

# SUSTAINABILITY REPORT

2018





Message from management  
**03**

About the report  
**05**

Cosan  
**07**

People integrity: our highest commitment  
**11**

Operational Excellence and Sustainability  
**16**

Transparency, responsibility and credibility  
**20**

Strategy and Performance  
**25**

Portfolio management  
**32**

GRI Content Index  
**47**

Acknowledgments and corporate information  
**49**



## MESSAGE FROM MANAGEMENT

2018 was a landmark for us at **Cosan**. Only a decade ago, we initiated our diversification journey, building a rather unique and nonreplicable portfolio of assets and talents that became one of the largest Brazilian conglomerates today. We managed to succeed in a diverse and adverse political and economic environment, growing steadily over the last 10 years despite all challenges, increasing the group's EBITDA under management by nearly 20 times, while creating value to our shareholders and to our country.

Cosan is present in strategic sectors of the Brazilian economy, contributing to sustainable development and lower carbon footprint through the diversification of energy matrix towards renewable sources and the expansion of an integrated, efficient and reliable logistics platform. Moreover, our subsidiaries have approximately 40,000 employees, making us one of Brazil's largest employers.

The resilience of our portfolio was tested again last year, endeavoring the combination of domestic uncertainties and external factors, but we delivered our consolidated guidance for the 9th consecutive year.

**Raízen Combustíveis** continued delivering results above the industry average mainly by optimizing its supply and commercialization strategy, while prioritizing a sustainable relationship with our resellers' network. Consistency allowed us to deal with a major truckers' strike that stopped the country for over ten days and high volatility of international prices. Raízen also expanded geographically through the acquisition of Shell's downstream as-

sets in Argentina to replicate the successful business model developed in Brasil. In turn, **Raízen Energia** faced a perfect storm last year, out of an unusual combination of climate-related crop setbacks and depressed global sugar prices. The unfavorable scenario, however, did not prevent it from posting robust results while focusing on the sustainability of operations and strengthening its position as an integrated energy company.

**Comgás** surpassed 1.9 million customers and keeps on increasing efficiency. Natural gas sales outperformed GDP across all segments in 2018, grounded on an assertive investment strategy guided by market intelligence and focus on continuous improvement in customer experience.

**Moove** had a very intense and productive year, starting with the renewal of its Mobil Brand-contract for another 20 years and paving the way for further growth. The company reinforced its global presence, expanding into new geographies in South America and Europe, in addition to entering the U.S. market, delivering volume growth in all the countries in which it operates. And closed the year closed on another high by announcing a partnership with CVC Capital Partners.

**Rumo** continues to consistently meet the challenging targets set forth in its investment plan. In fact, 2018 marks the conclusion of an impressive turnaround cycle and sets the scene for a new growth cycle that has just begun. The company kept growing by expanding its capacity and capturing demand, while deleveraging and posting net income for the first time since we fully took over operations in 2015.

With an eye on the future, Cosan entered the fintech space and launched **Payly**, a financial app that holds the potential for improving customers experience across the group and creating value for the company's businesses.

Environmental, Social and Governance (ESG<sup>1</sup>), combined with economic sustainability, have always been a matter of genuine importance to our group, guiding the construction of our portfolio. Those fundamental pillars shaped what we have become, and will continue leading us into the future. 2018 was no different as we strengthened further our core values: safety and operational excellence, strong focus on people and transparency.

We are witnessing a special moment in which Governments, markets and the society as a whole are increasingly aware of the importance of such principles in forging and assuring a better future. Cosan's success is grounded on the commitment to our values, our first-class team and our tireless search for sustainable development.

We dream big and work hard every single day to make it happen. No doubt, we are on the right track.

**Marcos Marinho Lutz**  
CEO



The resilience of our portfolio was tested again last year, endeavoring the combination of domestic uncertainties and external factors

<sup>1</sup> Environmental, Social and Governance practices

# ABOUT THE REPORT

102-40, 102-42, 102-43, 102-44,  
102-46, 102-47, 102-50, 102-51,  
102-52, 102-54, 102-56

We have published our **Sustainability Report** for the sixth consecutive year, drafted in accordance with Global Reporting Initiative (GRI) guidelines, Standard version (Core option). The current cycle refers to the period from January 1 to December 31, 2018, and we present herein the main results and advances relating to the businesses and our relationship with stakeholders.

As we are a holding company, responsible for capital allocation and our asset portfolio management (Raízen Combustíveis and Raízen Energia, Comgás, Moove, and Rumo), the development of this report included a preliminary research to identify potentially material topics for industries in which we operate<sup>2</sup>.

Following this, in-depth interviews were conducted with key executives of **Cosan** and the businesses, as well as qualitative interviews with external stakeholders. The cross-sectional data collected resulted in 10 material topics which enabled the definition of the content presented herein. In 2018, we also took our first step of crossing each material topic with the Sustainable Development Goals (SDG)<sup>3</sup>.



For the **sixth consecutive year** we publish our Sustainability Report drafted in accordance with **Global Reporting Initiative (GRI)** guidelines.

<sup>2</sup> Analysis of sector benchmarks, such as RobecoSAM Yearbook 2018, RepRisk, SASB, and GRI Sustainability Topics for Sectors: What do stakeholders want to know?

<sup>3</sup> In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs)

# MATERIALITY MATRIX

Material Topic	Approach	Reason for topic materiality for our businesses	Related Parties	Correlation with SDG
People Management	Human capital is our most valuable asset. We appreciate each employee's contribution and stimulate his/her continual development	Operational risk Reputational risk Financial risk	Employees Investors	
Climate Change	We are aware of our role in reducing GHG emission. Our businesses have been developing projects and solutions to bring greater efficiency to operations and to contribute to achieving the goals defined in COP21.	Reputational risk	Employees Clients Investors Communities Government	
Occupational Health and Safety	Safety for us is a core value and key to how we operate.	Operational risk Reputational risk Financial risk	Employees Investors	
Economic Performance	We have a business portfolio with a robust track record of results and are well positioned to seize the opportunities and poised to continue growing on a sustainable basis.	Reputational risk Financial risk	Employees Investors Customers Communities Government	
Environmental Compliance	Our businesses are focused on excellence and in assuring that all operations are in conformity with all environmental laws and regulations.	Operational risk Financial risk Reputational risk	Communities Investors Government	
Products and Processes	We work to become benchmark in all segments in which we operate.	Operational risk Reputational risk Financial risk	Employees Customers Investors Government	
Energy	We continuously seek clean forms of generating energy to contribute to the planet's sustainable development and to offer competitive advantages for businesses.	Operational risk	Customers Investors Government	
Waste	We aim at increasingly reducing the impact of our operations, minimizing the waste generated and disposing it correctly.	Operational risk Reputational risk Financial risk	Communities Customers Investors Government	
Technology and Products Opportunities	We continuously invest in creative solutions focused on exercising leadership in innovations and new technologies in the sectors in which we operate, besides contributing to promoting inclusive and sustainable industrialization.	Operational risk Reputational risk Financial risk	Customers Investors Government	

# 03.

## COSAN

102-1, 102-2, 102-4, 102-5, 102-6



# 04.

We are **Cosan**, but you can call us **Raízen, Comgás, Moove,** and **Rumo**.

Through our businesses we are present in the day-to-day of Brazilians across the country: through Comgás' piped natural gas network distribution in its concession area in the State of São Paulo; with Rumo's train activity and presence in six port terminals in different States; with the sale of Mobil's lubricants, automobile repair shops and specialized shops throughout the country and abroad by means of Moove; in addition to fuel distribution at Shell-branded service stations throughout the country, and the production of ethanol, sugar, and bioenergy by Raízen.

#### **RECOGNIZED BY THE MARKET AND PUBLIC**

We are strongly recognized in the market for our businesses' performance and efficiency, with a team who dreams and looks for the best results on a daily basis. It is a successful history, but not widely known by the public in general. To increase awareness of Cosan brand, we started investing in the running community, a sport that is directly associated to resilience, determination, planning, performance, and excellence. Such features are intrinsically related to the history of our company and made us one of Brazil's leading business groups. During 2019, over 100 road running races were sponsored by the group in different regions of the country, spanning over 1,400km and with the participation of nearly 400,000 athletes.



[Click here to learn about our campaign. \(Portuguese only\)](#)



### EXCELLENCE AND COMMITMENT

We have a team of more than 40,000 highly qualified and engaged employees who dream every day, get up early and chase after their goals and the best solutions for shareholders, clients, suppliers, partners, and society. In our ongoing pursuit of innovation, competitiveness, efficiency, and growth that respects the environment, we operate in accordance with our Value Creation Principles, which inform all our strategic decisions that guide the creation and development of a long-term portfolio.

Following these principles, we are ensuring **sustainability and operational excellence**, and consistently reinforcing our commitment to Brazil's

development by means of integrated, efficient and reliable logistics, and with diversification of the Brazilian energy matrix. **The integrity of people** is also a non-negotiable and priority topic for Cosan and all our stakeholders. Our culture is based on safety, meritocracy, and diversity, with teams combining unique skills and people with an entrepreneurial spirit, but never neglecting the **governance** in our actions, guided by transparency, responsibility, and credibility. We act to maintain the alignment of policies and best practices in our business platform; at the same time, we assure the autonomy necessary for us to lead in our area of business.

### OPERATIONAL EXCELLENCE AND SUSTAINABILITY

We are committed to Brazil's development through **integrated, efficient and reliable logistics**, and **diversification** of the Brazilian energy matrix.

### INTEGRITY OF PEOPLE IS OUR HIGHEST COMMITMENT

Our **culture** is based on **safety, meritocracy, and diversity**. Our teams combine unique skills; experience, innovation and agile persons with an entrepreneurial mindset.

### TRANSPARENCY, RESPONSIBILITY, AND CREDIBILITY

We act to maintain the alignment of policies and **best practices** of our business platform, ensuring the **autonomy** necessary for us to lead in our area of business.

## SOLID PORTFOLIO WITH SHARED VALUES

Our diversified portfolio allows us to exchange experiences, strategies and best practices among all companies, while sharing a commitment to safety, integrity of people and assets, and operational efficiency. We seek to align the best practices within the group; while giving companies the autonomy necessary to become leaders in their sectors, with increasingly consistent results and a high return on investments.

**Raízen** is the world's largest cane sugar and ethanol producer and exporter, operating at all stages of the sugarcane production chain, from planting until commercialization of the products. In addition, under the Shell brand, it distributes and markets fuels to its network of service stations, supply bases in airports throughout the country and companies of various economic sectors. Operations also include Shell Select convenience stores, which augment the consumer experience at service stations.

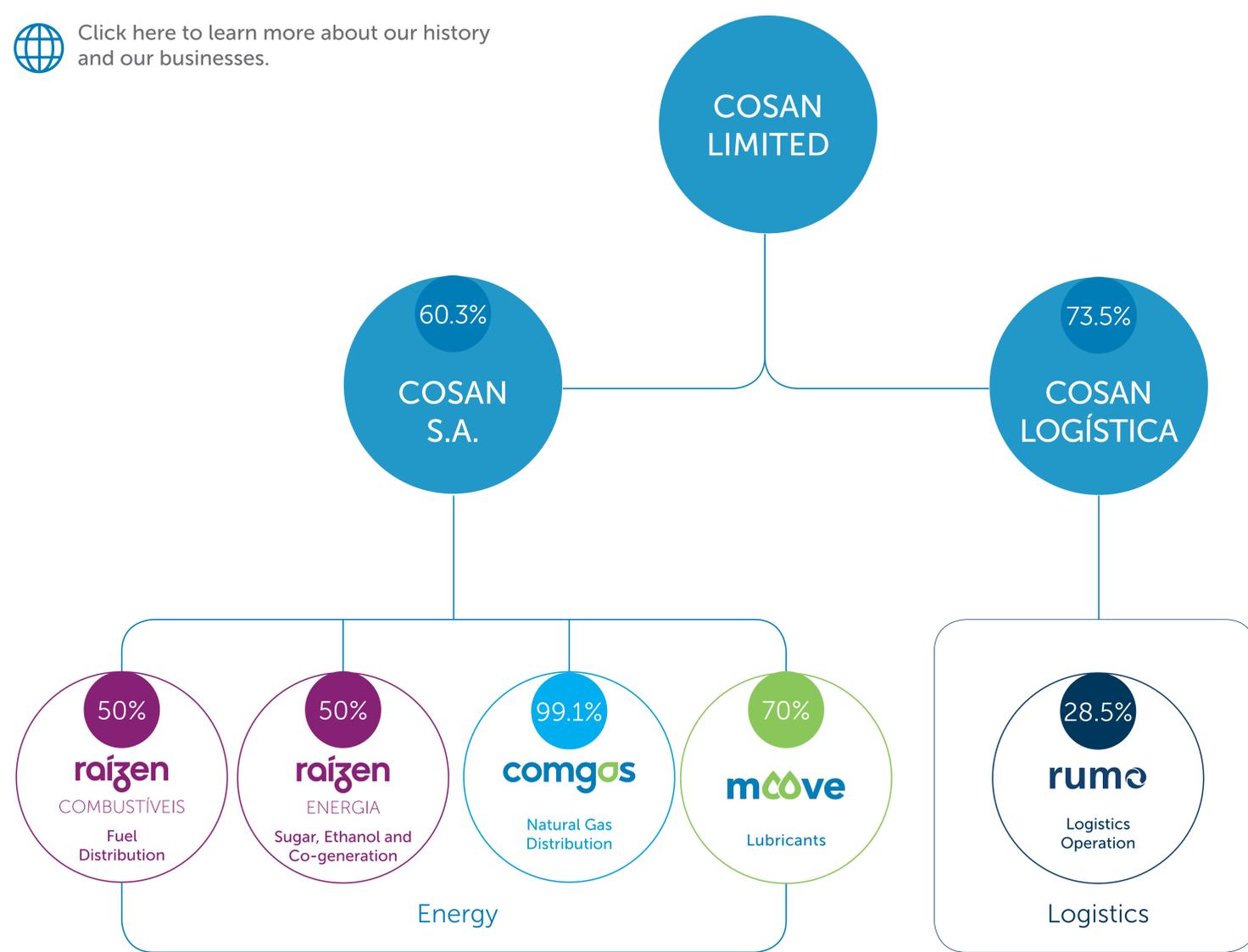
**Comgás** is Brazil's largest natural gas distributor and aspires to improve its customers' lives and operations through first-rate delivery of energy. Today it serves more than 1.9 million customers in its concession area, which comprises the metropolitan region of São Paulo, the administrative area of Campinas, the Santos metropolitan area, and Paraíba Valley.

Today, **Moove** is one of the largest producer and distributor of lubricants and base oils in Brazil (through the Mobil brand). Over recent years it has been gaining ground in relevant international markets, by increasing its footprint in Europe (with mar-

ket growth in France and Portugal), strengthening activities in Spain, Scotland and England, and building a distribution market in Argentina and the United States.

**Rumo** is Brazil's largest logistics operator with an independent railway base, covering over 12,000 km of railway, composed of four concessions in six States (São Paulo, Mato Grosso, Mato Grosso do Sul, Paraná, Rio Grande do Sul and Santa Catarina). It provides transportation logistics services through railways, port loading and product storage.

 [Click here to learn more about our history and our businesses.](#)



### AN EYE ON THE FUTURE

**Payly**, a combination of the words "pay" and "daily", is a virtual wallet which allows payment through QR Codes and transfers via mobile phone. With Payly, Cosan enters the digital market to transform the way to interact with money, reducing costs for merchants and customers by means of a simple and practical platform. The app removes the need of credit and debit cards for payments, reducing costs by eliminating customer chain agents, such as card association brands and payment processors. Payly started its operations in the city of Porto Alegre (RS), to test services in a metropolitan region. With the app validated, services were then tested in the city of Piracicaba (SP). It already started operating in some establishments in the city of São Paulo and is currently rolling out to an additional 14 Brazilian cities.

 The app is available in the App Store and Google Play. [Click here to learn more about Payly.](#)

# 04.

## INTEGRITY OF PEOPLE: OUR HIGHEST COMMITMENT



## AN ENGAGED TEAM

Our group is composed of over 40,000 professionals encouraged to deliver continuously better results. For us, a culture focused on meritocracy and high performance is essential for creating strong teams with a spirit of collaboration, in order to increasingly bolster our companies' growth.

