

cosan

PERFORMANCE 2013

HIGH STANDARDS

Rumo advances towards logistics
democratization in the country

SERVICE CHAIN

Radar's responsible management
creates shared value

RISK MANAGEMENT

Cosan Lubricants keeps producing
and distributing products
inside and outside Brazil

DEVELOPMENT

Comgás delivers modernity, comfort
and efficiency to its consumers

INNOVATION

Raizen invests in technology
for generation and
distribution of biofuels

ENERGY & INFRASTRUCTURE

EFFICIENT BUSINESSES WHICH GENERATE
SOLUTIONS FOR BRAZIL'S DEVELOPMENT



4 READING GUIDE

Get to know the methodology, the indicators, and the process for defining the content of this publication.

6 MOVING IS TRANSFORMING

Learn more about Cosan. Understand what strategic guidelines orient its operations and how the Company gained space in the energy and infrastructure sectors.

14 WHAT THE LEADERS SAY

Cosan's strategy is presented along with that of each of its companies. All this is contextualized using the Brazilian macroeconomic scenario and the projections for the energy and infrastructure sectors.

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UPSCALE TRANSPORTATION

With a high-standard business, **Rumo** drives the economy of the country through its integrated logistics.

Read also: Cosan Lubrificantes – Innovative formula optimizes resources. Raízen – 23% of the ethanol produced is certified by Bonsucro.

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NATURAL GAS FOR DEVELOPMENT

Comgás advances and provides comfort to more customers, generates efficiencies, and creates new business opportunities.

Read also: Rumo – Focus on customer service excellence. Radar – Benefits that go beyond matching up properties.

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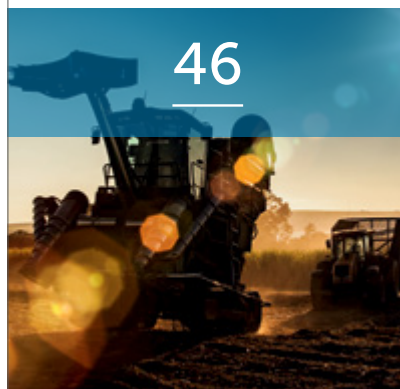


SAFETY TO OPERATE

Backed by a strong management of risks and impacts, **Cosan Lubrificantes** invests in the production and distribution of cutting-edge products in the country and overseas.

Read also: Comgás – Practices ensure good performance in safety. Raízen – Integrated tools focus on risk management.

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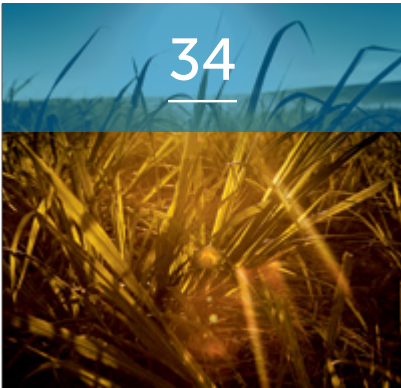


STRATEGIES FOR NEW PROCESSES AND PRODUCTS

Raízen innovates in biofuels generation and distribution, betting on the development of renewable energy.

Read also: Radar – Market intelligence to leverage businesses. Comgás – Cogeneration technology: energy efficiency.

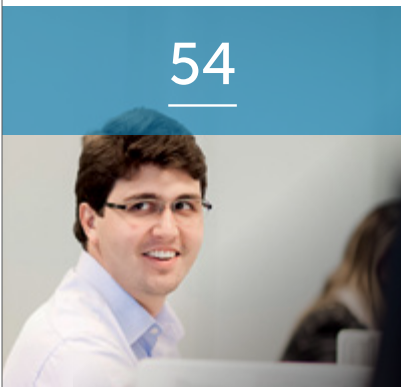
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BENEFITS FOR THE WHOLE VALUE CHAIN

Radar transforms agricultural land in the country into model areas, creating value for the entire chain.
Read also: Cosan Lubrificantes – Relationships with distributors are based on practice sharing.
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A TEAM THAT CREATES VALUE

The Company has a team supporting its strategy to ensure growth in the energy and infrastructure sectors.



Growing with efficiency and simplicity—this is the path set down by our strategy. In 2013 we made progress in the areas of energy and infrastructure with excellent results in all our companies.

Our accomplishments are supported by a management model that considers the long term in current decisions for ensuring high performance results. This form of working reflects our conception of perpetuity—a concept that is present in our daily operations. The results are actions that generate positive impacts in building efficient operations and establishing partnerships that help move and transform our industries.

In the energy segment, we continue contributing to the diversification of the Brazilian energy matrix. We offer interesting alternatives for the application of gas, which not only brings comfort to homes, but also supports the growth of new businesses. We develop even more sustainable biofuels and invest in energy cogeneration, whose benefits are numerous and begin with the savings brought to the customers. With technology and experience, we offer innovative and high-quality products to consumers of lubricants.

