, and recognized by our portfolio of leading businesses in the power and logistics sectors. Therefore, we can say that sustainability is in our DNA. In this regard, despite the challenging year, we completed a wide-ranging and careful development process of our sustainability strategy, including consultations with suppliers, clients, municipal, state and federal public agencies, partners and associates, with the aim of defining essential issues. The result was the establishment of Compass' three pillars of sustainability: valuing people and the society, supplying power while reducing greenhouse gas emissions and helping develop Brazil's infrastructure. Three goals were defined for each one of these pillars, to be achieved by 2025. For further information, please read this first Sustainability Report from Compass Gás & Energia.

We are continuously working to create more competitive gas and power alternatives to our clients and to society, with security, efficiency and engagement. The transformation of the gas and power markets in Brazil has already begun, and we would like to thank our more than 1,000 associates, more than two million clients, and our suppliers and partners for being with us in this journey.

Enjoy the read!

— NELSON GOMES

CHIEF EXECUTIVE OFFICER OF COMPASS GÁS & ENERGIA





02

# ABOUT THE 2020 REPORT





# About this Report

**This Sustainability Report is the first report prepared by Compass Gás & Energia**, and presents the pillars and ideas surrounding our creation, the bases of our sustainable growth strategies, the business units and the operational performance for 2020. | [GRI 102-45](#) | [102-46](#) | [102-49](#) | [102-50](#) |

Aligned with the best market practices, this document was prepared in compliance with the Global Reporting Initiative Rules (GRI) – Core, the Sustainability Accounting Standards Board (SASB) Standards IF-GU and EM-MD. The report was certified by independent auditors Ernst & Young (EY).

The content is based on the level of relevance, supported by extensive consultation to the priority public to define the most relevant sustainability matters for our business. | [GRI 102-54](#) | [102-56](#) |

Considering that Compass Gás & Energia was not operational in the year ended 2019, this report includes some indicators related to the Compass’ businesses with active operations before 2020, mainly operational, security and environmental indicators, which, in this first document, will exclusively reflect the Comgás’ natural gas distribution business. Other indicators will have their scope described accordingly.

The development of this material was coordinated by the Sustainability and Investors Relations areas and was supported by other areas of the company. The final version was reviewed and approved by senior Management. | [GRI 102-32](#) |

**Enjoy our read!**



**SUGGESTIONS OR QUESTIONS RELATING TO THE REPORT ARE WELCOME AND MAY BE DIRECTED TO OUR INVESTORS RELATIONS (IR) TEAM, AT THE FOLLOWING E-MAIL ADDRESSES:**







# COMPASS DNA

WHAT MOVES US



## What moves us

**Compass Gás & Energia was established in March 2020.** We are focused on the creation of gas and power alternatives to add more value to our clients and to society, with security, efficiency and engagement. We are part of Cosan, one of the largest economic groups in Brazil, composed of leading companies in the power and logistics sectors.

We work to be the principal gas and power platform in Brazil based on the following value drivers: market intelligence, focus and client relationship, and risk management, including labor and operational safety. With a diversified and supplementary business portfolio, we have a competitive advantage supported by the relationship with our clients of the largest consumer market of natural gas in Brazil; extensive experience with negotiations involving gas supply agreements; and the expertise of one of the main sellers in Brazil operating in the electric energy market. | [GRI 102-1](#) | [102-5](#) | [102-10](#) |

Our activities are structured in four businesses: natural gas distribution, gas and power sales, electric energy generation and infrastructure.

### Our activities are strategically focused on: | [GRI 102-2](#) |



**Natural gas distribution,** primarily through Comgás, the largest piped natural gas distributor in Brazil.



**Strategic infrastructure,** allowing the access to the offering competitive of gas in the domestic and foreign markets, through the import of liquefied natural gas (GNL).



**Gas and electric energy sales,** optimizing our portfolio for the offer and demand of these resources, creating diversification, flexibility and competitiveness.



**Gas-powered thermal generation,** transforming natural gas into electric energy.



DURING OUR FIRST YEAR  
OF ACTIVITY AS COMPASS  
GÁS & ENERGIA, | GRI 102-7 |

WE ENJOYED THE  
SUPPORT OF

**1,195**  
ASSOCIATES

WE RECORDED NET REVENUE OF

**R\$ 9.1** BILLION

WE RECORDED EBTIDA OF

**R\$ 2.2** BILLION

REPRESENTING NET PROFIT OF

**R\$ 947** MILLION

## ACHIEVEMENTS THAT MAKE US PROUD

OUR DISTRIBUTOR, **COMGÁS**, WAS RECOGNIZED IN 2020  
WITH THE FOLLOWING AWARDS:

✓ **BETTER AND LARGEST  
COMPANIES**

“Exame” Magazine

Ranked first place in  
power category.

✓ **ESTADÃO MOST  
IMPORTANT  
COMPANIES**

“O Estado de S. Paulo”  
newspaper

Ranked first place in  
utilities and public  
services sector.

✓ **COMPANIES THAT  
MOST RESPECT  
THE CONSUMER**

“Consumidor  
Moderno” magazine

Ranked first place in  
gas supplier category.

✓ **CLIENT S.A. AWARD**  
Ranked second place  
in leaders in digital  
transformation

With the Emergency  
Service case.

✓ **SECURITY  
EXCELLENCE AWARD**  
American Gas  
Association (AGA)

For the 13<sup>th</sup>. time,  
a recognition of  
our unconditional  
commitment to safety.

✓ **GENDER EQUALITY  
INDEX (GEI)**

We were included in the  
gender equality index  
(GEI) of Bloomberg.





**PORTFOLIO**

| GRI 102-2 | 102-4 | 102-6 |



In the **natural gas distribution** business, we operate through Comgás, the largest piped natural gas distributor in Brazil, reaching 94 of the 177 cities within our area of concession in the State of São Paulo, which account for more than 30% of the Gross Domestic Product (GDP). Distribution activities are regulated and monitored by Agência Reguladora de Saneamento e Energia do Estado de São Paulo (ARSESP), and our planning is aligned with the view and guidelines defined by the São Paulo State Government and ARSESP. We share with these bodies the objective of significant expanding the access to natural gas in the State of São Paulo.

**COMGÁS WILL INVEST R\$ 4.4 BILLION<sup>1</sup> AS APPROVED IN THE 4<sup>TH</sup> TARIFF REVISION FOR THE 2018-2024 CYCLE.**

In May 2019, ARSESP completed the 4th Comgás’ Ordinary Tariff Review, between May 2018 and May 30, 2024, upon approval of the regulatory CAPEX in the amount of R\$ 4.4 billion<sup>1</sup>. The funds will be mainly allocated to expanding the installed pipe network to 22,000 kilometers, leading to an increase in the client base to 2.7 million by 2024. At the end of 2020, Comgás operated a distribution network of over 19,000 kilometers, serving more than 2.1 million clients in the industrial, residential, commercial, automotive (GNV), cogeneration and thermogeneration segments. As a public service concessionaire, Comgás is governed by a concession agreement, effective through 2029, subject to renewal until 2049.

The natural gas distribution is directly related to the performance of Comgás’ regulatory plan, in addition to the inclusion of the selective evaluation of acquisitions and privatizations of other distributors, reproducing our successful business model. In this regard, we are participating in the divestiture of a 51% stake held by Petrobras in Gaspetro, a holding with investments in nineteen state gas distribution companies. This process was still ongoing at the end of 2020, and our participation is already at the binding stages, as stated by Petrobras.

<sup>1</sup> Currency in April 2018.



THE LIQUIFIED NATURAL GAS TERMINAL WILL RECEIVE **INVESTMENTS OF R\$ 670 MILLION**, WITH REGASIFICATION CAPACITY OF 14 MILLION M<sup>3</sup>/DAY. | GRI 103-2 | 103-3 |

## COMPASS

infrastructure

Compass **Infrastructure** was established with a focus on the diversification of alternative access to the natural gas molecule. In Brazil, the increased offering of natural gas arising from the pre-salt findings could double the national production volume in the next ten years, depending on the infrastructure solutions provided, such as the new drainage routes to connect production fields to the continent. This national offer is accompanied by the increase in worldwide availability, opening opportunities to investments in Liquefied Natural Gas (GNL) regassing terminals and expanding Brazil's access to this international offer.

In the infrastructure area, at the end of 2020, we had two projects in the licensing stage: the Liquefied Natural Gas Regasification Terminal of São Paulo (TRSP), in Santos (SP), and Rota 4, a drainage pipeline to supply pre-salt natural gas in the coastline. Both projects are supported by the Environmental Impact Study (EIA) and the Environmental Impact Report (Rima).

The TRSP is subject to the consent and approval of several municipal, state and federal bodies, such as the National Waterway Transportation Agency (Antaq), the Brazilian Navy, Registry of the Federal Heritage (SPU), National Agency of Petroleum, Natural Gas and Bio-fuels (ANP) and National Port Secretariat, subject to detailed regula-

tory, technical, environmental and security analysis. The TRSP, where works will begin in 2021, is located in the Santos Port (SP). The project has a licensed nominal gasification capacity of 14 million m<sup>3</sup>/day, storage capacity for up to 170,000 m<sup>3</sup> and had investments of approximately R\$ 670 million. We will be responsible for the administration of the TRSP, which will operate through the charter of a vessel specialized in the regasification of the liquefied natural gas. The TRSP is expected to begin operations in 2023, offering another natural gas supply alternative from purchases in the international market, allowing flexibility in the supply and prices aligned to the international market.





Rota 4 is an important project in our strategy of diversifying access to the natural gas molecule. Structured in two alternatives, Rota 4 will connect the production wells of the Santos Basin to the continent, through a pipeline with capacity of up to 21 million m<sup>3</sup> of natural gas per day, in addition to the construction of a Natural Gas Processing Unit (UPGN).

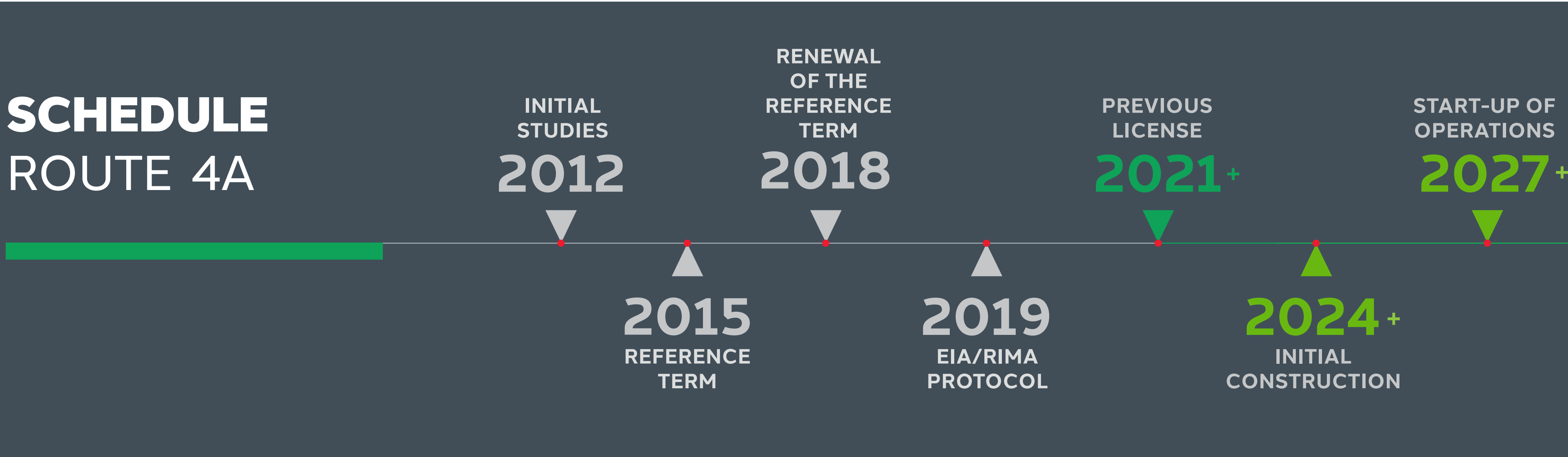
The first alternative, Rota 4a, connects the pre-salt production to Cubatão (SP) through a 280 kilometer pipeline. Regarding 4a, we have already completed all initial studies and requirements allowing the licensing procedure to continue.

**THE ROUTE 4 PROJECT WILL BE SUPPORTED BY A DRAINAGE PIPELINE WITH CAPACITY OF UP TO 21 MILLION M<sup>3</sup>/DAY.**

The second alternative, Rota 4b, will connect the Port of Itaguaí (RJ) through a 313 kilometer pipeline. In relation to Rota 4b, we hold the reference term (TR) – the initial stage of an environmental license – and we began environmental impact studies in 2020.

Rota 4 will demand investments of approximately US\$2 billion and will be developed through strategic partnerships with other investors. We expect to begin operations in 2027. The project, in addition to improving the use of national natural gas, will bring other benefits such as job opportunities and royalties, representing gains throughout the production chain.

**SCHEDULE ROUTE 4A**







# COMPASS

## sales

In the **gas and power sales**, we are supported by Compass Comercialização, acquired in January 2020. Recognized as one of the main independent sellers in Brazil, specialized in power pricing models, the company has been operating for more than 10 years in the electric energy market. Incorporating a company like that into our portfolio represented a strategic contribution of know-how about the power market, which attributes and characteristics will support the development of the free natural gas market and the integration of both markets in the future. The company extended the scope of the electric energy sales to include the sales of long-term agreements for final free consumers, supported by incentive power agreements. We believe that, in the future, the integration of the offer of natural gas and electric energy, under flexible conditions, will be a characteristic of significant value in the relationship with our clients.

Concerning natural gas activities, the initiatives of the [New Gas Market](#) and the development of the free market represent a high potential to increase the demand for this input. Accordingly, we are negotiating natural gas supply agreements with local pre-salt producers and suppliers from Bolivia (YPFB). In addition, we have entered into a partnership with Total Gas and Power Business Services for the potential supply of Liquefied Natural Gas (GNL) for ten years at volumes of up to 10 million m<sup>3</sup>/day for regasification at the future Regasification Terminal of São Paulo.



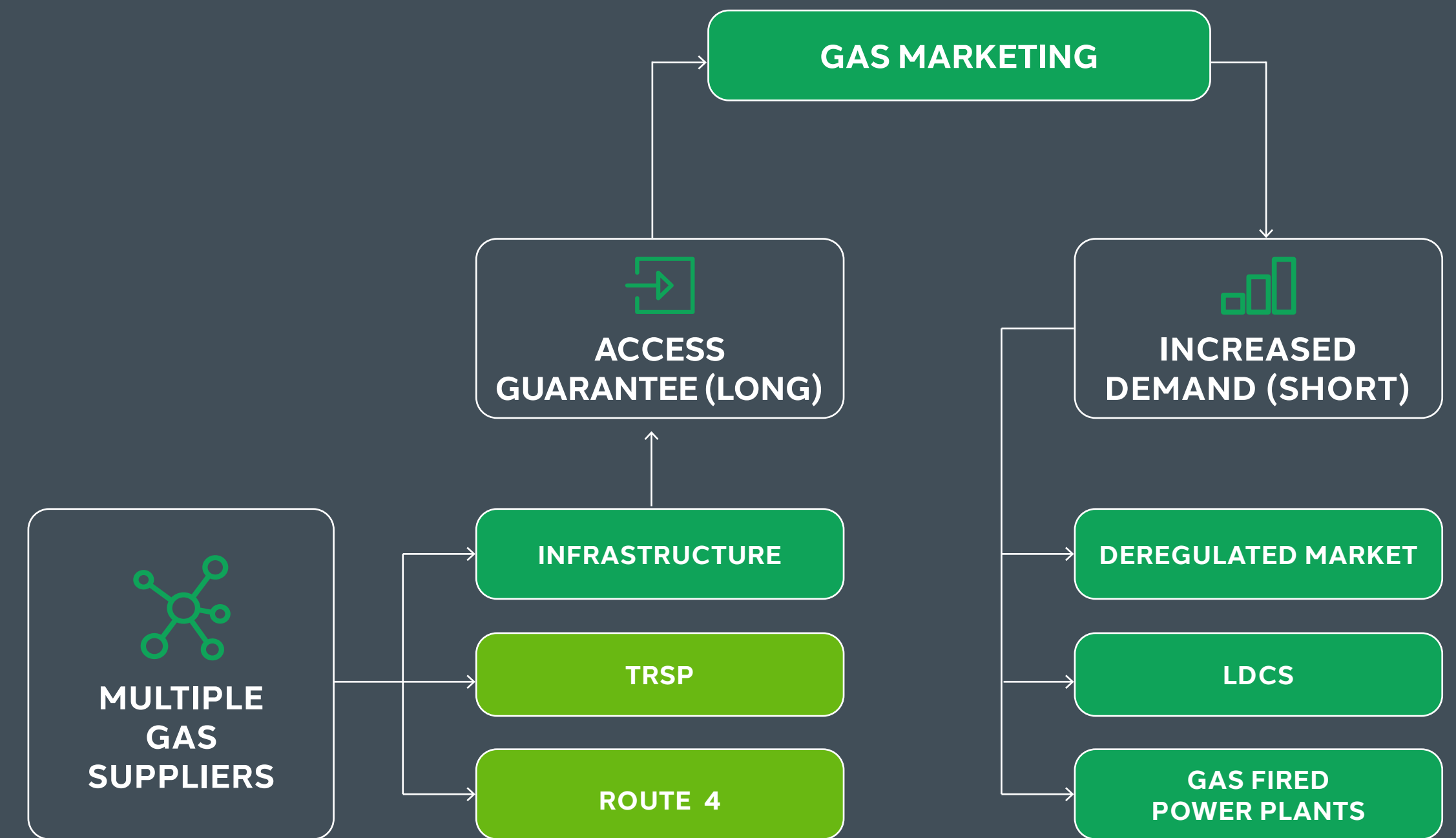
In addition, the gas supply agreements entered into between Petrobras and the distributors will expire between 2020 and 2024, which represents a demand of over 25 million m3/day for new suppliers. The additional opportunities include plants of fertilizers, new thermoelectric plants, among other segments. We are prepared to operate in this scenario of competitiveness, flexibility and security by negotiating diversified source agreements.

In 2021, we will seek to begin selling natural gas to the free market, which would increase the competitiveness and increase the use of the natural gas as an energy source. In addition to the electric energy, we are being consolidated, mainly, as a manager of the portfolio of gas purchase and sale agreements.

THE POTENTIAL SUPPLY OF **TOTAL GAS AND POWER SERVICES** WILL BE:

**10 YEARS**  
OF LIQUIFIED NATURAL GAS (GNL) IN THE VOLUME OF UP TO  
**10 MILLION M<sup>3</sup>/DAY**  
REGASIFIED IN THE FUTURE REGASIFICATION TERMINAL OF SÃO PAULO

## SALES BUSINESS MODEL: CONNECTING SUPPLY AND DEMAND





# COMPASS

## generation

In **generation**, we are focused on the development of a thermal generation portfolio to capture opportunities to participate in greenfield projects with strategic partners, and possible acquisitions. The option for this business line supplements and is aligned with the investments in drainage infrastructure and natural gas imports, increasing the demand and meeting the increasing demand for power in Brazil.

According to the 2030 10-Year Power Plan, published by EPE in 2020, Brazil is expected to have, between 2020 and 2030, approximately 8 GW of additional installed capacity from natural gas plants connected to the National Interconnected System, an [expansion from 14 GW to 22 GW of installed power](#). We believe that natural gas plants are essential for the security and support of the electric energy grid, in which case the supplementary power source means an expansion of the renewable power generation capacity, such as solar and wind energy, on an alternative basis. Such characteristics reflect the important role of the natural gas in the energetic transition in Brazil, with the implementation of more efficient thermo-electric plants and the reduction of greenhouse gas emissions, ensuring energy security in Brazil.

Therefore, considering each region in Brazil, we assessed several possible partnerships, technical construction criteria, labor and incentives, in order to become more competitive in the future Electric Energy Auctions. The generation projects may increase the demand for gas in our sales segment, in which 1 GW of installed power consumes approximately 4.3 million of m<sup>3</sup>/day of natural gas in dispatch.



## OPPORTUNITIES

In our four operational areas, we carefully assessed investment opportunities in new projects or through acquisitions in the natural gas and electric energy markets.



## The natural gas market in Brazil

Throughout the world, the natural gas market faced strong structural transformations, with an increased offer mainly resulting from the increase in the production of “shale gas” in the United States and investments in new terminals for the export of liquefied natural gas throughout the world.

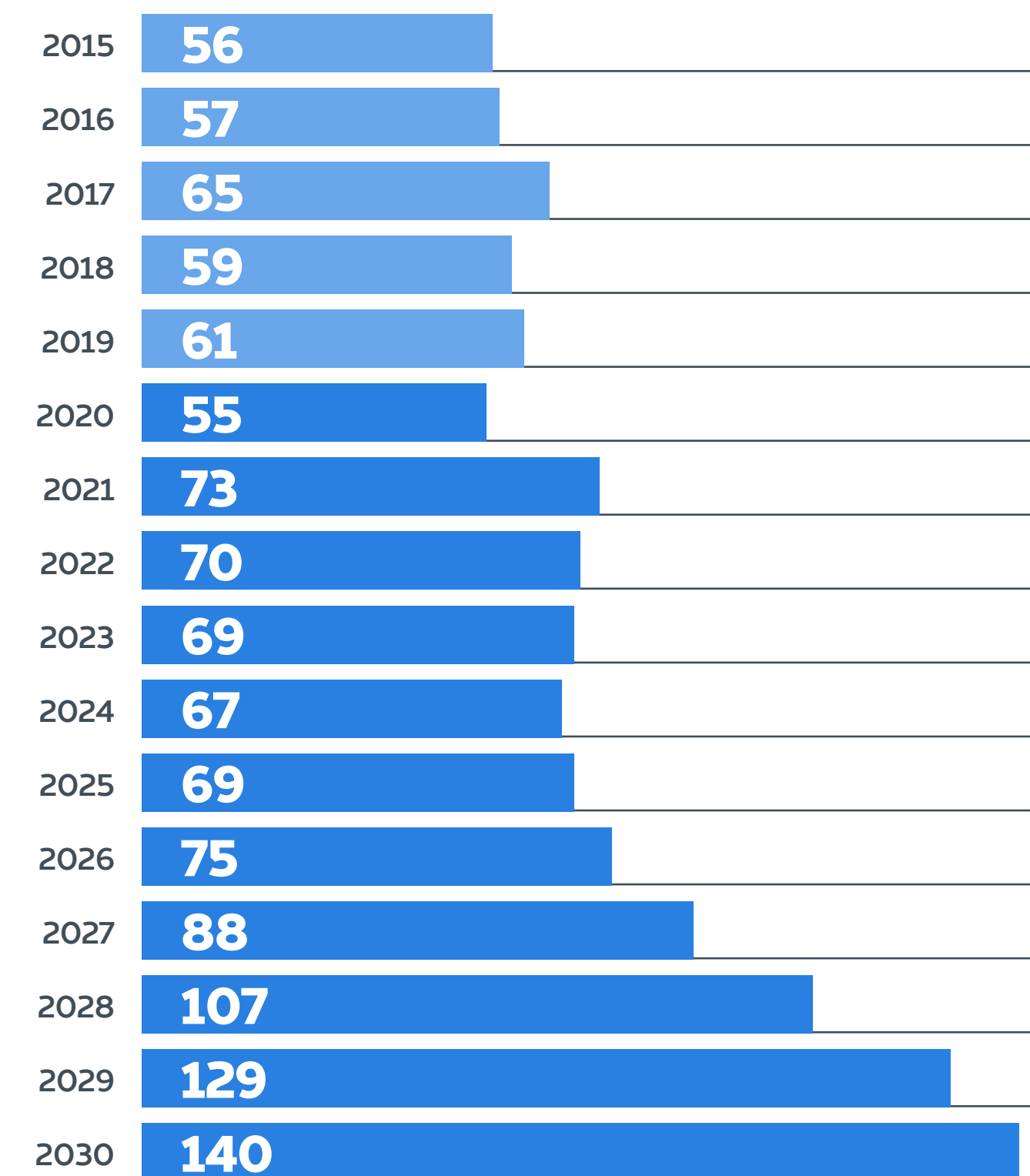
In Brazil, the infrastructure and natural gas generation are historically focused on Petrobras, which participates in all stages of the natural gas value chain, causing direct impacts to the Brazilian energy matrix. In addition to the control over the drainage pipelines for natural gas production in the Campos and Santos Basins (Routes 1, 2 and 3, in the future), Petrobras controls the three terminals for import of liquefied natural gas in Brazil, with a total capacity of 41 million m<sup>3</sup>/day.

However, in 2019, after the Conduct Commitment Term (TCC) was signed between Petrobras and the Administrative Council of Economic Defense (Cade), in order to reduce the market share of this company in the sector in the next years, the current scenario points to increases in competition and significant business opportunities arising for new players in the development of the natural gas sector. In view of the possible partial divestiture by Petrobras of assets comprising the natural gas pipe network, in addition to the Petrobras’ exit from the transportation segment – where Petrobras has already transferred the carriers NTS and TAG to the private sector and agreed to provide idle transportation capacity to other carriers – an expansion of the market and increased competition are expected.

In addition to the guidelines defined in the [New Gas Market](#), the program launched by the Federal Government in 2019 to increase the competitiveness in the sector, large gas reserves were discovered in the pre-salt production fields. According to the data provided by the Annual Statistical Report prepared by the National Agency of Petroleum, Natural Gas and Biofuels (ANP) of 2020, proven gas reserves totaled 2.55 billion equivalent oil barrels (BOE). According to EPE, the net natural gas production<sup>1</sup> in Brazil, equivalent to the approximate volume provided to the consumer market, may achieve 140 million m<sup>3</sup>/d in the next ten years, more than double the currently figures.

<sup>1</sup> Natural gas volumes potentially provided to the UPGNs, obtained by the reduction in the gross production of the estimated injection in the deposits, losses or burns and own consumption (for E&P) of natural gas.