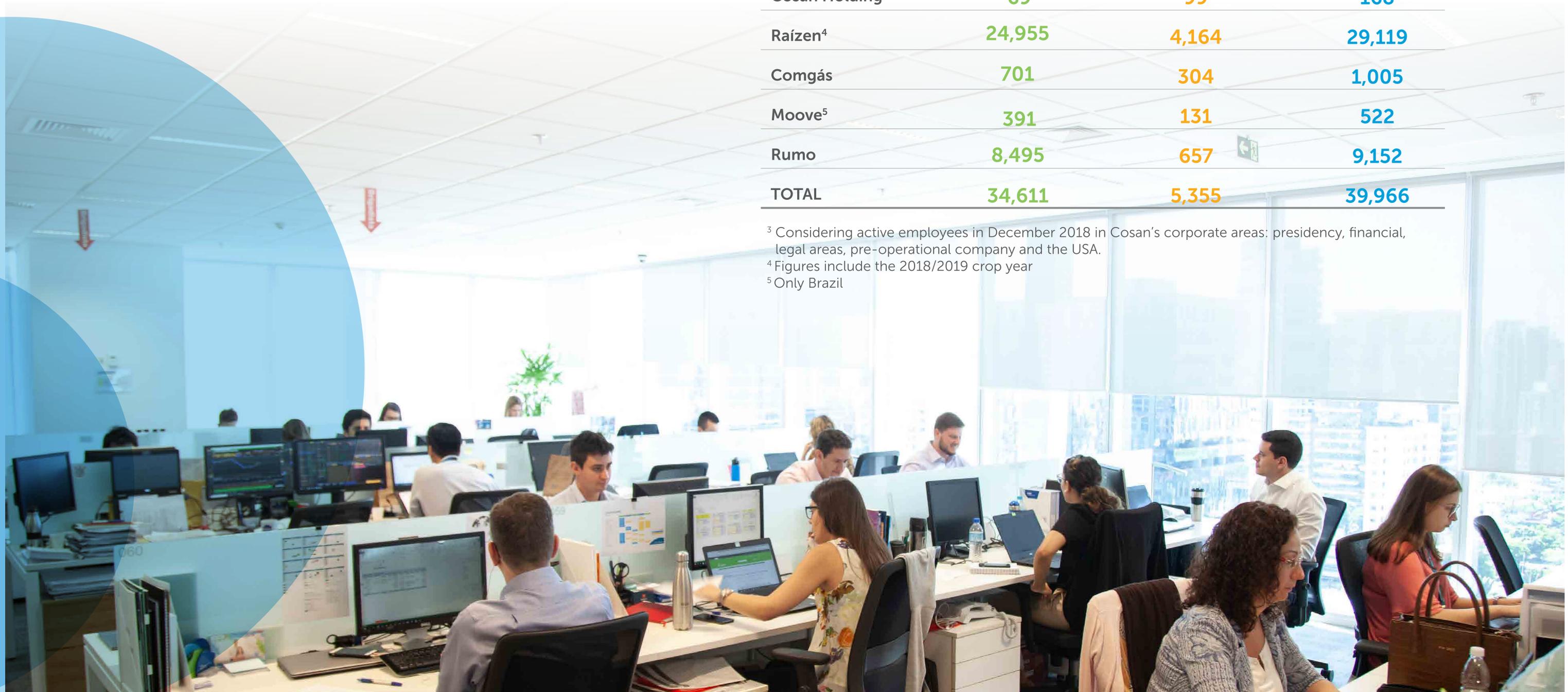
### Profile of our professionals 102-8, 102-41

			
Cosan Holding <sup>3</sup>	69	99	168
Raízen <sup>4</sup>	24,955	4,164	29,119
Comgás	701	304	1,005
Moove <sup>5</sup>	391	131	522
Rumo	8,495	657	9,152
<b>TOTAL</b>	<b>34,611</b>	<b>5,355</b>	<b>39,966</b>

<sup>3</sup> Considering active employees in December 2018 in Cosan's corporate areas: presidency, financial, legal areas, pre-operational company and the USA.

<sup>4</sup> Figures include the 2018/2019 crop year

<sup>5</sup> Only Brazil



Each company has its way of doing business, stimulating and leading its teams, maintaining a relationship with its stakeholders and the market. However, there are shared values that bridge these cultural differences, giving a sense of collaboration, as we call it “**Cosan’s Way**”. We developed this blueprint in 2018 with our senior leadership, to translate our identity as a holding company, and how our essence permeates through the group’s companies.

At Cosan, we transform challenges into opportunities for growth regardless of the business. We recognize individual and collective performances, and understand that the autonomy to achieve our goals requires great responsibilities for our actions.

We power growth with ethical, empathic and entrepreneurial professionals who are inspired by role models. Such profiles and diverse talent undoubtedly allow us to bring out the best in each person and create a first-rate leadership team, which is our key asset.



**COSAN’S WAY**

We lead with the awareness that we are strong because we work together. Teamwork gives us the courage to stimulate Brazil’s growth in the energy and infrastructure sectors.



**Stimulating:** recognize individual and collective performance, catalyze transformation from role models



**Entrepreneurial:** adaptable to create growth opportunities from challenges



**Empathic:** incorporation of different profiles and talents makes us even



**Ethical:** autonomy requires responsibility

## THE UNIQUE COMBINATION OF TALENTS 404-1, 404-2, 404-3

We are guided by a culture of high performance, meritocracy, and recognition of talents. Thus, we conduct programs that value each employee's contribution to driving our teams' growth, supporting their professional development aligned with each specific activities and career plans.

Each company has the autonomy to build its own management processes following its business characteristics, but we seek to define common principles to the group, in order to attract and develop talent, thereby stimulating a participatory process where employee representation is ensured.

Continual development programs, specific and innovative technical training, corporate universities, and platforms to attract and retain talent are only a few examples of our companies' initiatives to bring out the best in our professionals, always encouraging their growth, a strategic vision, responsibility, sustainability of our current and future pipeline of talents and surpassing of organizational goals.

We invest in people since we believe that they are key to our sustainable growth. We apply an integrated vision, aligned among all our operations, to promote innovation by means of a transverse movement of people and exchange of talents, creating opportunities and encouraging intercompa-

ny reallocation of employees, irrespective of area or hierarchical level. In 2018 alone, nearly 70 professionals had the opportunity to develop their careers at another company within the group.

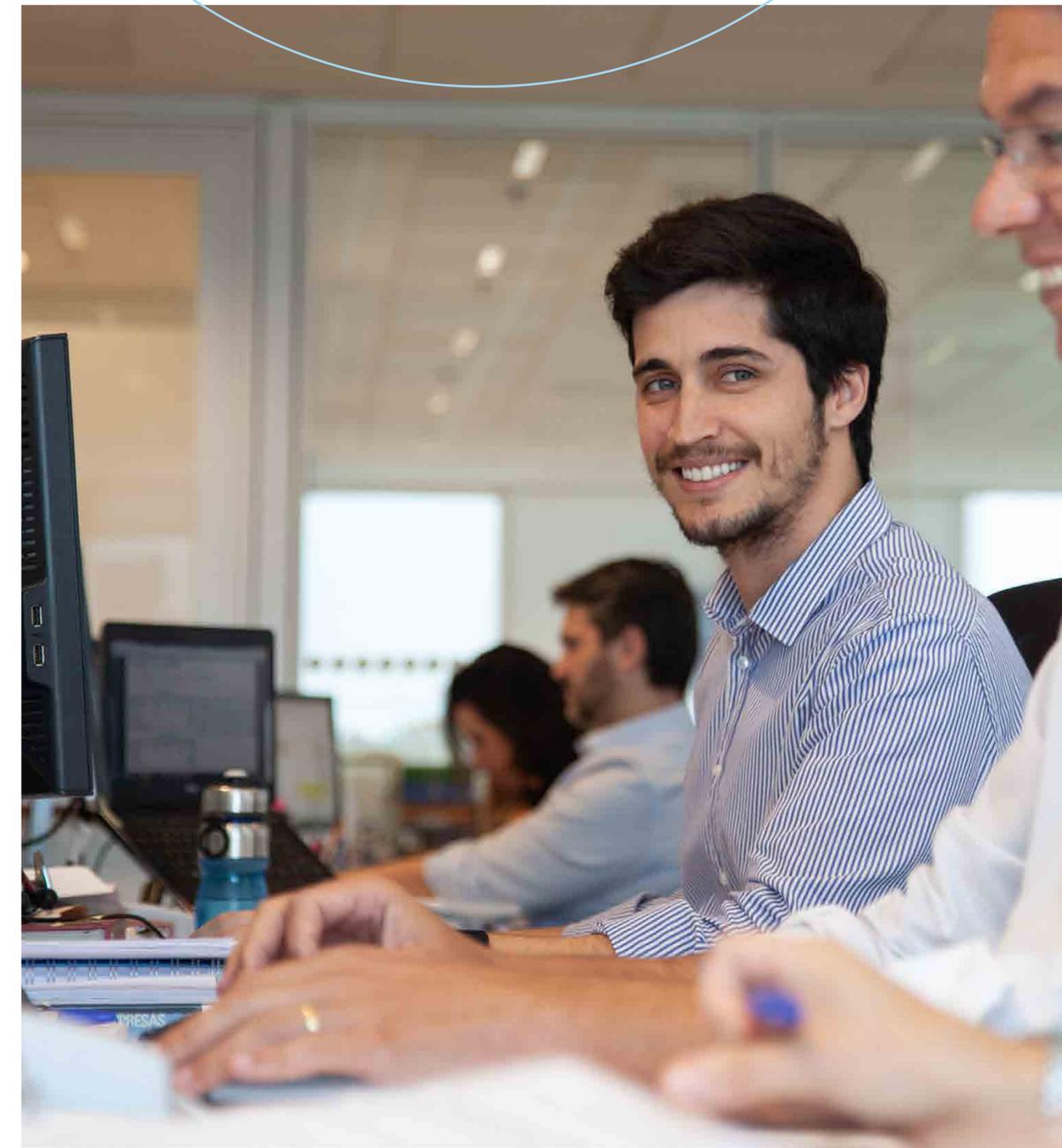
### BROADENING THE HORIZONS 405-1, 405-2

Our company was built on a base of different cultures, which now united, compose one of Brazil's largest business groups. We believe that having a diverse and inclusive human capital, helps us to reach new heights every day. Thus, we work to expand our path towards equal opportunities, creating a healthy environment for the development of people that is inclusive, and open to new ideas and ways of thinking. As an example of the practices adopted, we developed a pilot project at the holding company, with guides and protocols for interviewing, which, in addition to technical needs, covers potential biases that may affect the evaluation process, previously testing the adherence to the group's culture.

At the holding, we also initiated a summer internship program for low-income students and scholarship students from FGV (Getúlio Vargas Foundation) and Mackenzie University. With this project, which is in its early stage, we aim to develop the potential of future professionals and train them for the labor market.



We are guided by a culture of **high performance, meritocracy,** and recognition of **talents.**





In 2018, we recorded 160 million working hours, resulting in a LTIF index of only 0.2.

**SAFETY AS PRIORITY** 403-1, 403-5, 403-6, 403-8

Safety is a core value and a main reference for Cosan, underlining all of our operations. Our commitment to operational excellence and integrity of teams is part of our business strategy, reinforced at all levels and integrated with different processes, such as: management systems, meetings, training courses, safety forums, and frequent communications on the topic.

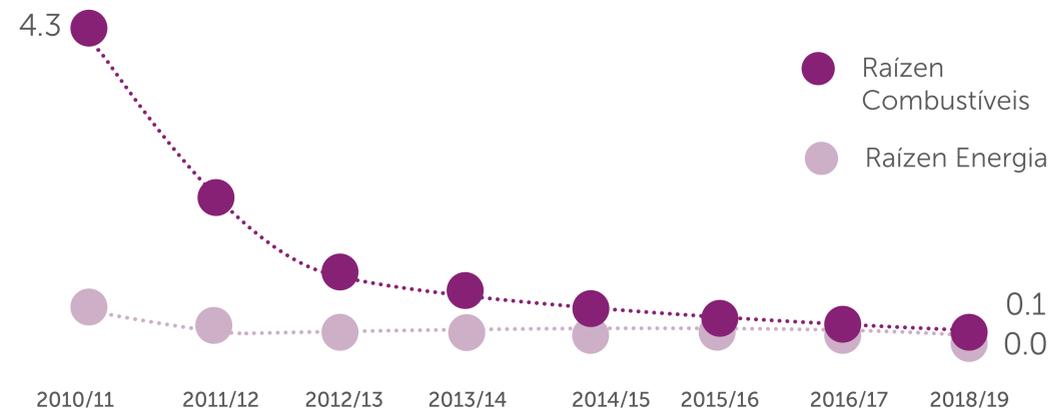
All companies have structures dedicated to operational risk management, specifically devised for the peculiarities of their businesses and partners, continuously seeking to reduce the indices of accidents, incidents and lost working days. Our daily priority is the integrity of our em-

ployees, customers, and partners – we relentlessly work so that everyone returns home safely after their working hours. Over the years, we delivered meaningful reductions in the Lost Time Injury Frequency (LTIF) Index, which measures the number of accidents and employees' leave per millions of hours worked when exposed to risks. In 2018, we recorded 160 million working hours for employees and outsourced workers of all companies and incidence of only 28 accidents with leave, resulting in a LTIF index of 0.2. We acknowledge the evolution of our efforts, but we will not rest until achieving our goal of zero accidents.

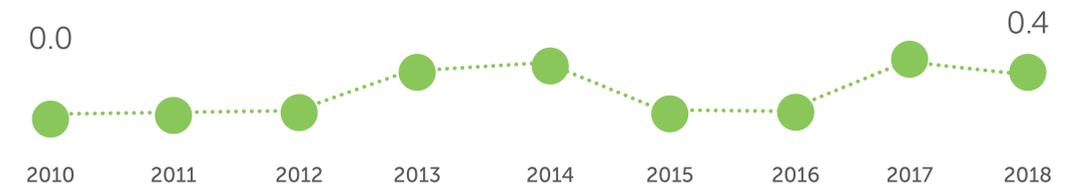
**Lost Time Injury Frequency**

Number of accidents with employees' leave divided by total hours worked with risk exposure (millions of hours)

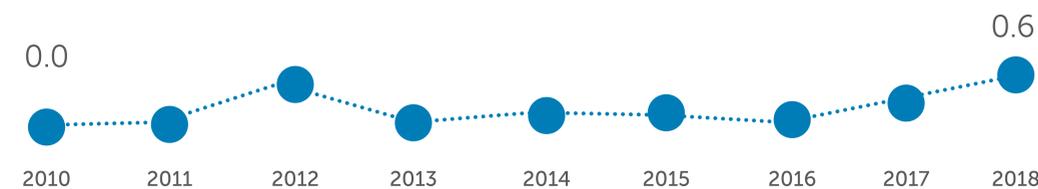
**raízen**



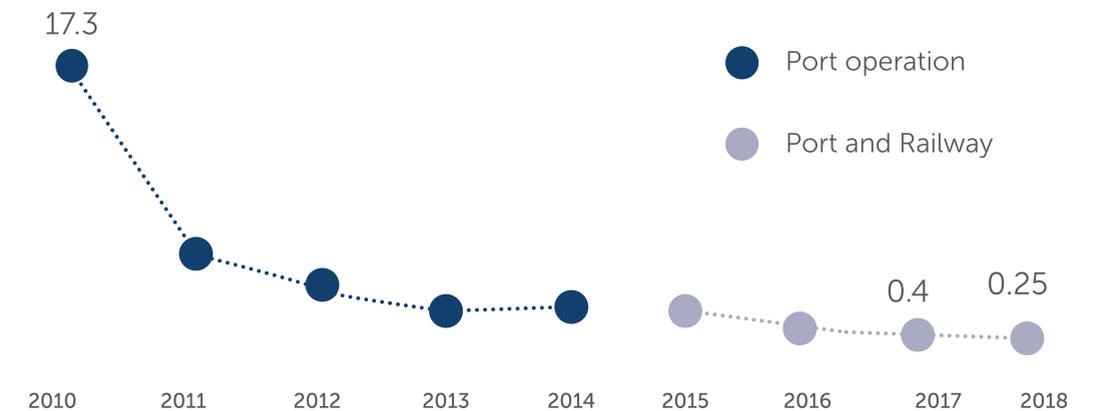
**móove**



**comgas**

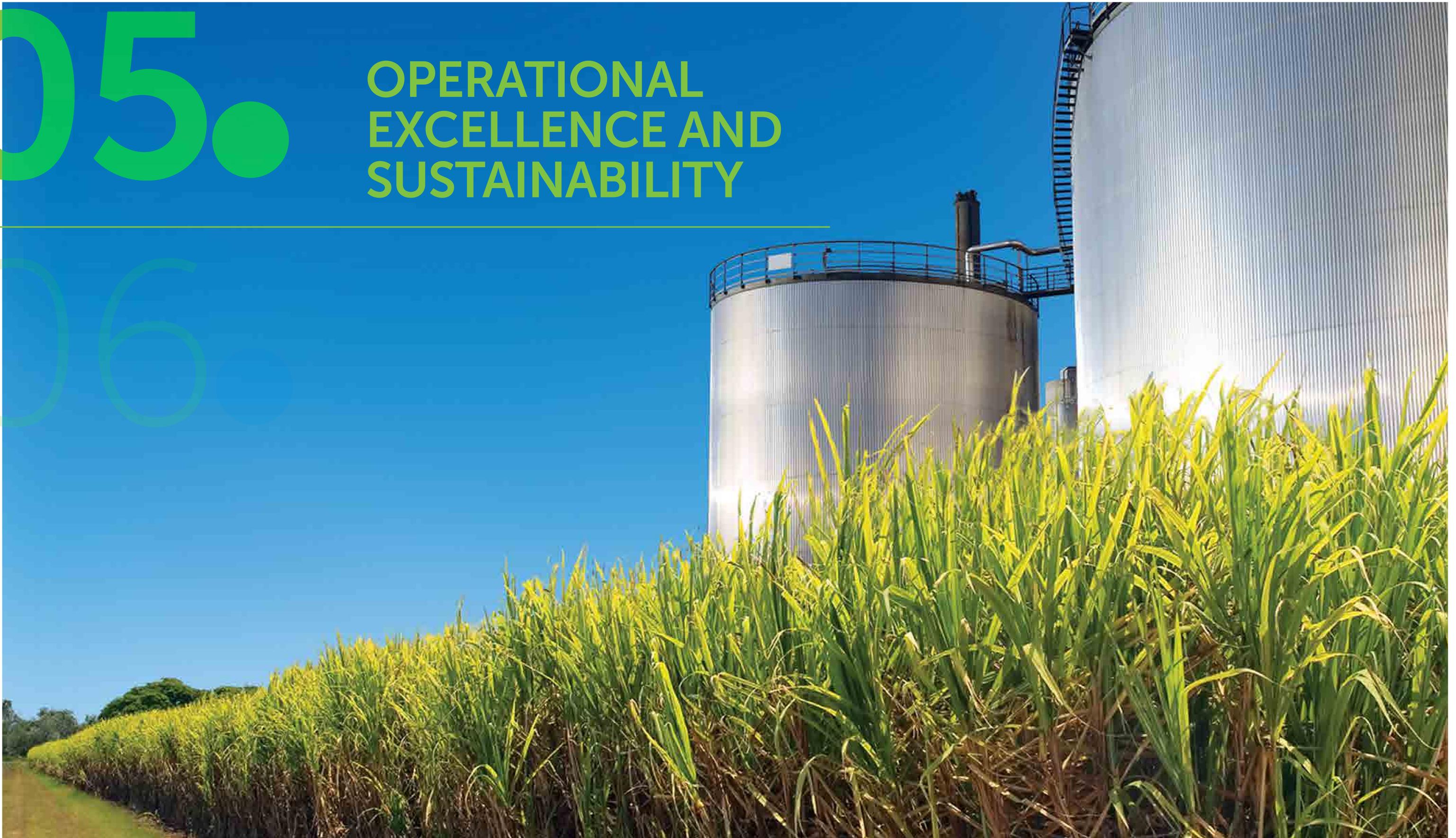


**rume**



# 05.

## OPERATIONAL EXCELLENCE AND SUSTAINABILITY





Our businesses have been developing projects and processes to bring greater **efficiency to our operations to achieve the goals** set out by COP21.