In infrastructure, we are the leaders in providing integrated logistics solutions. We believe this way we will have an efficient and competitive system, ensuring the country's production outflow and boosting its economy. To support the demand for increased food production, we offer a portfolio of high value-added land plots for agribusiness, establishing partnerships that create value for the entire chain.

We opted for a more objective reporting model to present our performance and practices in 2013. We use articles to show the essence of each of our businesses with a description of the measures already put into practice, future plans, and indicators to make it possible to monitor this process.

Enjoy your reading!

Marcos Marinho Lutz
 Cosan's CEO <GRI G4-1>

Executive edition

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In the 2013 edition, Cosan innovates and presents its Sustainability Report in the form of a magazine, showcasing the strategic themes of each business through articles. In this guide we explain a bit more about the details of the publication so that you can understand the strategy, the actions, and the results of the year. <GRI G4-28>

Choosing the approach

In order to define the focus of the articles, an analysis was made between the matrices of materiality of each company (Rumo, Radar, Cosan Lubrificantes, and Comgás), which made it possible for us to identify cross-cutting topics among them. Information discussed within the Sustainability Work Groups (WGs) was also considered, resulting in the final selection of topics and deter-

mination of indicators (see the full chart of key themes, aspects and indicators). Raízen is the only company that did not pass through the cross-cutting analysis because it has an independent materiality process.

Cosan uses the Global Reporting Initiative (GRI) methodology, version G4 essential, focused on its materiality and forms of management of the most relevant themes in the corporation. As for the indicators used, they are referenced in each article and, at the end of this publication, there is also a GRI summary for quick reference and additional information.

The Indicators Book containing all the indicators collected by the companies, as well as the Company's consolidated indicators, is available in the sustainability section on Cosan's website. <GRI G4-18, G4-19, G4-20, G4-21, G4-22, G4-23, G4-25, G4-26, G4-27 E G4-32>

Materiality

Between 2012 and 2013, Cosan carried out materiality assessments to identify the most material topics for the Organization and its businesses. To determine the topics, the following were considered: WG discussions, internal documentation review, sector and media studies, and interviews with 18 professionals of Cosan and of other companies in the group, and five specialists in the industries where the Company operates. The results can be seen on the next page. <GRI G4-18, G4-24 E G4-25>

Sustainability Work Groups

A governance structure created to support Cosan's sustainability-oriented management model. The WGs were divided into business cores (Rumo, Radar, Cosan Lubrificantes e Especialidades, and Comgás) and one corporate core, and its members are representatives from the economic-financial, Human Resources, 'Quality, Health, Safety and the Environment' (QSSMA), and other key areas of each of the companies.

Key themes, aspects and indicators ¹ <GRI G4-18, G4-19, G4-20, G4-23 E G4-27>				
Business	Key themes	GRI Aspects	Indicators reported	Highlighted in the articles
Rumo	<ul style="list-style-type: none"> - High business standards - Interaction with government and society - Value chain management - Investing in and developing new technologies - Evaluation of social and environmental impacts - Health and safety - Valuing employees - Emissions and mitigation of climate impacts - Compliance 		<p>GRI Book: EC1, EC3, EC4, EC7, EC8, EN11, EN24, EN27, EN30, EN33, LA1, LA6, LA7, LA9, LA11, HR1, SO1, SO3, SO4, SO5, SO6, SO8, SO10, PR1</p> <p>In the magazine: EC1, EC4, EC7, EC8, EN24, EN27, LA6, SO3, SO4, SO5, SO10, PR1</p>	<p>Health and safety: due to the nature of the operation, it is necessary to constantly focus on this theme.</p> <p>High business standards: meeting the value proposition of the business and ensuring the integrity of cargo handled.</p> <p>Interaction with government and society: due to the geographic footprint of the business, it reinforces its interaction with the governmental sphere.</p>
Comgás	<ul style="list-style-type: none"> - Safety - Customer relations - Investing in and developing new technologies - High business standards - Interaction with government and society - Social and environmental impacts - Valuing employees - Guaranteeing contractors' rights 	<p>Economic performance</p> <p>Indirect economic impacts</p> <p>Biodiversity</p> <p>Waste and effluents</p> <p>Products and services</p>	<p>GRI Book: EC1, EC3, EC7, EC8, EN11, EN24, EN27, EN33, LA1, LA6, LA7, LA9, LA11, HR1, SO1, SO6, SO8, SO10, PR1, PR5</p> <p>In the magazine: EC1, EC7, EN33, SO1, SO3, SO4, SO5, SO7, SO10, PR1</p>	<p>Customer relations: focus on service excellence.</p> <p>Interaction with government and society: its role as a provider of a public utility.</p> <p>Health and safety: culture and maintenance of a consistent management system.</p>
Radar	<ul style="list-style-type: none"> - High business standards - Social impact assessment - Interaction with government and society - Valuing employees - Value chain management - Generation of jobs and income - Compliance - Emissions and mitigation of climate impacts - Conflict of access to water, land, and other resources - Water - High ethical standards 	<p>Transportation</p> <p>Investments</p> <p>Labeling of products and services</p> <p>Fighting corruption</p> <p>Public policies</p> <p>Occupational health & safety</p> <p>Employment</p> <p>Training and education</p>	<p>GRI Book: EC1, EC3, EC4, EC7, EC8, EN11, EN27, EN33, LA1, LA9, LA11, HR1, SO3, SO4, SO5, SO6, SO8, SO10</p> <p>In the magazine: EC1, EC4, EC7, EC8, EN11, EN27, EN33, SO3, SO4, SO5, SO10</p>	<p>High business standards: maintaining a responsible property management model.</p> <p>Social impact assessment: partnership with lessees to comply with social and environmental requirements on the properties.</p> <p>Biodiversity: restoration work and maintenance of properties.</p>
Cosan Lubrificantes	<ul style="list-style-type: none"> - Health and safety - Value chain management - Investing in and developing new technologies - High business standards - Environmental impact assessment - Social impact assessment - Generation of jobs and income - Biodiversity - Efficient energy use - Emissions and mitigation of climate impacts - Waste management - High ethical standards 	<p>Conformity</p> <p>Suppliers' evaluation regarding impacts on the society</p> <p>Suppliers' environmental evaluation</p> <p>Local communities</p>	<p>GRI Book: EC1, EC3, EC4, EC7, EC8, EN11, EN24, EN27, EN28, EN33, LA1, LA6, LA7, LA9, LA11, HR1, SO1, SO3, SO4, SO5, SO6, SO8, SO10, PR1</p> <p>In the magazine: EC1, EC4, EC7, EN24, EN28, EN33, LA6, SO3, SO4, SO5, SO10, PR1</p>	<p>Health and safety: culture and maintenance of a consistent safety management system.</p> <p>Environmental impact assessment: strong risk management work due to the nature of the activities.</p> <p>High business standards: product quality assurance and management of business partners.</p>
Raízen	<ul style="list-style-type: none"> - Innovation and sustainability - Sustainability management - Certifications - Health and safety - Burning and mechanization - Environmental management - Social responsibility - Climate change - Scenario - Waste management - Renewable energy - Internal public - Water management 		<p>To view the GRI indicators reported by Raízen, please refer to the 2013 Sustainability Report on the company's website: www.raizen.com.br.</p>	<p>Innovation and sustainability: Investing in new biofuel alternatives.</p> <p>Certifications: certified sugarcane production.</p> <p>Health and safety: valuing the culture of safety and continually reducing accident rates.</p>