### NET NATURAL GAS PRODUCTION - BRAZIL (MILLION OF M<sup>3</sup>/D)



Source: EPE (Ten-year Energy Expansion Plan 2030), MME (Monthly Monitoring Bulletin of the Natural Gas Industry - December 2020)

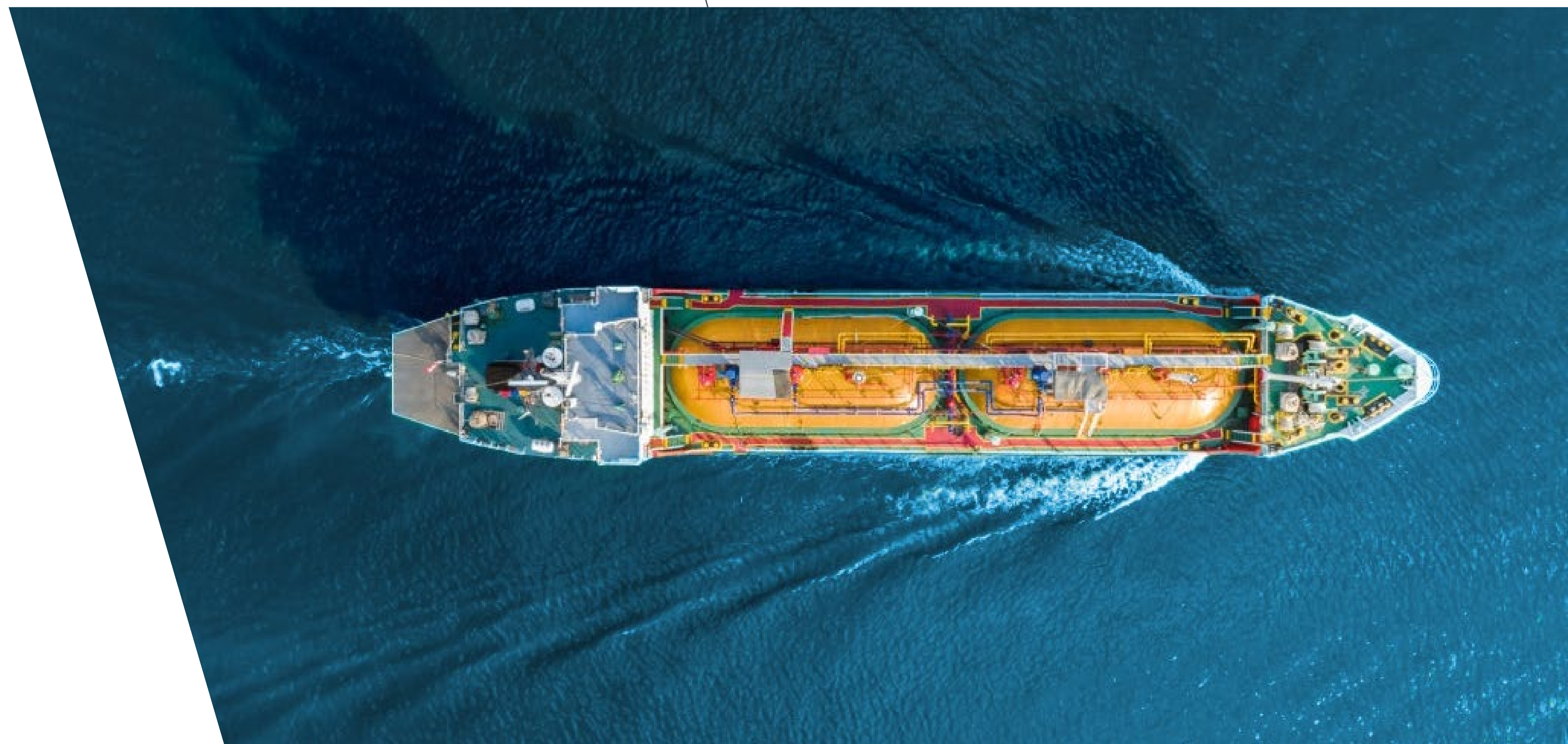


However, at the same time that the offer of gas will increase in Brazil in the medium term, the Brazilian gas infrastructure is not sufficient, considering that the pre-salt production may exceed the drainage capacity of Routes 1, 2 and 3, of 44 million m<sup>3</sup>/d in 2027. In addition, based on the information provided by the Brazilian Infrastructure Center (CBIE), Brazil is supported by a transportation pipeline grid of 9,500 kilometers, below the 16,000 kilometers of the Argentine grid, despite of the larger territory. Investments in gas drainage, treatment and transportation will be necessary to supply to the market such increasing natural gas demand.

In São Paulo, the free gas market regulation is effective since May 2011. In 2020, ARSESP conducted a public consultation to update the [Free Natural Gas Market](#) rules in São Paulo. Other states followed suit, despite having significant differences in terms of development.

The interest of consumers has increased as safe alternatives for migrating to the free gas market are being entertained, if those are supported by increased competitiveness, efficiency and flexibility in the purchases, in which case consumers would have the option to select their suppliers. The expectation is that the first agreements in the context of the Free Natural Gas Market will be signed in 2021.

THE NET NATURAL  
GAS PRODUCTION IN  
BRAZIL MAY ACHIEVE  
**140 MILLION M<sup>3</sup>/DAY** IN  
THE NEXT 10 YEARS.



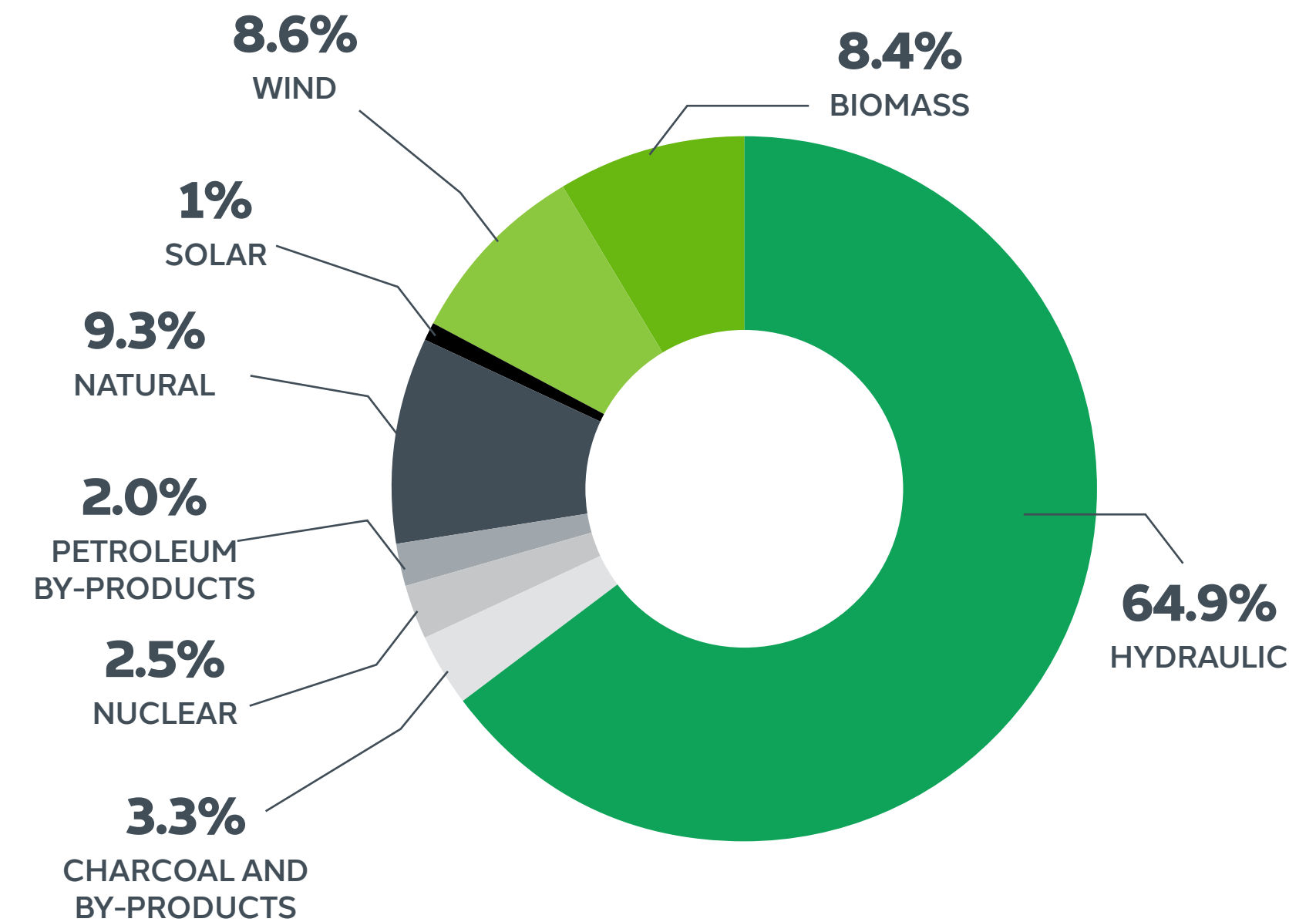


## The electric energy market in Brazil

As disclosed by Empresa de Pesquisa Energética (EPE), in 2019, natural gas accounted for 9% of the Brazilian electric energy in Brazil, and is expected to comprise 14% of the market share in 2030. The increase in the natural gas market share is significant, considering that renewable sources, such as wind and solar sources, are not continuous, while the expansion of the hydraulic sources is limited by environmental issues and other demands, such as agriculture and water supply. In addition, we have faced water shortage in recent years, with potentially insufficient flows. There is strong volatility in electric energy prices and, considering the increase in the number of natural gas plants, prices may become more stable, in addition to the preservation of the water resources. Another critical factor refers to the improved technical guarantee for immediate response to power peaks in the Brazilian electric energy system, mitigating the risks of large-scale outages at the main centers of consumption.

In this context, in addition to the investment opportunities in generation, the free electric energy market offers new opportunities. This matter is widely discussed in the Electric Energy Sector Modernization initiative, coordinated by the Ministry of Mines and Energy (MME) and supported by EPE, Aneel and CCEE. On March 10, 2020, the Senate approved Bill 232/16, which provided for the reduction of the minimum consumption limit for migration of the consumer to the free electric energy market, which significantly increases the number of consumers that could enter into bilateral agreements directly with the electric energy provider. The direct consequence of such a reduction would be improved direct electric energy sales from generating companies, or through retailers that can operate a more pulverized demand.

**BRAZILIAN ELECTRIC ENERGY MATRIX (2019)**



Source: [EPE](#), 2019





# 04

## **SUSTAINABILITY AS PART OF THE STRATEGY**

**MATERIALITY AND GOALS**



# Sustainability as part of the strategy

**Our sustainability journey began approximately 10 years ago** with the acquisition of Comgás, our natural gas distributor. In this period, we are proud of our operational efficiency standards and commitment with the safeguard of people and assets, in addition to the fact that we manage our businesses always based on the highest governance and compliance values.

The strategic sustainability project began simultaneously with the establishment of Compass, supported by the contribution of several areas within the company. As a starting point, we developed the Materiality Matrix, prepared in partnership with an external advisor based on a structured study that sought the dialogue with shareholders and investors, public bodies, associates, clients, partners and the society at large. This led our focus to the most significant issues, for which we will define actions and goals to be achieved in the next years.

In order to reinforce our responsibility with the sustainability agenda and contribute with sustainable development, we defined our three sustainability pillars. In connection with the United Nations Sustainable Development Purposes (UN-ODS), our pillars reflect the ESG items deemed essential to our activities, based on the opinion of stakeholders and our internal leadership. The evaluation of people and society, the offer of more energy and less emissions, and the development of the infrastructure in Brazil comprise our strategy and direct our daily actions, always in search of sustainable development in accordance with the highest standards of governance.





# Compass' Materiality Process

| GRI 102-21 | 102-31 | 102-40 | 102-42 | 102-43 | 102-44 | 102-47 |

The construction of our strategy considers an extensive work of materiality, which begins with the identification of the context where we operate, the emphasis of the engaged and consulted publics, and the analysis and validation of results.

## 1.

### IDENTIFICATION

Study of over **30 internal and external documents:**

- Certificates
- Strategic guidelines
- Corporate policies
- Sector studies
- Sustainability trend researches
- Media publications
- Market reports

## 2.

### EMPHASIS

**Definition of the stakeholders and engagement with 64 representatives:**

- Sectorial association
- Employees
- Clients
- Federal, state and municipal governments
- Financial institutions
- Investors
- Regulatory bodies
- Business partners

We conducted 14 individual interviews with leaders, and other 13 interviews with stakeholders. In addition, we obtained information through on-line questionnaires, directed to 27 associates and 10 external stakeholders. | GRI 102-43 |

## 3.

### ANALYSIS

**Listing and definition of the main issues.** | GRI 102-47 |

- 1. Investments in infrastructure and development of the gas and electric energy market;**
- 2. Client relationship and access to natural gas;**
- 3. Electric energy efficiency and reduction of greenhouse gas emissions;**
- 4. Creation and distribution of value, including the communities where we operate;**
- 5. Management of operational risks and integrity of assets;**
- 6. Best corporate governance practices;**
- 7. Attraction and development of people and promotion of diversity.**

## 4.

### VALIDATION

**Approval** of the main issues by the executive board.



## COMPASS GÁS & ENERGIA MATERIALITY | GRI 102-44 | 102-47 |

### 1. INVESTMENTS IN INFRASTRUCTURE AND DEVELOPMENT OF THE GAS AND ENERGY MARKET

#### Description and explanation | GRI 103-1 |

- ✓ Offers to the market the best gas and electric energy solutions.
- ✓ Covers the impacts from the investments in the infrastructure expansion, market development and expansion of the natural gas offer in Brazil.
- ✓ Covers the expansion of the natural gas participation in the Brazilian electric energy matrix.

#### Aspects of the value chain where the matter is material | GRI 103-1 |

- ✓ Infrastructure
- ✓ Natural gas distribution
- ✓ Sales

#### Entities to whom the matter is material | GRI 102-40 |

- ✓ Sectorial Associations
- ✓ Clients
- ✓ Associates
- ✓ Suppliers
- ✓ State Government
- ✓ Federal Government
- ✓ Municipal Government
- ✓ Regulatory bodies

#### Sustainable Development Purposes



#### ESG Framework | GRI 203 | GRI 206 |

### 2. CLIENT RELATIONSHIP AND NATURAL GAS ACCESS

#### Description and explanation | GRI 103-1 |

- ✓ Covers the management focused on the client's needs, with investment in technology, and research and development.
- ✓ Estimates the impacts of gas supply at competitive price.

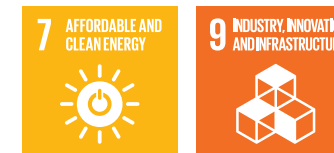
#### Aspects of the value chain where the matter is material | GRI 103-1 |

- ✓ Natural gas distribution
- ✓ Sales
- ✓ Clients

#### Entities to whom the matter is material | GRI 102-40 |

- ✓ Sectorial Associations
- ✓ Clients
- ✓ Executive officers
- ✓ Suppliers
- ✓ State Government
- ✓ Federal Government
- ✓ Regulatory bodies

#### Sustainable Development Purposes



#### ESG Framework | SASB IF-GU-240 |

### 3. ELECTRIC ENERGY EFFICIENCY AND REDUCTION OF GREENHOUSE GAS EMISSIONS

#### Description and explanation | GRI 103-1 |

- ✓ It is essential the adoption of a strategy established in the transition for a low carbon economy, which includes the monitoring of the GEE emissions, mitigation of polluting gas emissions and more electric energy efficiency of the operations.
- ✓ We replaced the most polluting fuels for natural gas
- ✓ With the natural gas, we support the use of alternative renewable sources, ensuring the electric energy security with a cleaner power.

#### Aspects of the value chain where the matter is material | GRI 103-1 |

- ✓ Infrastructure
- ✓ Natural Gas distribution
- ✓ Generation
- ✓ Sales
- ✓ Partners
- ✓ Clients

#### Entities to whom the matter is material | GRI 102-40 |

- ✓ Sectorial Associations
- ✓ Clients
- ✓ Associates and executive officers
- ✓ Suppliers
- ✓ State Government
- ✓ Federal Government
- ✓ Financial institutions
- ✓ Regulatory bodies
- ✓ Partners

#### Sustainable Development Purposes



#### ESG Framework | GRI 201 | GRI 302 | GRI 305 |

### 4. CREATION AND DISTRIBUTION OF VALUE, INCLUDING IN THE COMMUNITIES WHERE WE OPERATE

#### Description and explanation | GRI 103-1 |

- ✓ Our performance brings positive impacts to several links in the value chain, such as municipalities and their communities. These municipalities and communities receive investments in infrastructure to receive natural gas, by attracting other industries and generating development.
- ✓ We generate benefits to the several governmental levels as from the payment of fees and taxes.
- ✓ We entered into partnerships with several suppliers and outsourced providers.

#### Aspects of the value chain where the matter is material | GRI 103-1 |

- ✓ Infrastructure
- ✓ Natural gas distribution
- ✓ Generation
- ✓ Sales
- ✓ Partners
- ✓ Clients

#### Entities to whom the matter is material | GRI 102-40 |

- ✓ Clients
- ✓ Suppliers
- ✓ State Government
- ✓ Federal Government
- ✓ Regulatory Bodies

#### Sustainable Development Purposes



#### ESG Framework | GRI 201 | GRI 202 | GRI 204 | GRI 308 | GRI 407 | GRI 408 | | GRI 409 | GRI 413 | GRI 414 |



## 5. MANAGEMENT OF OPERATIONAL RISKS AND INTEGRITY OF ASSETS

### Description and explanation | GRI 103-1 |

- ✓ We invested in technology, training and professional qualification to ensure the security of operations.
- ✓ The preparation, operation and monitoring of the policies, procedures and management of risks and response to emergency is a priority in our agenda.

### Aspects of the value chain where the matter is material | GRI 103-1 |

- ✓ Infrastructure
- ✓ Natural gas distribution
- ✓ Generation
- ✓ Partners
- ✓ Clients

### Entities to whom the matter is material | GRI 102-40 |

- ✓ Sectorial associations
- ✓ Clients
- ✓ Associates and executive officers
- ✓ Suppliers
- ✓ State Government
- ✓ Federal Government

### Sustainable Development Purposes



### ESG Framework

| GRI 403 | GRI 416 | SASB IF-GU-540 | SASB EM-MD-540 |

## 6. BEST CORPORATE GOVERNANCE PRACTICES

### Description and explanation | GRI 103-1 |

- ✓ Covers the policies to fight against different acts of corruption, transparency in the relationship with public agents and contribution for public policies, in addition to the conformity with several applicable legislations.
- ✓ We maintain governance criteria between the companies comprising the Cosan Group in order to avoid the conflict of interests or benefits in the market.
- ✓ We promote ethical values amongst all members of our team.
- ✓ We promote the transparency in the management of our businesses and responsible action in relation to the environmental, social and corporate governance aspects.

### Aspects of the value chain where the matter is material | GRI 103-1 |

- ✓ Infrastructure
- ✓ Natural gas distribution
- ✓ Generation
- ✓ Partners

### Entities to whom the matter is material | GRI 102-40 |

- ✓ Sectorial associations
- ✓ Clients
- ✓ Associates and executive officers
- ✓ State Government
- ✓ Federal Government

### Sustainable Development Purposes



### ESG Framework

| GRI 102 | GRI 205 | GRI 207 | GRI 307 | GRI 415 | GRI 419 |

## 7. ATTRACTION AND DEVELOPMENT OF PEOPLE AND PROMOTION OF DIVERSITY

### Description and explanation | GRI 103-1 |

- ✓ We established practices to attract and retain talents, such as training and qualification, performance evaluation systems and feedback to the associates, benefits, career plan and salary policy, as well as procedures for third-party management.
- ✓ The promotion of diversity is a relevant matter to the society and also for our and our clients' businesses, in which we are able to ensure a safe work environment, inclusive and without discrimination.

### Aspects of the value chain where the matter is material | GRI 103-1 |

- ✓ Natural gas distribution
- ✓ Generation
- ✓ Sales
- ✓ Partners

### Entities to whom the matter is material | GRI 102-40 |

- ✓ Associates
- ✓ Financial institutions

### Sustainable Development Purposes



### ESG Framework

| GRI 401 | GRI | GRI 404 | GRI 405 |





## ESG PILLARS AND GOALS

Supported by the process of materiality and directed to create options for the access to the electric energy, generating more value to the clients and society, with security, efficiency and engagement, we defined our ESG pillars:

- 1. VALUE PEOPLE AND SOCIETY
- 2. OFFER MORE ENERGY WITH LESS EMISSIONS
- 3. DEVELOP THE INFRASTRUCTURE IN BRASIL

These three pillars reinforce our engagement with the sustainable development and are aligned to the commitments entered into in 2019 by Cosan and Comgás, in conformity with the Sustainable Development Purposes (ODS) defined by UN.

In addition to the pillars, we promoted the Best Corporate Governance Practices, which support the responsible and transparent development of our businesses. Based on these

three flags, we defined the goals to direct our sustainability actions through 2025. These goals are described below.

Governance is under the responsibility of the ESG and Strategy Committee, under the Board of Directors, and Work Groups responsible for the monitoring of the actions and projects associated with the commitments and goals, as well as the promotion of the internal engagement.



## ESG BANNERS AND GOALS

| GRI 103-2 | 103-3 |

# 1.

### VALUE PEOPLE AND SOCIETY

by ensuring the excellence in the services provided to our clients, developing people and promoting diversity, seeking zero accidents, and expanding the voluntary partnerships and actions. Our goals, defined to be concluded in 2025, are:

- **1/3 of the leading positions** held by women;
- **Increase, on an annual basis**, the number of people benefited by our partnerships and voluntary actions;
- Obtain the **Net Promoting Score (NPS) 55** in Comgás.

# 2.

### OFFER MORE ELECTRIC ENERGY AND LESS EMISSIONS,

contributing with the reduction of the greenhouse gas emissions and replacing more polluting fuels for natural gas, expand the use of the natural gas in the transportation matrix and include the renewable gas in the portfolio, Our goals through 2025 include:

- Reduce, on an annual basis, our greenhouse gas emissions (Scopes 1 and 2) per km of grid;
- **Make Comgás Net Zero** in greenhouse gas emissions (Scopes 1 and 2);
- Incorporate **renewable source gas** in the supply portfolio, proportionally to the development of the offers of this profile.

# 3.

### DEVELOPING THE COUNTRY'S INFRASTRUCTURE

for purposes of inclusion and global use of the natural gas, expansion of the use of the natural gas in the electric energy matrix, diversification of the access to the molecule, and adoption and promotion of the best practices in terms of security and generation of value to the communities. Therefore, we defined the following goals:

- In Comgás, connect **770 thousand new clients and expand by 5.6 thousand km the natural gas distribution network\***;
- Improve the gas supply alternatives in Brazil, through the installation of the liquefied natural gas terminal in Brazil;
- Reduce 15% of the average index of third-party damages in Comgás' operations (2021 to 2025).

\* 2018 base, according to 2018-2024 Regulatory Plan of Comgás.





05

# **SOCIALLY IMPACTING**

**VALUING PEOPLE AND SOCIETY**



# Our contribution in the fight against Covid-19

| GRI 102-12 |

**We reinforced our commitment as a citizen company** that provides an essential service to economic development and welfare. Through Comgás, we implemented several initiatives to reduce the effects of Covid-19 and ensure the continuous supply of natural gas to more than 2.1 million clients. Concurrently, aligned with our commitment with health, security and integrity of our assets, we have offered to our team the best conditions for physical security, hygiene, health and support to their families. However, we did more than ensuring the continuity of our services. In conjunction with the other businesses of Cosan group and external partners, we put our operational and mobilization capacity to the service of the society. Our actions included:

- ✓ **Donation of 67,000 liters of alcohol 70%** to 82 public hospitals of the State of São Paulo and countryside.
- ✓ **Donation of 5,016 units of 500ml of alcohol 70%** to Anhembi, Parelheiros and Pacaembu Hospitals.
- ✓ **Donation of 10 respirators** to hospitals of the State of São Paulo through the partnership entered into with ONG Comunitas.

- ✓ **Priority and time dedicated to supply piped natural gas to hospitals:** three public hospitals included in our distribution pipe network in record time of three days: Anhembi (São Paulo), Brasilândia (São Paulo) and Santa Ana (São Caetano do Sul).
- ✓ **Donations of more than 4,000 Covid-19 test kits,** distributed to Organização Social de Saúde Santa Marcelina.
- ✓ **Infrastructure and equipment:** donation of the water heating infrastructure and equipment to the Anhembi Campaign Hospital.
- ✓ **Butantan Institute:** we are part of the group of private companies that contribute for the construction of the new vaccine plant of Butantan Institute, in the amount of R\$ 420,000.00.
- ✓ **Donation of basic food baskets:** in partnership with EE. Prof. Camilo Marques de Paula, located in Indaiatuba, we donated two basic food baskets per student, benefiting 368 families. In addition, in partnership with ONG Comunitas, we donated basic food baskets to students of public schools in São Paulo, who were not able to attend to the classes and receive snack, impacting 431 students.







## Relationship

### WITH OUR TEAM | GRI 103-2 | 103-3 |

Our main goal was to ensure the health and safety of our own and outsourced teams, as well as avoid the exposure of our clients. In addition, we had the opportunity to discover new alternatives and we tested models that showed our capacity of flexibility and adjustment of our teams.

Due to the characteristics of our activities, we had to maintain the activities in the streets, both in terms of maintenance work and expansion of the grids, and connections and other procedures, such as emergency calls. For these teams, new security protocols were immediately implemented in order to ensure the security of the associates and all other people served. The most important conquest was the maintenance of our clients' confidence, who received with security our professionals in their homes, commerce and industries. In relation to the other operations, we implemented remote working and the necessary adjustments of our Operational Center, by introducing the necessary protocols.

In addition, we advanced the campaign of the H1N1 vaccine to our associates and family members, as well as provided Covid-19 tests to our associates. We also offered psychological assistance, if necessary, and we monitored all Covid-19 cases involving our teams and their family members.



In order to protect the emotional, mental and physical health of our associates in during such period, we implemented or improved several programs, such as:

- ✓ **Friend Program:** psychological and legal support offered to associates and family members. Due to the extensive promotion in our corporate network, the use of such benefit increased by 30%.
- ✓ **Comgás Talks:** in order to approximate the associates and peers and exchange information, we promoted virtual meetings with professionals, such as doctors, psychiatrists, psychologists, professors and therapists, who presented relevant matters to the physical and emotional health of the associates, in addition to practices to be incorporated in the daily routine.
- ✓ **Contents directed to groups formed by common interest:** in order to generate a network for emotional care during this period, considering that the people identify themselves with others having the same interests, we prepared contents directed to those with children at home, those who like to cook and those living with pets during the quarantine. Amongst the contents, we included cooking receipts, tips for entertainment and education of children, tips for applications and meditation sites.
- ✓ **Specific guides for each public (administrative and operational / home office and in the field):** development of contents for associates and also contents to be shared with family members, including the measures to be taken during the quarantine, in addition to the home office guide for those working remotely and guide of good practices to those working at the offices.
- ✓ **Adjustment of benefits:** in partnership with the VA/VR provider, we obtained the flexibilization of the benefit based on the associate's costs during the pandemic.

✓ **Sharing of contents by the Comgás health team:** Comgás health professionals published several educative videos in the internal networks with contents, including the correct use of the face mask, the identification of the Covid-19's symptoms, and the measures to be taken after the identification of the symptoms.

✓ **SESI at home:** in partnership with SESI, we launched the SESI's on-line platform so that the associates were able to access several contents at home, such as gym exercises and meal directions.

The internal digital communication platform, Workplace, gained new meaning. The technology permitted that, even remotely, the associates were able to maintain contact, by sharing the professional activities and entertainment activities.

In order to value our associates, we conduct the "You Speak" annual engagement survey. In 2020, we had an intermediary version and, therefore, the survey was not complete, denominated "Pulse You Speak", upon increase of 8 percentage points in the total Engagement value. Amongst the 15 categories measured in 2020, 14 increased and one maintained the same level. The issues with most significant improvements included Management of Changes, Career and Development, and Performance Management.

