

# SUSTAINABILITY REPORT COSAN 2019

POCKET VERSION





At Cosan Group, we consider Environmental, Social, and Governance aspects in our decision-making process, as a way of generating and sharing value with our stakeholders. We keep focused on responsible management of each company of our portfolio, whether contributing to transition to a low-carbon economy, improving Brazilian logistics competitiveness, continuously pursuing to enhance the efficiency of our processes, taking care of people, and the environment in which we operate.

Here, you can have an overview of our businesses' contributions to Brazil's development, both in the Economic, Environmental and Social pillars, which are detailed in the full version of our Sustainability Report 2019.

# Commitment to SUSTAINABILITY

Reinforcing our commitment to the future, we made **10 public commitments to sustainable development**, correlated with the United Nations (UN) Sustainable Development Goals (SDG). These goals are pursued with clear and well-structured actions across all companies of our portfolio until 2030.

1

Ensure the safety of our teams, processes, and operations

COMPANY

raízen rumo  
comgós mçove

SDG

3 8

2

Promote and stimulate energy efficiency, besides elaborating and updating greenhouse gas (GHG) emissions inventory across all businesses

COMPANY

raízen rumo  
comgós mçove

SDG

7 12 13 14 15

3

Promote gender diversity in our selection processes and a succession map, besides continuously developing our people

COMPANY

raízen rumo  
comgós mçove

SDG

3 5 8 10

4

Disseminate ethical values among our team members

COMPANY

raízen rumo  
comgós mçove

SDG

8 17

5

Seek funding connected with sustainability criteria (Green/Social/Transition/ESG-related)

COMPANY

raízen rumo  
comgós mçove

SDG

11 12 17

6

Contribute to Brazil's sustainable development, starting with places surrounding our companies' operations

COMPANY

raízen rumo  
comgós mçove

SDG

1 16 17

7

Promote transparency in our business management and align business management with environmental, social, and governance values

COMPANY

raízen rumo  
comgós mçove

SDG

3 5 7 8 9  
10 12 13 14 15

8

Participate in sustainability and innovation forums and voluntary initiatives to discuss, influence, and learn, always seeking the best global practices

COMPANY

raízen rumo  
comgós mçove

SDG

4 9 11 17

9

Reduce the emissions per revenue ton kilometer (RTK) at Rumo until 2025 by 15%

COMPANY

rumo

SDG

12 13 14 15

10

Reduce the ethanol carbon footprint produced by Raízen until 2030 by 10%

COMPANY

raízen

SDG

7 12 13 14 15

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDG)





# Cosan's WAY...

In sugar, ethanol, bioenergy, natural gas, fuel, lubricants, and basic oils, at ports and railways...

**Cosan's way** moves the daily routine of industries and people, and it is reflected in the work of almost 40,000 professionals who dream and chase their goals to make a difference.

We are Cosan, a holding committed to the development of Brazil, which has been increasingly investing in integrated logistics and diversification of the Brazilian energy matrix.

We operate with a focus on maintaining the consistency of policies and communicating the best practices in our business platform and our companies, Raízen, Comgás, Moove, and Rumo, which operate with the necessary autonomy to maintain leading positions in their segments.

Entrepreneurship, Ethics, Empathy, and Encouragement are the 4 E's defining our culture and having driven our history written with solid results.

## People DEVELOPMENT

Our companies' People Management teams work integrated to exchange information about talents and opportunities at our team. Therefore, we ensure the allocation of the right professionals in the right places, and sustain a continual succession plan, in line with business growth.

Over 1.2 million hours of training in 2019



Cosan	3,818
Raízen*	864,000
Comgás	16,671
Moove	21,000
Rumo	390,263
Total	1,295,752

\*hours of training in the 2019/2020 crop year.

## Occupational SAFETY

Safety is a non-negotiable value for us: the objective is to reduce the indexes of accidents, incidents, and lost days, towards Zero Accident.

Companies' performance concerning occupational safety is also one of the social and environmental aspects always considered when defining the variable compensation of our group's executives.

2019

140 MILLION  
hours worked

18 ACCIDENTS  
with leave

LTIF (Lost Time Injury  
Frequency): 0.13



# Climate CHANGE MANAGEMENT

## Raízen

Raízen estimates that by increasing its offering of renewable energy, it can avoid the emission of 36 million tons CO<sub>2</sub> by 2030. Since 2003, when the flex-fuel technology was launched, until May 2020, the consumption of anhydrous and hydrated ethanol reduced GHG emissions by 515 million tons of CO<sub>2</sub>eq\*. This volume corresponds to the combined annual emissions of Argentina, Venezuela, Chile, Colombia, Uruguay, and Paraguay.

As an alternative to gasoline, the ethanol produced by Raízen in 2019 avoided the emission of 5.2 million tons of CO<sub>2</sub>, corresponding to 2.5 million fewer cars on streets.

\*According to ÚNICA calculations, based on data of the National Agency of Oil, Natural Gas, and Biofuel (ANP)

## Comgás

The pipeline of natural gas distributed by Comgás creates complete combustion and generates less GHG emissions in relation to other fossil fuels. Also, it is a non-toxic material and, as it is lighter than air, reduces the risk of accidents, as it is easily dispersed in the atmosphere in case of leakage. Its qualities also allow almost unrestricted use in various segments while remaining in compliance with environmental laws. Natural gas has been increasing in the Brazilian energy matrix; the projection reaches 15.5% for 2030, according to the Brazilian Association of Pipeline Gas Distributors (Abegás), and Comgás, Brazil's largest natural gas distributor, accounts for 30% of total volume.