¹In the final article, about people management, which deals with all the business units and the Company, the key theme is Valuing employees, which is relevant to all companies. The reported indicator was G4-10, and supplementing it, indicators LA1, LA9, and LA11 can be found in the Indicators Book in the sustainability section on Cosan's website.

MOVING IS *TRANSFORMING*

Efficiency, focus, and simplicity to
generate value and development

With 78 years of operations, the Company began its trajectory in the sugar and ethanol industry and today has a strong presence in the energy and infrastructure sectors. Its portfolio includes businesses in logistics, distribution of gas and fuels, energy cogeneration, production of sugar and ethanol, production and distribution of lubricants and base oils, and land management. <GRI G4-9>

The common thread for all the companies is the Cosan essence, which stands out for evolving with focus. Cosan always analyzes and prioritizes business opportunities where it can bring efficiency to the operations, generating high value-added results and consistent partnerships.

The Company also values the use of intelligence to enhance its actions. This relates to how it acts when it implements innovative business models that are consistent and replicable on a large scale.

What is a solution for our scope and reality is also a solution for society.

And what is the Company's vision of the future? To create value for development and be a key player in strategies that transform realities and that are perpetuated over time. By acting in an influential way, the Company plays an important role in its segments and has as a goal the positive impact on the dynamics of the economy, offering new alternatives to demands, democratizing services, and changing realities.

To accomplish all this, excellence is needed in the use of its resources and capital. Only then is it possible to bring to fruition projects that enhance the generation of value for the businesses and the society.



COSAN X-RAY

Experience and focus on energy and infrastructure

Formed by Cosan S.A. (publicly-held company listed on BM&FBovespa: CSAN3; CZLT33) and its parent company Cosan Limited (stock listed on the NYSE:CZZ)

Headquarters

São Paulo (SP)

R\$36 billion in net revenue in 2013, including Raízen, an increase of 33% year-over-year

R\$300 million paid in dividends to shareholders in 2013

Six business units in the portfolio:

RAÍZEN COMBUSTÍVEIS

RAÍZEN ENERGIA

COMGÁS

COSAN LOGÍSTICA and its subsidiary RUMO

RADAR

COSAN LUBRIFICANTES

⟨GRI G4-3, G4-4, G4-5, G4-7, G4-8, G4-9 E G4-17⟩

Inside corporate governance

Board of Directors: elected at a General Shareholder's Meeting for two-year terms, and the members can be reelected. It is responsible for developing the business strategy and approving the annual work plans and budgets, investments and expansion programs, determining the management's variable compensation and contracting an independent audit firm to ensure transparent business practices.

Board of Executive Officers: highly qualified, the board is responsible for conducting the corporation's activities and applying the guidelines set by the Board of Directors.