**WORKPLACE, OUR DIGITAL INTERNAL COMMUNICATION PLATFORM, ENSURED THAT, DESPITE OF THE DISTANCE, THE ASSOCIATES WERE ABLE TO MAINTAIN CONTACT, SHARING THE PROFESSIONAL AND ENTERTREINMENT ACTIVITIES.**



## Diversity

| GRI 103-2 | 103-3 | 405-1 |

Diversity is part of our sustainable strategy to Value People and Society. We leveraged this issue by means of awareness actions relating to diversity and inclusion, including the entire team. In Comgás, we created the Diversity Group, which is part of the initiative “Comgás for Everyone”. The initiative was born so that the associates were able to feel free to express themselves and discuss diversity. In this context, we renewed the Group of People in Charge of Diversity, composed of internal influencers to represent the diversity of our team. Therefore, we are promoting an important evolution through the awareness process.

In terms of gender, our team is representative, with approximately 30% of female gender, both in general and management positions. We refer to Comgás, which achieved 35% of female gender in senior leading positions.

Based on these actions, in 2021, **Comgás was included in the Bloomberg Gender-Equality Index (GEI)**, which is composed of 380 publicly-held companies of 44 countries. The Gender-Equality Index monitors the performance of companies committed with the disclosure of their efforts to support the equality of gender through the development of policies, representation and transparency. In this regard, we bring more transparency to the investors with respect to our social data and commitment with equality. | GRI 102-12 |



# 30%

OF FEMALE ASSOCIATES

# 35%

OF FEMALE ASSOCIATES HOLDING SENIOR LEADING POSITIONS

**IN 2021, COMGÁS WAS INCLUDED IN THE BLOOMBERG GENDER-EQUALITY INDEX**



## Qualified Team and High Performance

| GRI 404-1 | 404-2 |

Upon adoption of the remote work model in March 2020, we advanced our agenda of qualification and training. Conecta, our digital person management platform, contributed with the process; it was launched in the second semester of 2019 and is used by associates to share information, in playlist models and learning routes, including tips on culture, reading and music, in addition to other relevant issues for the current context.

Training courses were improved in the e-learning format, with the sharing of the individual skills. Accordingly, technical and security skills were reinforced by the reporting of experiences. Also in view of the new context, we promoted a new creation of the commercial team. We covered matters relating to the relationship with clients in the virtual environment and we discussed the new protocols adopted.

Our goal is to leverage the knowledge and career of our team, based on the continuous development of our associates. Through on-line platforms, we have a portfolio of technical and behavior training courses to improve our associates' skills. In 2020, we launched a specific learning module in our Conecta platform, focused on the self-development and training directed to the development of behavior and technical skills.

In 2020, each associate attended to approximately 14 hours of training courses, totaling more than 16,000 hours of training. This data considered only the training recorded in our control systems. In addition to these trainings, we offered other development opportunities, such as onboarding sessions to new associates, sales training, career and leadership workshops, leadership development and talks opened to all associates. | GRI 404-1 |



**IN 2020, THE AVERAGE HOURS OF TRAINING COURSES\* ATTENDED BY ASSOCIATE WERE 14 HOURS. WE OFFERED MORE THAN 16,000 HOURS OF TRAINING.**

\* Information relating to the training recorded in the system. In addition, we also offered other training courses for development of the associates throughout the year.



# CREATION OF LEADERS

Amongst some of the main development programs promoted by Compass, we emphasize the following: | GRI 404-2 |



### **Trainee Upper Program**

Seeks for the recruitment of full and senior employees in the market, in order to accelerate the development of the career for leadership positions. The program takes one year and the trainee has the opportunity to perform the job rotation, conducting two strategic projects on behalf of the company, in order to expand the business and further develop the career.



### **Trainee Program**

Seeks the recruitment of young people at universities for an initial professional development. The program lasts for one year, over which the participants are allocated to relevant projects and may participate in the job rotation of the area after six months.



### **Workshops and Career Talks**

In 2020, we improved our focus on careers. Through workshops and lives, we promoted talks about Career and Individual Development Plan.

Our leaders are essential for the consolidation of a culture of high performance, autonomy and meritocracy. In this regard, since 2018, we have, in partnership with Dom Cabral Foundation, a development program directed to such public, in order to obtain the maximum performance in the management of people and businesses. In 2020, we benefited from the experience acquired in the last two cycles, reinforcing the definitions of modern and prompt leadership, as well as its role during critical scenarios. The purpose was to formalize the importance of a close, inclusive and respectful operation that values and stimulates the individual contributions in the achievement of common purposes. Considering the synergy between the executive officers of our companies, our leadership program was renewed and denominated “Connected”, including monthly meetings between the CEO and the leaders, in order to ensure a close relationship, promote a single leadership view and connect different issues of our portfolio.

The year was marked by the continuity of the Development Program, created in 2019 for improvement of our senior analysts and experts, in order to speed up our pool of talents for more complex positions.





### **Performance evaluation** | GRI 404-3 |

Through Conecta, we conducted performance evaluations of all associates. The action was improved in 2020, supported by specialized consultants focused on the definition of leadership goals. Goals were divided in indicators that took into consideration our strategic purposes in the next five years, also including social and environmental, safety and governance performance.

We believe in self-development and, therefore, our associates define their goals with autonomy in the portfolio management. In addition, we expanded the 360° analysis model to all associates, including the evaluation of peers and third parties in the process.

### **Compensation and benefits**

| GRI 102-36 | 102-37 | 202-1 | 401-2 | 401-3 |

We offered a complete package of benefits, including medical and dental plans; private social security plans; drugstore allowance; reimbursement for hearing aids, orthopedic material and eyeglass lenses; psychological, legal and financial support; scholarship; meal ticket; food ticket; disease allowance; payroll loans; among others. | GRI 401-2 |

In order to define the compensation, we adopted the position evaluation methodology defined by the Cosan Group at corporate level. On an annual basis, we update the table including salary ranges in accordance with the level of authority of the respective position. Such update is approved by the Human Resources Committee. | GRI 102-36 |

In addition, the salary paid to men and women is the same. | GRI 202-1 |

The associates are submitted to the performance evaluation methodology, carried out on an annual basis at administrative level, considering the performance of the goals defined in the performance agreements, in addition to the behavior analysis. The operational category is supported by its own evaluation cycle in the year, during which some metrics are evaluated, such as technical skills, functional skills, last performance agreement, time holding the position and actions.

Excluding the management positions, we entered into a collective agreement with the trade union for annual salary adjustment and other contractual clauses.





As a Citizen Company, we adopted extended maternity/ paternity leave (180 days for women and 20 days for men and, in case of adoption, 45 days), in addition to day care aid and milk dispensary. In the year, 27 women used the maternity leave, with a retention rate in the period, after return to the professional activities, of 81%. In the same period, 24 men used the paternity leave, with a retention rate in the period of 88%. | GRI 401-3 |



### Maternity/Paternity Leave | GRI 401-3 |

#### ASSOCIATES THAT USED THE LEAVE<sup>1</sup>



#### ASSOCIATES THAT, AFTER THE LEAVE, REMAINED IN OUR TEAM FOR 12 MONTHS AFTER RETURNING TO WORK



<sup>1</sup> All associates entitled to the maternity/paternity leave used the benefit.

**100% OF THE ASSOCIATES ENTITLED TO THE MATERNITY/ PATERNITY LEAVE USED THE BENEFIT.**

PATERNITY LEAVE  
IN 2020, WE REGISTERED

**88%**  
**OF RETENTION**

MATERNITY LEAVE  
IN 2020, WE REGISTERED

**81%**  
**OF RETENTION**



## Our teams

| GRI 102-8 | 401-1 |

In 2020, we closed the year with 1,195 associates, of which 1,137 are Comgás' employees. All associates work full time and are located in the Southeast Region in Brazil.

In 2020, we engaged 134 people, of which 112 people were contracted by Comgás (63 men and 49 women), and 22 people were contracted by the other companies (14 men and 18 women). In the same period, 212 professionals were dismissed or requested dismissal: 210 in Comgás and two in other subsidiaries. The turnover rate in the period was 0.18.

### TOTAL ASSOCIATES | GRI 102-8 |



**835**  
MEN



**360**  
WOMEN

### NUMBER AND ENGAGEMENT AND DISMISSAL RATE<sup>1</sup> IN 2020

BY GENDER | GRI 401-1 |



**57**  
ENGAGED

**16%**  
RATE

**77**  
DISMISSAL

**21%**  
RATE



**77**  
ENGAGED

**9%**  
RATE

**135**  
DISMISSAL

**16%**  
RATE

<sup>1</sup> Rate = number of engaged/dismissed associates by the number of associates in the category in December 2020



## INTERNS & TRAINEES

We recorded high retention rates amongst the participants in our intern and trainee programs – 50% and 100%, respectively, in 2020. Our trainee program was attended by more than 10,000 participants, while the intern program was attended by more than 5,000, in addition to the new se-

lection process, more aligned with our meritocracy culture and values. In both processes, we counted on the participation of managers of different companies and we introduced a new and integrated business portfolio. As a result, 13 new trainees and 32 new interns were selected for the 2020 cycle.





## Clients

| GRI 103-2 | 103-3 | SASB IF-GU-240 |

**In line with our strategic position of centralization of clients** and our commitment with safety, we reinforce our capacity to innovate during the Covid- 19 crisis. At the beginning of the pandemic, we implemented in Comgás a robust Contingency Plan, including models for operation in virtual environments in our Radio, Control, Crisis and Emergency rooms. The change, although planned for maintenance of the services in an uncommon context, resulted in more productivity and effectiveness in services, which is characterized as a new operational model. In the virtual environment, we increased the use of data and information to speed up the services and avoid unnecessary displacements, resulting in environmental and security gains.

We are concerned with the health of our associates and clients; therefore, we implemented remote tests, which indicated the actual need for displacement to resolve a request. Developed in the form of pilot, the action had good results and will continue in 2021, considering that the remote interface allowed a better qualification of the service, focused on emergencies and, therefore, acting more efficiently.

## #VAICOMGÁS CAMPAIGN

In 2020, we launched the Comgás campaign, which included the separate campaigns #RenoveseuGás and Comgás Com Você and emphasized the transformation of the natural gas in the life of people and businesses, focused on the conscious use of the natural gas.

In this regard, the purpose of the new institutional campaign was to emphasize the characteristics of the product and the several application types, as well as covered the daily routine of people and how natural gas is part of our lives. Including tips for the daily routine, the campaigns focused on receipts to cook at home with the family, storage of products, cooking tips and also directions for maintenance of equipment, strongly directed to the security issues, in addition to recommendations for the better use of piped natural gas. In addition, the campaigns reinforced the digital channel services and the benefits offered by **Comgás Virtual**. The campaigns were broadcasted in social networks and digital channels owned by Comgás; in addition, the campaigns were also broadcasted in cable TV.



## COMGÁS VIRTUAL

We have also improved our remote service channels, such as [Comgás Virtual](#), in order to offer a complete digital experience to our clients. In the channel, in addition to the access to several information, clients may report issues, leakages or emergencies; request statements and duplicate accounts; schedule the automatic payment of invoices; and consult debits, amongst several other services. In addition, in the channel, clients may change the maturity date of accounts, analyze their consumption and, in addition, electronically simulate consumption. In relation to 2019, as a result of the improvements, adhesion to our digital channels increased from 84% to 87%: on average, 650,000 accesses/month in 2020.

We have always sought to provide a wonderful experience to our clients, which was improved with our digital transformation, in which we have continuously invested to maintain ourselves connected to our clients' new consumption habit and new needs, by offering efficient services, without reducing the quality of our operational and security excellence. This year of pandemic accelerated the digital transformation in several sector of economy, mainly in the interface with our clients.

# WOULD YOU LIKE TO BE A COMGÁS CLIENT?

Focused on the satisfaction of our clients, we began, in 2019, a pilot project so that the domiciles, as from the technical visit, could be connected in a single day, which includes the connection, installation of lines and internal devices, including the conversion of equipment. In 2020, we extended the action to new connections to those that have contacted our natural gas distributor through our digital channel "**I want to be a Comgás' client**", directed to the residential clients. In the year, we also launched a pilot project for same-day connection, directed to commercial clients and, in 2021, we expect that all connections are made using such model.

The digital channel "I want to be a Comgás' client" is available at the Virtual Comgás space and, in three stages, the client is able to contract the piped natural gas for domiciles and commerce, on a simple, functional, friendly and rapid basis, in the e-commerce format. In the context of the pandemic, Comgás Virtual was essential for the increase in the number of clients and the digital transformation of Comgás. In addition, new functionalities were added, always focused on the satisfaction of our clients.







## SUPPORT TO OUR CLIENTS DURING THE PANDEMIC

We seek to support our clients during the pandemic, in order to reduce the social and economic impacts arising from such challenging scenario. Through Comgás, we implemented several initiatives to reduce Covid-19 effects and ensure the proper supply of natural gas to our more than 2.1 million clients.

Since the beginning of the pandemic, we have continuously discussed with the Government of the State of São Paulo and the Regulatory Agency of Public Services of the State of São Paulo (ARSESP). Accordingly, we ensured our compliance with public policies to fight against the pandemic and the related effects, and we also implemented the following actions, with respective terms previously defined:

- ✓ Suspension of the interruption of natural gas supply due to default of our residential and commercial clients. In the industrial segment, we maintained, through July 31, the suspension of the collection of amounts payable as take-or-pay.
- ✓ Special condition for payment in up to six installments, not subject to fines and interest, for defaulting residential and commercial clients.
- ✓ Payment of debts focused on the renegotiation of debts for clients with accounts overdue for more than one year, which received discounts of up to 50%, not subject to fine or additional interest. At the end of the campaign, approximately 4,000 clients were benefited, with the recovery of approximately R\$ 1 million.

Therefore, we seek to ensure access to natural gas to domiciles during the pandemic, as well as support the commercial clients with significant cash restrictions by virtue of the measures determined to stop the spread of Covid-19.



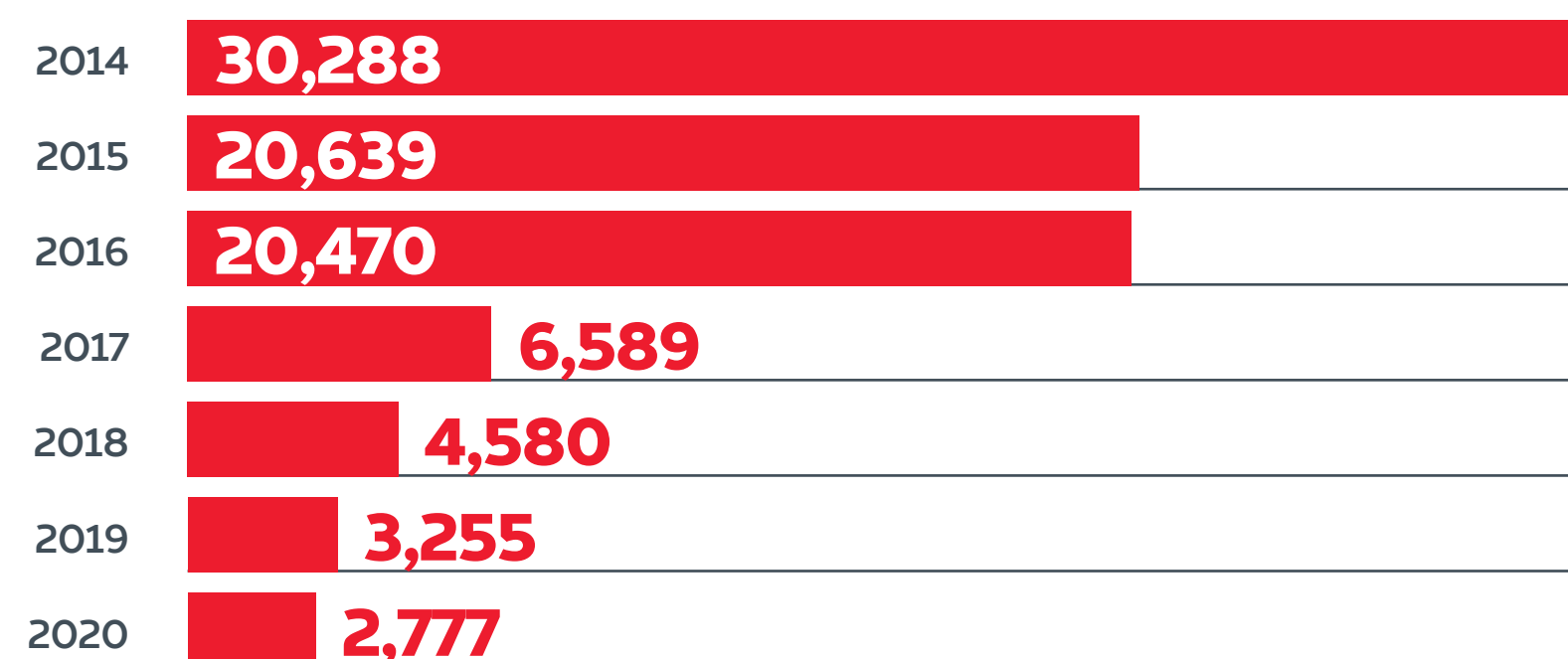
## Ensure the satisfaction of our clients

We measured the satisfaction of our clients as a way to improve, on a continuous basis, our relationships and services. One of the forms to measure the client's perception in relation to the activities performed is the Net Promoter Score (NPS), a method to measure the consumers' satisfaction. In Comgás, in 2020, we increased 11%, from 32, in 2019, to 43. Specifically with respect to the services provided through the channel "[I want to be a Comgás Client](#)", the data is even better: NPS of 58. In view of its relevance, in 2020, the NPS was included in the Comgás corporate goals, which impacted the variable compensation of all companies' executive officers.

The percentage of reports was reduced by 15% in the year - from 3,255 in 2019 to 2,777 in 2020.

### PERFORMANCE INDICATORS - CLAIMS

REDUCTION OF 91% SINCE 2014



REDUCTION OF  
**91%**  
IN THE  
NUMBER OF  
CLAIMS SINCE  
2014





## TECHNOLOGY AND INNOVATION

| GRI 103-2 | 103-3 | 203-1 |

For the purposes of modernization and automation of field equipment, we developed a large project to transform the Operations and Services area, denominated Comgás 4.0. Focused on our clients' satisfaction, our purpose is to automate the entire distribution system by offering remote measurement and efficient services. Beginning in 2019, the action was improved in 2020 with the implementation of new telemetry and control systems in more than 100 Comgás assets (totaling 192 automated assets in the field) – in 2021, 576 stations will be benefited.

Approximately 70,000 remote measurement sensors were installed in residential clients, which monitor the gas consumption in real time. By virtue of these innovations, Comgás is improving our field infrastructure, including sensors and telemetry equipment, which, in addition to being modern and accurate, will ensure the adoption of new artificial intelligence and analytics technologies in the operation. In addition, by using remote measurement we intend to provide more comfort and security to our clients – both as a result of more accurate reading, reducing human errors, and focus on clients' health and confidentiality, since the remote reading does not require the physical presence of Comgás associates – in addition to the fact that we are able to reduce the emission of Greenhouse Gas (GEE) arising from displacements of these professionals. We expect that, in 2021, consumption data may be provided in real time to our clients, which may improve their planning, ensure autonomy and efficiency in the use of natural gas, stimulating conscious consumption.

## WE INSTALLED APPROXIMATELY **70,000** REMOTE MEASUREMENT SENSORS AT COMGÁS RESIDENTIAL CLIENTS.

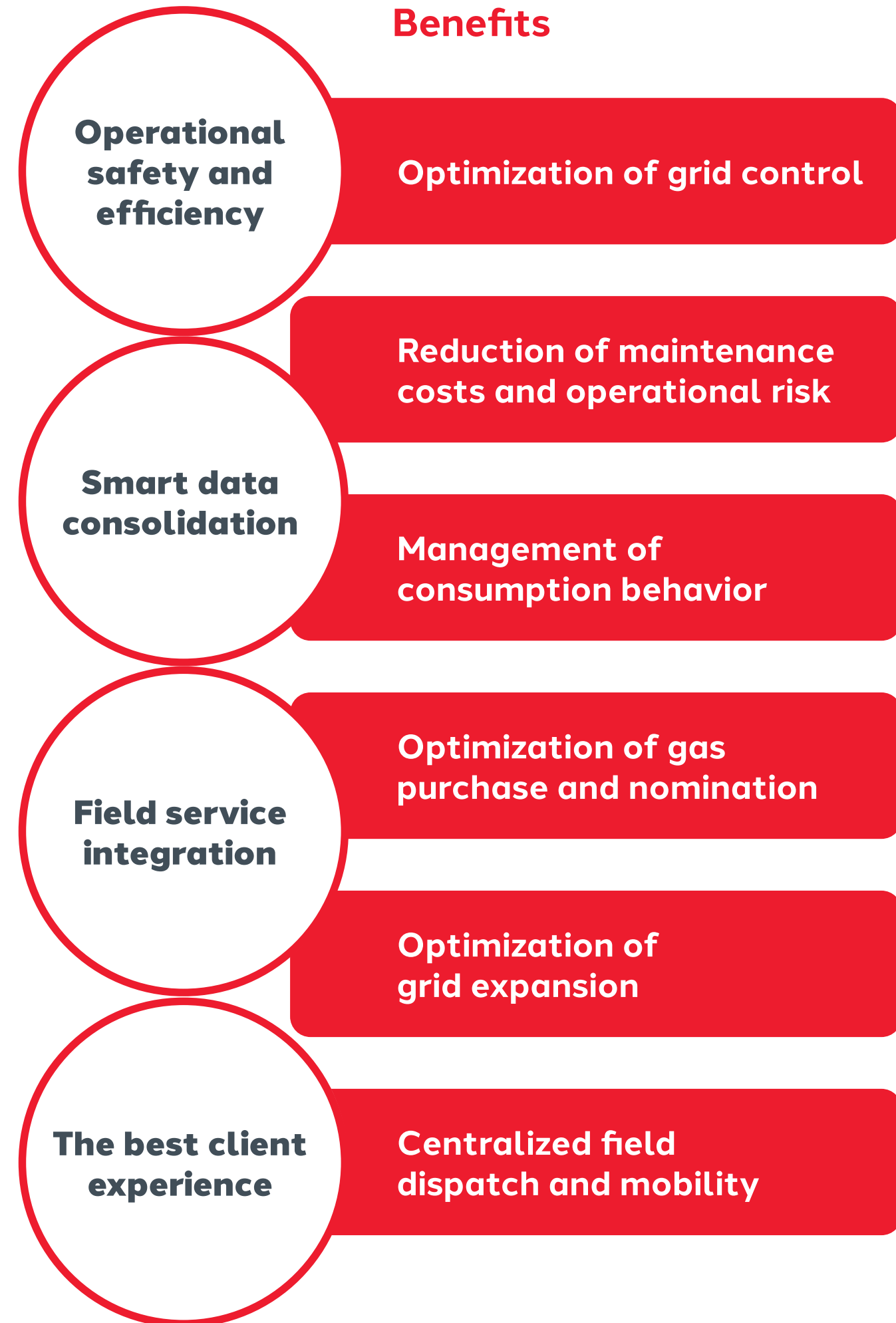
In the context of Comgás 4.0, we promoted the modernization and update of operational control and monitoring systems, including the storage of information in a single repository. Another significant landmark was the implementation of new analytics and artificial intelligence systems, such as the Consumption Analysis Portal (PAC), which stores the consumption profile of large clients, such as industrial clients, upon identification of trends and unexpected events. Accordingly, on a proactive basis, we are able to immediately correct eventual measurement failures, reduce commercial losses and more accurately plan operational actions, such as maintenance, in addition to the optimization of the supply of natural gas to these clients.

Another landmark was the development of simulation tools for performance of network analyses, whereby, based on real-time data, provides for optimization of the use of pipelines and volume of stored gas. Accordingly, upon conduction of hydraulic simulations, we were able to evaluate the capacity of our network and the volumes of natural gas delivered. In addition to increased efficiency, this innovation improves the planning of maintenance and the assurance of a continuous supply of natural gas.



## GOALS AND BENEFITS OF COMGÁS 4.0 PROJECT

### Benefits



### Application of technologies as

- APM**  
Asset Performance Manager  
Asset Management
- PAC**  
Consumption Analysis Portal –  
Performance management of  
measurement and consumption
- GMS**  
Gas Management System  
– On-line simulation of the  
distribution grid
- FSM**  
Field Service Management
- GESC**  
Efficient Field Service  
Management

All those technologies make up a growth model for our companies, wherein gains of scale and efficiency make us even better prepared to take our operations to a new level.

Representing significant benefit to the clients and environment, we also use technology for implementation of tools for definition of routes and optimization of mobility, in order to reduce the time of displacement of the teams in field, with a subsequent increase of production hours. **Focused on Efficient Field Service Management (GESC)** project, implementation began in 2020, based on a pilot project, and the next step is to inform our clients through digital channels of the estimated arrival of our teams at the location where they will perform activities.





## INTEGRATION

At the beginning of 2021, we launched our new **Operational Control Center (CCO)**, which grouped in a single space the dispatch rooms of field services, management of emergencies and control room. With the integration of information, we will achieve operational management gains, as well as increased security and efficiency in the maintenance of networks and distribution of piped natural gas.



## Suppliers and Partners

| GRI 102-9 | 204-1 | 308-1 | 308-2 | 407-1 | 408-1 | 409-1 |  
| 414-1 | 414-2 |

**Our business is focused on the long term, and we operate in order to consolidate strategic partnerships throughout our value chain**, which includes natural gas suppliers; providers of materials, such as tubes, connections, valves and meters; and service providers, involving activities, such as construction of networks and lines, internal facilities, client oversight and support, and associates responsible for reading, who are responsible for checking the clients' consumption. We are continuously studying new agreement models and compensation alternatives in order to ensure maximum efficiency, performance and governance of agreements.

In 2020, by virtue of the scenario imposed by Covid-19, we have adopted three main actions in Comgás with our partners. The first action, as mentioned, was to ensure the safety of our associates and contracted publics. The second, of a commercial nature, focused on the opportunities for gains in efficiency in costs and maintenance of internal cash flows. Therefore, we analyzed our supply chain and considered the demand curves per category for renegotiations or postponement of purchases.

The third aspect considered the effective support to our partners during a very complicated period of significantly economic impacts. We established direct and clear communications with our suppliers and offered financial support to businesses facing cash issues, regardless of agreements and services provided. The action benefited small "direct" suppliers, such as companies responsible for construction and connection of clients. Therefore, we promoted stability and financial health throughout our chain, in order to ensure the continuity of our activities provided by third parties. We have also worked strongly in the control of materials, in order to maintain our inventories and the supply of essential materials, ensuring the connection with our clients.

In 2020, more than 99% of Compass' budget with properties and services was invested in local suppliers<sup>1</sup>, stimulating development in Brazil. | GRI 204-1 |

<sup>1</sup> Applied as the definition of como conceito de local fornecedores do Brasil.



Finally, we also directed our attention to the analysis of the integrity of suppliers. For new suppliers, one of the stages for previous authorization is a Background Check (BGC). We carried out an extensive reputational analysis of suppliers, in order to certify the involvement with any action not in conformity with our code of conduct and/or the legislation. Amongst the criteria, we verified some issues related to the Environmental Assessments and Embargo imposed by IBAMA, as well as human and labor rights, such as slave or child work, amongst any other action not accepted by us. In the event a supplier is not approved, such supplier is not authorized. For approved suppliers, depending on the type of service/material, we use the SSMQA contractual attachment to ensure security requirements and practices.