Aware of the essential role of companies in dealing with climate changes and **reduction of Greenhouse Gases (GHG) emissions**, our businesses have been developing projects and solutions to bring greater efficiency to our operations and to achieve the goals set out by COP21<sup>6</sup>, in 2015, which includes maintaining global heating below 2 degrees Celsius.

This scenario demands to devise solutions and execute good practices concerned with low-carbon economy. At **Cosan**, we operate in strategic areas both for Brazil's economy and to mitigate GHG emissions, contributing to achieving the SDG13, which requires urgent measures to deal with climate change and its impacts.

Besides investing to expand our presence in the biofuel market and increment the use of railways and intermodal transportation carrying loads in the country, we also take the lead in generating and trading renewable electricity, and continuously improving our operational efficiency across our businesses, continually improving the accounting and management of GHG emissions across the group's companies.

Understanding the relevance of the matter and aiming at providing greater transparency to our stakeholders on Cosan's stance on Climate Change, for the first time, we published our **Consolidated Inventory of GHG Emissions** for the fiscal year of 2018, observing the guidelines of the Greenhouse Gas Protocol and the Brazilian GHG Protocol Program.



<sup>6</sup> The UN Conference of the Parties (COP) is held yearly to make decisions and outline climate change-related goals

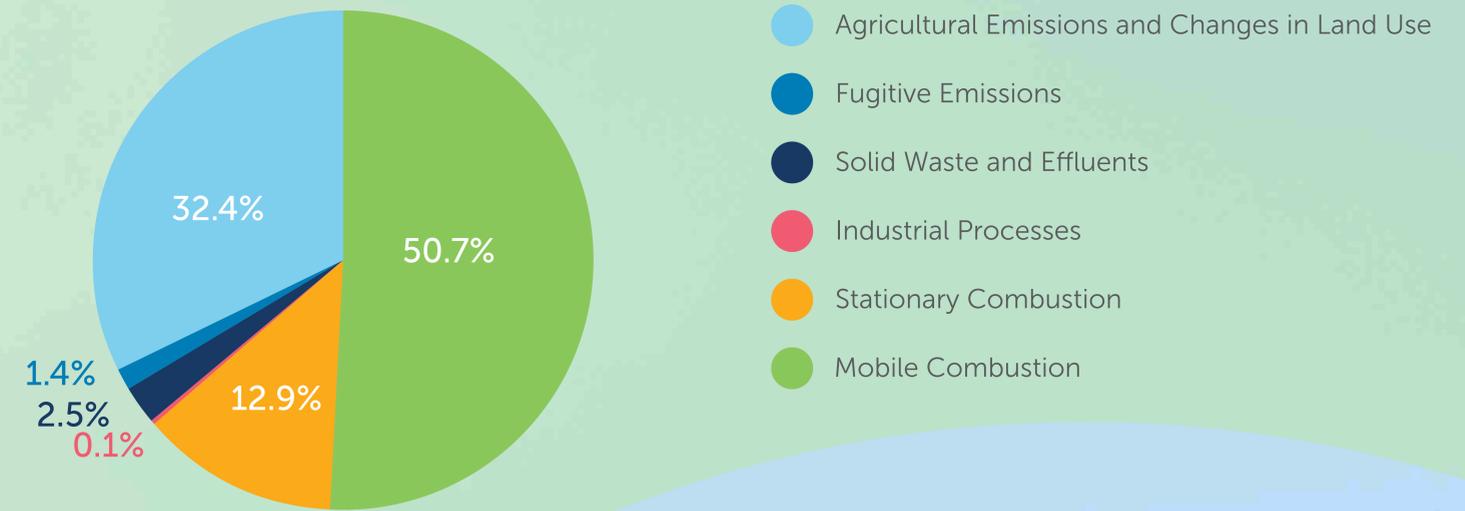
EMISSIONS CONTRIBUTION FROM THE GROUP'S COMPANIES<sup>7</sup> (tCO<sub>2</sub>eq)

Company	Scope 1	Scope 2	Scope 3
Raízen	1,416,165.53	7,800.25	470,073.78
Comgás	20,326.08	159.05	363.10
Moove	4,400.01	423.22	7,205.72
Rumo <sup>8</sup>	957,486.00	2,265.00	-
Cosan holding	139.44	75.30	66.45
<b>TOTAL</b>	<b>2,398,517.06</b>	<b>10,722.82</b>	<b>477,709.05</b>

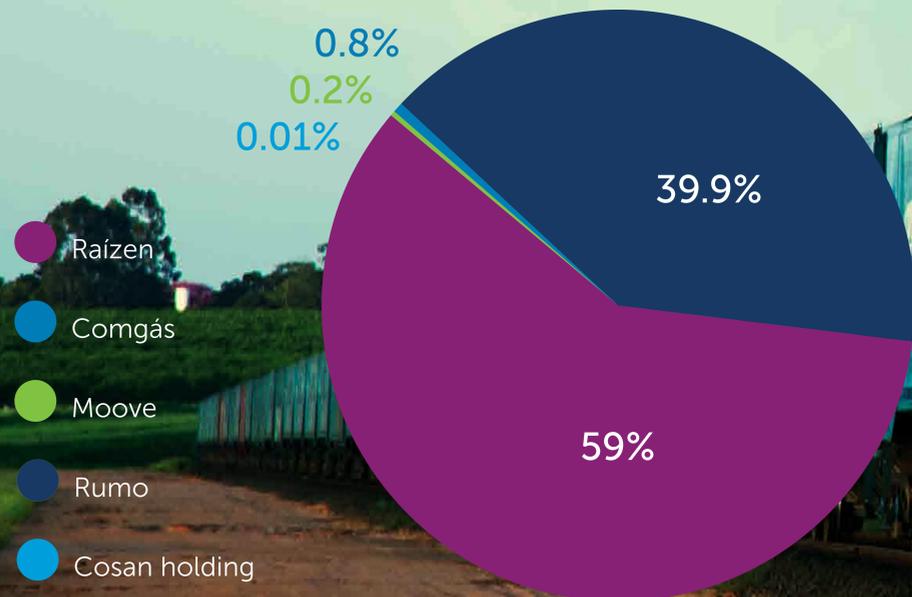
<sup>7</sup> Scope 1: Emissions over which the organization has direct responsibility, generated in industrial processes, waste and effluent treatment, fugitive releases and fuel burning of cars, motorcycles, trucks, buses, tractors, forklifts, planes, trains, ships, boats. Scope 2: sources that cause emissions indirectly related to the acquisition of electricity and the consumption of thermal energy generated by third parties. Scope 3: All emissions that occur in the life cycle (extraction, production and transportation) of purchased or purchased products (goods and services), emissions that occur in the life cycle of capital goods purchased or purchased, third party transportation, displacement of employees (home-work), transportation and distribution of products sold by third parties.

<sup>8</sup> Rumo scope 3 emissions were not measured.

REPRESENTATIVENESS OF GHG EMISSION CATEGORIES OF SCOPE 1



EMISSIONS CONTRIBUTION BY COMPANY – SCOPE 1



## WE PROMOTE EFFICIENCY IN ALL OF OUR ACTIVITIES BY INNOVATING IN BUSINESS MODELS AND OPERATIONAL EXCELLENCE

Each year, we invest in a range of initiatives that use optimizing operating costs, reduce GHG and improve the social impact on all our businesses. One of the measures that best demonstrates the quality of our processes is LTIF, as highlighted on page 15.



Access our website to learn more about our position on climate changes



WITH **RAÍZEN**, WE STIMULATE THE USE OF BIOFUELS

We produced **2.5 billion liters** of ethanol in 2018/19 crop year, avoiding the emission of **5.2 million** tons of CO<sub>2</sub>, or **2.5 million** less cars on the road.



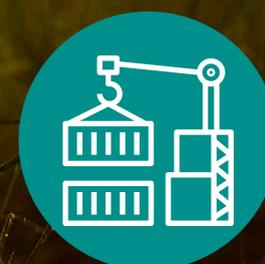
AT **RAÍZEN**, WE GENERATE RENEWABLE ENERGY

We currently have a generation capacity of **1 GW** in our entire energy portfolio, electricity enough to supply the residences of a city as big as **Rio de Janeiro** in one year.



WITH **RUMO**, WE EXPANDED AND IMPROVED CARGO RAIL TRANSPORTATION

In 2018, we transported **56.4 billion** RTK<sup>9</sup> in our railway networks, avoiding the emissions of more than **1.3 million** tCO<sub>2</sub> by replacing the road mode and of about **200 thousand** tCO<sub>2</sub> due to higher energy efficiency in the operation.



THROUGH **BRADO** LOGÍSTICA, WE EXPANDED AND IMPROVED CARGO MULTIMODAL LOGISTICS SERVICES IN THE DOMESTIC MARKET

The **double-stack** railcars enable up to three containers to be stacked on two levels, resulting in a **40%** gain to train transportation capacity.

<sup>9</sup> Ton per useful kilometer

06

# TRANSPARENCY, RESPONSIBILITY, AND CREDIBILITY

[102-4, 102-5, 102-6, 102-18](#)

We work with transparency, responsibility, credibility and aligned with best market practices, guided by our Bylaws. Listed since 2007 on the New York Stock Exchange (NYSE), **Cosan Limited** (CZZ) is the holding responsible for capital allocation, management, governance and alignment of our assets. Direct subsidiaries, **Cosan S.A.** (CSAN3) and **Cosan Logística S.A.** (RLOG3), are listed on the *Novo Mercado* segment of B3, in São Paulo.

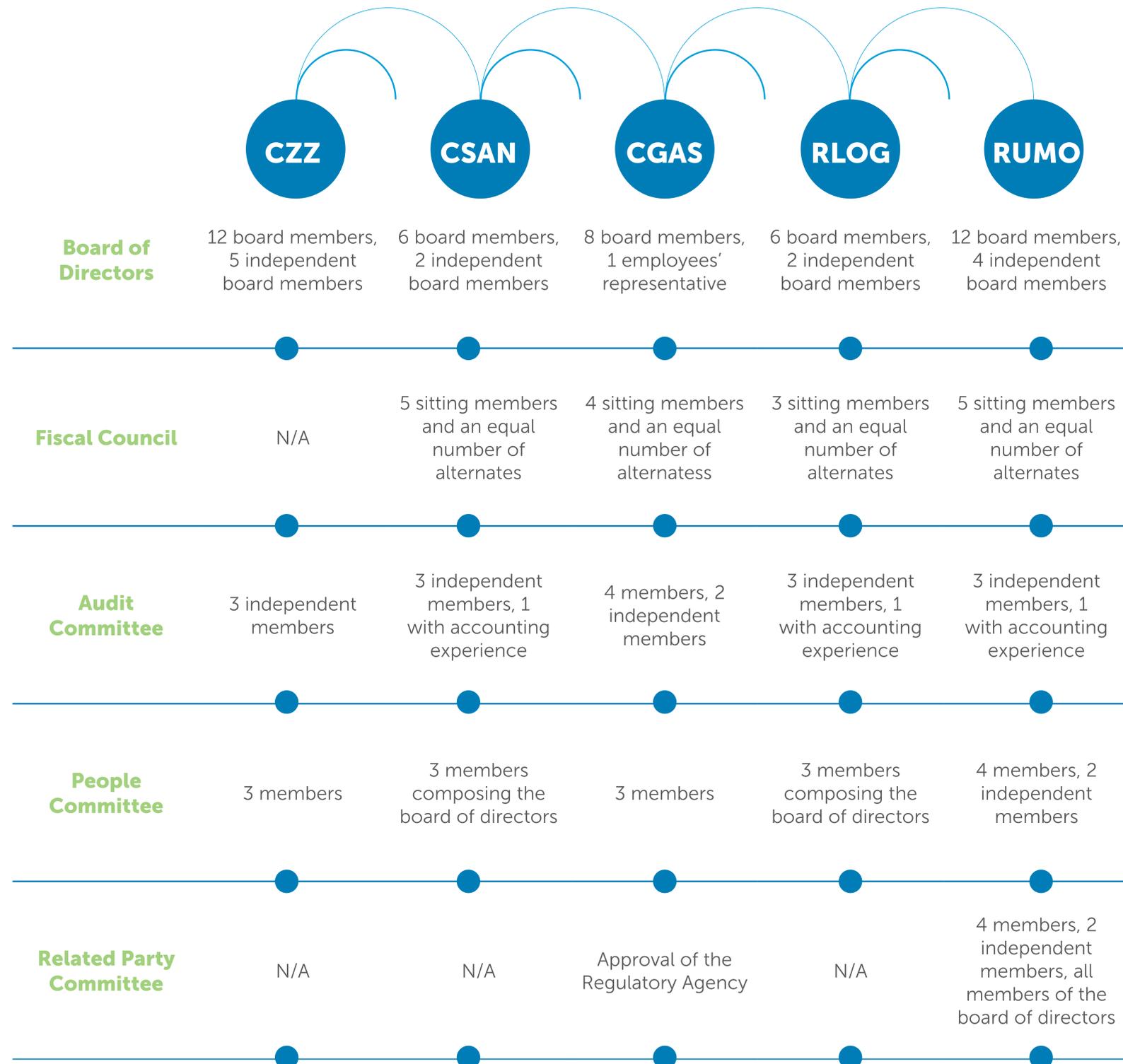
Each of our companies have their own boards of directors, councils and committees dealing with specific matters connected with each company's needs. In 2018, we worked to further enhance our governance structure by publishing the first report on Cosan S.A. and Cosan Log code of governance, and the disclosure of several policies and charters, and the CEO succession plan.



[Click here to access our Report on Cosan S.A.'s Brazilian Corporate Governance Code.](#)

[Click here to access our Report on Cosan Logística's Brazilian Corporate Governance Code.](#)

## OUR GOVERNANCE STRUCTURE



### COSAN LIMITED (CZZ)

Cosan Limited (CZZ) is the holding of the group, responsible for managing our asset portfolio, strategically directing business and making decisions relating to investments. Our administrative structure comprises the **Board of Directors**, composed of, at least, seven and at most 20 sitting members elected by shareholders. Currently, it consists of 12 members divided in 3 (three) classes with equal power, but with tenures expiring in different periods: 2020, 2021 and 2022. Among the Board's responsibilities are the establishment of general guidelines and policies concerned with the Company's businesses and the supervision of officers' management. Submitted and elected by the Board, the **Board of Executive Officers** is composed of the chief executive officer, the chief financial and investor relations officer, the legal officer and the chief legal and an executive officer in charge of Risk Management, all with indeterminate tenures. One of the main responsibilities of the board of executive officers is the application of policies and guidelines set out by the Board.

Cosan Limited also has an **Audit Committee** composed of at least three members (at least two of them shall be independent members) who give their opinions on the hiring and conclusion of an independent auditor for development of an external audit; and a **People Committee** (formerly the compensation committee), composed of three members selected among members of the Board, all of them with two-year term of office. This committee is responsible for allocating the overall budget allowance to management, defined at the shareholders' meeting.