Management supporting bodies: Audit, Risk Management, Risks Executive, Remuneration, and Authorization Committees. The Supervisory Board, which is independent from management, analyzes the Company's management activities and financial statements. ⟨GRI G4-34⟩

Ethical principles strengthen relationships

Available on the corporate website, Cosan's Code of Conduct is an important instrument to disseminate information to officers, directors, employees and other stakeholders on the behaviors and attitudes expected of them. It is also strategic for meeting the Company's goals and for strengthening its corporate image.

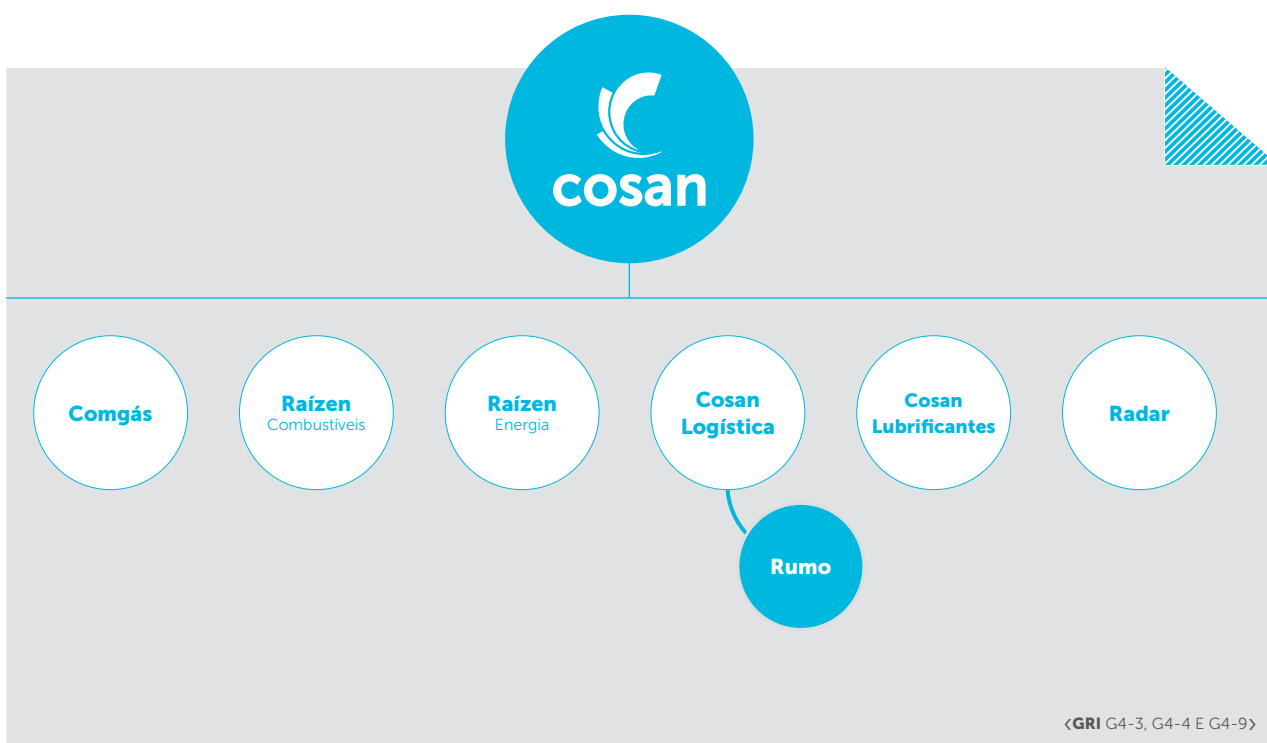
The Company deals seriously with violations of these guidelines and ethical principles and encourages the reporting of any incidents. Concrete facts on deviation from expected conduct should be reported to the Ethics Channel, which is managed by an independent specialized company. The information received is analyzed by the Ethics Committee, which ensures anonymity and confidentiality. No cases of corruption were reported through this channel in 2013. ⟨GRI SO5⟩

All business units are evaluated for risks of corruption. The Company is constantly giving training on internal controls, Sarbanes-Oxley, risk management, and anti-corruption laws to managers and key partners. This comprises eight hours of training in total. In 2013, 100% of the representatives of management, law firms, and distributors in Southeastern Brazil were trained in or communicated with about these procedures.

⟨GRI SO3, SO4, G4-56, G4-57 E G4-58⟩

CONTACT CHANNELS

0800 725 0039 or
www.canaldeetica.com.br/cosan



Projects receive R\$15.8 million

In 2013 Cosan invested approximately R\$15.8 million² in projects related to culture, sports, education, and funds for supporting children and adolescents through its subsidiaries via incentive laws, sponsorships, and tax credits. Some examples are as follows:

Pelé Museum: restoration of the Casarão Valongo and construction of the Pelé Museum in Santos.

Hospital Pequeno Príncipe: it supported two initiatives (Advances in health care treatment - the Right to Life, and Participating Family Project) in order to contribute to reducing child mortality and strengthening the emotional bond between the family and the child during the period that the SUS patient is hospitalized (SUS is the health care program of the federal government).