For the active suppliers in the base, the BGC will be performed manually. In the event a violation relating to environmental or social impacts is found, internal measures will be undertaken in conjunction with the Internal Control and Legal teams, which can range from a notice to contract termination. | GRI 308-1 | 308-2 | 407-1 | 408-1 | 409-1 | 414-1 | 414-2 |

**IN 2020, OVER 99% OF THE BUDGET WITH PRODUCTS AND SERVICES WAS INVESTED IN NATIONAL SUPPLIERS, EXPANDING DEVELOPMENT IN BRAZIL.**





# EXCELLENCE PROGRAM

**Comgás' Excellence Program** was established for the development of the partners' network through management based on operational performance and sustainability indicators. Our role is to challenge and incorporate such indicators aligned with Comgás: security first, ensuring the satisfaction of our clients through deliveries with quality, in addition to investments to maintain the integrity of the assets, supported by the efficiency in the processes. In order to leverage these pillars, we improved the services provided, mitigated risks and delivered an efficient gas network operation to society as a whole. On the other hand, we also contributed to the maintenance of our businesses, which directed us in terms of prosperity and evolution of our partners.

In 2020, with wisdom and resilience, our indicators increased by 10% from the beginning to the end of the year, which confirms we are undertaking the neces-

sary steps to ensure a positive and sustainable social impact. We held our monthly meetings to exchange experience and discussed issues inherent to all businesses; however, we reorganized around a virtual model. Our 12 meetings were attended by 110 participants, on average.

In 2021, we will maintain our goal seeking a transparent and robust relationship with our outsourced partners. The proposal is to consolidate the ratios that are the strategic pillars for our operations and stimulate the autonomy of our partners in improving critical processes. In addition, we have included sustainability in our agenda and stimulated initiatives that improve actions based on ESG definitions. The 2021 Comgás Excellence initiative is divided in three blocks: Excellence Chapter (client indicators, quality and integrity, processes and security), Management System Chapter (annual audit) and Sustainability Chapter (ESG practices).



# Health and security always first

## PEOPLE

| GRI 103-2 | 103-3 | 403-6 |

**Security and health throughout our chain of activities and relationship with our clients are commitments not subject to discussion.** In 2020, this inherent value of our operations became even more evident, with the adoption of protocols to minimize the risk of contamination from Covid-19, including initiatives focused on the emotional health of our associates, as [previously](#) mentioned.

The supply of piped natural gas was relevant in the context of the pandemic, as piped natural gas replaced the gas bottle, which needs to be replaced and, therefore, depends on the displacement of vehicles and people. In addition, our own and third-party associates received adequate training and Personal Protection Equipment (PPEs) for each activity – masks, visors, surgical shoe covers and disposable gowns (in order to avoid contamination and the dislocation of outside dust to the client’s domicile), in addition to the use of alcohol gel and the adoption of strict prevention directions, supported by the continuous monitoring of our Health Management team. Our care began with the selection of PPEs, based on studies and tests that confirmed that the use of coats and masks would not affect protection against fire. In this regard, we carried out tests with our supplier of textile for uniforms, which have a device that protects against fire.



We also conducted campaign against the flu amongst our teams. By virtue of the pandemic, we also reorganized our operational logistics. We adopted a model denominated “Key in the Hand”, so that our associates were allocated to work with the definition of services to be performed, including the proper PPEs and necessary materials, in order to avoid the agglomeration of people in the operational basis for removal of instruments and vehicles. The initiative, in addition to protect associates with reduced contact, speeds up operations.



In relation to our residential clients, we have installed alcohol holders in buildings and condominiums, and we have also distributed information in plastic cards (and also in [digital means](#)), accompanied by an alcohol sachet.

These actions were essential to ensure the security and health of more than 340 associates that remained working in the field or at our offices, in order to ensure gas supply and services provided to clients, in addition to responding to any emergencies. In Compass, approximately 580 professionals began to work full time from home, focused on our seller, Compass Comercialização, which operations in the pandemic were continuously performed without interruption. In addition, we directed all managers and offered a corporate mobile so that any flu symptom could be reported, in order to avoid exposure of other associates and ensure proper treatment.

However, despite of the procedures adopted, 127 associates (12% of the total) were diagnosed with Covid-19 in 2020 (through March 2021, 169 associates). Our health team monitored all cases by telephone, from first symptoms to the completion of the quarantine period deemed necessary to avoid new contamination. All associates diagnosed with Covid-19 recovered.

**THE PREVENTIVE ACTIONS AGAINST COVID-19 WERE ESSENTIAL TO ENSURE THE SAFETY AND HEALTH OF MORE THAN 340 ASSOCIATES IN THE FIELD.**

## BEST SAFETY PRACTICES

In order to ensure the proper use of all PPEs, for purposes of protection of associates (own and contracted) and clients, we performed inspections based on an operational checklist, including a list of procedures to be complied with in field operations. The action improved governance and performance with respect to the Company's non-compliance indices.

Communications are frequently made to direct our own teams and third-party companies, through several channels, such as Workplace, WhatsApp, Integrated Daily Talks, videos, banners in bulletin boards of the companies and construction sites etc.

For purposes of improvement of our associates and

partners, we offered several types of EHS training, based on regulatory rules and internal procedures. In the year, we offered approximately 20 courses, totaling 9,442 hours of training, of which 7,479 hours were directed to Compass associates and 1,963 hours to third parties. | GRI 403-5 |

**9,442 HOURS OF TRAINING, OF WHICH 7,479 HOURS TO COMPASS' ASSOCIATES AND 1,963 HOURS TO THIRD PARTIES**







**Procedures**

| GRI 403-1 | 403-2 | 403-3 | 403-4 | 403-7 | 403-8 |  
| SASB EM-MD-540 |

**In order to ensure the security and mitigation of operational risks** in our activities in field and at office, we have adopted technical and administrative procedures that are continuously reviewed. The Comgás’ operational procedures are structured in the Occupational and Operational Security Management System (OHS), in conformity with best international practices, in order to ensure detailed analysis of incidents and similar situations, focused on the adoption of preventive and corrective actions. Management of the indicators also provides for the sharing of information amongst our teams, through which we reinforce a culture of safety. Accordingly, our system is continuously updated and, for purposes of continuous improvement, internally audited considering 100% of procedures undertaken by our associates, all covered by the system. | GRI 403-8 |

We have also implemented monthly Security committee – composed of the Executive Board, associates and contracted parties – in which we analyze monthly indicators and incidents, as well as evaluated normative, behavioral and procedural training. All documents (Policies, Procedures and Work Instructions) applicable to OHS are accessible to all associates and are reviewed on a periodical basis. | GRI 403-3 |

In Comgás, before the commencement of each activity, we carry out preliminary risk analyses and, with respect to activities deemed more critical, we have previously issued work authorizations (PTs). All associates are strongly trained and have autonomy to identify risks and act accordingly to mitigate these risks. Possible accidents are divided by category according to our risk matrix, through which we define the inspection methodology, which aims to identify the cause of any accident and, therefore, we are able to implement more effective corrective and preventive actions. The continuous improvement of our procedures for mitigation of any accident ensures that we are aligned with best practices in order to ensure zero accidents. | GRI 403-2 | GRI 403-7 |

# SECURITY, A VALUE TO SUBJECT TO NEGOTIATION

Through the OHS, we reinforced the security as a personal value, based on the idea that associates must always “safely return to their families”. In addition, on the Security Day, annual event that we organize to meet our teams and third parties to discuss the matter, we launched the campaign: when the issue is security **#don’tassumethe risk**. The focus is on self-assessment in terms of security, which must be considered in any activity performed.

## SELF-ASSESSMENT OF SECURITY

<b>STOP... AND EVALUATE THE RISKS</b>	<b>THINK... AND CHECK</b>	<b>GO AHEAD!</b>
What could be wrong with the activity? Think and check...	Am I able to perform the activity safely? Am I skilled and authorized?	Follow all procedures defined and ask for help whenever necessary! When <b>the issue is security #don’tassumethe risk</b> .



# HEALTH TEAMS ARE GOVERNED BY THE PROFESSIONAL NURSING AND MEDICAL **CODES OF ETHICS**

We maintain the confidentiality of personal information relating to our associates' health, including medical information in electronic form, accessed exclusively by professionals of the health area of our hospital (doctors, nurses and nursing technicians). The data related to leaves and medical leaves is also submitted directly to our hospital and is protected. The information on health, dental and drugstore plans is restricted to our health team, without any sharing with other business areas. Health teams are governed by the nursing professional (article 81, Chapter II, Nursing Code of Ethics) and medical (article 73 to article 79 - Item IX - Medical Code of Ethics) codes of ethics, with the respective technical responsibility terms updated on an annual basis, upon signature of a confidentiality term with health operators. | [GRI 403-3](#) |

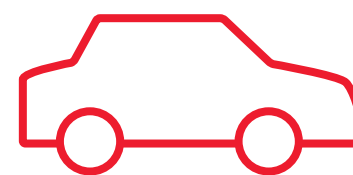
In addition to health plans offered to all associates and respective dependents, we structured a medical area to perform periodical exams, develop occupational health campaigns and provide support to the associates whenever necessary. In addition, we have partnerships with fitness clubs, in order to ensure the continuous welfare of our associates. | [GRI 403-6](#) |

**In addition, we maintained the following initiatives: | [GRI 403-4](#) |**



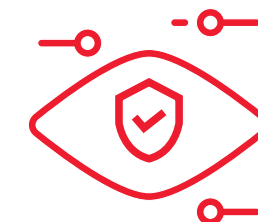
### **Safe Attitude Program**

Maintain the purpose of measuring the engagement and proactive efforts of each associate in terms of security requirements, in addition to the recognition of those who had a good performance.



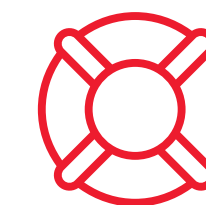
### **Good Driving Program**

Driving is part of life for several associates, both during their professional duties and daily routines. The program was developed to focus on awareness and assurance of a safe driving, free from accidents and infractions.



### **Keeping an Eye on Security**

Campaign that reinforces a culture of safety by giving incentive to identification, evaluation and reporting of potential risks identified by our associates and third parties.



### **Safe Lives Program**

Program that includes que processes and methodologies, ensuring the safety and health in the performance of activities deemed critical.



### **Senior Tour Gemba Walk**

Monitored visit to the operations and construction of the network and line. The action comprises two groups, one multidisciplinary group, composed of managers (Tour Senior) who work in field and interact with the second, composed of engineers, technicians and associated in the work environment (Gemba Walk). In the year, due to the Covid-19 pandemic, we successfully tested a technology with improved technology, com and on-line transmission.

Proactive security indicators are prepared and managed through the Security Excellence Program, for purposes of measurement of preventive actions carried out internally.





## Security Performance

| GRI 403-9 | 403-10 |

One of our commitments with sustainability refers to the continuous drive towards “zero accident”. In this regard, we have qualified all associates and partners to identify risks and implement the necessary measures to mitigate these risks before the commencement of any activity. In addition, whenever any accident occurs, we conduct investigations to understand the reason of an accident, and we also implement corrective and preventive actions. Accordingly, we analyze lessons learned and adjust the operational, organizational and management procedures in order to avoid the occurrence of any similar event. In view of our commitment with the matter, an annual performance in operational security is considered in the variable compensation of the Comgás’ associates.

We closed the year with Lost Time Injury Frequency (LTIF)<sup>1</sup> of 0.27. We recorded three temporary leaves during approxi-

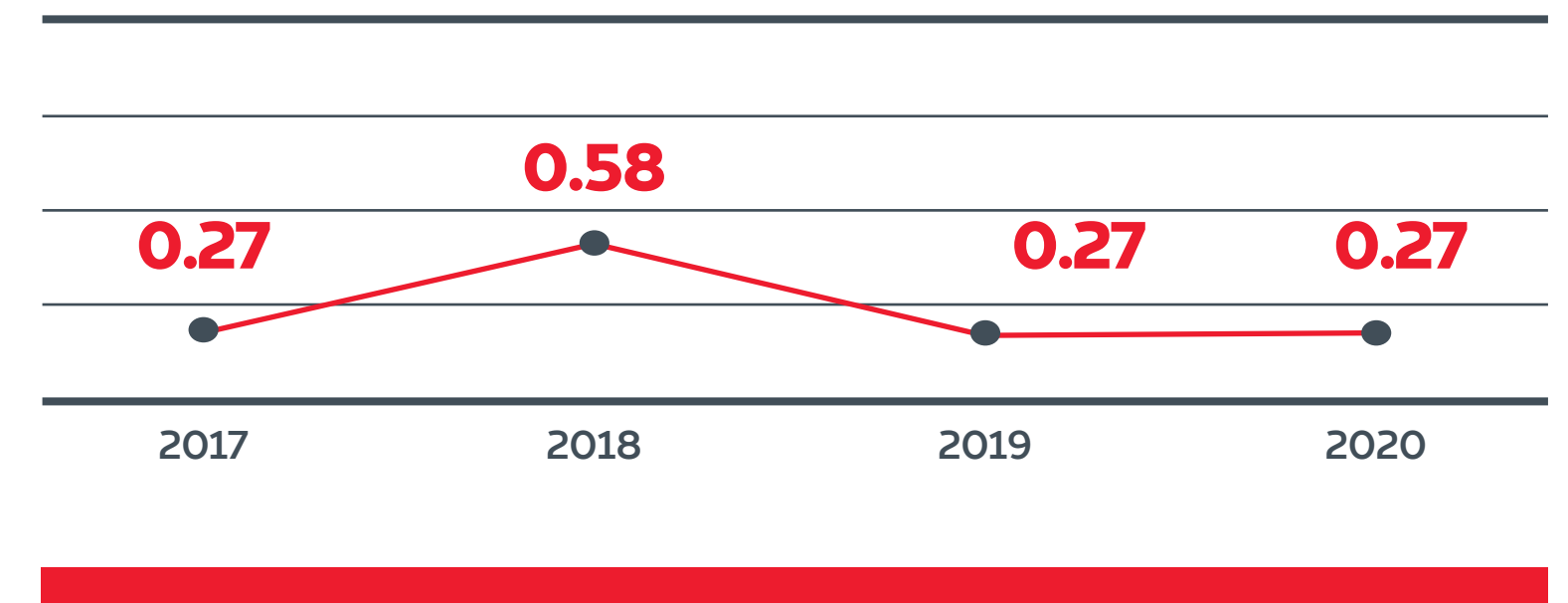
mately 11.2 million of hours worked, including one associate who suffered from knee torsion and two outsourced associates, due to fracture and fall. Based on reportable labor accidents (TRCF)<sup>2</sup>, we recorded a rate of 1.97, totaling 22 cases reported. In addition to reportable accidents, we recorded 36 first aid occurrences in 2020. No deaths were recorded.

In the year, we have not recorded diseases or health issues reported by our associates relating to work performed. The main risks refer to noise and biological aspects. For purposes of management, we offer earplugs, under the Hearing Protection Program, including the performance of supplementary examinations during labor examinations, such as audiometry for early intervention, if necessary. For purposes of control over biological risks, we direct the use of PPEs, such as gloves, waterproof boots and protective goggles, in order to prevent contamination.

One of the main security risks in Brazil, applicable to our operations, refers to traffic accidents. In our team, 70% of our associates use vehicles during work and, therefore, we offer qualifications and recycling courses in safe traffic on a continuous basis – a mandatory requirement for our drivers. In 2020, we installed telemetry sensors in all vehicles, which reports are daily analyzed by managers for purposes of preparation of corrective actions.

Associates with good performance (without infractions) are classified as reference – in the year, 60% of professionals were considered reference drivers. Such result derived from an important improvement in the period. In 2020, we registered 53 incidents with vehicles, totaling 9 million kilometers, without any accidents.

## LTIF (Lost Time Injury Frequency) Rate - Employees and Contractors



<sup>1</sup> Lost Time Incident Frequency (LTIF): considers the number of labor accidents with temporary leaves, per 1,000,000 hours of work.

<sup>2</sup> Total Recordable Case Frequency Rate (TRCF): considers the number of labor accidents with temporary leaves or restricted work, per 1,000,000 hours of work.



In recognition to our commitment with safety, we received, for the 13<sup>th</sup> time, from **AGA Safety Achievement Awards for Employee Safety**, the award granted by the American Gas Association to Comgás, in recognition of our high levels in safety performance. The award ranks us first place in terms of security in relation to the other natural gas distributors.

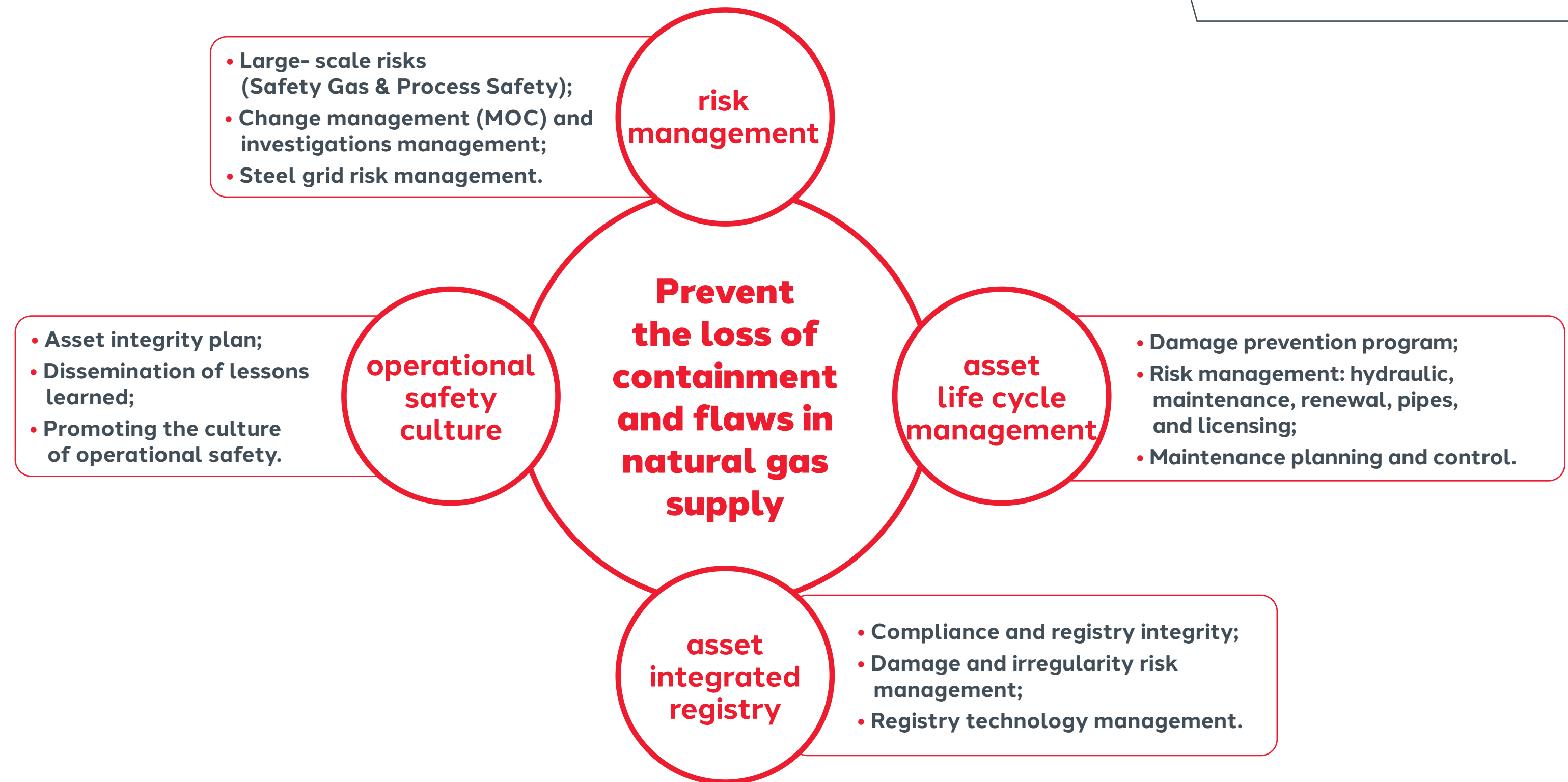


**ASSETS**

| SASB IF-GU-540 | SASB EM-MD-540 |

For purposes of maintenance of the integrity security maintenance of our assets and natural gas distribution network, as well as reduction of the risks of loss of retention and lack of supply, our management is supported by international references and recognized practices, such as the British Standards Institution (BSI), Publicly Available Specification (PAS), Institute of Asset Management (IAM) and ISO 31000, ASME B31.8S and ISO 55001 series. In addition, our Management System interfaces with several key elements of our value chain, such as Pipe network Operation, Pipe network Maintenance, Pipe network Construction and Client Connection.

# ASSET INTEGRITY MANAGEMENT SYSTEM





Specifically in relation to Comgás **operational risk management**, we operate with tools and procedures for the management of changes and investigation of accidents; in addition, we also evaluate directly any external corrosion of steel pipes. In addition, in 2020, we conduct a study on the risks and structured operations (HAZOP) of our activities to identify and assess situations that could pose risks for people or equipment. We have also developed a Procedure Security Management System (PSM), in order to reduce the frequency and seriousness of incidents resulting from the release of chemical products.

In relation to **Asset Life Cycle Management**, we have structured a Damage Prevention Program (PPD), including communication and training actions, hydrau-

lic analyses of network interfaces with licensing bodies and other concessionaires. These solid procedures were essential for 2020, in which year, by virtue of the social isolation measures imposed by the pandemic, public roads became emptier, and several concessionaires carried out maintenance work. In this context, Comgás improved the actions for prevention of damages to networks. In this regard, we monitor scheduled third-party work, implemented awareness actions and provided supporting tools to third parties, including registration of networks – consulted approximately 95,000 times in the year – and technical directions in field. In the aggregate, we completed 2,416 on-site actions (71%) and 965 remote actions (29%) with third parties for prevention of damages to our natural gas distribution network.

## DAMAGE PREVENTION PROGRAM (PPD) IN FIGURES

**3,381**  
THIRD-PARTY  
ACTIONS

Increase of 101% in relation to 2019

**128**

ACTIONS WITH OUR PARTNERS  
ON BEHALF OF COMGÁS

Increase of 42% in relation to 2019







Among the actions included in our integrated asset registry, responsible for the management of the registry technology and the risks of damages and irregularities in the surroundings of the distribution network, we implemented the following:

- ✓ **Control over ditches** – we developed the prototype for managing all ditches opened by Comgás. The prototype includes the capture of data through application, alignment of information, thematic maps, and dashboard for management and reports.
- ✓ **Digital Patrol** – we created a prototype to ensure the patrol of the on-line network. In addition to indicate the piped networks to be monitored, the application records the route to compare the estimates and the actual performance, as well as captures piped network inspection data.
- ✓ **Digital 2.0 Line Sketch** – we developed the version 2.0 of the line mobility, which includes the capture of welds and materials, for purposes of monitoring.
- ✓ **General Sketch** – digital prototype, through an application, in which case the sketch can be digitally designed and generated. In addition to design, the digital general sketch allows the capture of pictures, locations (GPS) and information in the form.

In relation to our **Culture of Operational Security**, critical analysis is performed on an annual basis, which supports the Annual Asset Integrity Plan (PIA) and the table of Asset Integrity Indicators, divided into a Scorecard (Asset Integrity Basket) and a Critical Security Element (ECS) category – both monitored on a monthly basis. The purpose of the Operational Security Projects is, therefore, ensure the integrity of assets and the supply of natural gas on a safe and continuous basis, without any risk of interruption, in conformity with the technical and security aspects. Therefore, we comply with the renewal programs, which focused on the replacement of equipment of the distribution systems that are achieving the end of the respective useful lives or are obsolete, reducing the occurrence of incidents by virtue of gas leakage and ensuring the supply of user units.

WE PERFORMED  
OVER **20,000**  
**PREVENTIVE**  
**MAINTENANCE**  
**ACTIONS, WITH**  
**100% SUCCESS.**




In addition, Comgás assumed through 2022, **12 Commitments of the Asset Integrity Management System**, focused on improving the continuous management of risks, operational security and response to emergencies, conformity and integrity of assets, piped network registry and strategic damage prevention actions, security and maintenance.

1. Risk identification and management project.
2. Pipe risk management and licenses.
3. Steel network integrity project.
4. Tokyo Project, including strategic damage prevention actions, amongst others: the development, under the ABNT standard, of directional perforation; establishment of the Specific Purpose Entity (SPE) in conjunction with public service concessionaires; improvement of the institutional relationships with other companies that interfere in the underground – concessionaires and others.
5. Management of response to emergencies.
6. Conformity of assets.
7. Registry Legacy Project, in order to validate and classify documents equivalent to thousand kilometers of network, define the new As Built standard (analysis of documents with different characteristics) and implement the new model for construction of assets.
8. Registry technology: availability, location and identification of networks.
9. Operation and maintenance focused on reliability.
10. Operational safety projects.
11. Investigation, lessons and effectiveness of actions.
12. Security culture, with leadership engagement.

In 2020, Comgás invested R\$ 68 million in pipeline integrity programs, including inspection activities, pipe network renewals and lines, replacement of regulators, improvement of the cathode protection system, and management and adequacy of non-compliance.

| GRI 403-1 | SASB IF-GU-540 |



IN 2020, COMGÁS  
INVESTED MORE THAN  
**R\$ 68 MILLION IN PIPELINE  
INTEGRITY PROGRAMS**



# DAMAGE PREVENTION MANAGEMENT SYSTEM

## DAMAGE PREVENTION PROGRAM

- Damage prevention strategy;
- Communication;
  - Training;
- Institutional.

## EMERGENCY AND REPAIR

- Emergencies;
- Call Center;
- Radio Room;
- First Service and response to emergency grid repair;
- Correction of irregularities.



## INTEGRATED ASSET REGISTRY

- Registry and constructive integrity;
- Supply of registry and analysis of hole plan;
- Governance of legal and financial notices.

## OPERATIONAL RISK MANAGEMENT

- Technical work direction;
- Technical direction dispatch management;
- DDS.

Internally, we have also implemented an structured Damage Prevention Management System, which strategy was reviewed in 2019 and includes Damage Prevention Program, Emergency and Repair, Integrated Asset Registry and Operational Risk Management, including security actions in each of these pillars.

In 2019, we contributed for the launching of **Geoinfra Platform**, digital system implemented in partnership with the Municipality of São Paulo, for purposes of consolidation of the infrastructure network information in the City of São Paulo, resulting in improvements to the operational security, increases in productivity and more efficient management of the works and services performed in public roads. In 2020, we entered into a partnership for the development of new modules, which increased the activities relating to the operation in public roads and the underground managed by the System.

Another initiative was the signing of a cooperation agreement with Sabesp, for purposes of development of joint technical actions and the implementation of new technologies that incentivize the safe performance of infrastructure work in the urban underground, areas of operations and areas of common interest.