[Click here to learn about our charters](#)

[Click here to learn more about CZZ's governance structure](#)

## COMPOSITION OF THE ADMISTRATIVE STRUCTURE (CZZ)

### Name and Position

### Professional Experience

### Board of Directors

### Executive Officers

<p><b>Rubens Ometto Silveira Mello</b> Chairman of the Board of Directors and of the People Committee</p>	<p>Graduated in Mechanical Production Engineering from the Polytechnic School of the University of São Paulo, Mr. Mello has over 40 years of experience in managing large companies. He is also the Chairman of the Board of Directors of Cosan S.A., Cosan Logística, Rumo, Comgás and Raízen, as well as the controlling shareholder of the group. Prior to joining Cosan, he held executive positions at Unibanco and Votorantim. One of the most active entrepreneurs in the agribusiness sector, Mr. Mello is one of the founders of UNICA - Federation of Sugarcane Industries of São Paulo State, and he has been a member of the National Council for Industrial Development (CNDI) since 2015.</p>	<p>✓</p>	
<p><b>Marcos Marinho Lutz</b> Vice-Chairman of the Board of Directors, Chief Executive Officer and member of the People Committee</p>	<p>Master in Business Administration from Kellogg Graduate School of Management at Northwestern University and bachelor in Naval Engineering from the Polytechnic School at the University of São Paulo. Prior to joining Cosan, Mr. Lutz held executive positions at CSN and Ultracargo and was a board member of MRS Logística, CFN Railways, Ita Energética and Monsanto Co. He currently holds a position of Chief Executive Officer at Cosan S.A. and Cosan Logística and Vice-Chairman of the Board of Directors of these companies and Rumo, as well as board member of Raízen and Comgás. Outside the group, he is a board member at Corteva.</p>	<p>✓</p>	<p>✓</p>
<p><b>Marcelo Eduardo Martins</b> Board Member and Chief Financial and Investor Relations Officer</p>	<p>Graduated in Business Administration and specialized in finance from Fundação Getúlio Vargas, Mr. Martins has an extensive experience in capital and financial markets, having held executive positions at Citibank, Unibanco, UBS, FleetBoston, Salomon Smith Barney and Votorantim Cimentos. He is currently the Chief Financial and Investor Relations Officer of Cosan S.A. and Cosan Logística, as well as a board member of Rumo, Comgás and Raízen. He is also a board member of Fundação Bienal, MASP and Museu Reina Sofia in Madrid.</p>	<p>✓</p>	<p>✓</p>
<p><b>Marcelo de Souza Scarcela Portela</b> Board Member and Chief Legal Officer</p>	<p>He holds a law degree and a master's in Commercial Law from the University of São Paulo, with a specialization from McGill University Law School in Montreal, Canada. Mr. Portela also holds the position of Chief Legal Officer of Cosan S.A. and Cosan Logística, as well as a board member of these companies, Rumo and Comgás.</p>	<p>✓</p>	<p>✓</p>
<p><b>Burkhard Otto Cordes</b> Board Member, Executive Officer and member of the People Committee</p>	<p>He holds a degree in Business Administration from Fundação Armando Álvares Penteado and an MBA in finance from IBMEC São Paulo, Mr. Cordes has a long career in the financial market. Prior to joining Cosan, he worked for companies such as Banco BBM and IBM Brasil. He is also a board member of Cosan S.A., Cosan Logística, Rumo and Comgás.</p>	<p>✓</p>	<p>✓</p>
<p><b>Dan Ioschpe</b> Independent Board Member and Member of the People Committee</p>	<p>He holds a Business Administration degree from Federal University of Rio Grande do Sul, with a postgraduate degree from ESPM and an MBA from Amos Tuck School of Dartmouth College. He is Chairman of the Board of Directors of Ioschpe-Maxion, where he previously held several executive positions, having been absent for a while to hold the Presidency of AGCO in Brazil. He is also board member of Cosan S.A. and other companies such as WEG, Profarma, BRF and Marcopolo.</p>	<p>✓</p>	

## Name and Position

## Professional Experience

Board of  
DirectorsExecutive  
Officers

<p><b>José Alexandre Scheinkman</b> Independent Board Member</p>	<p>Economist from the Federal University of Rio de Janeiro, Master and PhD in Economics from University of Rochester and Master in Mathematics from the Instituto de Matemática Pura Aplicada (Brazil). Mr. Scheinkman is a professor at University of Princeton, a member of the American Academy of Arts and Sciences, the Econometric Society, the Scientific Council of the Institute Europlace of Finance (Paris), and the IBMEC Academic Council (São Paulo), and received a “docteur honoris causa” from Université Paris-Dauphine. Prior to that, he was Alvin H. Baum Distinguished Service Professor and President of the Department of Economics of University of Chicago, Vice-President of the Goldman Sachs &amp; Co. Financial Strategy Group, co-editor of the Journal of Political Economy, and a member of the Economics Consultation Group at Sloan Foundation.</p>		
<p><b>Nelson Luiz Costa Silva</b> Independent Board Member</p>	<p>Naval Engineer from the Polytechnic School of the University of São Paulo, with a specialization from Fundação Getúlio Vargas. He has an extensive international career, having held executive positions at Vale, América Latina Logística, Embraer, BHP Billiton, BG Group and Petrobras, and Chairman at Comgás. He is also a Non-executive Director and Chairman of the Sustainability Committee of Compass Group PLC, listed on the London Stock Exchange.</p>		
<p><b>Pedro Isamu Mizutani</b> Board Member</p>	<p>He holds a degree in Production Engineering from the Polytechnic School of the University of São Paulo, postgraduate in finance from the Methodist University of Piracicaba and holds an MBA in Business Management from Fundação Getúlio Vargas with an extension from Ohio University. Mr. Mizutani has over 30 years of professional experience in companies in the sugar and ethanol sector, most of which was at Cosan and later at Raízen Energia. His last executive position in the group was as Executive Vice President of External Relations and Strategy at Raízen.</p>		
<p><b>Richard Steere Aldrich Junior</b> Independent Board Member and Member of the People Committee</p>	<p>Graduated from Brown University and Vanderbilt University School of Law. He was a partner at Shearman &amp; Sterling LLP and currently works as a consulting partner at Skadden, Arps, Slate, Meagher &amp; Flom LLP. During his career, he has worked primarily in public offerings, mergers and acquisitions, debt restructurings and public and private financing in Brazil and the United States.</p>		
<p><b>Vasco Augusto Pinto Fonseca Dias Júnior</b> Board Member</p>	<p>Graduated in Systems and postgraduate from the Pontifical Catholic University (RJ), he has over 30 years of professional experience. He devoted much of his career to the Shell Group, where he held various executive positions in Brazil and abroad. He was also Executive Director at CSN. He was the CEO of Raízen until March 2016, having led the integration of operations between Cosan and Shell.</p>		

### COSAN S.A. (CSAN3) AND COSAN LOGÍSTICA S.A. (RLOG3)

Direct subsidiaries of CZZ, Cosan S.A. (CSAN3) and Cosan Logística S.A. (RLOG3) are intermediary holdings and are listed on the Novo Mercado segment of B3, Brazil's highest corporate governance standard. Both have a governance structure based on the same criteria, described below.

The **Board of Directors** may be composed of at least five or at most 20 members tasked with establishing the businesses' guidelines and policies, as well as overseeing their management. Elected by shareholders for a two-year term of

office (entitled to reelection), the board members are also responsible for hiring the independent auditors.

The **Board of Executive Officers**, elected by the Board of Directors, is responsible for devising the policies and guidelines defined by the Board, composed of at least three and at most eight members. Each group company has its governance structure, committees and executive boards aligned with its profile, and officers have full powers to manage businesses in accordance with their duties and are subject to provisions set forth by law and by the Company's Bylaws. The Companies' boards of executive officers have their own charters, approved at the Board of Directors' meeting held on October 29, 2018.

The **Fiscal Council** is composed of at least three and at most five sitting members and an equal number of alternates. It works as a non-permanent body, installed only by a decision made at the Shareholders' Meeting. Among other duties, it shall be incumbent upon the Fiscal Council to oversee the acts of Management, verifying the observance of their legal and statutory responsibilities, giving its opinion on management's annual report and analyzing the financial statements of the fiscal year.

With a two-year term of office, renewable at the discretion of the Board of Directors for at most 10 years, the **Audit Committee** is composed of at least three members; at least two shall be independent members. The Committee has its own charter, approved at the Board of Directors' meeting. Similar to Cosan Limited, the committees of Cosan S.A. and Cosan Log give their opinion on the hiring and withdrawal of independent auditor for the elaboration of an independent external audit or any other service, they oversee the internal controls and audit areas, amongst other duties.

The **Disclosure and Trading Committee** advises the Investor Relations Officer as to the decision on the disclosure of information to the market by any means, amongst them the reference form, and other documents to be filed at the Brazilian Securities and Exchange Commission (CVM). It is composed of up to five members and shall hold meetings whenever called by the Investor Relations Officer. Similar to Cosan Limited, the **People Committee** (former compensation committee) is composed of three members elected among members of the board, all of them with a two-year term of office. It is responsible for allocating the overall budget allowance to Management, defined at the Shareholders' meeting.



[Click here for additional information on Cosan S.A \(CSAN3\)](#)

[Click here for additional information on Cosan Logística S.A. \(RLOG3\).](#)



We conduct our businesses with **integrity** and we have a solid **internal controls** system in place.

## PRINCIPLES AND VALUES IN PRACTICE

102-16

We conduct our businesses with integrity. We have a solid internal controls system in place at all locations and companies to assure that our actions are executed with the highest level of commitment, in full compliance to the laws and applicable rules and regulations.

Our **Internal Audit, Risks and Compliance** area is subordinate to the Audit Committee and to the chairman of the Board of Directors, in charge of implementing and managing Cosan's **Ethics Channel**, investigating fraud and creating Internal Audit Plans focused on controls and compliance with laws and in-house policies. We also have a recently updated **Code of Conduct** available to our employees and other stakeholders. Valid for all companies of the group, it is built on principles of respect, ethics, and transparency, maintaining our path of credibility and reputation.



### Whistleblowing channels

- Toll free number: **0800 725 0039**
- [www.canaldeetica.com.br/cosan](http://www.canaldeetica.com.br/cosan)

**Anonymity** and **confidentiality** are guaranteed to all whistleblowers.

### Code of Conduct

Click here to access our Code of Conduct



## Risk management model



## RISK MANAGEMENT 102-11

In cooperation with our subsidiaries, we maintain structures dedicated to **Internal Controls, HSE (Health, Safety, and Environment), Crisis Management and Risk Management**. These areas operate with sophisticated operational systems and specific security tools to mitigate these risks.

This joint operation allows for an integrated vision of risks and controls, which enables us to better evaluate the actions adopted. The risk assessment occurs jointly, also involving the executive board in charge of the process where the risk was identified, analyzing the level of impact and the likelihood of occurrence. All mapped risks are discussed and reported to the Audit Committee and Risk Committee, which assist in the specific treatment of risk.

As part of our Strategic Planning, we improved our risk assessment methodology by devising a tool which assures effective and efficient risk management, following the international model defined by ISO 31000 and COSO 2017. By thoroughly mapping our processes, we will have an overview of all businesses risks and the capacity to identify and manage internal and external events, by using libraries and automatic capture mechanisms.



Our **joint operation allows** for an integrated vision of risks and controls of all companies.



# STRATEGY AND PERFORMANCE



2018 marked the 10-year anniversary of Cosan's first acquisition beyond the sugar and ethanol sector. In 2008, we took our first step towards the strategy of diversifying our business and acquired the Brazilian operations of ExxonMobil's fuel and lubricants distribution, composing the ethanol chain.

Over this period, we accelerated our mergers and acquisitions, highlighting the incorporation of Raízen, a joint venture between Cosan and Shell, in 2011; the acquisition of Comgás in 2012; the merger of Rumo's assets and former América Latina Logística (ALL), concluded in 2015; in addition to international expansion at Moove. From 2016 onwards, we were more focused on reducing the portfolio's risk by decreasing leverage amid a challenging scenario in the Brazilian economy, but at the same time increasing cash generation. This allowed us to invest nearly R\$6 billion over the last three years by buying back shares and increasing asset share, reinforcing our position that our portfolio is the best capital allocation for Cosan.

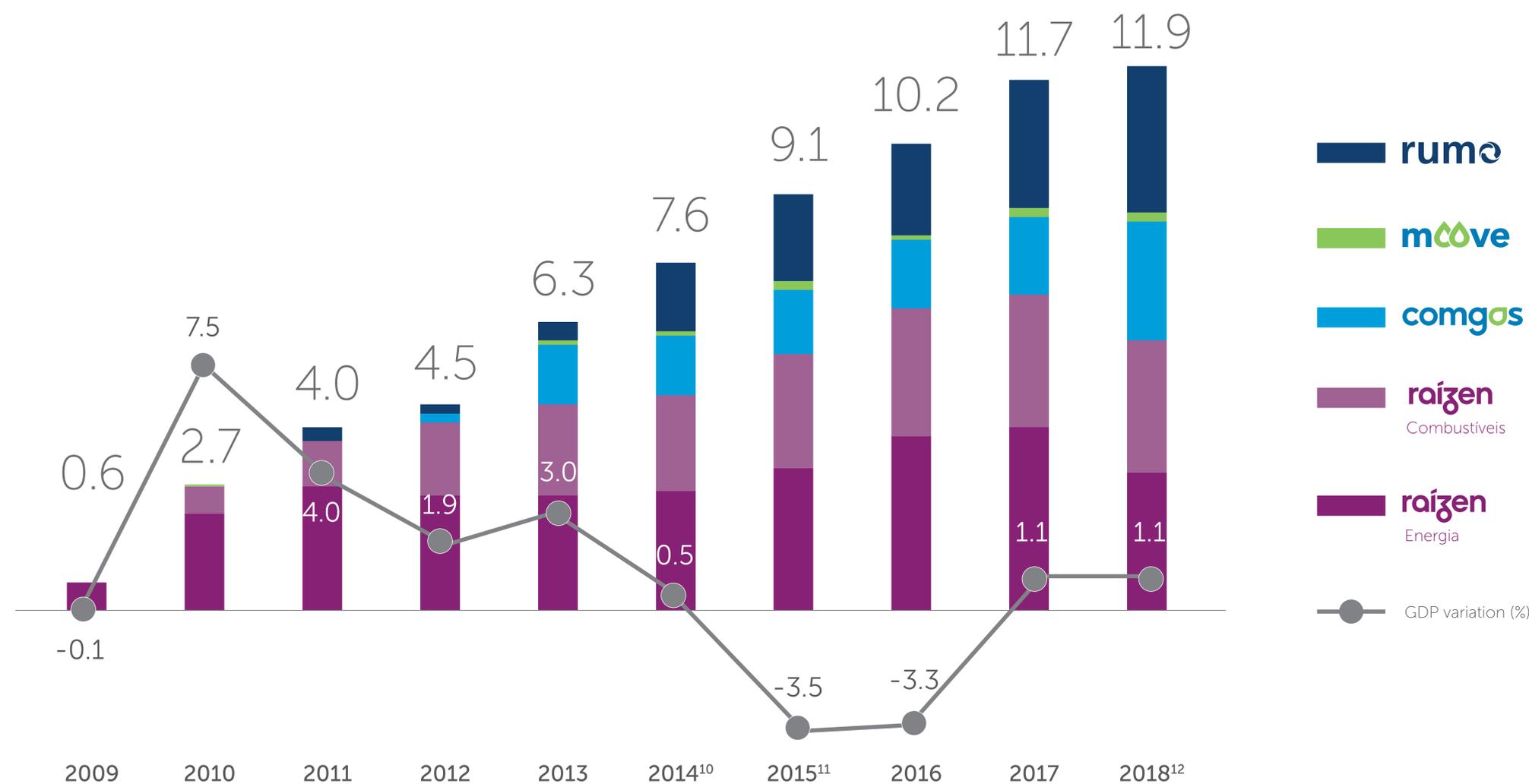


Over 10 years, we have made important **merger and acquisition** movements, reaching a business portfolio well positioned to capture opportunities and prepared to continue growing sustainably.

Undoubtedly, we saw a troubling decade with high volatility and a challenging macroeconomic scenario, yet we kept growing and expanding our businesses. We now perform in different industries related to energy and logistics, with disciplined capital allocation and efficient risk management, creating value to our shareholders and the country.

As a result, we multiplied by nearly 20 times our EBITDA under management, combining the acquisition of new businesses with a consistent improvement of each operation. We have complied with our guidance disclosed annually, positioning the companies at an optimal level of leverage.

### Brazilian macroeconomic scenario and Cosan's EBITDA under management (% and R\$ bln)



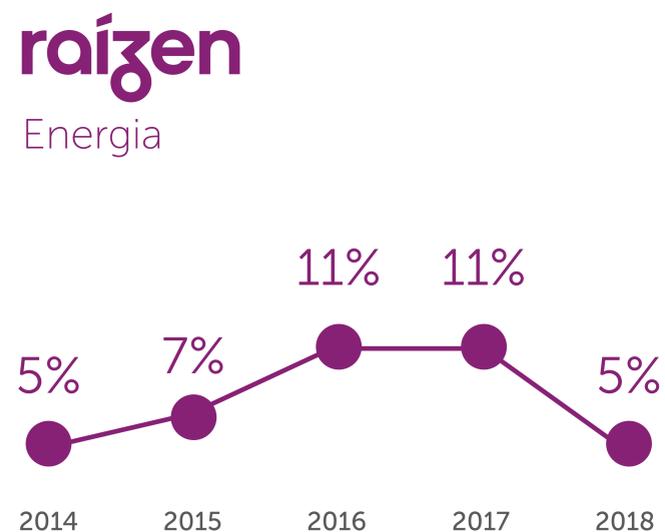
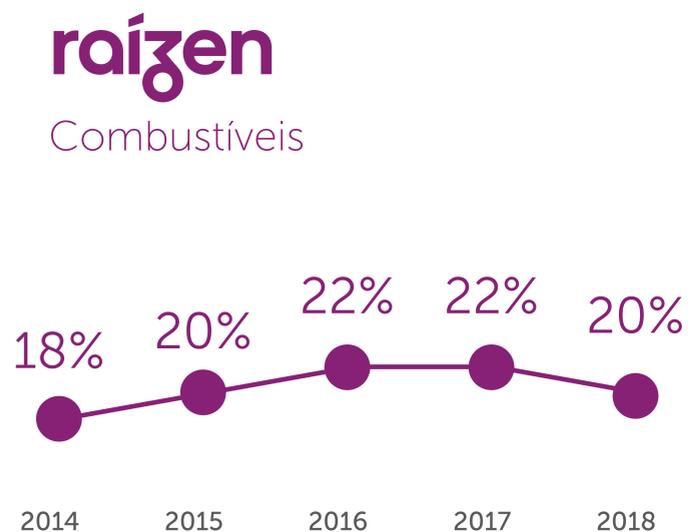
<sup>10</sup> Considering 100% of adjusted EBITDA of each business managed by Cosan.

<sup>11</sup> 2014 and 2015 figures include 100% of Rumo and ALL results.

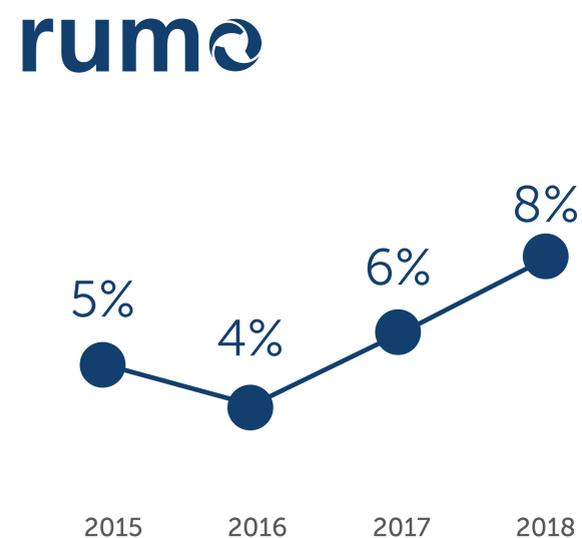
<sup>12</sup> Includes the positive effect of the conclusion of legal disputes at Comgás.