Comunitas - Juntos pelo Desenvolvimento Sustentável (Comunitas - Together for Sustainable Development): to seek to improve the municipal public administration. The companies will contribute not only with financial resources, but also with their expertise in corporate social investment in the areas of management, education, and health.

Movimento Brasil Competitivo (Competitive Brazil Movement - MBC): support to the "Modernizing public management" program in order to obtain improvements in management and gain competitiveness and efficiency in public administration. <GRI EC7>

²The amount does not consider Raízen's investments.

Cosan records 46% higher earnings before interest, tax, depreciation, and amortization (EBITDA)

Following its strategy of focusing on high value-added projects with efficiency and simplicity, in 2013 Cosan recorded a growth of 46% in pro forma EBITDA for a total of R\$4 billion. The highlights of the year were the following:

- Increase of 6% in Raízen Combustíveis's volume sold, and rise of 22% in EBITDA to R\$1.93 billion
- Raízen Energia's crushing grows 9% to 61.4 million tons
- Growth of 10% in Comgás's customer base
- Rumo's EBITDA up 44% to R\$358 million
- Radar reaches R\$4.1 billion in assets under management and 231,000 hectares in its portfolio considering both its own and third-party land
- Advances in the lubricants business of the Mobil and Comma brands with record sales volume. <GRI G4-9>

Financial information - in MM	2013 (January to December)	2012 (January to December)
Net Revenue	36,165.2	27,149.7
Gross Income	4,606.4	2,927.8
Gross Margin (%)	12.7	10.8
Operating Income	2,197.7	1,206.0
EBITDA	3,964.2	2,614.8
EBITDA Margin (%)	11.0	9.6
Gross Effect of Raízen's Formation	–	100.3
Adjusted EBITDA	3,964.2	2,715.1
Adjusted EBITDA Margin (%)	11.0	10.0
Equity Accounting Result	(10.2)	97.6
Income (Loss) before Minority Interest	649.1	750.3
Net Income (Loss)	261.3	746.8
Net Effect of Raízen's Formation	–	66.2
Adjusted Net Income (Loss)	261.3	813.0
Adjusted Net Margin (%)	0.7	3.0
Capex	2,894.7	2,214.3
Net Debt	10,318.8	8,832.9
Stockholders' Equity and Minority Interest	13,571.2	13,462.9

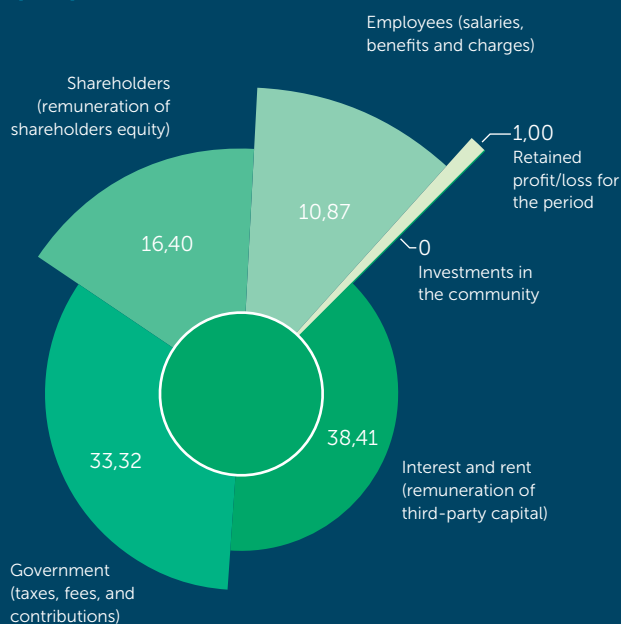
Amount distributed reaches R\$3 billion

In 2013, Cosan distributed over R\$3 billion, mostly for the payment of interest, rent, and interest on third-party capital (38.4%) and the payment of taxes, fees, and contributions to the government (33.3%).

Cosan also has subsidies from contracts with the Brazilian National Development Bank (BNDES) totaling R\$420 million. The value of tax incentives and credits was R\$6.4 million. The sum of all these forms of financial contributions, reinvested in the business and in society, is R\$427 million. <GRI EC4>

Due to the change in the investment portfolio, Cosan has changed the way it reports the results for the year. Beginning in 2014, the information will be collected based on the period of January 1 to December 31, and 2013 was unusual for its shorter period of nine months (April 1 to December 31). <GRI G4-13 E EC1>

Value-Added Statement (in %)¹ - 2013



¹Includes nine months, from April 2013 to December 2013.

A company's **Value-Added Statement** is an indicator that translates the company's potential to generate wealth and ensure the perpetuity of the business. This indicator shows how the resources are divided among the company's stakeholders.