## Community

| GRI 102-12 | 103-2 | 103-3 | 201-4 | 203-1 |  
| 203-2 | 413-1 |

WE GENERATED **POSITIVE INDIRECT ECONOMIC IMPACTS** FROM OUR OPERATIONS, INCLUDING THE FOLLOWING:

- ✓ Development of technical labor with some programs, such as Future Generation and Voluntary Work, which prepare young people to work in the marketplace, promoting courses to associates/technicians.
- ✓ Cooperation with 1,195 direct workstations, representing the distribution of R\$ 161 million, including compensation, benefits and FGTS, and other additional 3,000 outsourced associates supporting Compass.
- ✓ Costs of R\$ 8 billion with properties, services, construction and materials acquired from third parties, stimulating the economy in Brazil.

WITH OUR PLANNED INFRASTRUCTURE PROJECTS, SUCH AS THE **SÃO PAULO REGASIFICATION TERMINAL (TRSP) AND ROUTE 4**, WE WILL PROVIDE:

- ✓ Offer of workstations to the local community.
- ✓ Partnerships with international companies in the operation of the TRSP, which may foster outside investments in oil and gas in Brazil.
- ✓ In the future, the Route 4 project will promote new investments in the region and partnerships entered into by Compass and other companies.





Focused on the development of people through culture, sport and education, we have allocated funds arising from tax incentive laws to support projects of which we are proud of and that reinforce our commitment to the development of a more fair and equal society. In the selection of these projects, we had a very close contact with municipalities, which supported us in defining local demands and opportunities. Despite the challenges of the pandemic, in 2020, we allocated R\$ 24 million in sponsorship and donations to social investments. We point out below some projects supported in the year:

✓ **KOBRA MURAL**

Located in the Municipality of Santos, the Santos Convention Center received a mural of 800 meters in 2020, created by the renowned Eduardo Kobra. The mural presents four passions of the City of Santos: Pelé (to celebrate the 80 years of the player), the Port, Coffee Bags, and Trolleys.

✓ **IPIRANGA MUSEUM**

In partnership with Support Foundation to the University of São Paulo (FUSP), representing investments in the amount of R\$ 5 million for works of recovery and modernization of the Ipiranga Museum.

✓ **COMGÁS CHANGES**

Public event sponsored by Comgás for three years. In 2020, such event was fully performed online, with the promotion of culture, gastronomy and music.

✓ **VANDERLEI CORDEIRO DE LIMA INSTITUTE**

Initiative lead by the champion and winner of olympic medal Vanderlei Cordeiro de Lima for purposes of promotion of athletics in the region of Campinas, increasing the number of participants and offering opportunities for social transformation, as well as stimulating the exercise of citizenship and improving the quality of life to beneficiaries.

✓ **HELENA PICCARDI DE ANDRADE SILVA ASSOCIATION (AHPAS)**

This project offers treatment, life quality and protection to children and adolescents with cancer.

✓ **WAKE UP ASSOCIATION**

Support to the human development of children and adolescents through gastronomy and social support.

✓ **ADOLESCENT RECYCLING INSTITUTE (RECYCLING INSTITUTE)**

Project for the development of actions in order to contribute with the development of autonomy and active participation of adolescents in social and economic vulnerable condition.

✓ **LOVE HOSPITAL**

Support with the provision of medicines and procedures for elderly people with cancer.



# VOLUNTARY WORK PROGRAM

We adjusted our voluntary work program in 2020 in order to contribute towards the reduction of the impacts from Covid-19 pandemic. In partnership with the Comunitas social organization, we promoted a campaign amongst our associates for the donation of basic food baskets to students of municipal schools who, due to the closing of the schools, were not able to receive meals offered by the schools. Our companies also contributed so that associates could “adopt” a student to donate a basic food basket. We doubled the donations, which represented the delivery of basic goods baskets to 431 students.

The partnership with the Education Partner Program, in the context of which we supported the São Paulo School, located in the surroundings of our operational center, in the City of São Paulo, was maintained. We donated influenza vaccines to students and their families.

Due to its relevance and our new business context, we will replace, in 2021, our voluntary work program, which will be extended to cities where we are beginning our operations with the distribution of piped gas, in partnership with the NGO Education Partners. In order to celebrate such expansion, in our virtual party at the end of the year we promoted a new campaign for donation of basic food baskets, which were delivered to a school in the City of Indaiatuba and benefited 368 families (two baskets per year).

**IN 2021, OUR VOLUNTARY WORK PROGRAM WILL BE EXTENDED TO THE CITIES WHERE WE ARE BEGINNING OUR OPERATIONS, IN PARTNERSHIP WITH THE NGO EDUCATION PARTNERS.**





06

# ENVIRONMENTALLY RESPONSIBLE

OFFERING MORE ENERGY AND LESS EMISSIONS



## Environmentally Responsible

**We have a robust Environmental Management System (SGA)** – which effectiveness is evaluated annually by Senior Management and a Security, Health and Environment Policy, approved at the Executive Board Meeting and certified by the Board of Directors. Since 2003, Comgás is certified under ISO 14001, which certifies our correct environmental performance in the expansion, operation and maintenance of the natural gas distribution network. The certificate covers the Metropolitan Region of São Paulo, and the regions of Campinas, Vale do Paraíba and Baixada Santista, including odorisation stations, lines and regulation and measurement equipment owned by Comgás. | [GRI 102-12](#) |

In relation to the Environmental License, we developed significant infrastructure projects in which we prepared and presented all documents applicable to the process of obtaining of licenses. At the end of 2020, Comgás held 81 effective environmental licenses (eight obtained in the year), of which two are Previous Licenses (LP), four are Installation Licenses (LI) and 75 Operational Licenses.

Compass Infraestrutura presented social and environmental studies for the implementation of the Natural Gas Regasification Termination of the State of São Paulo (TRSP). As part of the license procedure, we have planned 23 social and environmental programs – some programs are more directed to the direct labor impacts and other previous impacts of the work in progress.

In addition, Compass, in partnership with Elos Institute, will develop social projects with the community surrounding the project.

In order to be close by the TRSP and create a relationship with our stakeholders, we will implement the Social Communication Program. The purpose of this program is to ensure the dialogue between the entrepreneur and society, mainly the population directly impacted by the project in different stages, so that society is informed on the project. We are also monitoring the fishing land and we will promote improvements in infrastructure to fishermen, in addition to training and qualifications in the context of the Fishing Monitoring and Supporting Program.

In relation to the local fauna and flora, we are also monitoring Aquatic Life and white shrimp, which is an important specimen for fishing in the area and the surroundings of the project. The impacts arising from the suppression of vegetation will be compensated by the plantation of native vegetation in an area of approximately five hectares, initially, inside the State Park of Serra do Mar.

Each program has a specific purpose and schedule to be complied during the construction and operation of the TRSP.

**WE IMPLEMENTED THE SOCIAL COMMUNICATION PROGRAM TO BE CLOSE TO THE COMMUNITY AND CREATE A RELATIONSHIP WITH OUR STAKEHOLDERS**





# VOLUNTARY PLANTING

In order to support the recovery of headwaters, Comgás voluntarily planted approximately 8,000 seedlings of native trees of the Atlantic Forest in the region of Campinas, which reinforces the importance of environmental awareness and protection. The plantation is part of a project for recovery of two springs located in the Environmental Protection Area (APA) of Campinas, inside the Atalaia Farm, Sousas, in an area of approximately four hectares.

The voluntary action is part of a project promoted by the State Government, denominated Headwaters Program, which was created to leverage the ecological recovery in priority areas, promoting the protection and maintenance of water resources and biodiversity. In addition to the recovery of headwaters in the Municipality, the project contributed for the reduction of greenhouse gas emissions – the plantation was equivalent to the capture of 1,280 tCO<sub>2</sub>.

In 2021, we intend to improve our partnership with Atlântica Forest SOS Foundation. For each client that adhered to the option to receive the digital invoice and authorize the automatic debt, Comgás will plant a native tree in the region of Promissão, in the countryside of São Paulo. The purpose is to reduce the use of paper and contribute with the recovery of the Atlântica Forest, the most endangered biome in Brazil.



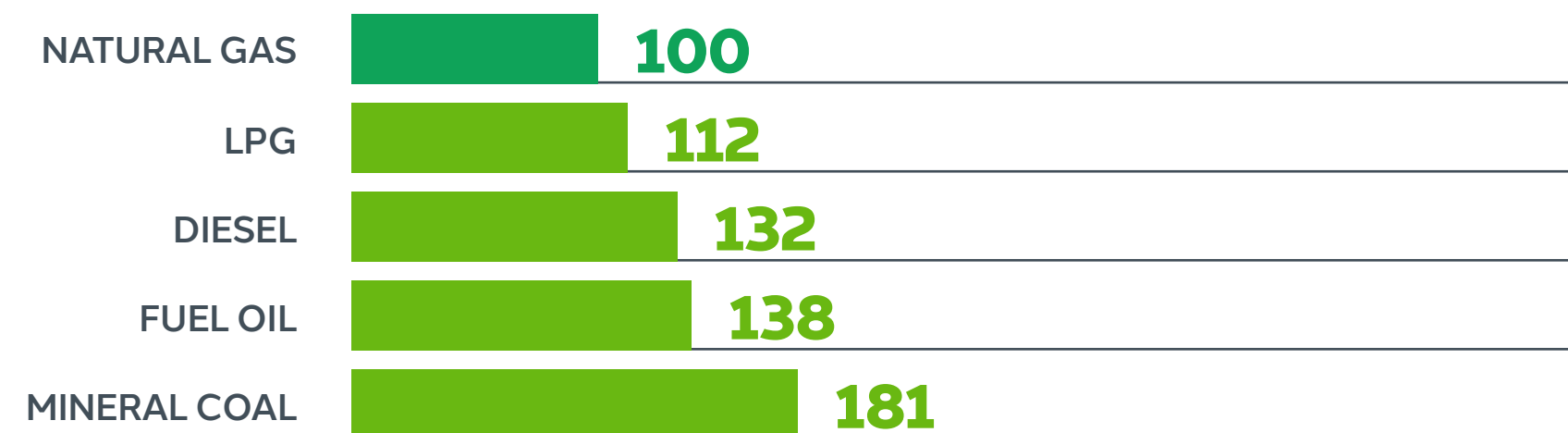
# Emissions management

| GRI 103-2 | 103-3 | 305-1 | 305-2 | 305-3 | 305-4 | 305-5 | 305-6 |  
 | SASB IF-GU-420 | SASB EM-MD-110 | SASB EM-MD-120 |

**We consider climate change to be a core issue in our operations**, which is a significant and emphasized matter in our ESG pillars. The purpose is to offer more energy with less emission. In Comgas, we set the goal to neutralize our Emissions of Scope 1 and 21, which makes Comgás net-zero in greenhouse gas emissions (GEE) through 2025. By analyzing beyond our operations, we work to improve the use of natural gas in the energy matrix, offering additional energy with less emission upon replacement of other fossil fuels, such as GLP, diesel and fuel oil.

## EMISSION OF FOSSIL FUEL

BASE 100 - NATURAL GAS



<sup>1</sup> SCOPE 1: Direct emissions arising from sources that belong to or are controlled by the organization: fugitive emissions, burning in stationary sources (cogeneration and machines), mobile sources (cars, trucks) and treatment of waste and effluents.

SCOPE 2: indirect emissions from the acquisition of electric energy consumed by the organization.

SCOPE 3: other indirect emissions resulting from the organization activities, however such indirect emissions took place in sources that belong to or are controlled by another organization: all emissions that take place in the life cycle of products and services acquired and/or distributed, third-party transportation, disposal of waste for treatment, business travels.



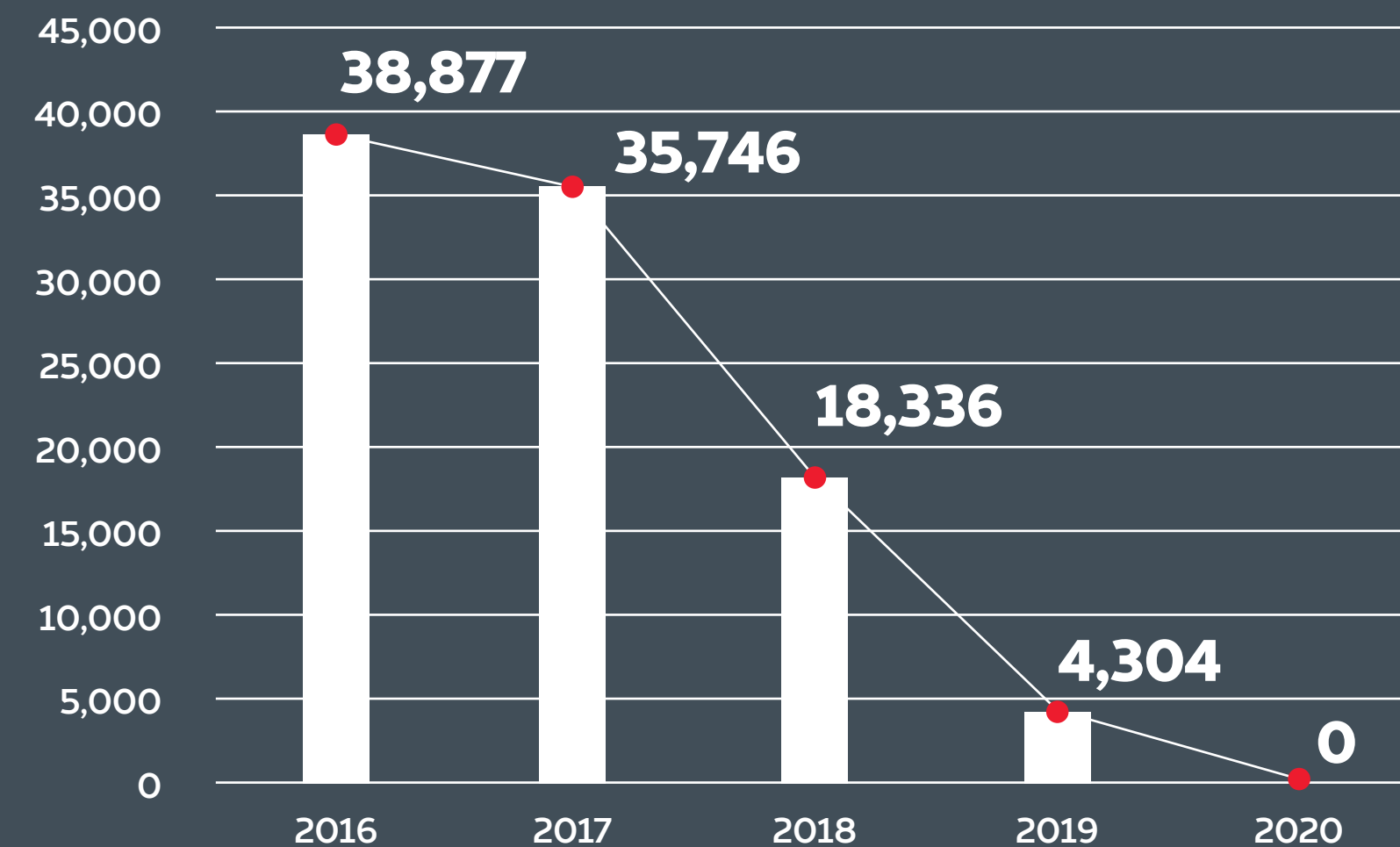




## Reducing our greenhouse gas emissions

Amidst our efforts to reduce the direct emissions of GEE in Comgás, we point out the completion of the Cast Iron Pipe network Renewal Plan. In the last five years, we increased our investments in the replacement of the iron network for polyethylene (PE), through investments of approximately **R\$ 159 million in the renewal of the last 186 kilometers** of cast iron in our network. As a result, we zeroed emissions arising from natural gas leakages caused by cracks in cast iron, which, in 2016, were at levels close to 40,000 tCO<sub>2</sub>e/year. At the end of 2020, we operated a distribution network of 19,468km, composed of 87% per PE and 13% per steel. | [GRI 305-5](#) |

### FUGITIVE GREENHOUSE GAS EMISSIONS IN THE CAST IRON NETWORK (TCO<sub>2</sub>E)





Another initiative that contributes to our reduction of greenhouse gas emissions is the **Damage Prevention Plan**, with actions for maintenance of our assets, which support the control over fugitive emissions of natural gas due to leakage in the pipe network arising from third-party damages. In these fleets, as a way to mitigate our emissions, we have emphasized the use of the ethanol and Vehicle Natural Gas (GNV). Our actions reduced the direct emissions of greenhouse gas emissions from 16,500 tCO<sub>2</sub>eq in 2019 to approximately 12,200 tCO<sub>2</sub>eq in 2020. Approximately 84% of direct emissions are caused by the natural gas distribution activity; the remaining 16% are divided between transportation and utilities. In relation to our level of emissions of Scope 1 and 2 per kilometer of network, we registered a reduction of **32% compared to 2019, with 0.64 tCO<sub>2</sub>eq/km. We are proud of the progress and performance in the control of emissions, including figures that place us as a reference in the natural gas distribution sector.**

As a good practice, since 2019 we monitor all our sources of greenhouse gas emissions, based on guidelines set forth in the Greenhouse Gas Protocol and the Brazilian version, the Brazilian GHG Protocol Program. Therefore, in the current reporting cycle, we have consolidated our 2<sup>nd</sup> Greenhouse Gas Emission Inventory<sup>1</sup> in order to ensure energy of the procedures for purposes of reduction of specific emissions, in addition to foster transparency in relation to the management of the issue.

In relation to Scope 3, we recorded the combustion of natural gas distributed by Comgás and used by the clients, which parameter significantly impacts our indirect emissions.

**Greenhouse Gas Emissions by Comgás (unit = tCO<sub>2</sub>eq)**

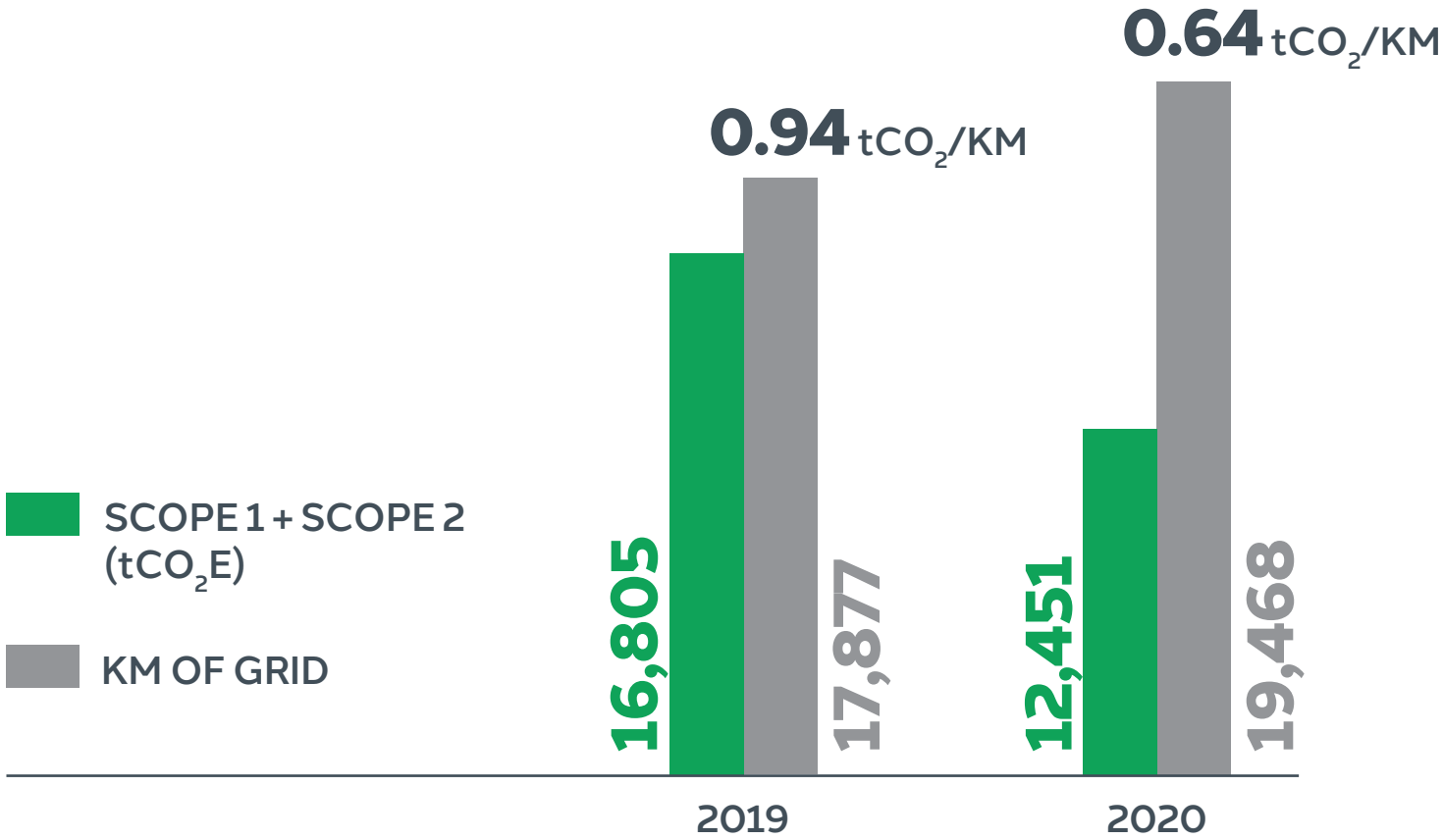
<b>SCOPE 1 (Direct emissions)</b>	<b>16,484</b>	<b>12,219</b>
Stationary combustion	559	830
Mobile combustion	922	967
Fugitive emissions in the natural gas distribution grid	14,216	10,230
Other fugitive emissions	748	191
Solid waste and liquid waste	39	0*
<b>SCOPE 2 (Indirect emissions arising from the acquisition of electric energy)</b>	<b>321</b>	<b>232</b>
<b>SCOPE 3 (Other indirect emissions)</b>	<b>9,004,213</b>	<b>8,440,809</b>
Waste generated in the operations	568	124
Transportation and upstream	3,261	3,260
Use of properties and services sold	9,000,262	8,437,401
Business travels	123	24

<sup>1</sup> Our 2020 inventory reflects the emissions of the Comgás' operations, considering that, in 2020, other units of Compass Gás & Energia maintained solely the administrative activities.

In 2020, Compass considered the natural gas combustion distributed by Comgás to the clients in scope 3, which explains the increase in the volume of emissions of such scope disclose in the past. In relation to this volume of distribution, Compass supports the energetic transition of the clients allowing them to reduce the emissions in up to 30%\*. The inventory of scope 3 was adjusted in 2019, based on the same methodology used in 2020.

\* Estimated volume of the natural gas in relation to the emissions of fuel oil.

**LEVEL OF COMGÁS' GREENHOUSE GAS EMISSIONS: SCOPE 1 AND 2 PER KILOMETER OF DISTRIBUTION GRID**





# Management of Recourses

## ELECTRIC ENERGY

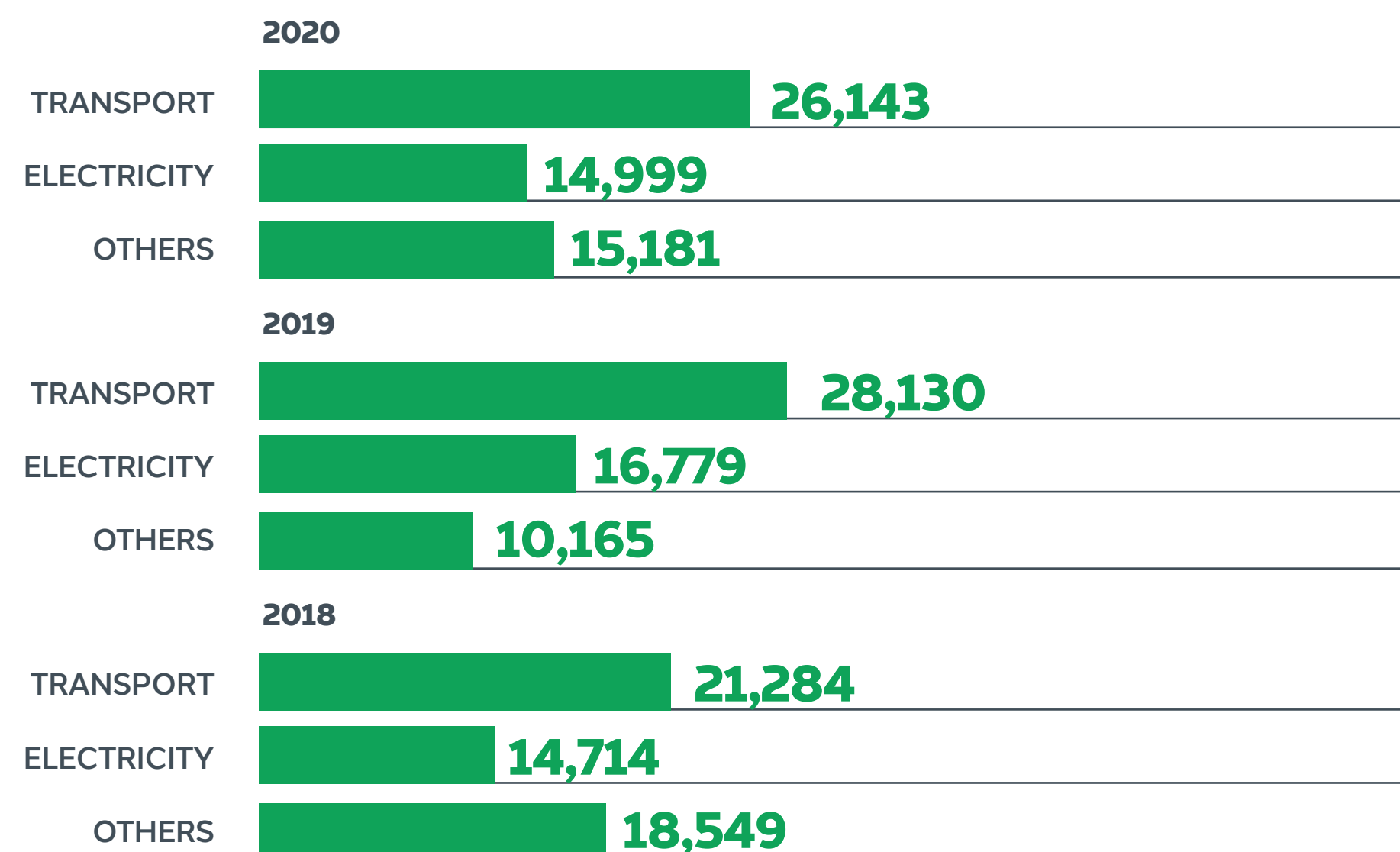
| GRI 302-1 | 302-3 |

We monitor, on a monthly basis, our electric energy consumption, in order to identify the power efficiency opportunities in conformity with best environmental practices. In Comgás' operational center, in São Paulo (SP), we operated a natural gas cogeneration unit and, in São José dos Campos (SP), we generated electric energy locally through a photovoltaic system.

Our power consumption, represented in 2020 by Comgás' operations, is related to the administrative area, natural gas cogeneration, the network protection system, natural gas receipt stations and our team. In 2020, our power consumption was 56,323 GJ, of which 46% in transportation, 27% in other activities and 27% in acquisition of electric energy.

IN 2020, WE CONSUMED **56,323 GJ** OF ELECTRIC ENERGY, OF WHICH **46%** IN TRANSPORTATION, **27%** IN OTHER ACTIVITIES AND **27%** IN ACQUISITION OF ELECTRIC ENERGY.

