



SUSTAINABILITY

REPORT

2020

**POCKET
VERSION**

SUSTAINABILITY REPORT COSAN 2020

LETTER FROM THE CEO

It goes without saying that 2020 was challenging. The ability of our companies to quickly create, organize, and implement all practices and procedures to support the continuity of our operations was put to the test. **In less than a week, most of our employees were already working from home, and those who had to remain on site, serving the society, were provided with all the necessary safety requirements to be able to continue working to guarantee the energy and the logistics that our country relies on.** Thanks to the excellence of our teams, 2020 was a year of outstanding achievements.

More than ever, we remain committed to the EESG concept, adding an "E" for Economics as the fourth pillar of sustainability. We reassessed our materiality matrix to ensure our priorities were fully aligned with our strategy and from there we established new targets, new goals so that we can continue to facilitate the decarbonization of our clients. In 2020, we made significant progress in the EESG agenda, recognized by our stakeholders. We joined the **UN Global Compact**; became part of the **Corporate Sustainability Index (ISE B3) portfolio for 2021**, as well as the **Carbon Efficient Index (ICO2 B3) and the S&P B3 ESG Brazil Index**, being included in the **first Brazilian ESG ETF**. We have also improved significantly our scores in the **CDP and DJSI questionnaires**, in addition to being listed on the **Bloomberg Diversity Index (GEI) for the first time**. **We also made progress in promoting diversity by electing the first woman into our Board of Directors and established diversity goals across the group.**

There are still many challenges and uncertainties ahead. It is hard to predict when the Covid-19 pandemic will actually come to an end, but we remain confident in **our ability to act sustainably,**

boosting Brazil's leading role in the environmental agenda and contributing to the transition to cleaner energy matrix. We are leaders in the sectors where we operate, therefore responsible for setting best practices and high standards when increasing the competitiveness of the Brazilian agribusiness, which feeds the world through efficient logistics; by exporting green technology; or by generating carbon credits with our renewable energy initiatives – all together **helping our customers decarbonize their operations and activities.**

This pocket version of our sustainability report **provides an overview of the contributions from each of our businesses to the Cosan EESG agenda.** To learn more, see the [full version](#).

Stay safe and all the best!
Luis Henrique Guimarães



DISCUSS ON WHAT IS A PRIORITY

We work towards a **cleaner and renewable energy matrix** by building a reliable, **effective and sustainable logistics operation**, directly helping to improve Brazilian development and competitiveness. Our operation is supported on four **key pillars: economic, environmental, social and governance (EESG).**

The content of the full Sustainability Report was prepared in accordance with the **Global Reporting Initiative (GRI)** – essential option –, and includes indicators from the **Sustainable Accounting Standards Board (SASB)**. It presents our action plan for each of the Task Force's 11 recommendations on **Climate-Related Financial Disclosures (Task Force on Climate-Related Financial Disclosures - TCFD)**, as part of our commitment to evolve along this path.

MATERIAL TOPICS AND COMMITMENT TO SUSTAINABLE DEVELOPMENT

We reassessed our materiality matrix, expanding the sample of stakeholders consulted when defining priority themes, mainly to align it with our strategic agenda. Based on this new list of material topics, we were able to quantify a some more of our commitments to sustainable development.

The seven material topics for the holding company are the bedrock of our commitments to sustainable development, also assumed by each of our companies in line with global agendas – the Global Compact and Sustainable Development Goals (SDGs) – and the GRI and SASB indicators applicable to these topics, which are an integral part of the full report.

The following pages present a list of each commitment to our material topics, and the quantification of new goals set, which will be monitored periodically by the Boards of Directors and the executive boards of each company. Click [here](#) to view the material topics of the sectors we invest in, on page 12 of the Sustainability Report.



Click [here](#) to access the Sustainability Report and view the principles of the Global Compact and Sustainable Development Goals (SDGs) related to Cosan's materiality matrix.