Value-Added Statement - Summarized (R\$) ¹	2013
1 Revenues	8,689,628.00
2 - Inputs acquired from third parties	-5,907,545.00
3 - Gross value added (1-2)	2,782,083.00
4 - Retention	-439,144.00
5 - Net value added generated by the entity (3-4)	2,342,939.00
6 - Value added received in transfer	664,829.00
7 - Total value added to be distributed (5+6)	3,007,768.00

Value-Added Statement (R\$) ¹	2013
1 Revenues	8,689,628.00
1.1 Sales of goods, products, and services	7,999,461.00
1.2 Other revenues	733,488.00
1.3 Revenues from the construction of own assets	-
1.4 Provision for doubtful accounts - reversal/formation	-43,321.00
2 Inputs acquired from third parties (including merchandise and services circulation tax (ICMS) and industrialized products tax (IPI))	-5,907,545.00
2.1 Costs of products, goods, and services sold	-5,457,011.00
2.2 Materials, energy, outsourced services, and others	-450,534.00
2.3 Loss/Recovery of assets	-
2.4 Other expenses	-
3 Gross value added	2,782,083.00
4 Retention	-439,144.00
4.1 Depreciation, amortization, and depletion	-439,144.00
5 Net value added generated by the entity	2,342,939.00
6 Value added received in transfer	664,829.00
6.1 Equity accounting result	247,533.00
6.2 Financial income	417,296.00
7 Total value added to be distributed	3,007,768.00
8 Distribution of value added	3,007,768.00
8.1 Personnel and charges	327,060.00
8.1.1 Direct compensation	-
8.1.2 Benefits	-
8.1.3 Severance Pay Fund (FGTS)	-
8.2 Taxes, fees, and contributions	1,002,160.00
Cumulative economic value (economic value generated - economic value distributed)	1,678,548.00

¹Includes nine months, from April 2013 to December 2013.

OPERATIONS AND THE

<GRI G4-12, G4-20, G4-21, G4-24>

1 FROM PLANTS TO TERMINALS

Freight trucks contracted by Rumo pick up the cargo at the client's plants.

Impacts on: clients and contractors (freight companies).

1 SUGAR, ETHANOL AND ENERGY PRODUCTION

The plants produce sugar, ethanol and electricity (cogeneration using biomass).

Impacts on: employees, suppliers (sugarcane producers) and surrounding communities.

2 INTERMODAL TERMINAL

At the terminal, the cargo is dropped off at large warehouses from where it is hauled on trains with up to 120-cars to the Port of Santos.

Impacts on: employees, contractors (freight companies), licensing agencies, local government and surrounding communities.

2 DISTRIBUTION

The products sold by the company are shipped out from distribution terminals, warehouses or directly from the plants. Sugar and ethanol for exportation reach port terminals by trucks, pipes and railway. From the distribution terminals, they are also forwarded to the domestic market (industrial facilities, freight companies, airports and gas stations).

Impacts on: employees, suppliers, clients and surrounding communities.

3 ARRIVAL AT THE PORT OF SANTOS

At the Port, the train is unloaded and the cargo is stored. Sugar is then taken from the warehouse and loaded on board vessels.

Impacts on: employees, clients, licensing agencies, local government and surrounding communities.

- RUMO -

WHERE

Plants (SP, Brazil): São Paulo, Santos, Sumaré, Jaú, Itirapina, Fernandópolis, Pradópolis and Barretos.

OPERATIONS

World leader in the export of sugar, it has an integrated logistics platform that covers multimodal transportation, storage and port lifting operations. Through its terminals, the sugar produced in the mid-south of Brazil is loaded and shipped to the Port of Santos.