### TOTAL CONSUMED ELECTRIC ENERGY (KWH) | GRI 302-1 |



## WATER

| GRI 303-1 | 303-5 |

We have used water mainly from the distribution concessionaire. We have two external sources for capture of water, one water reuse source for irrigation and cleaning, and another for reuse of the Sewage Treatment Station (ETE) of our Operational Center, reused in toilets. We sought to reduce the consumption through awareness actions directed to our associates; installation of equipment, such as mixer taps; and toilet flushes with reduced flow. In 2020, we consumed 8,474 ML of water, a decrease of 33% compared to 2019.

### TOTAL WATER CONSUMPTION (ML):







## Waste Management

| GRI 306-2 | 306-3 | 306-4 |

**The measures adopted to avoid waste generation by** our chain of value and manage the significant impacts are based on our Solid Waste Management Plan (PGRS), which describes the procedures for the proper waste management for the purposes of non-generation, reuse, recycling and final disposal. At the end of each month, we register the Final Disposal Certificates in relation to the waste directed to recycling or landfill in the period.

In the year, 512.6 tons of waste, including, mainly, plastic waste (28%), waste class I (20%), metals (18%), and civil construction waste (15%). We directed 100% of plastic, metal, paper and cardboard.

**WE DIRECTED 100% OF PLASTIC, METAL, PAPER AND CARDBOARD FOR RECYCLING.**





07

# TRANSPARENCY AS A PRIORITY

**PROMOTING THE BEST CORPORATE  
GOVERNANCE PRACTICES**



## Corporate Governance

| GRI 103-2 | 103-3 |

**We are a corporation, owned by Cosan S.A.** We continuously evaluate financing alternatives to optimize our capital structure, by raising funds in the capital market or development agencies, through a possible initial public offer of shares. | [GRI 102-5](#) |

We operate in order to meet the needs of investors and the society in general and, in this regard, the conduction of our businesses reflects our solid values and principles, shared for more than one decade amongst companies comprising the Cosan Group, such as Comgás. Accordingly, we were established supported by robust controls, policies and governance flows, through which we define and communicate business purposes, corporate strategies and risk management systems. Amongst our good practices, we point out the following:

- ✓ Segregation of positions of Board of Directors' Chairman and CEO. | [GRI 102-23](#) |
- ✓ Implementation of Statutory Audit Committee and Related-party Committee.
- ✓ Compliance Program, [Ethics Channel](#) and public policies relating to the matter.

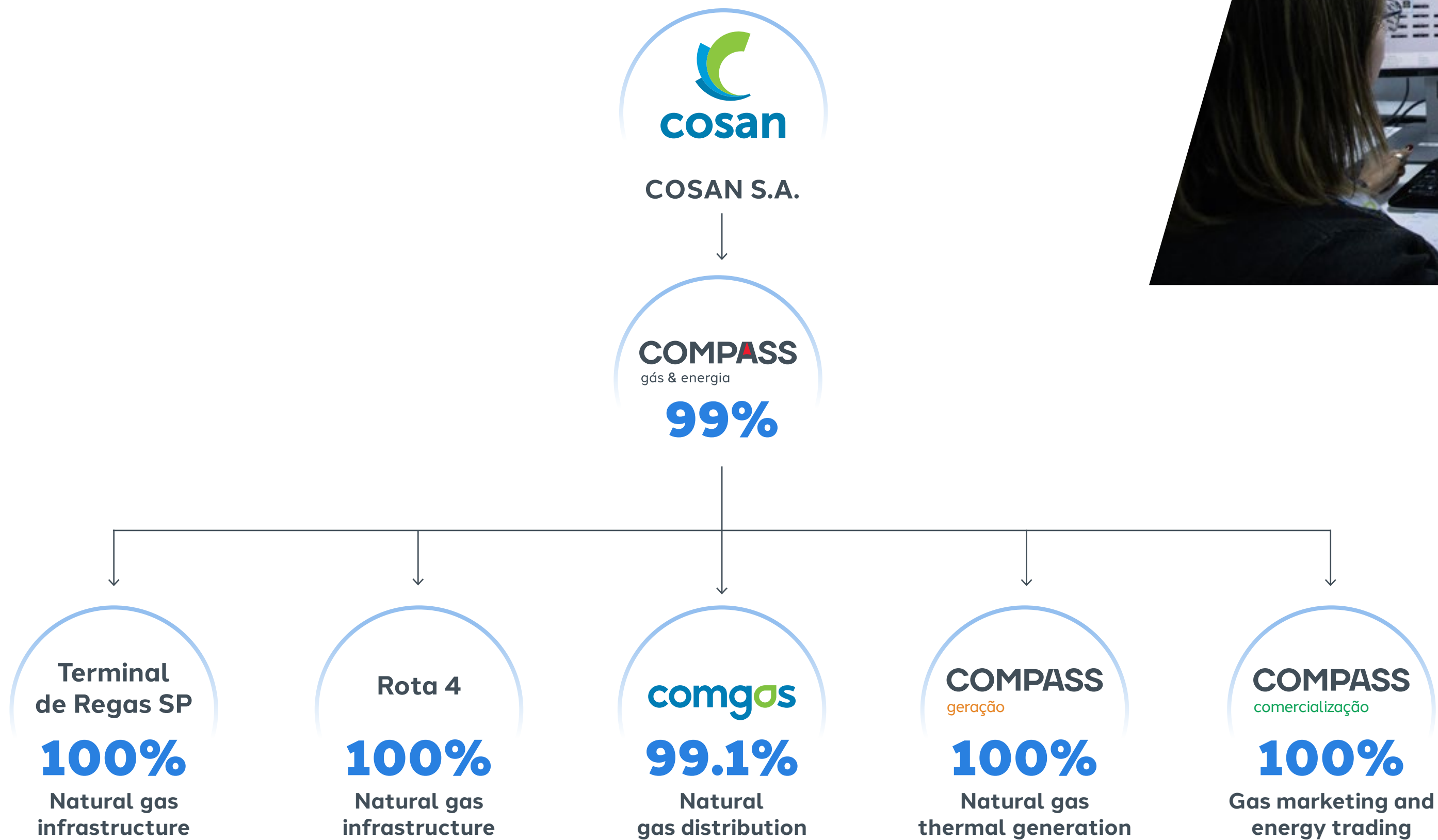


- ✓ [Risk Management Policies](#) approved by the Board of Directors.
- ✓ Compliance policies approved by the board of directors<sup>1</sup>.
- ✓ Management of compensation, talents, and succession, supported by the People Committee.
- ✓ Security of people and operations, and environment). | [GRI 102-28](#) |

<sup>1</sup>Antitrust Policy, Money Laundering Policy, Anticorruption Policy, Donation and Sponsorship Policy, Policy for Offer and Receipt of Gifts and Entertainment and Public Body Relationship Policy.



# SHAREHOLDING STRUCTURE\*



Updated shareholding structure available on the [IR website of Compass Gás & Energia](#)

\* On 12/31/2020



## GOVERNANCE STRUCTURE

| GRI 102-18 | 102-26 | 102-31 |

Our ultimate resolutive body is the Shareholders' Meeting, attended by the shareholders once a year (ordinary) and, on an extraordinary basis, whenever deemed necessary according to our interests, considering the terms for calling meetings and the matters set forth in the Brazilian Corporate Law. The administrative structure is comprised of the Board of Directors, Executive Board and supplementary bodies.

The delegation of authority is defined according to the general guidelines set forth in our Bylaws and Authority Delegation Manual (MDA), which is managed by the Internal Control area in conjunction with the main aspects and managers of the main procedures. All changes are approved by the Executive Board. The manual is disclosed to the entire team through a virtual platform. | GRI 102-19 |

### Board of Directors (CA)

| GRI 102-22 | 102-26 |

- ✓ Is responsible for defining the general business guidelines and policies, oversight the management of executive officers, monitor the implementation of any guidelines eventually established, engage independent auditors, amongst other duties described in our [Bylaws](#).
- ✓ Meets ordinarily, four days per year and, on an extraordinary basis, whenever requested.



- ✓ Composed of a minimum of seven and a maximum of 13 effective members, elected by the shareholders at the general meeting for two-year terms, being allowed the re-election. In addition to the shareholder's indications, at Comgás, employee representatives have the right to elect a member, pursuant to our Bylaws and the Corporations Law. | GRI 102-24 |
- ✓ At least 20% of the directors must be independent members.





## Supporting Bodies |GRI 102-20|

Our Audit Committee may create additional advisory committees, with restricted and specific purposes, without definition of the term, upon appointment of their respective members, considering that the attributions are established in the respective internal regulations. In 2020, we have implemented the following committees:

- ✓ Audit Committee (statutory)
- ✓ Financial Committee
- ✓ People Committee
- ✓ Reporting Committee
- ✓ Strategic, Social and Environmental, Governance Committee
- ✓ Related-party Committee
- ✓ Fiscal Council (Comgás)

The current composition and curriculum with the qualification of members of the Audit Committee, Executive Board and supporting committees of Compass and Comgás are available at the respective Investor Relations websites:



## Board of Executive Officers

- ✓ Implements all actions deemed necessary for our daily operations, amongst other attributions set forth in our [Bylaws](#).
- ✓ It always holds meetings called by any of its members, and the majority represents the quorum for the meetings.
- ✓ Composed of, at least, two members and, at most, nine members, resident in Brazil, whether shareholders or not. Executive officers are elected by the Board of Directors, reelection permitted.
- ✓ The positions of Board of Directors' Chairman and CEO must never be exercised by the same person.



## EXECUTIVE OFFICERS' COMPENSATION

| [GRI 102-35](#) | [102-36](#) | [102-37](#) |

Our Compensation Policy defines the guidelines that must be complied and adopted for the compensation of statutory members of the Board of Directors, Executive Board, Fiscal Council and Statutory Committee.

Board of Directors members are entitled to a fixed compensation of 12 monthly installments, which is determined based on the responsibilities, skills, time dedicated to the functions and services in the market. The Board of Directors' compensation reflects market practices, determined by means of periodical compensation surveys, performed by specialized consultants.

The Executive Board's compensation is composed of fixed and variable payments in the short and long terms. The fixed compensation of executive officers is determined by virtue of the complexity and level of authority of the functions performed, and by market practice. Regarding variable compensation in the short term, in order to ensure differentiation and meritocracy, we also consider individual performance indicators, which include behavior indicators and are partially bound to financial goals and projects. In turn, payment of the long-term variable compensation considers the individual performance of the company's eligible members and long-term performance.

Assessment of individual performance comprises financial and sustainability goals (health, security of people and operations, and environment), projects, behaviors and attitudes, as well as a commitment to succession and development of people, aligned with the guidelines defined by the Human Resources Committee and in conformity with commitments with sustainable development approved by the Company's Board of Directors, in accordance with best market practices.





## Ethics and Compliance

| GRI 102-16 | 103-2 | 103-3 |

**As soon as our activities started, we set out a robust compliance program and be positioned with ethics and integrity in a scenario increasingly marked by higher competition and regulatory changes.** In June, we also published our [Code of Ethics](#). This document, applicable to employees and outsourced workers, with clear and objective language, communicates our teams' duty to ensure principles, values, and internal policies, as well as prevailing laws; and make decisions that foment an environment of ethics and respect across all levels and activities. The values, reflected in our Code of Ethics, guide relationships among employees, business partners, suppliers, customers, shareholders, and the community in general, with a focus on the following principles:

### Our values

#### ✓ PROMPTNESS AND DISCIPLINE

Immediate undertaking of decisions, focused on security, diligence and performance of the procedures and institutional rules.

#### ✓ INNOVATION AND INCLUSION

New ideas and continuous search for creative solutions, focused on teamwork and the diversity of our people.

#### ✓ IMPROVEMENT AND EXCELLENCE

Continuous overcoming of challenges and search for improved performance each day, on an ethical and sustainable.

#### ✓ PERSONAL DEVELOPMENT

Training, instruction and recognition of our people and focused on the development of each professional for purposes of increasing improvement.

#### ✓ INTEGRITY AND ETHICS

Integrity of our conduct and corporate procedures in conformity with legal rules, contractual rules and corporate practices, and combating frauds, corruption and unlawful conduct.

#### ✓ DIVERSITY

Respect and recognition of the value obtained from the sum of differences in terms of culture, origin, physical and mental skills, ideas, color, race, religion, sexual orientation, economic class, gender and academic qualification.

#### ✓ RESPECT

Respect to individuality, dignity, confidentiality, essential rights and liberty of people, in order to ensure a work environment free from any type of discrimination, violence and moral or sexual harassment.

#### ✓ HEALTH AND SECURITY

Performance of our activities with respect to applicable labor and labor security laws. We ensure a healthy and inspiring work environment, focused on health and security.

#### ✓ SUSTAINABILITY

Social and environmental responsibility through the protection of natural resources, actions seeking for protection of businesses and creation of value to the community.



The document also discusses conflict of interests, determining that the “ potential conflict of interest shall be reported following the “Related Parties Policy and Conflict of Interests”, also the person involved in the conflict shall abstain from participating in any decision-making process”. Through mandatory training on the Code of Conduct, employees are oriented on how to act if they have to deal with any conflict of interests. In 2020, all employees when they faced this situation, they were able to report the event via an electronic form, which is assessed and approved by the immediate manager jointly with the Internal Controls area. In December 2020, HR’s official platform (Conecta) created a form for employees’ mandatory reporting, in which they shall annually declare the existence or not of conflict of interests. Besides current tools, during 2020, the Compliance issues notice through the corporate communication tool Workplace, including guidelines on this topic. | [GRI 102-25](#) |

We also set out [policies](#) on gifts and entertainment, managers’ appointment, trading and disclosure, management compensation, besides two risk management policies.







AT THE END OF 2020, **98%<sup>1</sup> OF OUR ASSOCIATES** WERE CERTIFIED IN TRAINING WITH RESPECT TO THE POLICIES AND PROCEDURES FOR PREVENTION AGAINST CORRUPTION

<sup>1</sup> 2% had no training registered in the system.

## COMPLIANCE TRAINING

In order to reinforce our commitment with ethics and the engagement of our associates, we offer on-line training on compliance to all members. At the end of 2020, 98%<sup>1</sup> of our associates were certified in training on the policies and procedures to fight against corruption. All associates were informed on the matter. We enforce the conduct expected from our business partners through communications and contractual clauses, according to the operations our business partners are involved. | [GRI 205-2](#) |

We direct our associates, in the event of any questions regarding our documentation, to seek for information with their immediate superiors or representatives of our Legal and Compliance teams. Possible violations of the Code of Conduct, internal policies and applicable legislations must be communicated to our Reporting Channel, by telephone (08 00-725-0039) or [on-line](#). | [GRI 102-17](#) |

Aligned with best market practices, the channel is operated by an independent company, who records and analyses reports on a confidential basis, directing them to our team of Internal Audit, Risks and Compliance for purposes of adopting any proper measures. We do not accept any type of retaliation against any person who has submitted any question or concern or denounced any possibly improper behavior. In 2020, 100% of reports and requests for clarifications received by our Channel were addressed.





## Risk management

| [GRI 102-11](#) | [102-15](#) | [102-30](#) | [102-33](#) | [102-34](#) | [207-1](#) | [207-2](#) |

**We maintain structures dedicated to the management of Operational, Strategic and Compliance risks – such as the areas of Internal Controls, Health, Security and Environment (SSM), Integrity of Assets, and Management of Market Risks.** All mapped risks are discussed with and reported to the Audit Committee, which is responsible for the monitoring and specific treatment of the matter. | [GRI 102-30](#) | [102-33](#) |

Based on the three-line protection model, risks are managed by the governance bodies (Board of Directors, in conjunction with supporting bodies), with the executive officers/managers and people being directly responsible for each mapped procedure – always supported by our Internal Controls area. Accordingly, we reinforce that understanding of the risks and adoption of actions in response is under the responsibility of all associates. | [GRI 102-34](#) |

In Compass, the Internal Controls and Risk Management areas are responsible for risk management, an attribution that is applicable to members of the Board of Directors, Audit Committee and Executive Board. The Audit Committee must determine the adequacy of our operational structure, ensuring the effectiveness of internal policies. In addition, the tools ensure proper management of these risks, adopted in conformity with the international model defined by ISO 31000 and COSO 2017.

Our risk management model determines the complete mapping of procedures. Accordingly, all areas are requested to identify internal or external factors that could impact the performance of operations. Risks are identified and evaluated based on a structured procedure, including the Executive Board, to discuss the likelihood of occurrence, potential impacts, in addition to proper management and mitigation plans applicable to each risk. Amongst the main risks identified, we emphasize the following: | [GRI 102-15](#) |

- ✓ **Operational Security:** risk of incidents that would result in the loss of gas retention or leakage.
- ✓ **Regulation:** risk of adverse impact arising from the regulation in the segments where we operate.
- ✓ **Macroeconomic Environment:** risk relating to the level of the economic activity, in terms of demand or price of the products in the markets where we operate.



All operations are evaluated with respect to the corruption risks through the monitoring of payments performed. Risks identified include improper payments; non-authorized payments; double payments; unregistered payments to partners; and payments with changed values. All financial outflows comply with the systematic flow of control to prevent and mitigate these risks, monitored by the Internal Controls area and supported by internal and external audits.

Therefore, in the year, we evaluated 100% of the financial transactions related to significant accounts, submitted to a specific flow, from approval to outflow of cash, in accordance with our internal controls, for purposes of compliance with the Sarbanes-Oxley Law (SOx), in addition to the effectiveness test. All these financial outflows were audited, and no cases of corruption were identified in our operations.

[| GRI 205-1 | GRI 205-3 |](#)

In our negotiations with third parties, we performed background check procedures (BGC) for purposes of evaluation of the reputation, financial condition, history of ethical conduct and integrity. The process is internally conducted, and the Internal Controls area indicates, if necessary, the application of training in relation to our Code of Conduct.





We adopted a fiscal strategy to align proper compliance with tax legislation with maximum efficiency. The approach is based on the fulfilment of tax obligations and ethical relationship with the tax authorities, in order to ensure tax efficiency and protect our business profitability, always based on ethics and performance of procedures adopted. | [GRI 207-1](#) |

All tax procedures are performed by the Shared Service Center (CSC), governed by previously defined policies and procedures, which activities are periodically subject to internal and external audits. All procedures are subject to internal and external audits, and any violation identified may be reported to the Ethics Channel. In addition, all associates are informed and invested to attend to annual governance, ethics and anticorruption training. | [GRI 207-2](#) |

We involved our stakeholders in the identification of social, environmental and economic risks and impacts during the process of materiality, wherein we consulted with clients, regulatory agencies, federal, state and municipal government, financial institutions, investors, industrial associations, contracted parties. We inquired each stakeholder with respect to the environmental, social and economic topics, impacts and risks more strongly associated with our operations. As a result, we prepared the Matrix of Materiality, presented in [chapter 4 of this report](#), emphasizing the most important issues to our external public and to senior management, according to the needs of each public with respect to the relevance of impacts and the strategic importance of the matter for Compass' businesses. | [GRI 102-29](#) |

In relation to the risks arising from climate change, from 2021 we intend to adhere to the CDP Climate Changes and Task Force on Climate-related Financial Disclosures (TCFD) initiatives. In addition to improving transparency, we understand this action is an important starting point to include climate risk in our operational risk matrix. | [GRI 201-2](#) |

# INFORMATION SECURITY AND DATA PROTECTION

Our projects, ideas, know-how, commercial secrets, copyrights, registration data, sensitive and confidential information relating to businesses are considered our most valuable assets, although these are intangible assets. Therefore, we are committed to keep them under secrecy and protect them against loss, theft, or another misuse.

We have matured, especially after the cyberattack occurred in March 2020, when our systems were temporarily interrupted. Operations, however, were regularized a few days later, with a limited impact on results. We reinforced our information security systems, with professionals exclusively attentive to our virtual borders and support from an external consulting firm, which monitors attempts of cyberat-

tacks and responds to incidents. We also contracted companies to test cyberattacks and continuously improve networks.

We also ensure the security of information of all holders of data: partners, customers, employees, and investors. Our quick response to conform with the Personal Data Protection Law (LGPD) is an example.

Our Personal Data Protection and Privacy Program acts along with a department dedicated to this topic, the "Guardiões de Dados" present in each business area. This team maps activities dealing with personal data, so that process occurs in compliance with LGPD while ensuring that data are treated preserving the confidentiality and security of information.



## Investment in industry entities and associations

| GRI 102-13 |

We also participate in forums in the sectors where we operate. Directly or through Comgás and Compass Comercialização, we support initiatives, participate in forums and/or are members of the governance bodies of institutions with which we seek to contribute for the evolution and competitiveness of natural gas. Some of the main organizations in which we participate include:

- ✓ **ABAGAS**  
Associação Brasileira de Aquecedores a Gás
- ✓ **ABEGÁS**  
Associação Brasileira das Empresas Distribuidoras de Gás Canalizado
- ✓ **ABRACEEL**  
Associação Brasileira dos Comercializadores de Energia
- ✓ **ABRASIP**  
Associação Brasileira de Engenharia de Sistemas Prediais
- ✓ **AGA**  
American Gas Association
- ✓ **ABRAGET**  
Associação Brasileira de Geradoras Termelétricas
- ✓ **CIESP**  
Centro das Indústrias do Estado de São Paulo
- ✓ **COGEN**  
Associação da Indústria de Cogeração de Energia
- ✓ **Forums of ABNT**  
Associação Brasileira de Normas Técnicas
- ✓ **IBP**  
Instituto Brasileiro de Petróleo, Gás e Bicomcombustíveis
- ✓ **IGU**  
International Gas Union
- ✓ **SINDIENERGIA**  
Sindicato da Indústria da Energia do Estado de São Paulo
- ✓ **SINDUSCON-SP**  
Sindicato da Construção Civil do Estado de São Paulo





08

# COMMITMENT TO RESULTS



## Commitment to Results

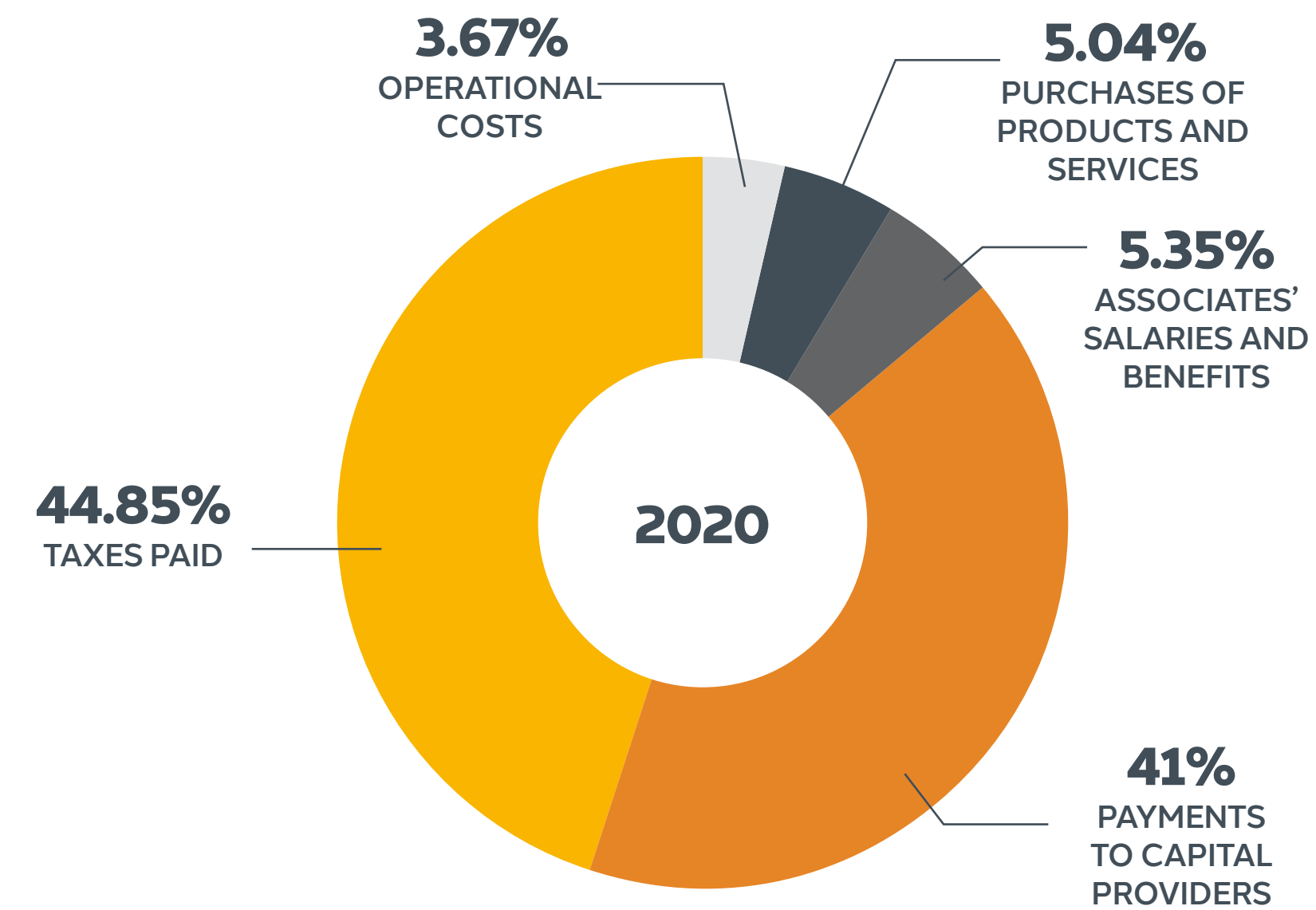
**At the end of 2020, our net revenue totaled R\$ 9,093 million,** and the consolidated Adjusted EBITDA closed the year totaling R\$ 2,189 million, a decrease of 2%. However, considering solely Comgás, our principal operational asset in our profits and losses, EBITDA increased by 6% in comparison with 2019. Such result was supported by the efficient operation in the management of expenses and the adjustment of margins based on inflation in May 2020, which more than offset the reduction in volumes distributed. However, we recognized losses, which were impacted by the non-cash effect of marked-to-market electric energy sales agreements of Compass Comercialização. The consolidated adjusted net profit in 2020 totaled R\$ 946 million.

Investments made in the year totaled R\$ 1.01 billion, aligned with our planning. The amount reflects mainly Comgás' investments.