### Increasing returns (ROIC)<sup>13</sup>

#### Energy

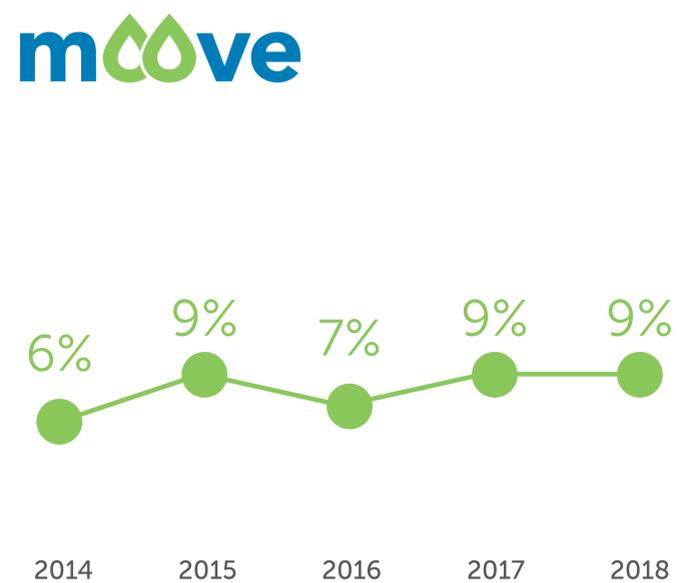
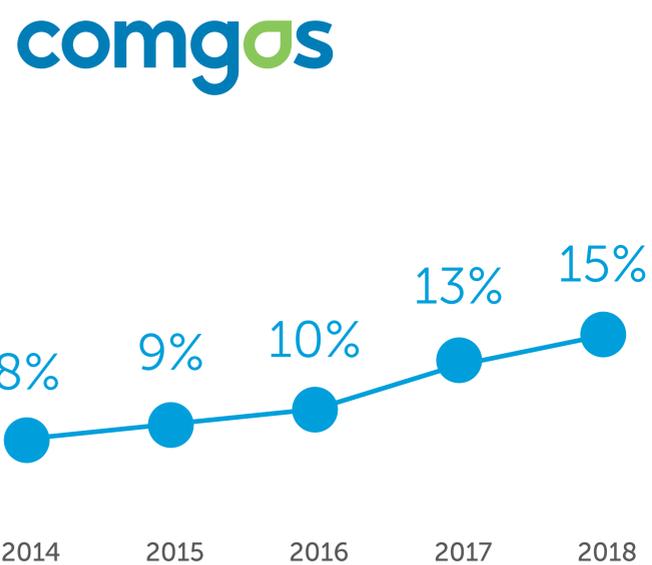
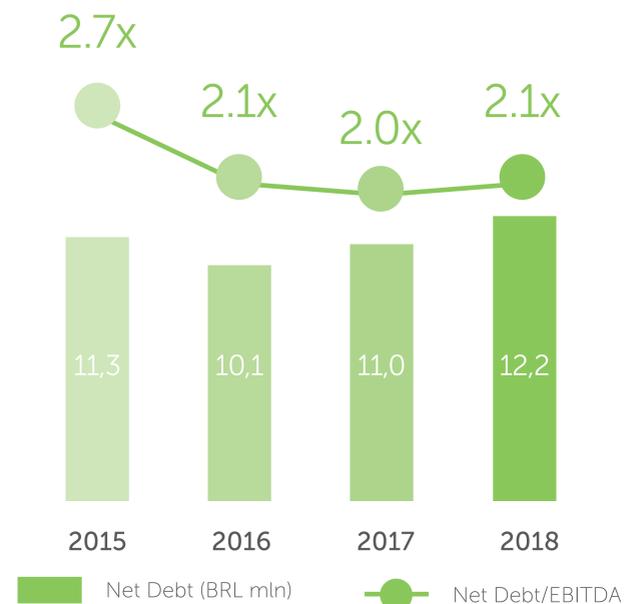


#### Logistics

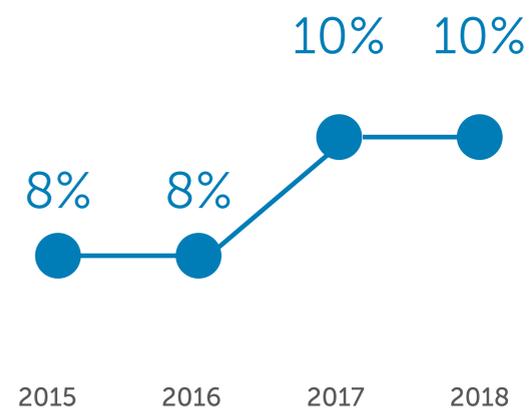


### Indebtedness and leverage

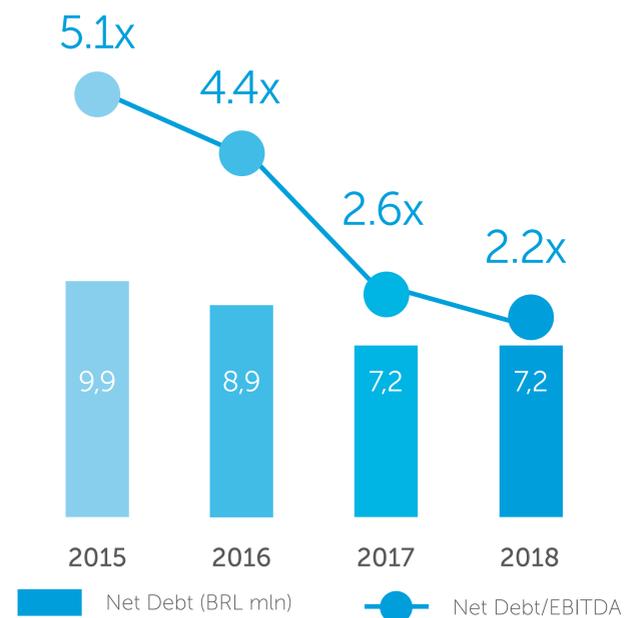
#### CSAN3



#### Cosan Limited



#### RLOG3



<sup>13</sup> ROIC: return on invested capital

## COSAN LIMITED (CZZ)

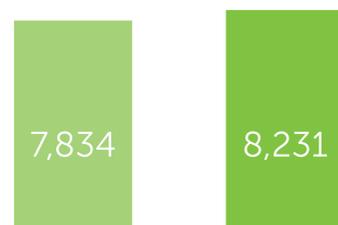
2018 was a very challenging year, and we once again delivered consolidated EBITDA aligned with the released guidance. Cosan Limited posted an adjusted Pro forma EBITDA<sup>14</sup> of R\$8.2 billion, 5% higher than in 2017, and a net income of R\$975 million, 77% higher than in the previous year.

The Company's improved performance is mainly due to results delivered by **Comgás**, **Moove**, and **Rumo**, achieving the high end of their respective projections. **Raízen Combustíveis'** results, in turn, were severely impacted by the truckers' strike of May 2018; despite this it recorded a solid performance above the industry average. **Raízen Energia**, for the first time faced crop failure and depressed sugar prices in the global market in 2018.

## Cosan Limited

Adjusted EBITDA  
BRL mln

+5%

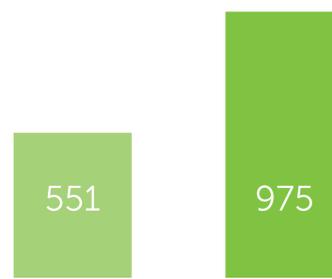


2017

2018

Net Income  
BRL mln

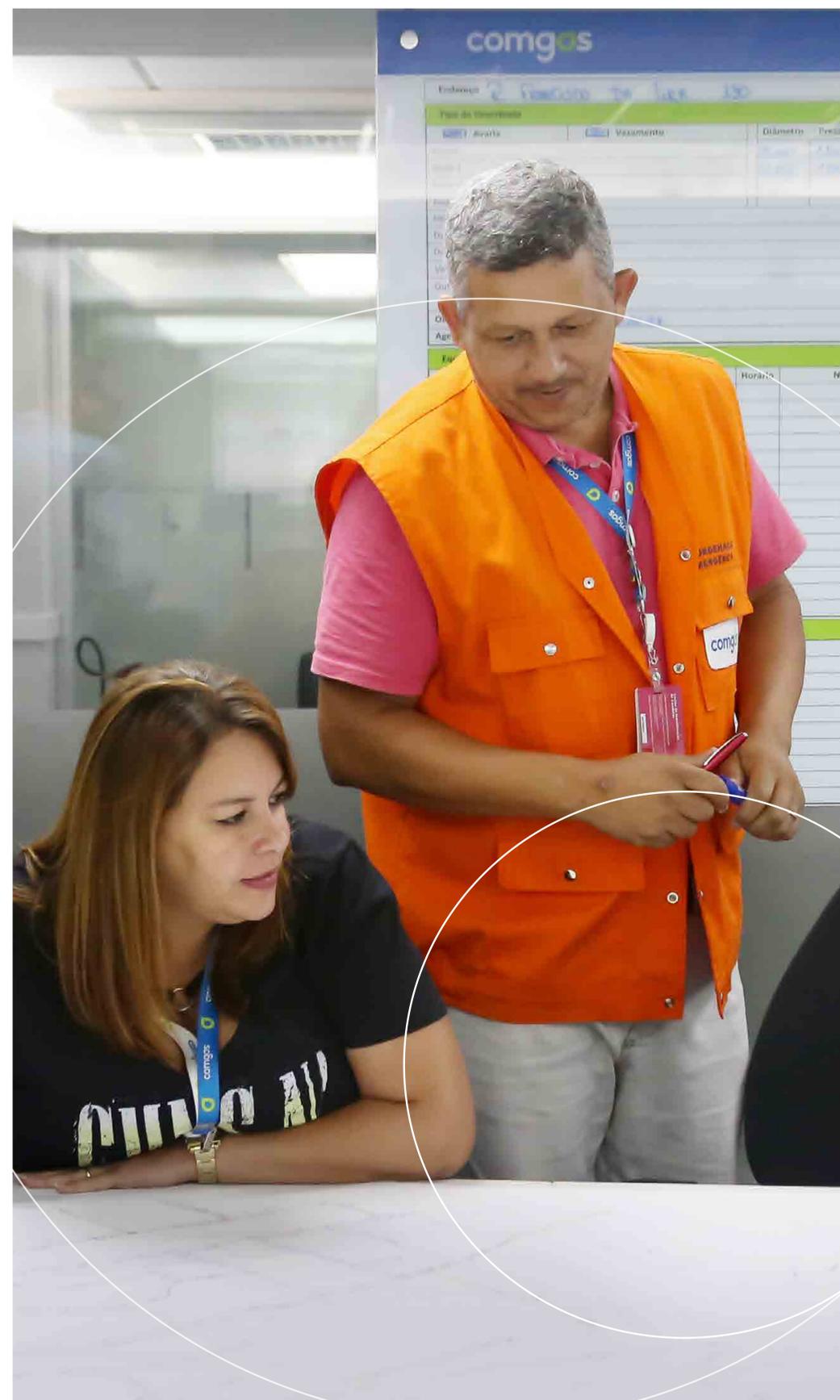
+77%



2017

2018

<sup>14</sup>Pro forma EBITDA, i.e., it consolidates 50% of results of Raízen Combustíveis and Raízen Energia, adjusted by non-recurring effects highlighted in quarterly documents disclosed by the Company.



## CAPITAL ALLOCATION

In 2018, we maintained our commitment to efficient capital allocation and high confidence in our portfolio value. In April, we announced our intention to delist CZLT33, BDRs of Cosan Limited (CZZ) in Brazil, aimed at eliminating the listing and concentrating liquidity of CZZ shares on the NYSE, a US stock exchange. Approximately 90% of outstanding BDRs were converted into CZZ's shares and the remainder was settled by means of sales facility.

In May, we executed a stock buyback of nearly R\$700 million in Cosan S.A.'s shares (CSAN3) and distributed R\$450 million in dividends to its shareholders, without impacting the Company's leverage. In addition CZZ bought back US\$110 million in shares in December without impacting the asset's daily liquidity. We also announced in May the sale of 30% of Moove to the CVC fund with an enterprise value of R\$2 billion, which will position the business for continued expansion of its operations.

Among the subsidiaries' shares, we highlight the acquisition of Shell's downstream assets in Argentina by Raízen Combustíveis, concluded in October for US\$916 million. The acquired operation includes a refinery, a network of approximately 650 fuel stations with sales of approximately 6 billion liters/year (ranked the second in the market with a 20% market share), among other assets.



## PERFORMANCE BY BUSINESS

### COSAN S.A. (CSAN3)

In 2018, **Cosan S.A.** reached a Pro forma Adjusted EBITDA<sup>15</sup> of R\$5.0 billion, 2% lower than in the previous year, but in line with expectations for the period. The Company's operational results were negatively impacted by the truckers' strike, especially in the fuel distribution segment, and sugar depressed prices. Still, Cosan S.A.'s net income registered 26% higher than 2017, totaling R\$1.7 billion in 2018. If adjusted by non-recurring effects, the net income for 2018 would total R\$1.3 billion, up 35% from 2017.

As previously mentioned, the year of 2018 was particularly challenging for **Raízen Combustíveis**, due to the truckers' strike and high international price volatility in a market pressured by worsening economic indicators, such as high unemployment levels and a low consumer confidence index. To ensure solid results, additional efforts were necessary to optimize the supply and commercialization strategy, always keeping the focus on a sustainable relationship with our service stations network. The Company delivered

### Cosan S.A. Pro forma

Adjusted EBITDA  
BRL mln



Net Income  
BRL mln



an adjusted EBITDA for **Brazil** operations of R\$2.8 billion (-6%) in 2018, in line with guidance previously disclosed to the market and 2% growth of total volumes sold, highlighting diesel and aviation fuel figures. With the conclusion of acquiring the downstream assets in **Argentina**, the results of the first quarter of operation were consolidated in 2018, which reached R\$82 million EBITDA.

<sup>15</sup> Pro forma EBITDA, i.e., it consolidates 50% results of Raízen Combustíveis and Raízen Energia, adjusted by non-recurring effects highlight in documents quarterly disclosed by the Company.

**Raízen Energia** faced a “perfect storm” during the 2018/19 crop year, ended on March 31, 2019. It concluded sugar crushing of the period with 60 million tons, 2% below the 2017/18 crop year. The crop’s adjusted EBITDA totaled R\$2.9 billion, down 29% from the previous crop, very close to the low point of revised business guidance. The crop setback due to weather effects in the period hampered the dilution of fixed costs, which added to low sugar prices, negatively affecting this operation. However, optimizing the production mix and hedging of commodities minimized the effects of price fluctuations and sustained the results. In addition, it expanded in 2018 its operations in the electricity market, with the acquisition of the trading company WX.

With a distribution network that spans over 16,000 km and nearly 2 million clients, **Comgás** is becoming more efficient every year by expanding and saturating its customer base, reaching solid and resilient results. In 2018, Comgás reached an adjusted normalized EBITDA of R\$1.9 billion (+12%). The improved recurring result was boosted by a 6% increase in the total volume of natural gas distributed, with a positive contribution from all operating segments, as well as operational efficiency.

In full geographic expansion, **Moove** increased the volume of lubricants sold in all countries where it operates in 2018. Moove delivered an annual EBITDA of R\$237 million (up 36% from 2017), supported by higher sales with a better mix of products sold, expansion of international operations, and operational synergies.





### COSAN LOGÍSTICA S.A. (RLOG3)

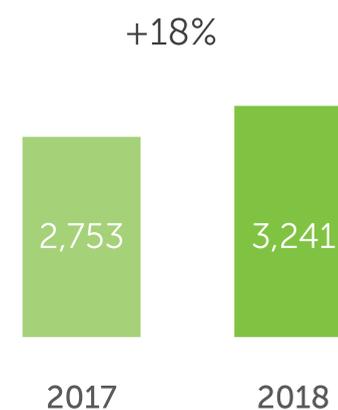
**Cosan Logística** reached an Adjusted EBITDA<sup>16</sup> of R\$3.2 billion in 2018, up 18% from 2017, reflecting higher transported volumes and greater cost efficiency in Rumo's operations, the Company's single asset. For the first time, Rumo posted net income of R\$75 million.

In 2018, we concluded **Rumo's** operational and financial turnaround process. The execution of the Capex plan allowed for increased available capacity and operational

efficiency, enabling 13% growth in volume transported in the period, and also mitigating the effects of the truckers' strike. Rumo posted an Adjusted EBITDA of R\$3.2 billion in 2018, up by 18%, boosted by higher volume with an improved operational margin, leveraged by reduced variable costs and fixed cost dilution. Rumo's net income totaled R\$273 million in 2018, reversing losses from previous years, due to a 27.4% decrease in financial expenses, further demonstrating the success of the turnaround.

### Cosan Logística S.A.

Adjusted EBITDA  
BRL mln



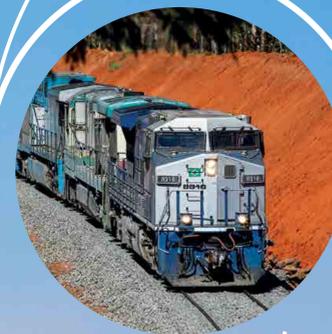
Net Income (Loss)  
BRL mln



<sup>16</sup> EBITDA adjusted by non-recurring effects highlight in documents quarterly disclosed by the Company.



[Click here to learn more about our financial results](#)



# 08.

## PORTFOLIO MANAGEMENT

The year 2018 marked a decade of transformation. Since 2008, we have been taking relevant steps to diversify our businesses, composing a structure that has already been tested in different political and economic scenarios and achieving success in all of them. This is mainly due to our relentless pursuit of operational excellence: our priorities are safety, integrity, and efficiency, as well as our first-rate team.

With a business portfolio well positioned to seize opportunities and poised to continue growing on a sustainable basis, our companies today are a benchmark of excellence in management and resilience in their areas of business. The consistent performance of our assets has brought growing results and various opportunities to create value for each of our companies.

# RAÍZEN

## ENERGY INTEGRATED COMPANY

As one of the companies that most contributes to Brazil's economy, Raízen's businesses integrate all stages of the sugarcane production chain— sugar, ethanol, and bioenergy production – in addition to its distribution and trading of fuels for companies in various sectors of the economy. By means of a Shell-branded license, Raízen supports a network of service stations and supply bases in airports throughout the country, with operations that include Shell Select convenience stores.