- RAÍZEN -

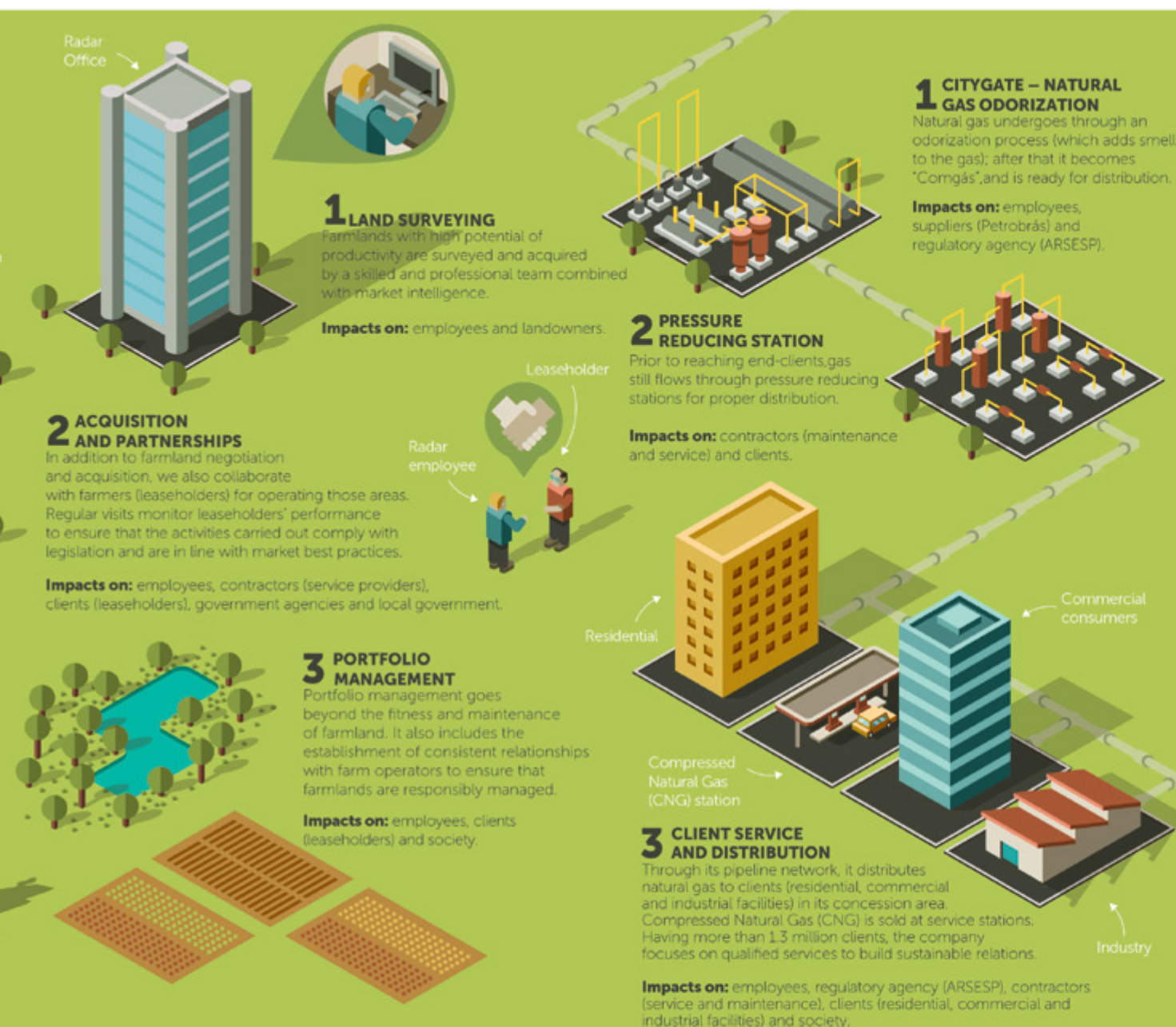
WHERE

Offices in Brazil (Sao Paulo/SP, Piracicaba/SP, Rio de Janeiro/RJ), Switzerland, Singapore, and United States.

OPERATIONS

A joint venture of Cosan and Shell that produces and sells sugar, ethanol and electricity, both for domestic and foreign markets. It also operates in the distribution of fuel in the Brazilian market.

IMPACTED PUBLIC



- RADAR -

WHERE

In the Brazilian states of Goiás, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Maranhão, Bahia, São Paulo, Tocantins and Piauí.

OPERATIONS

Having a pioneering and unique model, Radar operates in the management of farmland in Brazil. It acquires farmland with high appreciation potential and provides farm operators with it to plant sugarcane, soybeans, cotton and corn.

- COMGÁS -

WHERE

Plants (SP, Brazil): São Paulo, Campinas, Santo André, Santos and São José dos Campos.

OPERATIONS

Through its pipeline network, it distributes natural gas for the metropolitan regions of São Paulo and Campinas, Santos, and Vale do Paraíba. Its concession area covers the State of São Paulo and its current client base amounts to 1.3 million consumers.

- COSAN LUBRIFICANTES -

WHERE

Plants: Rio de Janeiro (Brazil) and Kent (England).

OPERATIONS

Cosan Lubrificantes manufactures and distributes lubricants under brand names Mobil and Comma for the markets of South America, Europe and Asia. It also distributes base oils in Brazil, and manufactures and distributes specialty automotive products.

UNDERSTAND
THE FLOW OF
OPERATIONS AND
MAIN STAKEHOLDERS
WHO ARE PART OF
COSAN BUSINESSES
(RUMO, RAÍZEN,
RADAR, COMGÁS
AND COSAN
LUBRIFICANTES).

WHAT THE *LEADERS SAY*

Year after year, Cosan continues to grow based on a business model that considers enterprise risks, corporate governance, reputation, and business operations. Strategic leaders of the companies make the following comments about the challenges, strategies, and projections related to each business.



“We will continue with plans for rail logistics democratization in the country. Our purpose is to create value with investment and management.



Julio Fontana,
CEO, Cosan Logística

By restoring the balance of the transport matrix—road, rail, and river — the government intends to reduce current logistic costs by 30% and this is a great opportunity for Rumo to take a leading

role. We will continue to invest in assets with the purpose of operating integrated and efficient logistics networks, benefiting the flow of Brazilian commodities.



Daniel Rockenbach,
CEO, Rumo

“Agribusiness has grown at a much higher rate than the supply of logistics services, and we want to revert this trend.

This is an opportunity for the companies that manage to consolidate faster and streamline their projects. Rumo has taken a leading position and its challenge is to integrate the logistics chain by offering a range of services

with added value for customers, lowering their costs. We will continue to develop innovations and provide an unrivaled service in the market with full responsibility for the operational efficiency of our system.”