1 EESG Strategy

Our commitments

- ▶ We are committed to making strategic decisions based on economic, environmental, social, technological and governance aspects. This level of transparency is important for our investors to be sure and clear about the way we act.
-

2 Portfolio management and capital allocation

Our commitments

- ▶ Seek forms of funding connected to sustainability criteria (Green/Social/Transition/ESG-related).
 - ▶ Contribute to Brazil's sustainable development, starting with areas surrounding our companies' operations.
-

3 Risk management and cybersecurity for people and assets

Our commitments

- ▶ Ensure the safety of our teams, processes, and operations.
-

4 Technological innovation and digitization

Our commitments

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

5 Best corporate governance practices

Our commitments

- ▶ Promote ethical values throughout our teams.
- ▶ Promote transparency in our business management and align business management with environmental, social, and governance values.



6 Climate change



Click [here](#) to access the Sustainability Report and view the principles of the Global Compact and Sustainable Development Goals (SDGs) related to Cosan's materiality matrix.

Our commitments

- ▶ Promote and stimulate energy efficiency, with a net-zero target for the holding company (scope 1, 2 and 3) starting in 2021, in addition to preparing and keeping up to date inventories of greenhouse gas (GHG) emissions in all businesses.
- ▶ Net-zero scope 1 and 2 at **Comgás** by 2025.
- ▶ Inclusion of renewable gas in the **Compass** portfolio by 2025.
- ▶ Use of 15% of renewable plastic for packing at **Moove** by 2025.
- ▶ Reduce emissions per ton kilometer (RTK) at **Rumo** by 15% by 2025.
- ▶ 100% cargo traceability at **Rumo** by 2025.
- ▶ Reduce the ethanol carbon footprint of produced ethanol at **Raízen** by 10% by 2030.
- ▶ Increase in the GJ/ha indicator by 15% at **Raízen** by 2030.
- ▶ 10% reduction in water intake by **Raízen** by 2030.

7 People management and promotion of diversity

Our commitments

- ▶ Promote gender diversity in our selection processes and succession map, in addition to continuously developing our people, with the goal to increase the participation of women in senior leadership positions to 30% by 2025 at the holding company¹.

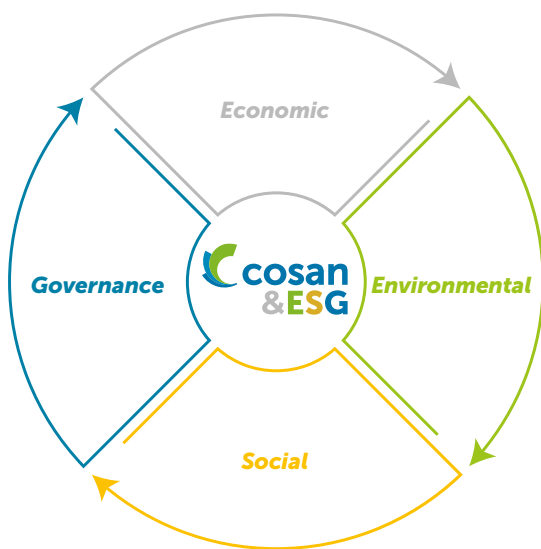
¹As a holding company, we promote and encourage autonomy in the management of our businesses, as we understand the specifics of each. To promote diversity and gender equality, each company determined specific goals to meet their challenges, described in their own sustainability reports.

OUR APPROACH

Economic, environmental, social, technology and governance aspects guide our sustainable capital allocation strategy.

With a history spanning over 80 years, we are one of the largest conglomerates in Brazil. Following Our Approach, which is **Entrepreneurial, Empathic, Ethical and Encouraging**, we invest in strategic sectors such as agribusiness, fuel and natural gas distribution, lubricants, and logistics. Through our companies Raizen, Compass Gás e Energia, Moove, and Rumo, our team of more than 40,000 employees dream and crisscross the Country from North to South, helping to build the foundations for lasting and sustainable growth.

As a holding company, **we encourage our companies to strive for and achieve operational excellence**. To this end, we maintain robust governance structures, diligence processes, and internal controls. The purpose is to share good practices while **ensuring autonomy, so that each company is a protagonist in its segment**.



ECONOMIC

We believe that the ESG concept should be expanded to EESG, with the addition of Economics as our fourth pillar of sustainability and a mechanism for value creation in the long term.