Net debt, as of December 31, 2020, totaled R\$ 3.59 billion, with 74% of long-term financing. Financial leverage, measured based on the ratio between net debt and EBITDA, closed the year at 1.62 times. Our directed economic value generated in 2020 totaled R\$ 8.32 billion. | GRI 102-7 | 201-1 |

### ECONOMIC VALUE DISTRIBUTED (%)

| GRI 201-1 |





# Operating Results

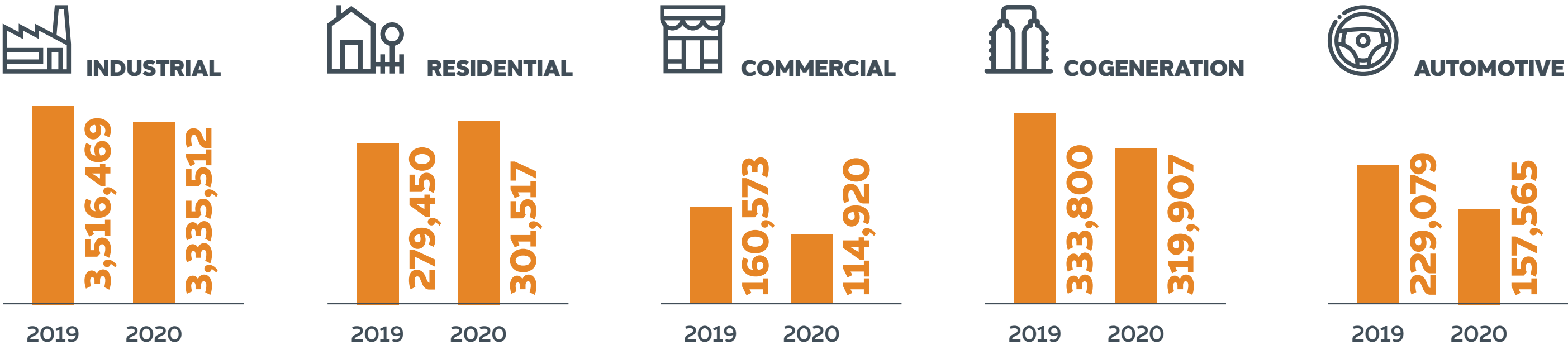
| SASB IF-GU-000.A | IF-GU-000.B | SASB EM-MD-000 |

## Natural Gas Distribution

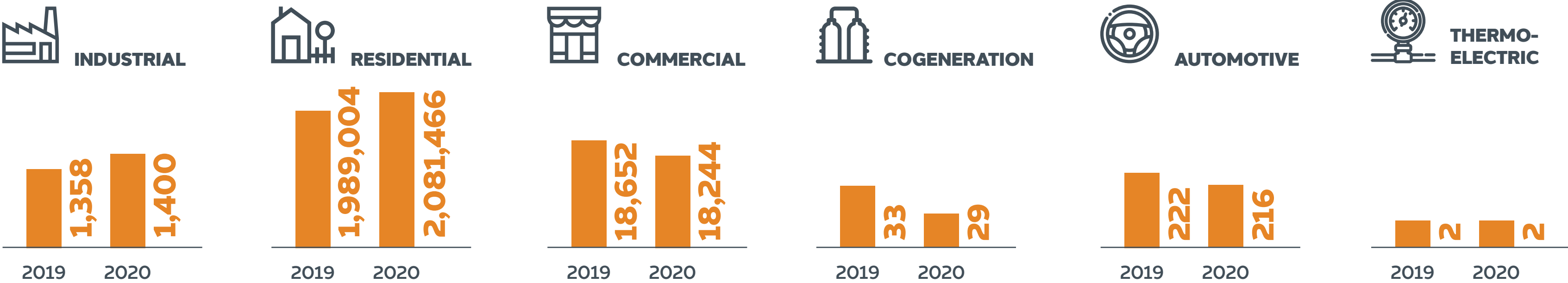
Comgas recorded a decrease of 6% in the consolidated volume of distributed natural gas compared to the previous year. The impact was expected, by virtue of the epidemiological crisis that significantly impacted activities in the industrial and commercial sectors. Accordingly, in the comparison with 2019, Comgas recorded the following performance in terms of natural gas volume distributed by segment:

- ✓ **Industrial:** decrease of 5.1% in the segment, which resulted from the restrictions and impacts of Covid-19 on the economy.
- ✓ **Residential:** increase of 7.9% per year, leveraged by the gross addition of 125,000 new clients and increase of average consumption in domiciles by virtue of the pandemic.
- ✓ **Commercial:** decrease of 28.4% in the year, impacted by the closing of commerce during the quarantine period and significant reduction of the activities of some commercial sectors, such as restaurants and hotels.
- ✓ **Co-generation:** decrease of 4.2%, by virtue of the reduction of clients' activities.
- ✓ **Automotive (NGV):** decrease of 29.1%. The sector is still affected by the impacts from social isolation and reduction of vehicles and fleets in the streets.

### DISTRIBUTED VOLUME (THOUSAND M<sup>3</sup>)



### CLIENTS





# QUALIFIED EXPANSION

In observance of Comgás' growth plan, supported by our commitment to boost natural gas competitiveness in relation to other types of energy, we continuously invest in new connections. Since 2019, we have been registering the average number of 100-120 thousand new customers annually connected. In 2020, we recorded a gross addition<sup>1</sup> of 125 thousand new customers, expanding our network by nearly 1,592 km, highlighting our expansion to inland cities within our concession area. At the year-end, our network totaled 19,468 km and our customer base surpassed 2.1 million.

<sup>1</sup> Gross additions consider all new connections in the period, irrespective of disconnection, cuts or suspension of current customers (due to technical, financial or operational problems).



## Free Energy Market

Our company is widely recognized in the market where we operate and operates consolidated technical models for pricing and a relevant share in the energy trading area. One of the highlights in 2020 was the start of the expansion of our portfolio through long-term incentive energy purchase agreements, which provided for sales agreements for final consumers and benefited from the commercial know-how of our relationship with clients. This commitment will be leveraged in 2021, in connection with the search for additional medium- and small-sized consumers that, in the free market, preferably acquire energy from renewable sources. Aligned with actions implemented in the context of the New Free Market for natural gas, our seller is a solid and strategic alternative enabling clients to negotiate the supply of energy, both natural gas or electric energy, directly according to their options of flexibility and authorized costs.

## CONTRIBUTION TOWARDS A MORE SUSTAINABLE FUTURE

We invested in the natural gas market as we believe that the input plays a strategic role in the energetic transition – contributing for the diversification of the Brazilian matrix and reduction of the emissions of CO<sub>2</sub> – in addition to infrastructure improvements and economic development. Accordingly, our business model was carefully projected to lead the gas and energy market transformation, with a balanced portfolio that combines profitability and growth, focused on creating sustainable value.

**WE CLOSED 2020 WITH OVER 19,000 KILOMETERS AND 2.1 MILLION CLIENTS IN COMGÁS**





09 /

# ANNEXES

**ESG PERFORMANCE DATA**

**SUMMARIZED GRI CONTENTS**

**SUMMARIZED SASB CONTENTS**



# ESG Performance Data

## GRI INDICATORS

### Number of associates per gender<sup>1</sup> | GRI 102-8 |

	2019 <sup>2</sup>	2020
Men	868	835
Women	356	360
<b>Total</b>	<b>1,225</b>	<b>1,195</b>

<sup>1</sup> Considering active and temporarily dismissed associates in December 2020.

<sup>2</sup> Figures relating to Comgás.

### Number of associates by type of labor agreement and gender<sup>1</sup> | GRI 102-8 |

	2019 <sup>2</sup>			2020		
	Men	Women	Total	Men	Women	Total
Determined duration	67	17	<b>84</b>	13	16	<b>29</b>
Indeterminate duration	802	339	<b>1,141</b>	822	344	<b>1,166</b>
<b>Total</b>	<b>869</b>	<b>356</b>	<b>1,225</b>	<b>835</b>	<b>360</b>	<b>1,195</b>

All associates working full time.

<sup>1</sup> Considering active and temporarily dismissed associates in December 2020.

<sup>2</sup> Figures relating to Comgás.

### Total associates, per functional category and gender | GRI 405-1 |

	2019 <sup>1</sup>			2020		
	Men	Women	Total	Men	Women	Total
Executive board	7	1	<b>8</b>	14	3	<b>17</b>
Management	41	13	<b>54</b>	49	16	<b>65</b>
Coordination	29	15	<b>44</b>	32	21	<b>53</b>
Administrative	356	294	<b>650</b>	344	293	<b>637</b>
Operational	429	26	<b>455</b>	390	24	<b>414</b>
Trainees	7	7	<b>14</b>	6	3	<b>9</b>
<b>Total</b>	<b>869</b>	<b>356</b>	<b>1225</b>	<b>835</b>	<b>360</b>	<b>1195</b>
<b>Percentage of Total</b>	<b>71%</b>	<b>29%</b>	<b>100%</b>	<b>70%</b>	<b>30%</b>	<b>100%</b>

<sup>1</sup> Figures relating to Comgás.

### Total associates, per functional category and age | GRI 405-1 |

	2019 <sup>1</sup>			2020		
	Below 30 years	Between 30 and 50 years	Above 50 years	Below 30 years	Between 30 and 50 years	Over 50 years old
Executive Board	0	5	3	0	12	5
Management	0	42	12	3	53	9
Coordination	0	43	1	4	47	2
Administrative	191	437	22	172	439	26
Operational	83	340	32	64	314	36
Trainees	10	4	0	6	3	0
<b>Total</b>	<b>284</b>	<b>871</b>	<b>70</b>	<b>249</b>	<b>868</b>	<b>78</b>
<b>Total percentage</b>	<b>23%</b>	<b>71%</b>	<b>6%</b>	<b>21%</b>	<b>73%</b>	<b>6%</b>

<sup>1</sup> Figures relating to Comgás.



### Total disabled associates (PcD), per functional category | GRI 405-1 |

	2019 <sup>1</sup>			2020		
	Men	Women	Total	Men	Women	Total
Executive board	0	0	<b>0</b>	0	0	<b>0</b>
Management	1	0	<b>1</b>	1	0	<b>1</b>
Coordination	0	0	<b>0</b>	0	1	<b>1</b>
Administrative	17	13	<b>30</b>	17	14	<b>31</b>
Operational	6	1	<b>7</b>	6	2	<b>8</b>
Trainees	0	0	<b>0</b>	0	0	<b>0</b>
<b>Total</b>	<b>24</b>	<b>14</b>	<b>38</b>	<b>24</b>	<b>17</b>	<b>41</b>
<b>Total associates</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>5%</b>	<b>3%</b>

<sup>1</sup> Figures relating to Comgás.

### Total number and new contracting rate, per gender | GRI 401-1 |

	2019 <sup>1</sup>		2020	
	Total	Contracting rate <sup>2</sup>	Total	Contracting rate <sup>2</sup>
Men	155	0.18	77	0.09
Women	311	0.87	57	0.16
<b>Total</b>	<b>466</b>	<b>0.38</b>	<b>134</b>	<b>0.11</b>

<sup>1</sup> Figures relating to Comgás.

<sup>2</sup> Contracting Rate = Number of contracted associates / Number of associates in the category in December 2020.

### Total and new contracting rate, per age | GRI 401-1 |

	2019 <sup>1</sup>		2020	
	Total	Contracting rate <sup>2</sup>	Total	Contracting rate <sup>2</sup>
Below 30 years	229	0.81	49	0.20
Between 30 and 50 years	237	0.27	82	0.09
Above 50 years	0	0	3	0.04
<b>Total</b>	<b>466</b>	<b>0.38</b>	<b>134</b>	<b>0.11</b>

<sup>1</sup> Figures relating to Comgás.

<sup>2</sup> Contracting Rate = Number of contracted associates / Number of associates in the category in December 2020.

### Total and dismissed associates, per gender | GRI 401-1 |

	2019 <sup>1</sup>		2020	
	Total	Turnover rate	Total	Turnover rate <sup>2</sup>
Men	154	0.18	135	0.16
Women	125	0.35	77	0.21
<b>Total</b>	<b>279</b>	<b>0.23</b>	<b>212</b>	<b>0.18</b>

<sup>1</sup> Figures relating to Comgás.

<sup>2</sup> Turnover rate = Dismissed associates / Number of associates in the category in December 2020.



**Total number and rate of employee turnover, by age group | GRI 401-1 |**

	2019 <sup>1</sup>		2020	
	Número total	Dismissal rate <sup>2</sup>	Número total	Dismissal rate <sup>2</sup>
Below 30 years	104	0.37	65	0.26
Between 30 and 50 years	150	0.17	141	0.16
Above 50 years	25	0.36	6	0.08
<b>Total</b>	<b>279</b>	<b>0.23</b>	<b>212</b>	<b>0.18</b>

<sup>1</sup> The numbers are related to Comgás.

<sup>2</sup> Dismissal Rate = Number of dismissed employees / Number of employees in the category in December 2020.

**Average training hours attended by associates, per gender | GRI 404-1 |**

	2020		
	Training hours	Total number of associates	Average training hours
Men	11,290	835	<b>13.9</b>
Women	5,002	360	<b>13.5</b>
<b>Total</b>	<b>12,292</b>	<b>1,195</b>	<b>13.6</b>

**Health rates and security of own associates | GRI 403-9 |**

	2019 <sup>1</sup>	2020 <sup>2</sup>
Deaths resulting from injuries relating to work	0	0
Death rate resulting from injuries relating to work	0.00	0.00
Serious injuries relating to work (excluding deaths)	1	1 <sup>3</sup>
Serious injury rate relating to work (excluding deaths) – LTIF <sup>4</sup>	0.35	0.35
Reportable injuries relating to work	1	3
Reportable injury rate relating to work – TRCF <sup>5</sup>	0.35	1.06
Motor vehicle incidents <sup>6</sup>	39	53
Taxa de Motor vehicle incidents - MVIR <sup>7</sup>	4.62	5.87

<sup>1</sup> 2019: 2,842,128 man/worked hour (HHT) and 8,446,011 kilometers per motor vehicles.

<sup>2</sup> 2020: 2,842,128 HHT e 9,036,568 kilometers per motor vehicles.

<sup>3</sup> In 2020, leave due to knee torsion.

<sup>4</sup> Lost Time Injury Frequency (LTIF): number of labor accidents with leave, per 1,000,000 of worked hours.

<sup>5</sup> Total Recordable Case Frequency Rate (TRCF): number of labor accidents with leave or restricted work, per 1,000,000 of worked hours.

<sup>6</sup> The indicator is solely monitored for Comgás' own fleet.

<sup>7</sup> Motor Vehicle Incident Rate (MVIR): number of incidents with motor vehicles per 1,000,000 kilometers.



## Health rates and third-party security | GRI 403-9 |

	2019 <sup>1</sup>	2020 <sup>2</sup>
Deaths resulting from injuries relating to work	0	0
Death rate resulting from injuries relating to work	0.00	0.00
Serious injuries relating to work (excluding deaths)	2	2 <sup>3</sup>
Serious injury rate relating to work (excluding deaths) - LTIF <sup>4</sup>	0.25	0.24
Reportable injuries relating to work	10	19
Reportable injury rate relating to work - TRCF <sup>5</sup>	1.23	2.28

<sup>1</sup> 2019: 8,129,833 HHT.

<sup>2</sup> 2020: 8,342,941 HHT.

<sup>3</sup> In 2020, two leaves due to fracture and fall.

<sup>4</sup> Lost Time Injury Frequency (LTIF): number of labor accidents with leave, per 1,000,000 of worked hours.

<sup>5</sup> Total Recordable Case Frequency Rate (TRCF): number of labor accidents with leave or restricted work, per 1,000,000 of worked hours.

## Health rates and security of own and third-party associates (combined) | GRI 403-9 |

	2019 <sup>1</sup>	2020 <sup>2</sup>
Deaths resulting from injuries relating to work	0	0
Death rate resulting from injuries relating to work	0.00	0.00
Serious injuries relating to work (excluding deaths)	3	3
Serious injury rate relating to work (excluding deaths) - LTIF <sup>3</sup>	0,27	0,27
Reportable injuries relating to work	11	22
Reportable injury rate relating to work - TRCF <sup>4</sup>	1.00	1.97

<sup>1</sup> 2019: 10,971,961 HHT.

<sup>2</sup> 2020: 11,185,069 HHT.

<sup>3</sup> Lost Time Injury Frequency (LTIF): number of labor accidents with leave, per 1,000,000 of worked hours.

<sup>4</sup> Total Recordable Case Frequency Rate (TRCF): number of labor accidents with leave or restricted work, per 1,000,000 of worked hours.

## Number of associates' health issues | GRI 403-10 |

	2018	2019	2020
Deaths resulting from health issues relating to work	0	0	0
Reportable health cases relating to work	0	0	0
Absence rate (casual absences, short-term disability, workers' compensation)	0.63	0.50	0.49

## Greenhouse Gas Emissions - GEE (tCO<sub>2</sub> equivalent) | GRI 305-1 | GRI 305-2 | GRI 305-3 |

	2019	2020
<b>SCOPE 1 (direct emissions)</b>	<b>16,484</b>	<b>12,219</b>
Stationary combustion	559	830
Mobile combustion	922	967
Fugitive emissions in the natural gas distribution pipe network	14,216	10,230
Other	748	191
Solid waste and liquid effluent	39	0*
<b>SCOPE 2 (indirect emissions arising from the acquisition of electric energy)</b>	<b>321</b>	<b>232</b>
<b>SCOPE 3 (other indirect emissions)</b>	<b>9,004,213</b>	<b>8,440,809</b>
Waste generated from operations	568	124
Transportation and distribution (upstream)	3,261	3,260
Use of products and services sold	9,000,262	8,437,401
Business travels	123	24

\* Amounts not recorded in 2020.



### Biogenic emissions of CO<sub>2</sub> (tCO<sub>2</sub> equivalent) - Scope 1 and 3 | GRI 305-1 | GRI 305-3 |

	2019	2020
Scope 1	845	738
Scope 3	996	1,266

<sup>1</sup> Including the following gases in the abovementioned calculations: CO<sub>2</sub> – carbon dioxide; CH<sub>4</sub> - methane; N<sub>2</sub>O - nitrous oxide; HFCS - hydrofluorocarbons; PFCS - perfluorocarbons; and SF<sub>6</sub> - sulphur hexafluoride.

### Intensity of greenhouse gas emissions | GRI 305-4 |

	2019	2020
Emissions of Scope 1 and Scope 2 (tCO <sub>2</sub> eq)	16,805	12,451
Grid extension (km)	17,877	19,468
Intensity of emissions (tCO <sub>2</sub> eq / km)	0.94	0.64

The types of greenhouse gas emissions included in the intensity rate were direct (Scope 1) and indirect (Scope 2). The following gases are included in the abovementioned calculations: CO<sub>2</sub> – carbon dioxide; CH<sub>4</sub> - methane; N<sub>2</sub>O - nitrous oxide; HFCS - hydrofluorocarbons; PFCS - perfluorocarbons; and SF<sub>6</sub> - sulphur hexafluoride

### Reductions of greenhouse gas emissions resulting directly from the initiatives for reduction of emissions (tCO<sub>2</sub> equivalent) | GRI 305-5 |

	2020
Reductions resulting from direct emissions (Scope 1)	3,606*
Reductions arising from compensations	1,280**

The following gases are included in the abovementioned calculations: CO<sub>2</sub> – carbon dioxide; CH<sub>4</sub> - methane; N<sub>2</sub>O - nitrous oxide; HFCS - hydrofluorocarbons; PFCS - perfluorocarbons; and SF<sub>6</sub> - sulphur hexafluoride. Base year: 2019.

\*3,605 refers to the completion of the recovery of the cast iron grid, by reducing to zero the fugitive emissions in cast iron existing in 2019.

\*\* Plantio Sousas, corresponding to the capture of 1,280 tCO<sub>2</sub>.

### Emissions of substances that destroy the ozone layer - SDO (t CFC-11 equivalent) | GRI 305-6 |

	2019	2020
SDO	123,08	67,33

Source of emission factors used: consumption of R-22 in the air conditioning of the offices. For purposes of compilation of the corporate inventories of greenhouse gases, the following references were adopted: NBR ISO 14064; Brazilian Association of Technical Rules, 2007 (ABNT, 2007); Specifications of Brazilian Program GHG Protocol; Specifications for Verification of Brazilian Program GHG Protocol; GHG Corporate Protocol – Brazilian Program GHG Protocol (PBGHGP) - Getúlio Vargas Foundation; World Resources Institute (FGV/GVces; WRI, 2011).

### Energy consumed in the organization (GJ) | GRI 302-1 |

	2018	2019	2020
<b>TRANSPORTATION</b>	<b>21,284</b>	<b>28,130</b>	<b>26,143</b>
Diesel	3,323	3,671	3,418
Gasoline	292	298	254
Natural gas	11,089	11,610	12,603
Ethanol	6,580	12,552	9,869
<b>OTHERS</b>	<b>18,549</b>	<b>10,165</b>	<b>15,181</b>
Natural Gas	18,549	10,165	15,181
<b>ELECTRIC ENERGY</b>	<b>14,714</b>	<b>16,779</b>	<b>14,999</b>
<b>Total</b>	<b>54,548</b>	<b>55,075</b>	<b>56,323</b>

The parameters and conversion factors used for calculation are those made available in the National Energy Balance 2020 (Ministry of Mines and Energies of Brazil - MME).



**Energy consumed in the organization, per source (GJ)**  
| GRI 302-1 |

	2018	2019	2020
Non-renewable source fuels	33,254	25,744	31,456
Renewable source fuels	6,580	12,552	9,869
Electric energy acquired	14,714	16,779	14,999
<b>Total</b>	<b>54,548</b>	<b>55,075</b>	<b>56,323</b>

The conversion parameters and factors used for calculation are provided in the 2020 National Energetic Balance (MME).

**Electric energy consumed outside the organization (GJ)<sup>1</sup>**  
| GRI 302-2 |

	2018	2019	2020
Natural gas distributed	167,392,531	166,253,073	155,828,126
<b>Total</b>	<b>167,392,531</b>	<b>166,253,073</b>	<b>155,828,126</b>

<sup>1</sup> The conversion parameters and factors used for calculation are provided in the 2020 National Energetic Balance (MME).

**Energetic intensity in the organization | GRI 302-3 |**

	2018	2019	2020
Electric energy consumption in the organization (GJ)	54,548	55,075	56,323
Energetic intensity per grid (GJ/km)	3.26	3.08	2.87
Energetic intensity per volume of distributed gas (GJ/ million m <sup>3</sup> )	12.01	12.20	13.21

**Water consumption in the organization | GRI 303-5 |**

	2018	2019	2020
Water volume consumption	8,658	12,676	8,474

**Generated waste, per composition (t) | GRI 306-3 |**

	2018	2019	2020
Paper and cardboard	34.0	24.50	28.1
Plastic	97.0	66.8	142.40
Metal (iron and aluminum)	198.0	235.5	89.6
Organic	0.0	429.1	49.5
Class 1	123.0	0.0	102.7
Wood	0.0	0.0	21.8
Civil construction waste (scrap)	0.0	0.0	78.5
<b>Total</b>	<b>452.0</b>	<b>755.9</b>	<b>512.6</b>

**Waste for recycling, per type (t)<sup>1</sup> | GRI 306-4 |**

	2019	2020
Non-dangerous waste	326.8	260.1
Dangerous waste	0.00	0.00
<b>Total</b>	<b>326.8</b>	<b>260.1</b>

<sup>1</sup> The waste was placed outside the organization.



## Associates informed and trained in anticorruption policies and procedures, per functional category | GRI 205-2 |

	2019		2020	
	Informed <sup>1</sup>	Trained	Informed <sup>1</sup>	Trained
Executive Board	8	8	10	8
Management	54	46	52	51
Coordination	44	40	43	41
Administrative	650	612	609	596
Operational	455	436	414	409
Trainees	14	13	9	8
<b>Total</b>	<b>1,225</b>	<b>1,155</b>	<b>1,137</b>	<b>1,113</b>

<sup>1</sup> Comgás' associates were informed with respect to the training in relation to the anticorruption policies and procedures. We have not registered any control over such information for the other subsidiaries of Compass Gás & Energia.

## Business partners informed and trained in relation to the anti-corruption policies and procedures<sup>1</sup> | GRI 205-2 |

	2019		2020	
	Informed	Trained	Informed	Trained
Partners	206	0	40	40

<sup>1</sup> In 2019, we considered the number of agreements signed, taking into consideration the adoption of the clause of integrity and anticorruption included in our standard clause, which sets forth the compliance with our Code of Conduct and Integrity Policies, and anticorruption law. In 2020, we considered the effective communication and training directly offered to the contracted parties.

## Direct economic value (in R\$ thousand) | GRI 201-1 |

	2018	2019	2020
<b>REVENUE</b>	<b>6,840,011.00</b>	<b>9,514,222.00</b>	<b>8,320,239.00</b>
<b>Economic value distributed</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Operational costs	93,353.94	83,403.41	126,781.86
Purchases of products and services	176,643.09	192,098.74	174,122.46
Associates' salaries and benefits	246,201.67	283,846.92	184,717.27
Payments to capital providers	987,100.19	2,210,448.97	1,416,141.71
Taxes paid	1,166,595.46	1,075,376.01	1,549,231.57
<b>Total</b>	<b>2,669,894.38</b>	<b>3,845,174.07</b>	<b>3,450,994.89</b>

## Total monetary value of the financial resources received by the organization of any government, per type (in R\$ thousand) | GRI 201-4 |

	2018	2019	2020
Tax incentives/credits	28,282.87	30,604.76	16,515.36
Other financial benefits received or receivable from any government for any operation <sup>1</sup>	236,249.31	319,257.00	269,475.71
<b>Total</b>	<b>264,532.19</b>	<b>349,861.77</b>	<b>285,991.08</b>

<sup>1</sup> Reduction of the ICMS calculation basis in connection with the natural gas sale - Decree 62,399/2016 (RICMS/ SP, Annex II, article 8).

The companies comprising the Compass group are not entitled to credit facilities granted by the government. However, COMGÁS, a Company with relevant social and economic interest, is supported by the BNDES financing for investments in expansion projects that cooperate with social and environmental aspects in Brazil.



## SASB INDICATORS

### IF-GU-000.A. Number of clients served

SEGMENT	2018	2019	2020
Residential	1,886,220	1,989,004	2,081,466
Commercial	17,672	18,652	18,244
Industrial	1,290	1,290	1,400
Cogeneration	30	33	29
GNV	241	222	216
Thermoelectric	2	2	2
<b>Total</b>	<b>1,905,455</b>	<b>2,009,271</b>	<b>2,101,357</b>

### IF-GU-000.B. Volume of natural gas distributed by segment (m<sup>3</sup>)

SEGMENT	2018	2019	2020
Residential	276,153,239	279,449,607	301,517,141
Commercial	156,463,990	160,573,310	114,919,983
Cogeneration	327,398,720	333,800,033	319,907,225
GNV	225,932,528	222,078,986	157,564,689
Industrial	3,557,349,157	3,516,469,008	3,335,512,382

### IF-GU-000.B. Natural gas volume distributed per segment (MMBTU)

SEGMENT	2018	2019	2020
Residential	10,327,346	10,450,621	11,275,884
Commercial	5,851,309	6,004,985	4,297,681
Cogeneration	12,243,782	12,483,172	11,963,621
GNV	8,449,234	8,305,123	5,892,472
Industrial	133,034,748	131,505,946	124,738,683

### IF-GU-000.C. Extension of the pipelines for transportation and distribution of natural gas (km)

	2018	2019	2020
Transportation pipelines	0	0	0
Distribution pipelines	16,747	17,877	19,468

### IF-GU-240a.1 – Average gas tariff (R\$/m<sup>3</sup>)

SEGMENT	2018	2019	2020
Residential	3.57	4.64	4.60
Commercial	2.47	3.16	3.07
Industrial	1.24	1.72	1.52



### IF-GU-240a.1. – Average gas tariff (R\$/MMBTU)

SEGMENT	2018	2019	2020
Residential	95.48	123.93	123.04
Commercial	66.15	84.52	82.01
Industrial	36.16	45.97	40.52

### IF-GU-240a.2. – Monthly account for residential segment (R\$)<sup>1</sup>

VOLUME CONSUMED (M <sup>3</sup> )	2018	2019	2020
8m <sup>3</sup> /month	38.44	50.56	49.67
15m <sup>3</sup> /month	72.82	98.38	96.95

<sup>1</sup> Indicator adapted from the SASB IF-GU-240a.2: in the Comgás concession area the average consumption per customer in the residential segment varies from 8 to 15m<sup>3</sup> / month. Unlike the use of natural gas mainly for heating by customers in the segment in the United States and Europe, in Brazil, natural gas is more used for cooking and heating water in homes.