 To learn more about our businesses, click here and access Raízen's institutional website

## RELEVANT

### FIGURES



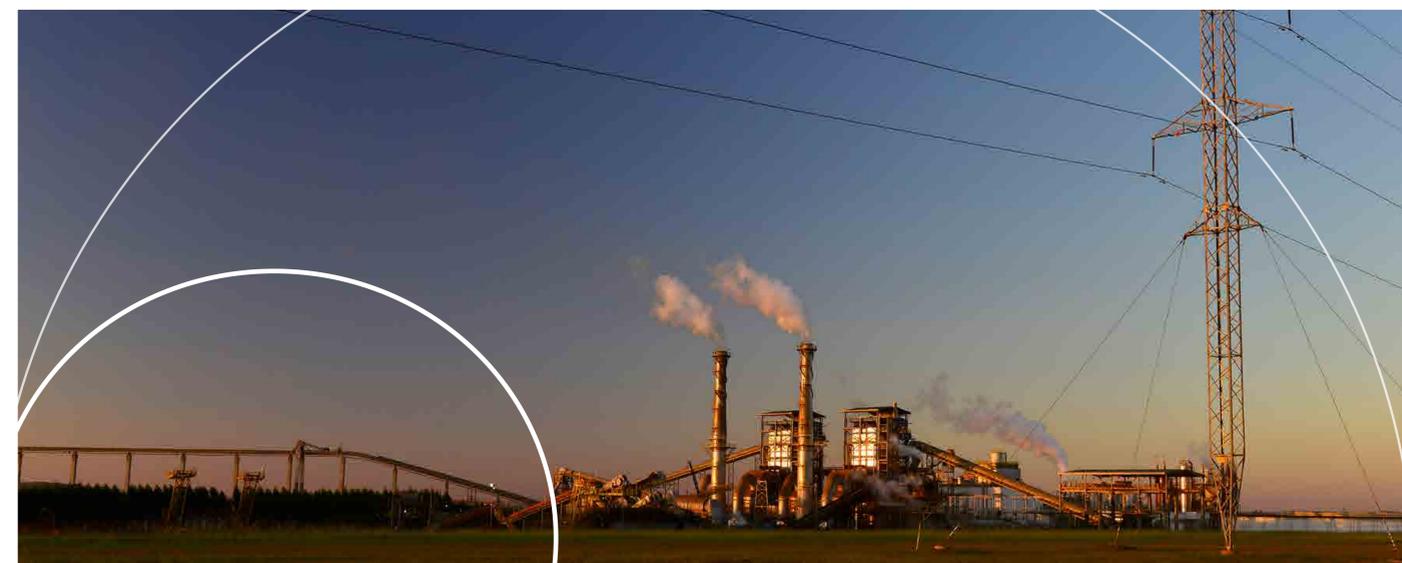
- **26** sugar, ethanol and bioenergy producing units
- Installed capacity to crush nearly **73 million** tons of sugarcane/year
- **860,000** hectares of cultivated agricultural area



- **1,000** Shell Select convenience stores
- **7,000** Shell-branded service stations
- **65** fuel distribution terminals



- **66** supply bases for commercial and business aviation
- Structure to distribute over **25 billion** of liters of fuel/year

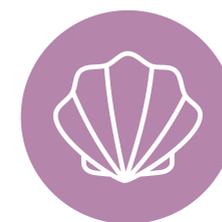


## KEY 2018

### HIGHLIGHTS<sup>17</sup>



- **2.5 billion** liters of ethanol and **16.5 million** liters of E2G produced in the crop year



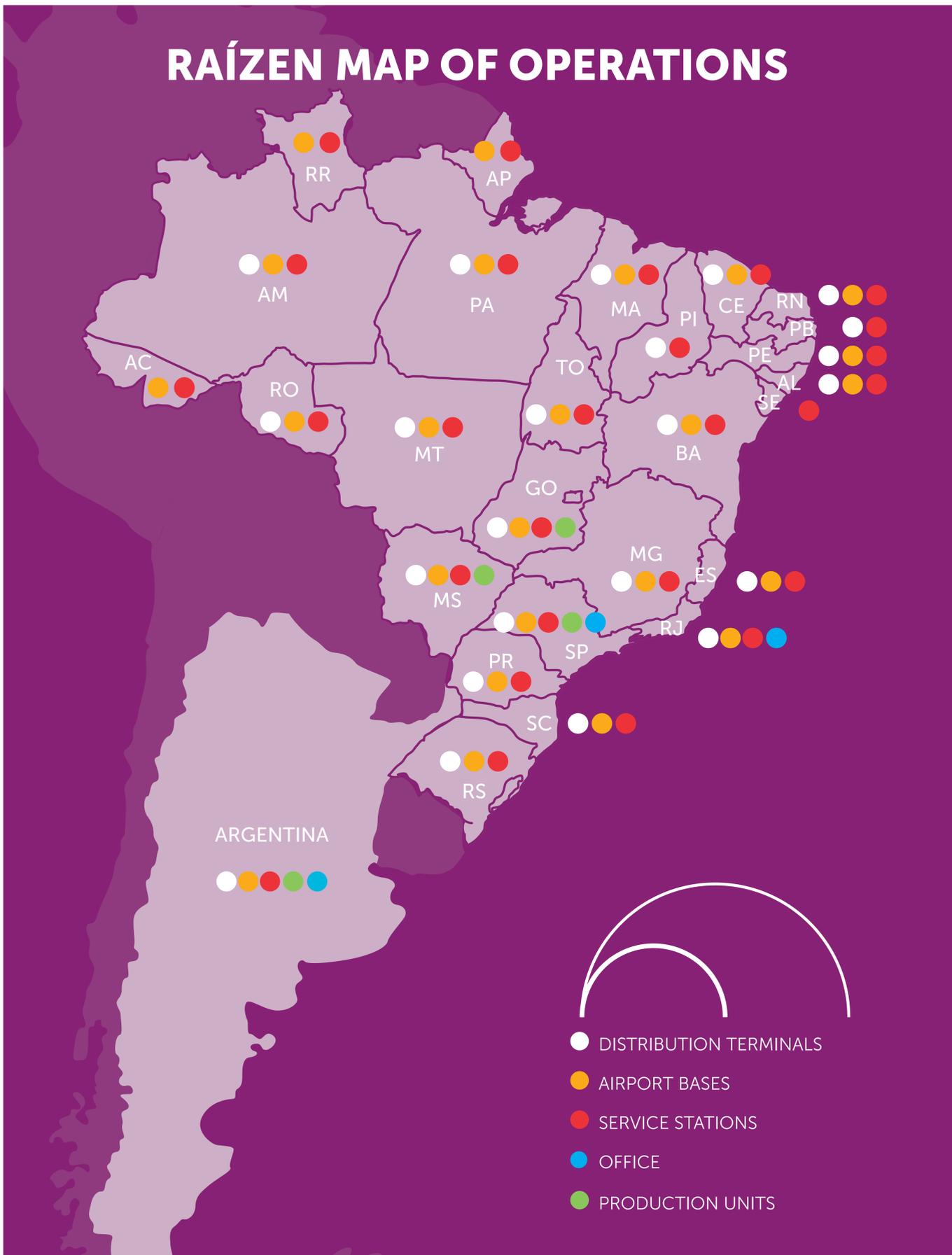
- Creation of a joint venture with the trading company **WX Energy**. In addition to generating bioenergy, the company now directly trades energy on the free market
- **4.2 million** tons of sugar produced in 2018/19 and **2.3 million** tons exported in the period



- Acquisition of Shell's downstream assets in **Argentina**
- Inaugurated the milestone of a **biogas plant** at Bonfim unit, in the city of Guariba (SP), in a partnership with Geo Energética
- Advanced construction of the first **photovoltaic solar power plant**, with 1.3 MWp of power directly connected to the distribution network in the region of Piracicaba (SP)

<sup>17</sup> Harvest year: April 1, 2018 to March 31, 2019.

# RAÍZEN MAP OF OPERATIONS



## STRATEGY AND PERFORMANCE

The 2018/19 crop year was one of the most challenging in Raízen’s history, chiefly due to political and economic scenarios, marked by a slow recovery of the Brazilian economy amid the run-up to the presidential elections, amongst other adverse factors. In fuel distribution, the major impacts seen were the truckers’ strike and high volatility of international prices. To minimize this, the company emphasized efforts to optimize the supply and commercialization strategy and prioritized a sustainable relationship with partner resellers.

Raízen was also impacted by an adverse scenario and weather-related setbacks in ethanol, sugar and bioenergy production. Rains arrived at the “wrong time”: the company faced a severe drought during the crops’ first four months, which affected productivity, followed by a period of rainfall above the historical average, causing a halt in industrial activities and postponing the end of the crop cycle.

However, despite this, the pursuit of excellence reinforced the resilience of the business model, and Raízen continued delivering consistent results. Total ethanol sales compensated for depressed sales of sugar and gasoline.

## GROWTH PLATFORM

Our growth platform is based on in-house experience in logistics, brand management and added value, regional and international trading, and efficiency and productivity and in relationships

with our customers and partners. We competitively address global trends, such as growing demand for clean energy, an acceleration of the digital revolution, new habits among connected consumers, electric and hybrid cars and generation of distributed energy.

We have been investing in resources to sustain our leadership as a private player in fuel distribution and sugar, ethanol, and bioenergy production, and extend our leadership to energy transition with a lower carbon footprint. We are advancing in as areas such as second generation ethanol, the use of biomass in energy production and trading and diversification of energy sources.

Raízen will pursue the maximum efficiency in agricultural and industrial areas within its 26 producing units of ethanol, sugar, and bioenergy, with cutting-edge technology present in sugarcane planting to harvesting and crushing and supported by a reseller network. It will increasingly invest in the digital transformation of the fuels market, where it fully changed the supply experience, reformulating the experience at Shell Select convenience stores and offering the Shell Box as an alternative that goes beyond a payment app and creates a customer relationship eco-system.

Despite this challenging scenario, with this set of objectives Raízen kept the focus on delivery of positive results, a result of the strength and integration of a team that works to deliver today, keeping an eye on the future and long-term strategies.



### AN EYE ON THE FUTURE

In 2018, Raízen inaugurated the milestone of a biogas plant at the Bonfim location, in the city of Guariba (SP). With this start of activities at this operation expected in the middle of the 2020/21 crop year, an increase of up to 40% in the energy generation of this unit is possible. Also, aligned with our commitment to low carbon savings, a pilot photovoltaic power plant was inaugurated in May 2019, in the city of Piracicaba (SP), directly connected to the distribution network. Our plan for the upcoming years is to grow in the Distributed Generation market (DG), while diversifying our operations with renewable sources.

We are focused on the future, and constantly aware of current demands to bolster our growth. Thus, we identified a business opportunity in Argentina, where we acquired Shell's refinery and fuel distribution assets, among others. As we previously announced we estimate that, considering just this operation, our EBITDA will surpass US\$200 million in 2019/20.

The new operations, in Brazil and abroad, did not deviate our focus from our expertise. We maintain our leadership in sugar global exports, wherein we are the world's largest producer. Additionally, in the 2018/19 crop year, we worked to build six sugar warehouses, allowing us to increase by 40% our storage capacity compared to the previous year, permitting the trading of sugar in the off-season, especially during periods of lower supply in the market and better prices.

We expect results to improve in the next crop year. Having said that, we expect tougher competition due to higher sugar production in Asia, especially by India, and new foreign players in Brazil's fuel distribution market. We strive for fair, ethical and socially responsible competition and reinforce our purpose of making a difference in the lives of those who participate in our history.



We maintain the expectation of **better results** in the next harvest, even in a more competitive context.



[Click here and access Raízen's full report](#)



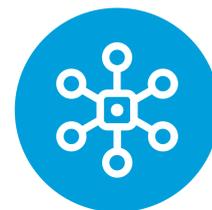
## COMGÁS

Companhia de Gás de São Paulo – Comgás, Brazil’s largest natural gas distributor, aspires to improve its customers’ lives through first-rate delivery of energy. We continuously work to serve over 1.9 million customers in our concession area, which comprises the metropolitan region of São Paulo, the administrative area of Campinas, the Santos metropolitan area, and Paraíba Valley.

The 17,000 km of distribution network encompasses 88 municipalities, supplying natural gas to the industrial, commercial, residential and automotive segments. In addition, it supplies thermo power plants and makes feasible co-generation projects. More than a natural gas distributor, Comgás today is a company concerned with the development of services and solutions which anticipate the future.

 To learn more about our businesses, click here and access Comgás’ IR website

## RELEVANT FIGURES



- Responsible for distributing **30% of Brazil’s natural gas**
- Over **1.9 million customers** in 88 municipalities
- Distribution network with over **17,000 km**

## KEY 2018

### HIGHLIGHTS



- **114,000 new connections**, expanding its body of 1,791,000 customers in 2017 to 1,905,000 in 2018

- Sales volume **increased by 6%** to 4.5 billion cubic meters

- Net revenue came to **R\$6.8 billion**, 24% higher than in 2017

- Comgás’ **complaint index tumbled 30.4%** as a result of faster delivery of services via virtual channels



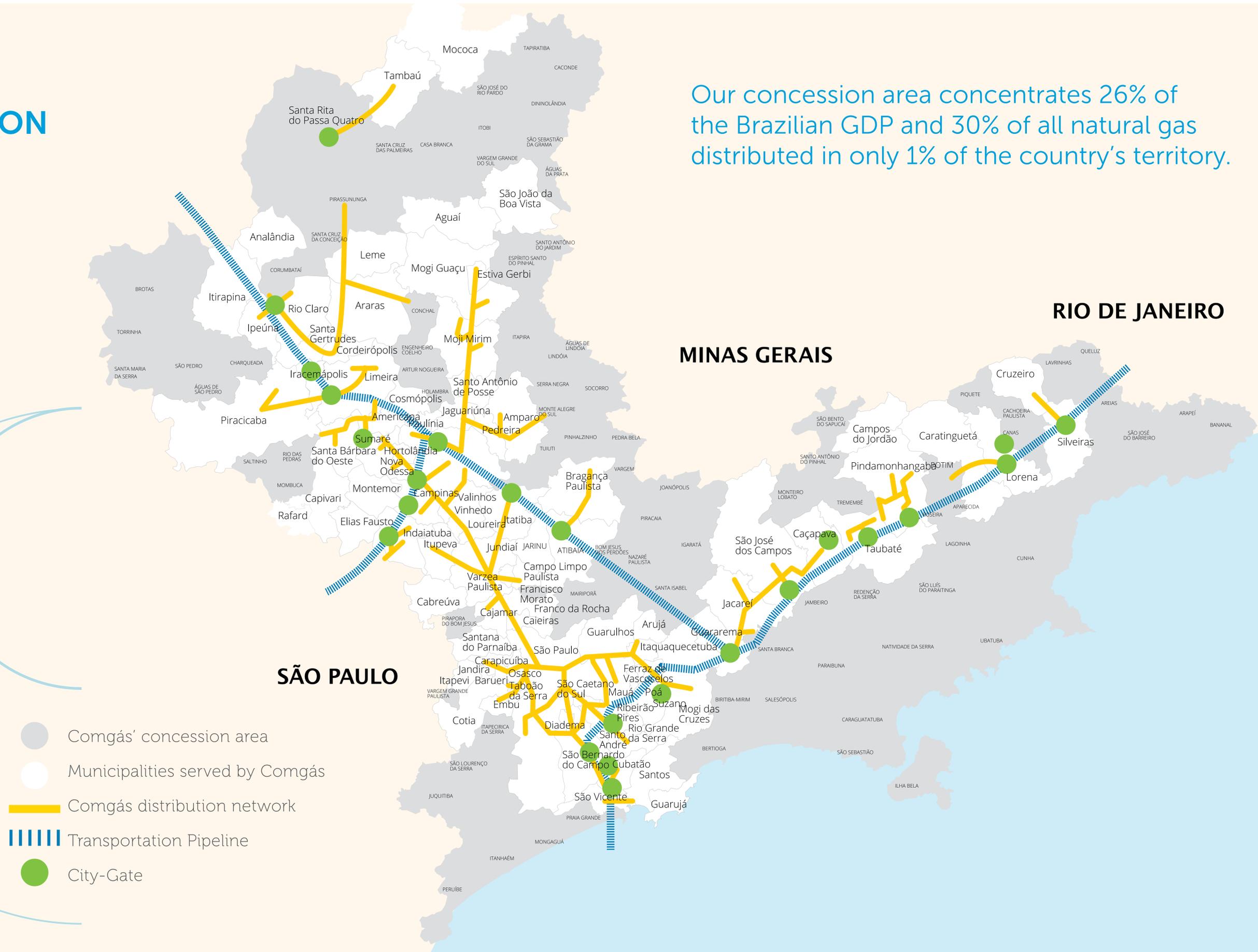
- We advanced our partnership with the government through the São Paulo Agency to Promote Investments and Competitiveness (Investe São Paulo), which foresees an investment of **R\$20 billion for the next 10 years, R\$10 billion of which Comgás will contribute**, to attract new ventures to our concession area, to flexibilize the market, focus on network expansion and boost demand for natural gas



- **We conducted the first inventory of GHG emissions** to thoroughly understand the impacts of our production chain.

# COMGÁS' CONCESSION AREA

Our concession area concentrates 26% of the Brazilian GDP and 30% of all natural gas distributed in only 1% of the country's territory.



- Comgás' concession area
- Municipalities served by Comgás
- Comgás distribution network
- Transportation Pipeline
- City-Gate

## STRATEGY AND PERFORMANCE

Despite nationwide political and economic uncertainties, Comgás' performance in 2018 was marked by the resumption of investment activity as well as overall growth. With 114,000 new connections registered, our customer base surpassed its prior record of 1.9 million. Sales volume increased and contributed to leverage normalized EBITDA which, on a recurring basis, was up 12%, reaching a record R\$1.9 billion. These figures reflect the Company's investment strategy, guided by market intelligence and our business vectors: growth, profitability, saturation, and loyalty, which seek to increasingly improve customer experience with the Company.