In 2020, we reached consolidated EBITDA of R\$ 9.3 billion, compared to R\$ 9.4 billion in 2019, impacted by the effects of the pandemic on businesses. Net income ended the year at R\$ 860 million, mainly affected by the negative (non-cash) effect of the devaluation of the Real in the unprotected portion of the perpetual bond. We also achieved a ROIC of 10%, compared to 11% in 2019.* These are very robust results, which show the resilience and complementarity of our portfolio in the face of an adverse scenario, mainly due to the crisis caused by Covid-19.

SOCIAL

The diversity of people, skills, experiences and knowledge are also key pillars in our strategy.

We are constantly investing towards increasing our human capital, and having our talents duly mapped and trained.

Discussions at the Board of Directors level include gender as one among the many pillars of diversity we are working to include. And for this pillar, for which we already have several projects mapped and underway across all businesses, our starting commitment is reaching 30% of women in high leadership positions in the holding company until 2025, **which paves the way for progress towards the inclusion of other minority groups in our team**.

Employees per company

	2019			2020		
	Male	Female	Total	Male	Female	Total
Cosan ¹	77	70	147	73	61	134
Raizen ²	24,338	4,505	28,843	24,338	4,505	28,843
Compass ³	869	356	1,225	835	360	1,195
Moove ⁴	1,184	463	1,650	1,252	482	1,734
Rumo	7,860	737	8,597	7,787	815	8,602
Total	34,328	6,131	40,462	34,285	6,223	40,508

¹Find more information about our employees in the GRI Annex, included in the full report.

²Data referring to the 19'20 Crop, considering only operations in Brazil.

³Data from 2019 represent Comgás employees only.

⁴Data from 2019 was re-submitted.

SAFETY

We hold the safety of our people and operations as a fundamental value.

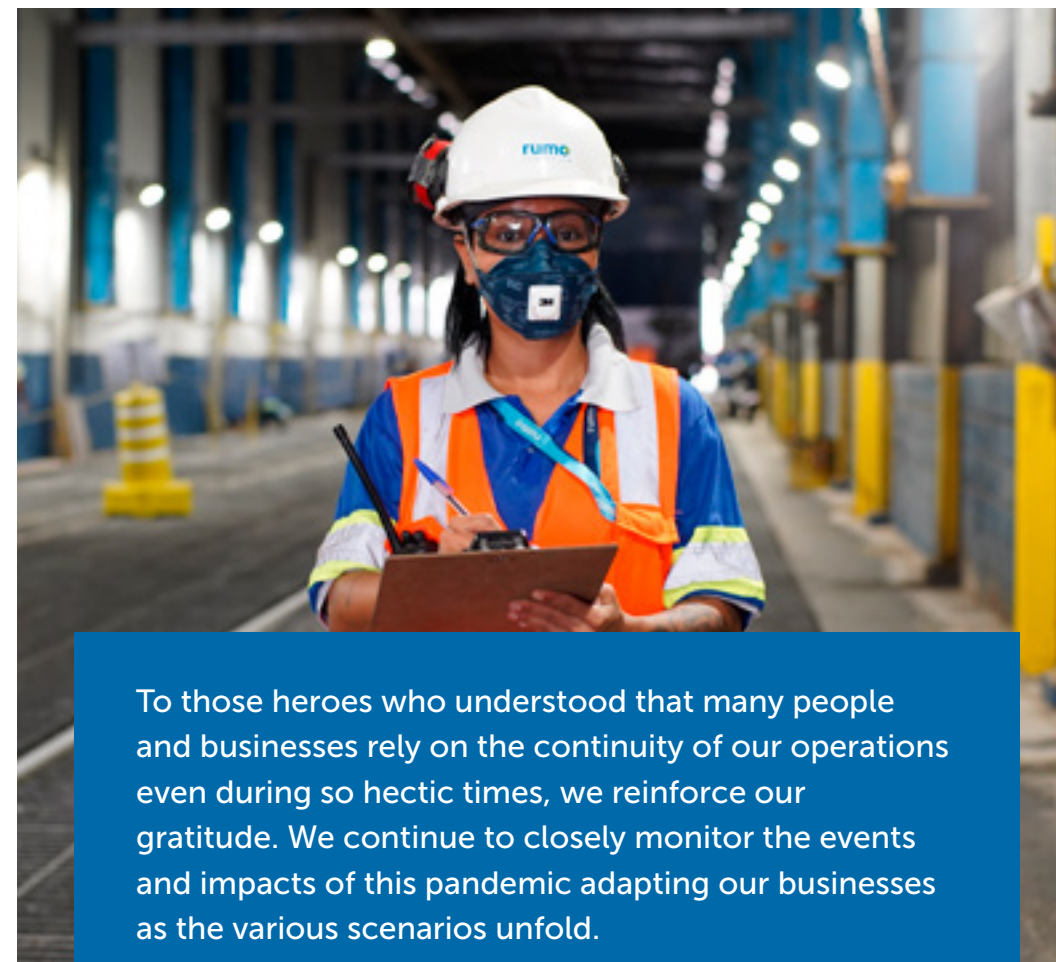
We continually invest in programs and initiatives that involve training and educational actions, in addition to integrated management systems, in all companies, which guide our daily operations and provide tools for accident prevention. In 2020, more than 162 million hours were worked in all companies, with 26 incidents, consequently, a consolidated LTIF index of 0.16.