### IF-GU-240a.3 – Number of residential clients disconnected due to lack of payment and % reconnected within 30 days

	2018	2019	2020
Residential clients disconnected due to lack of payment	33,005	19,131	36,527
Residential clients reconnected within 30 days, after disconnection due to lack of payment	22,790	5,834	21,492
% of residential clients reconnected within 30 days	69%	30%	59%

### IF-GU-540a.1. – Number of reportable pipeline incidents, Corrective Action Orders (CAO) and Probable Violation Notices (NOPV)<sup>1</sup>

	2018	2019	2020
Pipeline incidents reported	1	0	0
Corrective action orders (CAO)	0	0	1*
Notices of probable violation (NOPV)	0	0	0

<sup>1</sup> Definition of reportable pipeline incidents, CAO and NOPV, according to SASB IF- GU INDUSTRY STANDARD VERSION 2018-10, available at <https://www.sasb.org/standards/>

\* In 2020, we identified violations in the facilities of one client in the GNV segment during the inspection/visit in field by the ARSESP's employees: refers to the non-conformity identified in the facilities provided by the client for installation of the measurement tools owned by Comgás. In this case, Comgás requested the user to regularize the facilities, which necessary measures were immediately adopted. The facilities where the equipment is stored are owned by the client.



### IF-GU-540a.2. – Extension and composition of the natural gas pipelines (km)

COMPOSITION	2018	2019	2020
Cast iron distribution pipe network	46	0	0
Steel distribution pipe network	2,275	2,289	2,452
Distribution pipe network in polyethylene	14,426	15,588	17,016
<b>Total distribution pipe network</b>	<b>16,747</b>	<b>17,877</b>	<b>19,468</b>

### IF-GU-540a.3. – Extension of pipelines for distribution and transportation subject to inspection (km)

	2018	2019	2020
Total transportation pipe network	0,00	0,00	0,00
Transportation pipe network subject to inspection	n/a	n/a	n/a
<b>Total distribution pipe network</b>	<b>16,747</b>	<b>17,877</b>	<b>19,468</b>
Distribution pipe network subject to inspection*	50,618	54,037	58,815
Percentage of the transportation pipe network subject to inspection	n/a	n/a	n/a
Percentage of the distribution pipe network subject to inspection	302%	302%	302%

\* We carried out the inspection of the leakage throughout the distribution network three times per year. In addition, we performed the direct inspection for detection of corrosion in the steel grid, which represented 410 km of grid subject to inspection in 2020, 406 km of grid in 2019, and 376 km of grid in 2018.

### EM-MD-000.A. - Volume of transported gas, by transportation means (m³)

TRANSPORTATION MEANS	2018	2019	2020
Transportation pipeline	0.00	0.00	0.00
Distribution pipeline	4,543,297,634	4,512,370,943	4,229,421,420
GNL per vessel	0.00	0.00	0.00

### EM-MD-000.A. – Volume of transported (MMBTU)

TRANSPORTATION MEANS	2018	2019	2020
Transportation pipeline	0.00	0.00	0.00
Distribution pipeline	169,906,419	168,749,848	158,168,340
GNL per vessel	0.00	0.00	0.00

### EM-MD-110a.l. Percentage of methane emissions in the total emissions in Scope 1

	2019	2020
Percentage of methane emissions in Scope 1	79%	93%



### EM-MD-540a.1. – Number of reported pipeline incidents, % of significant incidents<sup>1</sup>

	2018	2019	2020
Reported incidents	1	0	0
Significant incidents	0	0	0
Percentage of significant incidents	0%	0%	0%

<sup>1</sup> Definition of reportable and significant incidents under SASB EM-MD INDUSTRY STANDARD VERSION 2018-10, available at <https://www.sasb.org/standards/>

### EM-MD-540a.2. – Extension of natural gas pipelines and dangerous liquid substances subject to inspection (km)

	2018	2019	2020
Total transportation grid of dangerous liquid substances	0.00	0.00	0.00
Transportation grid of dangerous liquid substances subject to inspection	n/a	n/a	n/a
Total natural gas distribution pipe network	16,747	17,877	19,468
Natural gas distribution grid subject to inspection*	50,618	54,037	58,815
Transportation grid percentage of dangerous liquid substances subject to inspection	n/a	n/a	n/a
Distribution grid percentage of natural gas subject to inspection	302%	302%	302%

\* We carried out the inspection of the leakage throughout the distribution network three times per year. In addition, we performed the direct inspection for detection of corrosion in the steel pipe network, which represented 410 km of pipe network subject to inspection in 2020, 406 km of pipe network in 2019, and 376 km of pipe network in 2018.



# Summary of contents of GRI

| GRI 102-55 |

GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG
<b>General Disclosure</b>			
102-1	Organization name	9	
102-2	Activities, brands, products and services	9, 11	
102-3	Place of the organization's head office	105. São Paulo, SP.	
102-4	Place of operations	11	
102-5	Nature of the property and legal nature	9, 68	
102-6	Markets served	11	
<b>GRI 102: General Disclosure</b>	102-7	Organization size	10, 81
	102-8	Information on associates and other workers	36, 85
	102-9	Suppliers chain	44
	102-10	Significant changes in the organization and the suppliers chain	9 9 Closing of Comgás' offices in Limeira and Jundiaí, which operations addressed urgent matters. Well-succeeded results from program "key in my hands", which ensures the dislocation of the associates directly from domicile to the respective place of service.
	102-11	Caution principle or approach	76

GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG	
102-12	External initiatives	28, 31, 56, 60		
102-13	Investment in associations	79		
102-14	Declaration of senior executive	4, 5		
102-15	Main impacts, risks and opportunities	76		
102-16	Values, principles, rules and codes of behavior	73	16.3	
102-17	Ethical directions and concerns	75	16.3	
102-18	Governance structure	70		
<b>GRI 102: General Disclosure</b>	102-19	Delegation of authority	70	
	102-20	Responsibility of positions and executive functions by economic, environmental and social items	71 The company designated the Strategic, Social and Environmental, and Governance Committee, Human Resources Committee and Financial Committee, composed of executive officers.	
	102-21	Consultation to stakeholders relating to economic, environmental and social items	22	
	102-22	Composition of the senior governance body of the committees	70	5.5, 16.7
	102-23	President of the senior governance body	68	16.6
	102-24	Election and indication to the senior governance body	70	5.5, 16.7



GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG
102-25	Conflicts of interests	74	16.6
102-26	Attribution performed by senior governance body in the definition of purpose, values and strategy	70	
102-28	Performance evaluation of senior governance body	68	
102-29	Identification and management of economic, environmental and social impacts	78	16.7
102-30	Effectiveness of the risk management procedures	76	
102-31	Analysis of economic, environmental and social matters	22, 70	
102-32	Attribution performed by senior governance body in the sustainability report	7	
102-33	Communication of critical reports	76	
102-34	Nature and total number of critical concerns	76	
102-35	Compensation policies	72	
102-36	Process for definition of compensation	34, 72	
102-37	Participation of the stakeholders in the compensation	72	16.7
102-38	Proportion of total annual compensation	In 2020, the proportion between the highest total annual compensation and the total annual average compensation of all associates was 5%.	
102-40	List of groups of stakeholders	22, 23, 24	
102-41	Collective negotiation agreements	In 2020, 91.03% of the associates were covered by the collective negotiation agreements.	
102-42	Identification and selection of stakeholders	22	

**GRI 102: General Disclosure**

GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG
102-43	Approach for the engagement of stakeholders	22	
102-44	Main concerns and issues	22, 23, 24	
102-45	Entities included in the consolidated financial statements	7	
102-46	Definition of the contents of the report and limitation of matters	7	
102-47	List of principal matters	22, 23, 24	
102-48	Restructuring of information	Restructuring of information, if applicable, is indicated in the report in the footnotes. 7	
102-49	Changes in the report	This is the 1 <sup>st</sup> Sustainability Report of Compass Gás & Energia including Comgás, Compass Comercialização, Compass Geração e Infraestrutura de Gás Natural.	
102-50	Period covered by the report	Jan 2020 to Dec 2020	
102-51	Most recent report date	First report - Compass Last publication - Comgás 2019	
102-52	Issuance cycle of reports	Annual.	
102-53	Contact for inquiries of report	7	
102-54	Reports in conformity with the GRI Rules	7 This report was prepared in accordance with the GRI Standards: essential option.	
102-55	Summary of the GRI contents	96, 97, 98, 99, 100, 101	
102-56	Outside verification	7, 103, 104	

**GRI 102: General Disclosure**



GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG
<b>Material issues</b>			
<b>Investments in infrastructure and development of the gas and electric energy market</b>			
<b>GRI 103: Management Type</b>	103-1	Clarification on the material issues and respective limits	23
	103-2	Management approach and respective components	12, 26, 41, 56
	103-3	Progress of the management approach	12, 26, 41, 56
<b>GRI 203: Indirect economic impacts</b>	203-1	Investments in infrastructure and support to services	5.4, 9.1, 11.2
	203-2	Significant indirect economic impacts	1.2, 1.4, 3.8, 8.2, 8.5
<b>GRI 206: Unfair competition</b>	206-1	Lawsuits due to unfair competition, antitrust practices and monopoly	None. 16.3
<b>Client relationship and access to natural gas</b>			
<b>GRI 103: Management Type</b>	103-1	Clarification on the material issues and respective limits	23
	103-2	Management approach and respective components	26, 37, 38, 39, 40
	103-3	Progress of the management approach	26, 37, 38, 39, 40
<b>Power efficiency, reduction of carbon and emissions</b>			
<b>GRI 103: Management Type</b>	103-1	Clarification on the material issues and respective limits	23
	103-2	Management approach and respective components	26, 62, 63, 64
	103-3	Progress of the management approach	26, 62, 63, 64
<b>GRI 201: Economic Performance</b>	201-2	Financial implications and other risks and opportunities arising from climate changes	78 13.1

GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG
<b>GRI 302: Electric energy</b>	302-1	Consumption of electric energy within the organization	65, 89, 90 7.2, 7.3, 8.4, 12.2, 13.1
	302-3	Consumption of electric energy outside the organization	90 7.2, 7.3, 8.4, 12.2, 13.1
	302-4	Power intensity	65, 90 7.3, 8.4, 12.2, 13.1
	302-5	Electric energy consumption reduction	All consumption units have a single measurement equipment, which receives the electric energy or natural gas consumption data throughout the unit, which does not provide for the obtaining of reduction values arising from the improvement in the efficiency of some specific system. 7.3, 8.4, 12.2, 13.1
	302-5	Reductions of the power requirements of products and services	We have implemented initiatives for a more efficient definition of the associates' routes and remote measurement of the gas consumption; however, we have not consolidated the electric energy reduction data with these initiatives. 7.3, 8.4, 12.2, 13.1
<b>GRI 305: Emissions</b>	305-1	Direct emissions (Scope 1) de greenhouse gases (GEE)	62, 62, 88, 89
	305-2	Indirect emissions (Scope 2) of greenhouse gases (GEE) arising from the acquisition of electric energy	62, 64, 88, 89 3.9, 12.4, 13.1, 14.3, 15.2
	305-3	Other indirect emissions (Scope 3) of greenhouse gases (GEE)	62, 64, 88, 89
	305-4	Intensity of the emissions of greenhouse gases (GEE)	62, 89
	305-5	Reduction of emissions of greenhouse gases (GEE)	62, 63, 89 13.1, 14.3, 15.2
	305-7	Emissions of substances that destroy the ozone layer (SDO)	62, 89 3.9, 12.4, 13.1, 14.3, 15.2
	305-7	Emissions of NOx, SOx and other significant atmospheric emissions	Comgás' current inventory solely includes the emissions of GEE regulated by the Kyoto Protocol: CO2, CH4, N2O, SF6, PFCs, HCFCs and regulated by the Montreal Protocol (CFCs and HCFCs). 3.9, 12.4, 13.1, 14.3, 15.2



GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG
<b>Creation and distribution of value, including the communities where we operate</b>			
<b>GRI 103: Management type</b>	103-1	Clarification on the material issues and respective limits	23
	103-2	Management approach and respective components	26, 55, 56, 57
	103-3	Progress of the management approach	26, 55, 56, 57
<b>GRI 201: Economic performance</b>	201-1	Direct economic value generated and distributed	81, 91
	201-4	Financial support granted by the government	56, 91
<b>GRI 202: Market share</b>	202-1	Proportion between the lowest minimum salary and the local minimum salary, separated by gender	34
<b>GRI 204: Purchase practices</b>	204-1	Proportion of costs incurred with local suppliers	44
<b>GRI 308: Environmental evaluation of suppliers</b>	308-1	New suppliers selected based on environmental criteria	44 No database has been compiled to indicate the motives of any possible non-acceptance of suppliers during the Background Check (BGC) procedure.
	308-2	Negative environmental impacts in the chain of suppliers and measures implemented	44 With the implementation of the SAP Ariba, SLP module, we will perform, on an annual basis, the BGC for active suppliers, in order to determine the existence of violations relating to environmental impacts.
<b>GRI 407: Trade union liberty and collective agreement</b>	407-1	Operations and suppliers in relation to which the right to trade union liberty and collective agreement may be at risk	44 In Comgás, all associates are associated to trade unions. No supplier is subject to such risk.
<b>GRI 408: Child labor</b>	408-1	Operations and suppliers exposed to significant risk of child work	44 None.
<b>GRI 409: Forced or slave work</b>	409-1	Operations and suppliers exposed to significant risk of forced or slave work	44 None.

GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG
<b>GRI 413: Local communities</b>	413-1	Operations with engagement, impact evaluations and development programs directed to the local community	56
<b>GRI 414: Social evaluation of suppliers</b>	414-1	New suppliers selected based on social criteria	44 No database has been compiled indicating the reasons for any possible refusal of suppliers during the BGC procedure.
	414-2	Negative social impacts in the chain of suppliers and measures implemented	44 With the implementation of the SAP Ariba, SLP module, we will perform, on an annual basis, the BGC for active suppliers, in order to determine the existence of violations relating to social impacts: security, labor work. In terms of security, Comgás operates directly with expansion suppliers under the Excellence Program and ensures the compliance with the security requirements and practices through the contractual attachment of SSMQA.
<b>Management of operational risks and integrity of assets</b>			
<b>GRI 103: Management type</b>	103-1	Clarification on the material issues and respective limits	24
	103-2	Management approach and respective components	26, 46, 47, 48, 49, 50, 51
	103-3	Progress of the management approach	26, 46, 47, 48, 49, 50, 51
<b>GRI 403: Labor health and security</b>	403-1	Labor health and security management system	48, 54
	403-2	Identification of harmful conditions, risk evaluation and investigation of incidents	48
	403-3	Labor health services	48, 49
	403-4	Workers' participation, consultation and communication to workers relating to labor health and security	48, 49



GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG	
<b>GRI 403: Labor health and security</b>	403-5	Workers' qualification in labor health and security	47	8.8
	403-6	Promotion of worker's health	46, 49	3.3, 3.5, 3.7
	403-7	Prevention and mitigation of labor health and security impacts directly related to business relations	48	8.8
	403-8	Workers covered by the labor health and security management system	48	8.8
	403-9	Labor injuries	50, 87, 88	3.6, 3.9, 8.8, 16.1
	403-10	Occupational diseases	50, 88	3.3, 3.4, 3.9, 8.8, 16.1
<b>GRI 416: Customer health and safety</b>	416-2	Violations relating to health and security impacts caused by products and services	None.	16.3
<b>Best corporate governance practices</b>				
<b>GRI 103: Management type</b>	103-1	Clarification on the material issues and respective limits	24	5, 16
	103-2	Management approach and respective components	26, 68, 73, 74, 75	
	103-3	Progress of the management approach	26, 68, 73, 74, 75	
<b>GRI 205: Corruption prevention</b>	205-1	Operations evaluated with respect to corruption risks	77	16.5
	205-2	Communication and qualification in policies and procedures against corruption	75, 91	
	205-3	Cases of corruption and measures adopted	77 None.	
<b>GRI 207: Taxes</b>	207-1	Tax approach	76, 78	1.1, 1.3, 10.3, 17.1, 17.3
	207-2	Governance, tax risk control and management	76, 78	

GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG	
<b>GRI 307: Environmental compliance</b>	307-1	Violation of environmental laws and regulations	In 2020, we received the tax assessment relating to the payment of the fine in the amount of R\$ 17,250,000.00 in connection with the incident in Tabatinguera, in view of the rupture of the pipeline by a third party not under Comgás' responsibility. Although not significant <sup>1</sup> , we considered important the rendering of accounts.	16.3
<b>GRI 415: Public policy</b>	415-1	Political contributions	We have not performed political contributions.	16.5
<b>GRI 419: Social and economic conformity</b>	419-1	Violation of laws and regulations in the social and economic area	There were no significant non-monetary fines or sanctions. <sup>1</sup>	16.3
<b>Attraction and development of people and promotion of diversity</b>				
<b>GRI 103: Management type</b>	103-1	Clarification on the material issues and respective limits	24	4, 5, 8, 10
	103-2	Management approach and respective components	26, 29, 30, 31, 32, 33	
	103-3	Progress of the management approach	26, 29, 30, 31, 32, 33	
<b>GRI 401: Employment</b>	401-1	New engagement and turnover of associates	34, 36, 86, 87	5.1, 8.5, 8.6, 10.3
	401-2	Benefits offered to associates in full time that are not offered to temporary or part-time associates	34	3.2, 5.4
	401-3	Maternity/paternity leave	34, 35	5.1, 5.4, 8.5

<sup>1</sup> We defined the value of the significant fines in the amount of R\$50 million, in conformity with the same criteria used in the "Reference Form", implemented in accordance with the criteria adopted in the "Reference Form" prepared by the "Brazilian Securities and Exchange Commission" (CVM), under the terms set forth in CVM Normative Instruction 480/209.



GRI STANDARD	CONTENT	NO OF PAGE AND/OR URL(S) AND/OR DIRECT RESPONSE	SDG	
<b>GRI 404: Qualification and Education</b>	404-1	Average qualification hours per year and per employee	32, 87	4.3, 5.1, 8.2, 8.5, 10.3
	404-2	Programs for improvement of skills of the associates and support for career transition	32, 33	8.2, 8.5
	404-3	Percentage of associates that received continuous performance and career development evaluations	34 100%	5.1, 8.5, 10.3
<b>GRI 405: Diversity and equal opportunities</b>	405-1	Diversity in governance bodies and associates	31, 85, 86	5.1, 5.5, 8.5
<b>Other non-material indicators, however deemed relevant to report</b>				
<b>GRI 303: Water and effluents</b>	303-1	Interactions with water as a shared resource	65	6.3, 6.4, 6.A, 6.B, 12.4
	303-5	Water consumption	65, 90	6.4
<b>GRI 306: Waste</b>	306-2	Management of significant impact relating to waste	66	3.9, 6.3, 11.6, 12.4, 12.5
	306-3	Waste	66, 90	3.9, 11.6, 12.4, 12.5
	306-4	Waste not directed for final disposal	66, 90	3.9, 11.6, 12.4, 12.5

## Summary of SASB contents

### Sustainability Accounting Standard: Infrastructure Sector - Gas Utilities & Distributors | SASB IF-GU |

#### SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	CODE	ACCOUNTING METRIC	PAGE NUMBER AND/OR URL(S) AND/OR DIRECT RESPONSE
<b>Activity Metric</b>	IF-GU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	82, 92
	IF-GU-000.B	Amount of natural gas delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party	82, 92
	IF-GU-000.C	Length of gas (1) transmission and (2) distribution pipelines	92
<b>Energy Affordability</b>	IF-GU-240A.1	Average retail gas rate for (1) residential, (2) commercial, (3) industrial customers, and (4) transportation services only	92, 93
	IF-GU-240A.2	Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year	93
	IF-GU-240A.3	Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days	93
	IF-GU-240A.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	37



## Sustainability Accounting Standard: Extractives & Minerals Processing Sector - Oil & Gas - Midstream | SASB EM-MD |

### SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	CODE	ACCOUNTING METRIC	UNIT OF MEASURE	PAGE NUMBER AND/OR URL(S) AND/OR DIRECT RESPONSE
Activity Metric	EM-MD-000.A	Total metric ton-kilometers of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	Metric ton (t) kilometers	82, 94
	EM-MD-110A.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Metric tons (t)CO <sub>2</sub> -e, percentage (%)	62, 94
Greenhouse Gas Emissions	EM-MD-110A.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	62
	EM-MD-120A.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Metric tons (t)	The current inventory solely included the greenhouse gas emissions regulated by the Kyoto Protocol: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, SF <sub>6</sub> , PFCs, HCFCs and regulated by the Montreal Protocol (CFCs and HCFCs)
Air Quality	EM-MD-160A.1	Description of environmental management policies and practices for active operations	Discussion and analysis	Not applicable   Not material
	EM-MD-160A.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	Percentage (%) by acreage	Not applicable   Not material
Ecological Impacts	EM-MD-160A.3	Terrestrial acreage disturbed, percentage of impacted area restored	Acres (ac), percentage (%)	Not applicable   Not material
	EM-MD-160A.4	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	Number, barrels (bbls)	Not applicable   Not material

TOPIC	CODE	ACCOUNTING METRIC	PAGE NUMBER AND/OR URL(S) AND/OR DIRECT RESPONSE
End-Use Efficiency	IF-GU-420A.1	Percentage of gas utility revenues from rate structures that (1) are decoupled or (2) contain a lost revenue adjustment mechanism (LRAM)	Not applicable.
	IF-GU-420A.2	Customer gas savings from efficiency measures by market	62
Integrity of Gas Delivery Infrastructure	IF-GU-540A.1	Number of (1) reportable pipeline incidents, (2) Corrective Action Orders (CAO), and (3) Notices of Probable Violation (NOPV)	93
	IF-GU-540A.2	Percentage of distribution pipeline that is (1) cast and/or wrought iron and (2) unprotected steel	94
	IF-GU-540A.3	Percentage of gas (1) transmission and (2) distribution pipelines inspected	94
	IF-GU-540A.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	51, 54



# Independent Auditors' Assurance Report

| GRI 102-56 |

TOPIC	CODE	ACCOUNTING METRIC	UNIT OF MEASURE	PAGE NUMBER AND/OR URL(S) AND/OR DIRECT RESPONSE
Competitive Behavior	EM-MD-520A.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	Reporting currency	Not applicable, current operations are regulated by ARSESP (state level).
	EM-MD-540A.1	Number of reportable pipeline incidents, percentage significant	Number, percentage (%)	95
Operational Safety, Emergency Preparedness & Respons	EM-MD-540A.2	Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	Percentage (%)	95
	EM-MD-540A.3	Number of (1) accident releases and (2) non-accident releases (NARs) from rail transportation	Number	Not applicable.
	EM-MD-540A.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	Discussion and analysis	51



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A free-translation from Portuguese into English of Auditors' Report on non-financial statements (Annual Sustainability Report) originally prepared in Portuguese and in Brazilian currency (R\$).

## Independent Auditors' Limited Assurance Report on the Compass Gás e Energia S/A. Annual Sustainability Report based on GRI – Standards (In accordance – “Core”)

To the Shareholder, Advisers and Directors of  
**Compass Gás e Energia S/A**  
São Paulo – SP

### Introduction

We were engaged by Compass Gás e Energia S/A. (“Company” or “Compass”) management to present our limited assurance report on the information contained in the Annual Sustainability Report based on Global Reporting Initiative (“GRI”) – Standards for the twelve-month period ended December 31, 2020 (“Report”).

### Management and governance responsibilities for the Report

Compass’s management is responsible for preparing and presenting appropriately the information contained in Report in accordance with criteria, assumptions and requirements of the GRI guidelines (In accordance – “Core”), and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

### Independent auditors' responsibility

Our responsibility is to express a conclusion on the Compass's Report information, based on the limited assurance work conducted in accordance with Technical Notice of Ibracon № 07/2012, approved by the Brazil's National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the Report is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquires of management and other professionals from Compass who were involved in the preparation of the Report, as well as of the application of additional procedures deemed necessary to obtain evidence which enables us to conclude on the limited assurance on the Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters that lead him to believe that the Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Report information in accordance with criteria, assumptions and own methodologies from Compass. The procedures comprised:

- (a) the planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of the Report;
- (b) the understanding of the calculation methodology and the procedures for preparation and compilation of the Report through interviews with management in charge of preparing the information;

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A free-translation from Portuguese into English of Auditors' Report on non-financial statements (Annual Sustainability Report) originally prepared in Portuguese and in Brazilian currency (R\$).

- (c) the application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Report;
- (d) comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the guidelines of the structure for development of the GRI applicable in the preparation of the information contained in the Compass's Report.

We believe that the evidence obtained in our work was sufficient and appropriate to provide a basis for our limited conclusion.

**Scope and limitations**

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Report information. As a consequence, we are not in a position to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. Had we carried out a work to issue an opinion, we could have identified other matters or misstatements in the Report information. Accordingly, we did not express an opinion on this information. In addition, Compass's internal controls were not part of our limited assurance scope.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, significance and accuracy of data are subject to the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

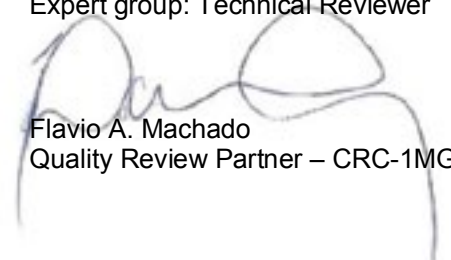
**Conclusion**

Based on the procedures performed and herein described, nothing came to our attention that makes us believe that the GRI KPIs presented on the Report, for the twelve-month period ended December 31, 2020, was not prepared, in all material respects, in accordance with criteria, assumptions and methodologies for the preparation of the KPI's based on requirements of the Global Reporting Initiative – Standards (In accordance – "Core").

São Paulo (SP), April 20th, 2021.

**Ernst & Young**  
Auditores Independentes S.S  
CRC-2SP015199/O-6

Leonardo Masseli Dutra  
Expert group: Technical Reviewer

  
Flavio A. Machado  
Quality Review Partner – CRC-1MG 065.889/O-2



## Corporate Credits

| GRI 102-3 |

### Compass

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04538-132 - São Paulo (SP) - Brasil

### General Coordination and Project Management

Team of Institutional Communication,  
Sustainability and Investor Relations

### Text and review

KMZ Conteúdo

### Indicators and Materiality Consulting

Avesso Sustentabilidade

### Graphic Design and Layout

Magenta Lab

### Pictures

Acervo Loures

### Translation (English version)

InspIR Group

Compass reinforces the commitment with all health and security protocols against Covid-19. The pictures used in this report belong to the company's picture base and were mainly registered before the beginning of the pandemic.

**COMPASS**  
gás & energia