It is also worth mentioning the conclusion of lawsuits against Petrobras as well as the negotiation of contractual addenda and commitment statements which guarantee natural gas supply until 2027. We also advanced our discussions with the São Paulo State Sanitation and Energy Regulatory Agency (ARSESP) concerning the 4th tariff review, which was concluded by the end of

May. This outcome represents a milestone for a new cycle, which will make feasible investments that are in line with our strategic plans and market growth.

Each challenge overcome reveals not only Comgás' resilience and consistency—but our adaptability. We are working to shape a new future for Brazil's energy matrix by increasing our use of natural gas. With this in mind, we are poised to seize the growth potential presented by the expanding production capacity in pre-salt fields, potentially transforming our country into an exporter over the next decade.

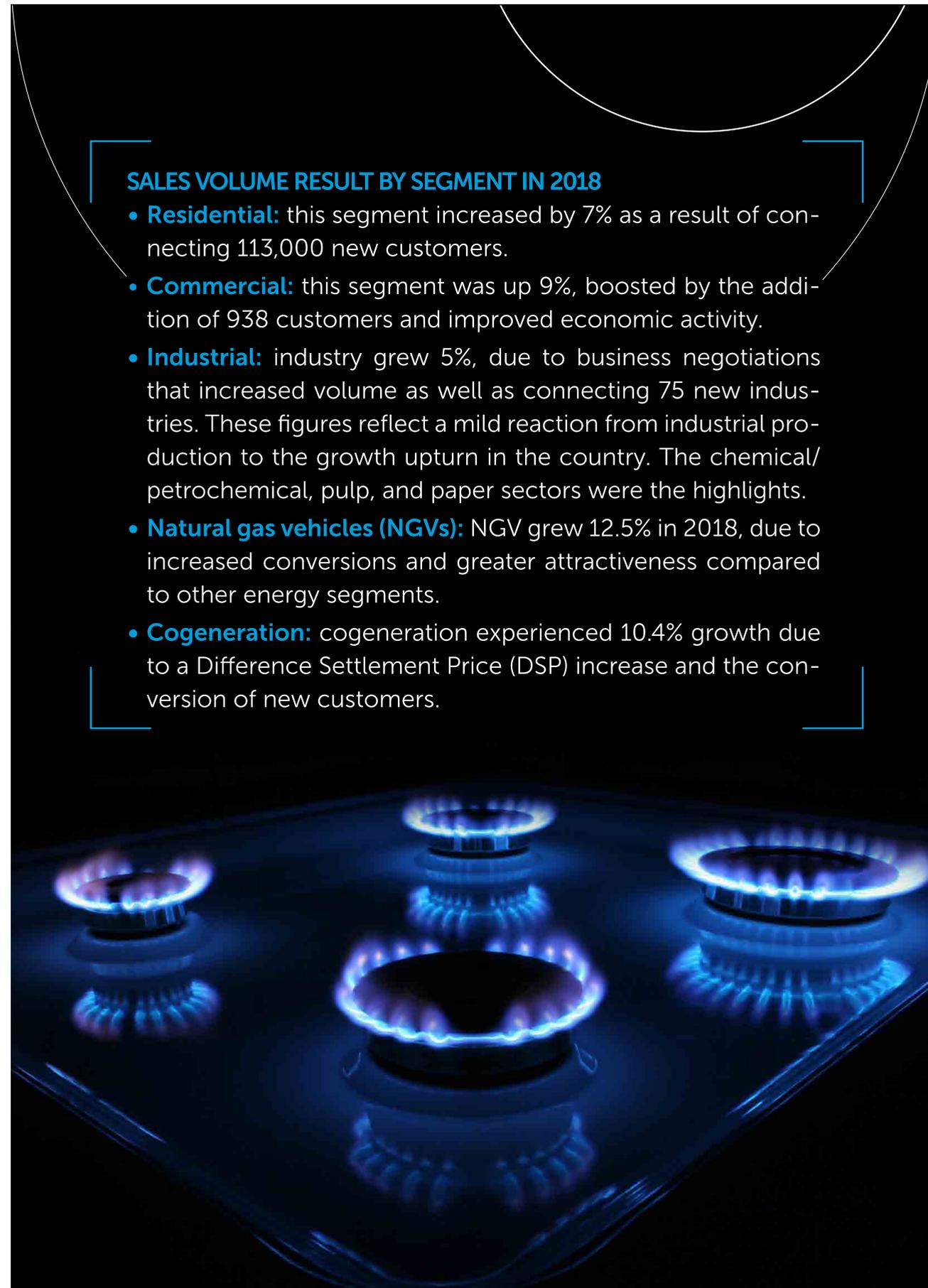
In our pursuit of these goals, we remain committed to our non-negotiable values: safety, meritocracy, and sustainable growth. Safety as a prerequisite to operate under any circumstance; meritocracy by playing an outstanding role in the Company's journey of cultural change; and sustainability, intrinsic to our business, stepping up natural gas as a complementary source of energy, concerned with low-carbon footprint savings.

### SALES VOLUME RESULT BY SEGMENT IN 2018

- **Residential:** this segment increased by 7% as a result of connecting 113,000 new customers.
- **Commercial:** this segment was up 9%, boosted by the addition of 938 customers and improved economic activity.
- **Industrial:** industry grew 5%, due to business negotiations that increased volume as well as connecting 75 new industries. These figures reflect a mild reaction from industrial production to the growth upturn in the country. The chemical/petrochemical, pulp, and paper sectors were the highlights.
- **Natural gas vehicles (NGVs):** NGV grew 12.5% in 2018, due to increased conversions and greater attractiveness compared to other energy segments.
- **Cogeneration:** cogeneration experienced 10.4% growth due to a Difference Settlement Price (DSP) increase and the conversion of new customers.



Click here and access Comgás' full report



#### 4<sup>TH</sup> TARIFF REVIEW

In 2018, on the eve of a new cycle in the concession agreement, Comgás' interactions with ARSESP concerning the tariff review were intense and revealed to be productive. Aiming at offering a solution of this deadlock, Comgás elaborated a Memorandum of Understanding<sup>18</sup> in partnership with relevant market agents; this MoU outlines a set of proposals aimed at regulatory stability and the investments required to support energy infrastructure. In December 2018, ARSESP assumed a public commitment to have a definitive position on the Memorandum and established a schedule of events to prepare the 4<sup>th</sup> tariff review and address the 3<sup>rd</sup> review. On May 23, 2019, ARSESP published the Final Technical Note NTF-0030-2019 and the Substantiated Report referring to the conclusion of the 4<sup>th</sup> tariff review, comprising the period from May 31, 2018, to May 30, 2024.

#### EMISSIONS INVENTORY

In 2018, we conducted our first inventory of GHG emissions to better understand our production chain (from natural gas extraction to delivery to the customer) and identify improvement opportunities both for calculations of emissions and for our operations.

Through this study, we determined that our carbon footprint is 12.8 g CO<sub>2</sub>eq by MJ. If compared to our oil carbon footprint, for instance, our impact is 66.2 g CO<sub>2</sub>eq/lower MJ (79g CO<sub>2</sub>eq/MJ of this product in total)<sup>19</sup>. The main contribution to emissions in life cycle phases assessed is production, with emissions of 9.4 g of CO<sub>2</sub>eq/MJ. This phase (production) contributes 74% of 1 MJ footprint and includes the natural gas exploration and production processes. The distribution process has emissions of 3.4 g of CO<sub>2</sub>eq/MJ of energy delivered, which accounts for 26% of the footprint.



**In 2018** we conducted the first **inventory** of GHG emissions to thoroughly understand the impacts of our production chain.

<sup>18</sup> Developed by Comgás jointly with FIESP, the Brazilian Technical Association of Glass Automatic Industries (ABIVIDRO), the Brazilian Association of Large Industrial Consumers of Energy and Free Consumers (ABRACE), the Brazilian Association of Chemical Industry (ABIQUIM), the São Paulo Association of Ceramic Tiles (ASPACER), and the Brazilian National Association of Energy Consumers (ANACE). Comgás also relied on the support of the State Department of Energy and Mining.

<sup>19</sup> Source: <https://www.opetroleo.com.br/shell-pretende-reduzir-a-pegada-de-carbono-das-operacoes-de-petroleo-e-gas/>

## MOOVE

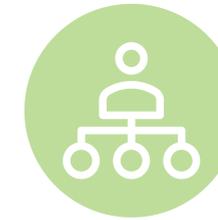
Created in 2008, Moove today is one of Brazil's largest lubricants and base oil companies, and since then has been expanding its businesses, becoming a global company. In 2018, it completed 10 years, celebrating several achievements, including the renewal of a strategic alliance with ExxonMobil for an additional 20 years, gaining the distribution market in Argentina and repositioning the Mobil brand in Brazil.

In 2018, with a consolidated and successful business model, Moove also expanded its presence in Europe with market growth in France and Portugal, in addition to consolidating activities in Spain, Scotland, and England – locations where the Comma brand is sold, in addition to another 40 countries in Europe and Asia. At the end of 2018, we took our first steps towards the US market with the distribution of Mobil lubricants in New Jersey (USA).

 To learn more about our businesses, click here and access Moove's institutional website

## KEY 2018

### HIGHLIGHTS



- **Renewal of a strategic alliance with Exxon-Mobil** to continue using the brand for another 20 years and launching of a new campaign- "Se tem movimento, tem Mobil" (Wherever you go, there's Mobil)
- **Expansion** to Argentina, Portugal, France and the United States
- **Definition of Moove Attitudes**, the supporting pillars of the Moove culture
- **We made our internal communication** more democratic and accessible with the launch of a corporate social network called Workplace.
- **Reorganization of the organizational chart** to build a regionalized leadership team: Europe, Americas (Latam and the United States) and Brazil
- **R\$562 million** capital injection from a British private equity and investment company - CVC Capital Partners – to boost the company's expansion plan

# MOOVE'S MAP OF OPERATIONS

**244 million** liters in lubricants and specialty chemicals in 2018

## AMERICA

~15% of Moove's total sales volume

United States (New Jersey, NY), Argentina, Bolivia, Paraguay, and Uruguay

Distribution of Mobil lubricants manufactured in Brazil and the United States

## BRAZIL

~60% of Moove's total sales volume

Plant in Ilha do Governador - RJ

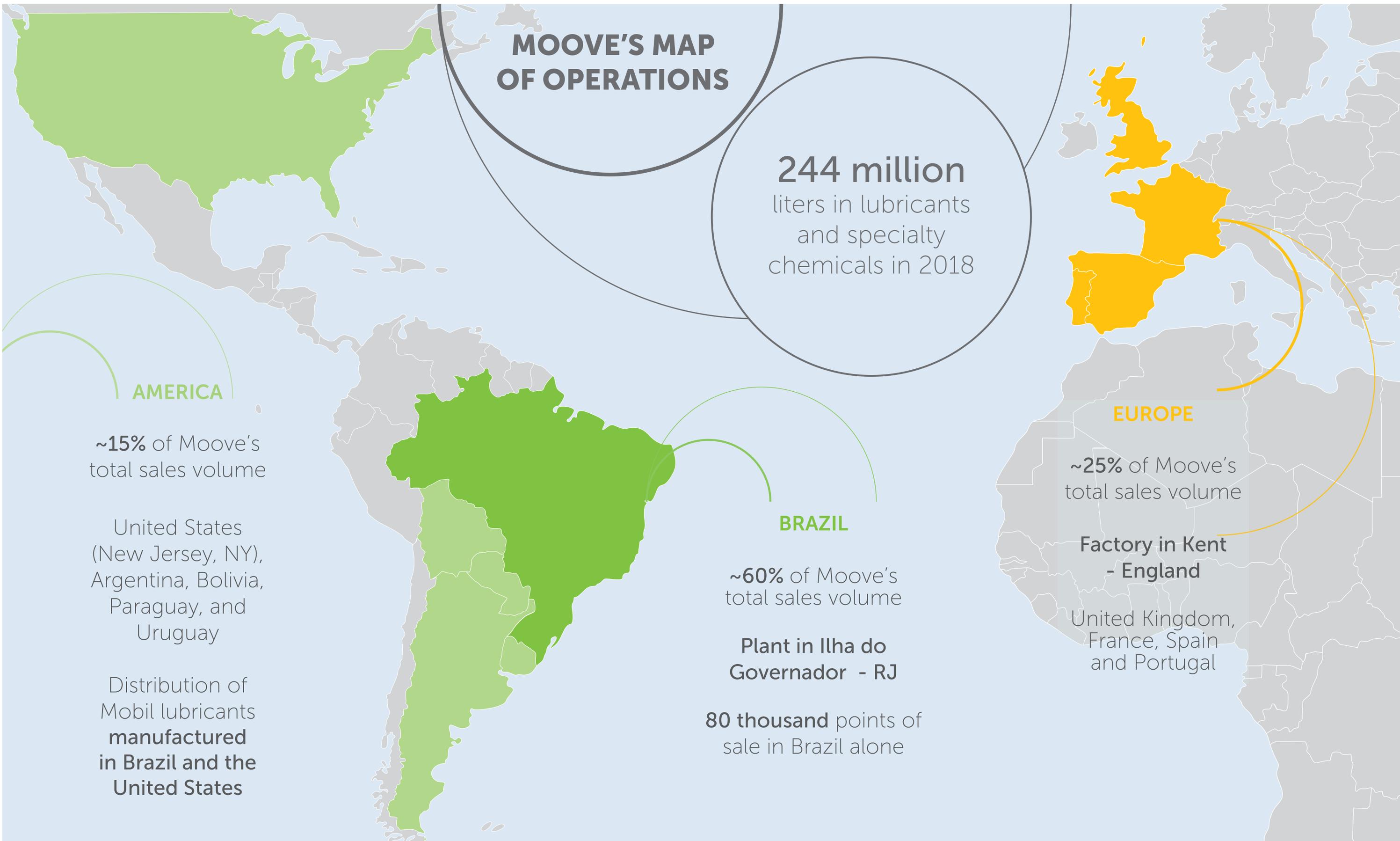
80 thousand points of sale in Brazil alone

## EUROPE

~25% of Moove's total sales volume

Factory in Kent - England

United Kingdom, France, Spain and Portugal





## STRATEGY AND PERFORMANCE

For Moove, the recent years have been very busy and 2018 is no exception. To achieve the vision of “becoming a global benchmark in the sale and distribution of lubricants”, the company worked swiftly and made deliverables consistent with the strategic priorities of High Performance Teams, a Culture of Efficiency and Business Expansion.

Moove also reinforced its positioning as a global company, expanding businesses in South America and Europe, and entering the US market. Significant growth, which is reflected in its financial results, strengthened its strategy.

At the end of the first quarter of 2018, Moove renewed its strategic alliance with ExxonMobil to continue using the brand for another 20 years. The Mobil brand, licensed to

Moove in the countries in which it operates, is internationally recognized for its leadership in maximum performance automotive and industrial lubricants. Higher quality and product technology bring benefits to customers such as greater efficiency, productivity, and reliability, under the leadership of a highly qualified technical team.

This new agreement was essential for Moove to proceed with its planned strategies. One of the first initiatives was to invest in a new brand positioning. Thus, the company conducted a survey with approximately 2,000 people, among them automobile repair shop customers and mechanics. The survey showed that the company had to look beyond performance and explore the power of branding and the concept of high technology.

And as a result of the comprehensive efforts to create value for the Cosan group and the market, Moove announced at the end of 2018 an intended financial contribution from a large investor, the CVC Capital Partners Fund. This transaction resulted in business valuation of R\$1.98 billion. After a due diligence process in 2018, this British private equity and investment company made its first capital injection at Moove in early 2019. This was CVC’s first investment in Latin America; it today holds 30% interest in the Company. This new partnership will allow us to potentialize Moove’s expansion plan, and to also rely upon CVC’s market global expertise and support.



[Click here and access Moove’s full report](#)



## RUMO

Rumo is Brazil's largest logistics operator, with an independent railway base, and provides logistics services via railways, port loading, and product storage. Its assets serve the three most important commodities exporting corridors, representing approximately 80% of Brazil's GDP.

Its major area of operations includes the States of Mato Grosso, Mato Grosso do

Sul, São Paulo, and Brazil's South region, where four of the country's most active ports are located, from which most of the national grain production is exported. Rumo holds interest in six port terminals, five of them at the Port of Santos (SP) and one at the Port of Paranaguá (PR), with the capacity to store nearly 1.3 million tons and a loading capacity of approximately 29 million/year.