Number of incidents with leave by millions of hours worked (Lost Time Injury Frequency – LTIF), by company

	Incidents with leave	Million hours worked	LTIF Index
Raízen ⁵	17	107	0.16
Comgás	1	3	0.33
Comgás (Terceiros)	2	8	0.25
Moove ⁶	0	2	0.00
Rumo	6	42	0.14
Total	26	162	0.16

⁵Data referring to the 19'20 Crop.

⁶Data referring to Moove's operations in Brazil.



To those heroes who understood that many people and businesses rely on the continuity of our operations even during so hectic times, we reinforce our gratitude. We continue to closely monitor the events and impacts of this pandemic adapting our businesses as the various scenarios unfold.

OUR APPROACH

ENVIRONMENTAL

We focus constantly on generating positive impacts for the environment, we are committed to developing solutions that enable intelligent and efficient consumption of energy in our operations and help our customers decarbonize their businesses.

We know the potential our companies have in facing climate change and reducing GHG emissions and, therefore, we work to deliver cleaner energy and efficient logistics to our consumers.

Direct GHG emissions by scope (in tCO₂eq)

	2018			2019			2020		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Cosan ¹	139	75	66	241	26	97	252	20	18
Raízen ²	1,416,166	7,800	470,074	1,441,914	6,359	39,315,036 ⁵	1,441,914 ⁷	6,359 ⁷	39,315,036 ⁷
Comgás/ Compass ³	20,326	159	363	16,488	321	9,004,320 ⁶	12,219	232	8,440,833 ⁶
Moove	4,400	423	7,206	4,655	444	7,167	4,655 ⁷	444 ⁷	7,167 ⁷
Rumo ⁴	957,486	2,265	n/d	951,252	2,418	n/d	890,404	2,632	n/d
Total	2,398,517	10,722	477,709	2,414,550	9,268	48,326,620	2,349,444	9,687	47,763,054



Click on the note indication number to read the corresponding text.



Throughout 2020, Rumo's rail transport was almost 7 times more efficient than road transport.



At Raízen, around 3.5 million tons of CO₂ emissions were avoided by energy production from renewable sources such as ethanol in 2020.

In 2020, there was a reduction of almost 75 tons of CO₂ equivalent in the emissions of the holding company.



OUR APPROACH

GOVERNANCE

We recently celebrated the successful completion of the process of simplifying our corporate structure, unifying the Cosan holding company into a single listed company – an essential step to further strengthen our corporate governance.

This is a major milestone that underscores the maturity of our corporate governance. We are now even stronger to move forward, focusing our energy in creating value through sustainable capital allocation, our primary role as a holding.