## Rumo

Rumo's semi-automatic trains have been resulting in substantial fuel savings gains. With smooth driving, no-overtaking at defined speed and other safety controls, this technology allows trains to run 10% less diesel compared to non-automatic trains. In 2019, 156 railway locomotives were semi-automatic and, as a result, an **8% reduction was seen in GHG emissions by RTK, versus 2018**. By the end of 2020, all locomotives should run with this technology.

Also, to the extent we invest in the railway sector, we contribute to the mode diversification, to achieve the targets of reducing global GHG emissions. For instance, Brazil's main grain shipment channel, from Rondonópolis (MT) to the Port of Santos (SP), for every 10,000 tons transported via railway rather than the highway, it is possible to prevent the emission of approximately 1,500 tons of CO<sub>2</sub> – an offset corresponding to the planting of more than 10,000 trees in the Atlantic Forest. There are further benefits as well, such as fewer accidents and a reduction in urban traffic.

## Reduction of greenhouse gas (GHG) emissions

Besides investing to increase our footprint in the biofuel market and expand the use of railways and intermodal transportation that ship Brazilian cargoes, we are also at the forefront of generating and trading renewable electricity, as well as continuously promoting the operational efficiency across all our businesses.

Emissões de GEE por escopo (em tCO<sub>2</sub>eq)

	2018			2019		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Cosan	139	75	66	241	26	97
Raízen <sup>1</sup>	1,416,166	7,800	470,074	1,441,914	6,359	39,315,036
Comgás	20,326	159	363	10,949	212	4,322
Moove	4,400	423	7,206	4,655	444	7,167
Rumo <sup>2</sup>	957,486	2,265	N/D	951,252	2,418	N/D
Total	2,398,517	10,723	477,709	2,409,011	9,459	39,326,622

<sup>1</sup> Raízen recorded a significant increase, especially in Scope 3, due to the inclusion of new categories in its inventory.

<sup>2</sup> As to control of Scope 3 emissions, Rumo initiated its collection process in the year for subsequent disclosure.



# Contributions THAT GO BEYOND...

**Comgás**

considering scope 1,  
reduced its emissions by over  
5,000 tCO<sub>2</sub>eq

**raízen**

Raízen is committed to reducing its ethanol carbon footprint by 10% until 2030, decreasing carbon emissions by 500,000 tons during this period. However, the volume of CO<sub>2</sub> emissions avoided, when ethanol replaces gasoline during the same 10 years, is 72 times greater. Every year, Raízen produces more than 2.5 billion liters of ethanol from sugarcane, and its carbon footprint is 30% lower than corn ethanol and 90% lower than gasoline.

We multiply this effect if we consider the quantity of ethanol we distribute and we make available to consumers through our distribution infrastructure and dealers network. Raízen also has proven technology to potentialize the use of over 30 million tons of biomass under management.

**comgás**

In 2019, Comgás developed its first detailed Emissions Inventory, which complies with Brazil's GHG Protocol Program. This will enable us to measure performance over time and to guide investments in GHG emissions offset in the upcoming years. In 2019, considering Scope 1, Comgás reduced its emissions by over 5,000 tCO<sub>2</sub>eq.

**móve**

Bulk lubricant distribution systems have been maintained in Brazil since the innovation was introduced in 2005, with the same quality of the packaged product, which eliminates the use of plastic packages.

The main result is, concerning vehicles, for each 100 oil exchanges, 400 1-liter packages are not wasted, and, in trucks, the same number of oil changes prevents the disposal of 200 20-liter packages.

**rumo**

Rumo undertook to reduce the carbon footprint of its diesel-fueled locomotives by 15% until 2025, which means, 750,000 tons fewer emissions of CO<sub>2</sub>. A great impact, however, derives from the higher railway capacity, enabling consumers to choose the use of trains, rather than trucks: in 5 years, higher capacity estimated will allow a four-fold decrease.

In 2019, Rumo expanded its area of activity by winning the auction of the North-South railway, which coupled with plans to extend the North Network, makes Rumo present in 80% of grains producer states, increasing even more competitiveness in Brazil's agribusiness.

Estimates indicate that Brazil, over the upcoming years, should supply nearly 50% of the growth estimated in global grains demand. These two projects, once concluded, again double Rumo's contribution to reducing carbon emissions by replacing trucks.



# Approach to COVID-19 CRISIS

Our group is organized in a collective effort to mitigate the Covid-19 impact and through our businesses, continue providing the energy and logistics that the country needs. Since the onset of the coronavirus pandemic in Brazil, we directed our capacity of execution and organization to sign partnerships and maintain our assets and infrastructure at the service of society.

We pioneered in Brazil the commitment to not lay off employees at this moment, we took all the measures necessary to preserve the health and the physical integrity of our professionals and communities in which we operate.

Our donation totaled R\$17 million\*, mainly to hospitals and health professionals, communities nearby our operations, and truck drivers, who provide essential services to the country and cannot stop working.



**We ordered  
120,000  
COVID-19 TEST  
KITS for our  
40,000 employees  
and family members**

We acknowledge each professional's effort: employees, third parties, and partners. We know many families rely on our work, especially at this vulnerable time. As this current scenario continues to unfold, besides the actions mentioned above, we continue moving forward to address the challenges head-on, always based on our Health and Safety values.

We thank each employee and each of our partners for their commitment to moving forward.

**Social media links:**



\*Until Jun/20