## RELEVANT FIGURES



- **12,021 km** rail network
- **25,000+** railcars
- **1,000+** locomotives
- **18 terminals**, 6 are port terminals and 12 transshipment terminals

## KEY 2018

## HIGHLIGHTS



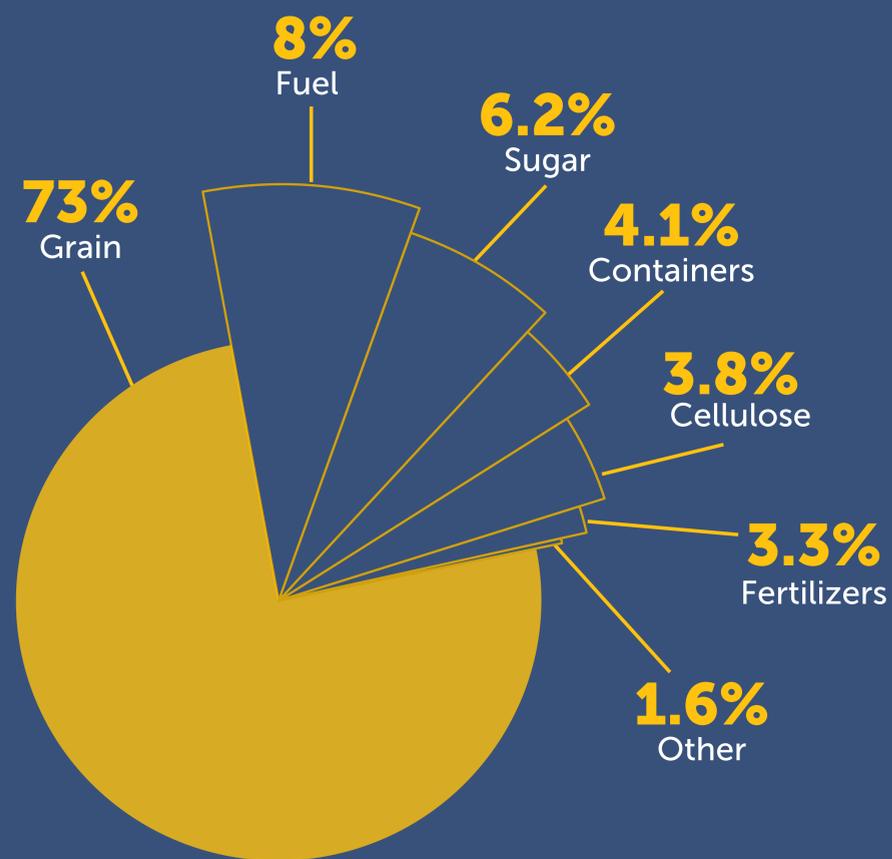
- **Conclusion of operational and financial turnaround**, posting net income and cash generation for the first year
- **Over 65,000 hours of safety training** for employees
- **8% reduction in specific GHG emissions (gCO2eq/RTK)** compared to 2017, and 24% reduction since 2014.
- **Personal accident index tumbled 34%** versus 2017, 186 accidents avoided
- Creation of Related Parties and Strategic & Sustainability Committees
- We are part of **FTSE4GOOD**: index composed by companies with solid ESG practices, measured by global standards
- Startup of **Fertilizers Project**



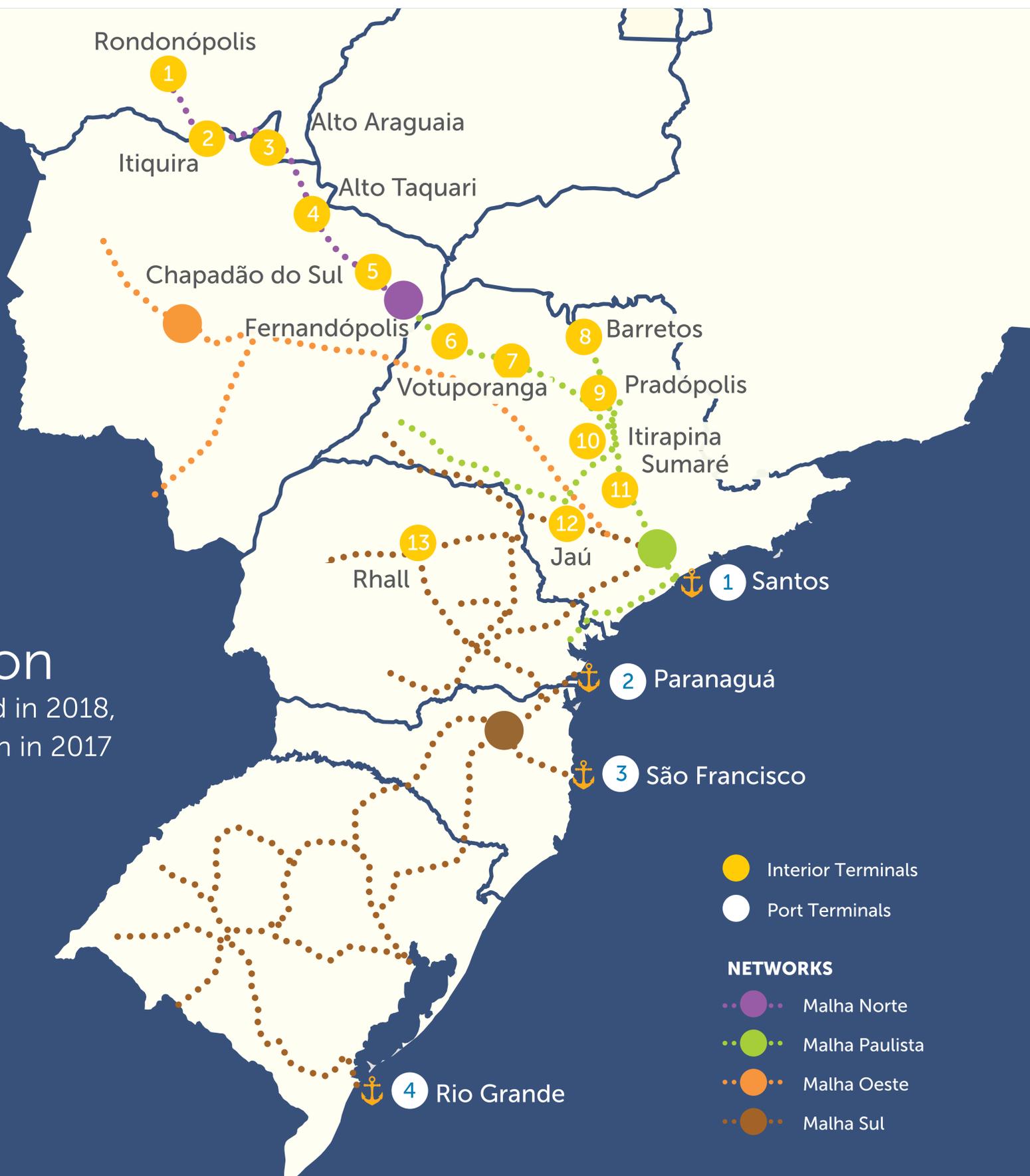
To learn more about our businesses, click here and access Rumo's institutional website

# RUMO'S MAP OF OPERATIONS

## TRANSPORTED VOLUME IN 2018



**56.4 billion**  
RTK\* transported in 2018,  
13.4% higher than in 2017



- Interior Terminals
- Port Terminals
- NETWORKS**
- ⋯ Malha Norte
- ⋯ Malha Paulista
- ⋯ Malha Oeste
- ⋯ Malha Sul

\* Transported ton per working kilometer. The calculation is made by multiplying the tonnage carried by the distance in kilometers.

## STRATEGY AND PERFORMANCE

2018 is a milestone in Rumo's history. Over the past four years, we have been concentrating efforts to make Rumo what it is today: a financially sustainable company of operational excellence, committed to the environment and the community.

In 2018, Rumo consolidated and surpassed the transformational objectives we set out for the period and for the first time posted a relevant net income of R\$ 273 million and positive free cash flow. Variable cost increase in 2018 trailed the transported cargo volume growth, chiefly due to a continued reduction in fuel consumption (15% lower than in 2015, or savings of approximately R\$ 150 million/year), and CAPEX totaled R\$ 2.0 billion in 2018, down 6% from 2017, aligned with released guidance.

The path followed in 2018 was challenging. In May, Rumo was impacted by a nationwide truckers' strike unprecedented in the country's history, hampering supply at Rumo's terminals and consequently causing losses in volume and EBITDA that quarter. We also saw an adverse scenario for sugar exports, and a reduced corn crop, especially in the South region. Despite this, there was a favorable soybean crop, on top of efficiency and capacity gains, and Rumo

delivered expected results and fulfilled its commitments to the market. The volume transported by Rumo in 2018 grew 13.4% versus 2017, reflecting higher capacity enabled by the Capex plan.

Rumo also evolved to build a more sustainable business from the social and environmental viewpoint. In 2018, the company created the Strategic and Sustainability Committee and advanced in programs providing a better understanding of relations between railways and environment, guiding future projects and Capex plans. In 2018, it consumed 15% less diesel than in 2015, i.e., it reduced its emissions amid a period of significant growth of operations. In addition, it sought a continued dialogue with communities in the areas where it operates to create strategies to transform realities over the long term. In 2018, over 5.1 million people benefited from Rumo's social and environmental responsibility actions, including educational, environmental, social inclusion and sports projects.

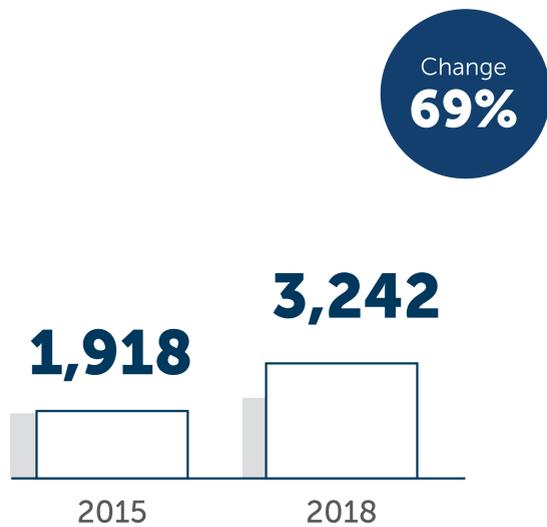
Now efforts focus on consolidating the company's leadership position and its turnaround cycle, while laying the groundwork for the future. With this in mind, Rumo concluded its initial strategic plan to start

a new cycle, which foresees an increase in transported volumes by nearly 70% by 2023 and increasingly more efficient and sustainable operations. We won the North-South Railway auction, a significant achievement for the realization of the plan, since it will bring significant benefits of synergy and efficiency for the company, besides contributing to Brazil's growth.

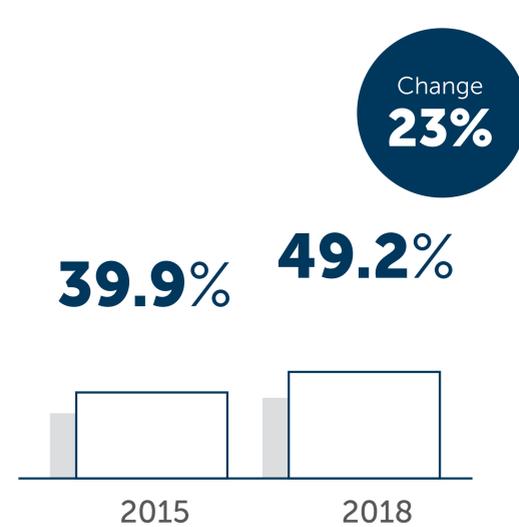


## FINANCIAL TURNAROUND

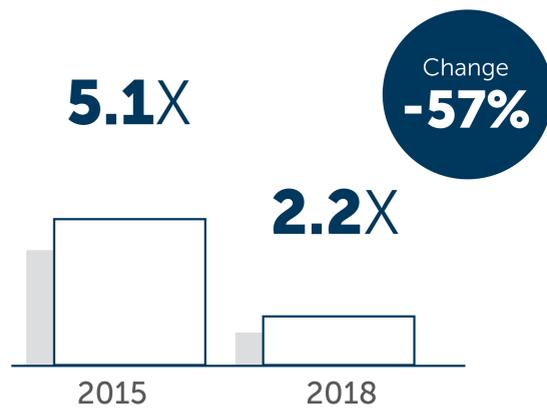
**EBITDA**  
(R\$MM)



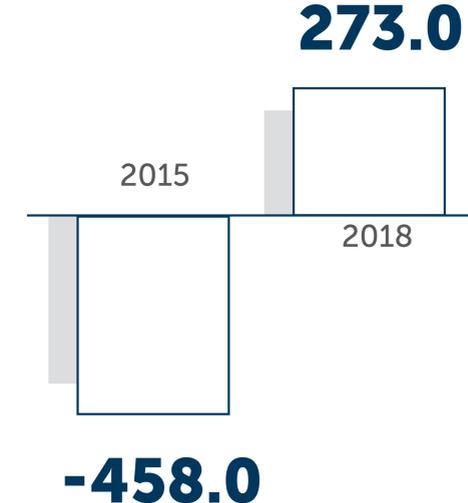
**PROFITABILITY**  
(EBITDA MARGIN)



**LEVERAGE**  
(NET DEBT / EBITDA)



**NET INCOME (LOSS)**  
(R\$MM)



### INNOVATION

Moved by a desire of transformation, Rumo is a benchmark in Research & Development (R&D) in Brazil’s railway sector. With a mission of impacting and transforming our culture and business by means of a collaborative and agile work, we develop innovative solutions for complex problems, generating unquestionable results.

Our organizational model combines innovation and technology to the rail routine, with processes focused on safety, greater operational efficiency, capacity growth and cost savings, significantly contributing to Rumo’s improved results and operational profitability.

#### Double-stack railcars

At the end of 2018, Brado, which provides logistics services to different types of cargoes, structured a new operation to expand its operations in the domestic market: the double-stack. Based on a benchmarking carried out in the United States, this solution meets a growing demand from operations in the Mid-West region, running approximately 1,400 km between Sumaré (SP) and Rondonópolis (MT) and carrying over 70 products.

Composed of railcars which may carry up to three containers to be stacked (one 40-foot container and two 20-foot containers), resulting in 40% capacity gain in train transportation. The double-stack railcars will bring other rel-

evant results, such as fuel savings, greater operational safety and a simplified maintenance. Manufactured by Greenbier Maxis, nearly R\$ 60 million were invested in the acquisition of 148 units of this model.

#### Oversight System

This system uses the Internet of Things (IoT) to ensure continued increases in efficiency and productivity in our operations. Implemented in 2017, concerned with predictive management over the 12,000 km of railways, it already detected in advance 94 irregularities, ensuring greater safety of our operations.

#### Railway innovation

In early 2019, we opened a Public Call for Innovation Projects viewing the development of technological solutions for the railway sector in a partnership with Senai, Paraná. The public notice will work with four main issues: New Building Techniques, Sustainable Railways, Energy Self-Generation and Advanced Materials.

#### Management of changes in innovation

Aiming at empowering employees and stimulating a culture of innovation, in 2018, we set up a team dedicated to the disciplined management of changes in innovation, which, throughout the year, worked with initiatives to enable the engagement between areas and the qualification by means of experiences of knowledge and practices to provide new working models.



Click here and access Rumo’s full report

09

# GRI STANDARDS CONTENT INDEX

102-55



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
<b>GRI 101:FOUNDATION 2016</b>			
<b>GENERAL DISCLOSURES</b>			
<b>GRI 102:General Disclosures 2016</b>	102-1 - Name of the organization		7
	102-2 - Activities, brands, products and services		7
	102-3 - Location of headquarters	Cosan Limited is headquartered in Bermuda, although its performance is concentrated in Brazil, its shares are listed on the NYSE (United States).	
	102-4 - Location of operations		20
	102-5 - Ownership and legal form	Cosan Limited's main activity is as a holding of non-financial institutions. Its legal form is a corporation. In 2018 the governance code report was implemented for Cosan S.A. and Cosan Logistica, in addition to the launch of policies and charters to better define the competencies and administrative bodies of companies.	20
	102-6 - Markets served		20
	102-7 - Scale of the organization	Large-sized Company.	
	102-8 - Information on employees and other workers		12
	102-9 - Supply chain	Since it is a holding, Cosan Limited's supply chain is basically restricted to service providers of consulting, communication, law firms, and external audits.	
	102-10 - Significant changes to the organization and its supply chain	There were no significant changes in the Company's capital stock structure (Cosan Limited - holding), but alterations occurred in subsidiaries' structures which will be discussed in respective reports.	
	102-11 - Precautionary principle or approach	Cosan Limited does not have operational or production activities. However, the company and its subsidiaries maintain structures dedicated to the management of operational risks, such as internal controls, HSE (Health, Safety, and Environment), crisis management and risk management, and uses them as a hedging instrument. These areas operate concurrently with sophisticated operational systems, with specific safety resources which seek to mitigate these risks.	
	102-12 - External initiatives	Since it is a holding, this item is not applicable. Cosan Limited's businesses take part in external initiatives in their respective markets of operation.	
	102-13 - Membership of associations	Cosan (holding) is a member of ABRASCA – Brazilian Association of Publicly-held Companies. Cosan Limited's businesses participate in associations and organizations in their respective sectors.	
<b>STRATEGY</b>			
<b>GRI 102:General Disclosures 2016</b>	102-14 - Statement from senior decision-maker		3

GRI STANDARD	DISCLOSURE	COMMENT	PAGE
<b>ETHICS AND INTEGRITY</b>			
<b>GRI 102:General Disclosures 2016</b>	102-16 - Values, principles, standards and norms of behavior		23
<b>GOVERNANCE</b>			
<b>GRI 102:General Disclosures 2016</b>	102-18 - Governance structure		20
<b>STAKEHOLDER ENGAGEMENT</b>			
<b>GRI 102:General Disclosures 2016</b>	102-40 - List of stakeholder groups	Main groups of stakeholders engaged by Cosan Limited are shareholders, investors, employees, services providers, and capital market bodies in Brazil and in the United States (CVM and B3, SEC and NYSE).	5
	102-41 - Collective bargaining agreements	Total employees covered by collective bargaining agreements: 100%.	
	102-42 - The basis for identifying and selecting stakeholders with whom to engage		5
	102-43 - Approach to stakeholder engagement		5
	102-44 - Key topics and concerns raised		5
	<b>REPORTING PRACTICES</b>		
	102-46 - Defining report content and topic Boundaries		5
	102-47 - List of material topics		5
	102-48 - Restatements of information	No restatement of information provided in previous reports.	
	102-49 - Changes in reporting	No relevant change in relation to the periods covered by previous reports.	
	102-50 - Reporting period		5
	102-51 -Date of most recent report		5
	102-52 - Reporting cycle		5
	102-53 - Contact point for questions regarding the report		51
	102-54 - Claims of reporting in accordance with the GRI Standards		5
	102-55 - GRI content index		5
	102-56 - External assurance	Not applicable.	



# 10

## ACKNOWLEDGMENTS AND CORPORATE INFORMATION

102-53

### **COSAN**

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[ri.cosanlimited.com](http://ri.cosanlimited.com)

### **COORDINATION, EDITION, SUPERVISION**

Cosan

### **ANALYSES OF INDEXES, PROJECT DEVELOPMENT, AND CONTENT PRODUCTION**

Cosan, Comgás, Moove e Rumo: Keyassociados  
Raizen: KMZ Conteúdo

### **GRAPHIC DESIGN AND LAYOUT**

Magenta•Lab

### **PHOTOS**

Cosan's Collection, Freepik, Unsplash, Pexel