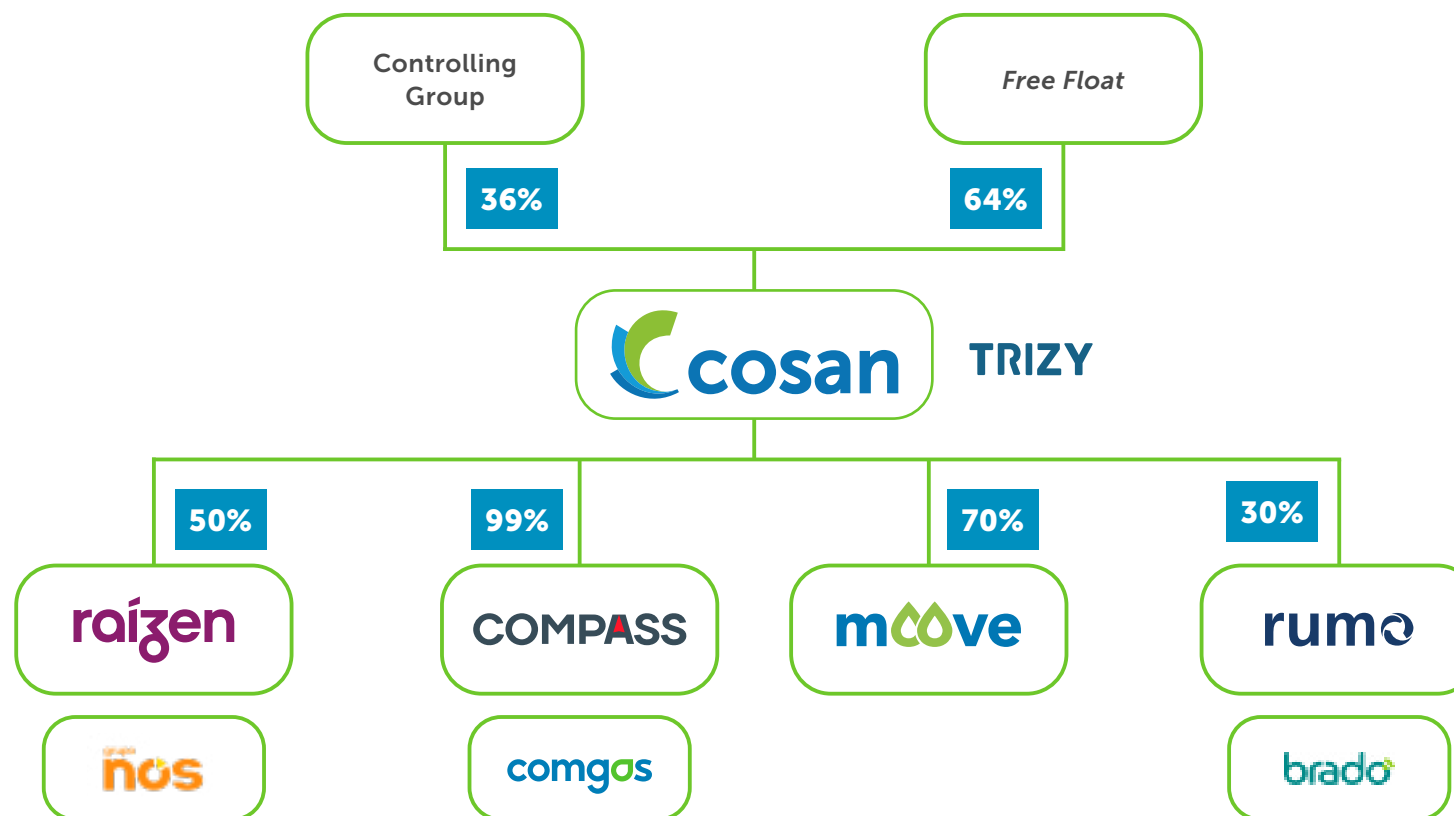
We now comprise a single holding company, Cosan S.A., which is listed in B3's Novo Mercado, the Brazilian stock exchange, under the symbol CSAN3. In addition, on the date of the merger, we launched a Level II ADS program, listed on the NYSE under the symbol CSAN.

Walking the talk

Health, environmental, people safety, and operational goals are taken into account in executive compensation.

The assessment of the individual performance of executives includes financial and sustainability goals (health, safety of people and operations and the environment), projects, behavioral and attitude elements, as well as a commitment to forming successors and to people development, aligned with guidelines defined by the People Committee in accordance with best market practices.

Simplified corporate structure



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