“Comgás is a state enterprise for the citizen and its mission is to bring modernity to society.



Luis Henrique Guimarães,
CEO, Comgás

Some examples of how we are expanding to meet the demand and offer innovation to customers are the RETAP [High Pressure Pipe Network] projects for improvement of the high-pressure network in the metropolitan region of São Paulo, the new technologies applied to the infrastructure of our distribution

network, proposals for new applications such as using natural gas in pizza ovens and corporate air conditioning systems, and the expansion of vehicle natural gas. We face financial and market challenges, but to deal with them, we remain committed to creating opportunities and generating results.”



Colin Butterfield,
CEO, Radar

“The demand for agricultural products is continually higher because of increased global demand for food and the demand for energy, mostly from sugarcane and other inputs.

The availability of land for cultivation in Brazil is an opportunity that we are exploring with responsibility through a strong market intelligence work and full compliance with the stringent Brazilian legislation. We

are contributing to Brazil being the great granary of the world, exporting over 50% of the global increase in demand for food by 2050 by investing in land and being jointly responsible for all the parties involved in our business.”

“**L**ubricants are everywhere and are not restricted to only the oil that is used in the car, which represents just 20% of consumption.

The remaining 80% are used in agricultural equipment, construction equipment, large industrial machinery and others. Ours is a premium offer, with high-performance products that enable benefits like economy and productivity. Building strategic partnerships for the business and focusing on operating efficiency are also the foundations of our operations, whose permanent challenge is to create higher value to clients. An example is that we are strengthening our operations overseas with the Comma and Mobil brands.”



Nelson Gomes,
CEO, Cosan
Lubrificantes

Vasco Augusto Dias Jr.,
CEO, Raízen



“**D**emand for ethanol is real, both in the domestic market and overseas.

The domestic challenges are centered on policies that do not favor the competitiveness of the product compared to other fuels. Nevertheless, we are a distinguished player in the market because of our technology, production capacity, and transportation of large volumes, which are unique characteristics among the companies of this segment in the country. In addition to our operating efficiency and distribution capacity, our research and production of innovative biofuels also stand out.”

UPSCALE TRANSPORTATION

Following a high business standard model through its integrated logistics, Rumo continues with plans to transform and democratize the transportation dynamics in the country

In this article

Rumo, Cosan Lubrificantes, Raízen

Rumo, a Cosan Logística company, a world leader in logistics for sugar exports, supports Brazil on its path to infrastructure efficiency and integration. Today, estimates are that 5% of the GDP is lost due to the precariousness and inefficiency of our system, which would total US\$ 100 billion per year.

The company has been promoting change in this scenario by means of integrated solutions, including sugar transportation, storage, and shipping, beginning in the interior of the state of São Paulo all the way to its outlet at the Port of Santos.

The transportation system in Brazil has a history of complex development that has not been very orderly and intelligent, marked by a lack of investments and maintenance for decades.

For Rumo, this scenario is an opportunity to expand its business strategy.

For the period from 2010 to 2015, the company established a R\$1.4 billion plan that has been allocated to the modernization and innovation of its processes and structures. The investment is aimed at a multimodal platform integrating railways, terminals, and highways to meet the demands of all its customers.

As proof of the efficiency of its business model, Rumo broke the record of sugar shipments at the Port of Santos—9.18 million tons in 2013 compared to 7.65 million tons in 2012. In 2014, it plans to increase this volume by 38%, still in line with the investment plan established for the period, by shipping 12 million tons and transporting 9 million.

RUMO'S SUGAR SHIPMENTS AT THE PORT OF SANTOS

2012

**7,65 MILLION
TONS**

2013

**9,18 MILLION
TONS**

META 2014

**12,5 MILLION
TONS**



rumo

rumo

RUMO PROFILE

Rumo streamlines the infrastructure and logistics segment based on the growth of railroad transportation and the modernization of its structures.

The largest network of intermodal terminals in the interior of São Paulo (Fernandópolis, Barretos, Pradópolis, Jaú, Itirapina, Sumaré, and a port terminal in Santos) for the operation of Brazil's sugar and agricultural commodities

Investments of R\$1.4 billion by 2015

Storage capacity

of 1.3 million tons of sugar or bulk products

9.16 million / tons **elevated** in 2013

6.60 million / tons **transported** in 2013

R\$917.7 million **net revenue** in 2013

R\$358 million **EBITDA**

1,289 employees - 1,193 men and 93 women - located in the interior of São Paulo and in Santos.

◀GRI G4-10▶

Proven experience

Cosan Logística is the Cosan company that invests in the logistics segment. Having the experience of Rumo as its best benchmark, it is prepared to act as an independent railway operator (OFI, in Portuguese). Issues related to the sector's regulatory framework are being fully discussed by the federal government. Once they are implemented, not only will Cosan Logística qualify as an OFI, but it will also intend to participate in bids for ports with a focus on the markets served by the Ports of Santos (São Paulo (SP)) and Paranaguá (Paraná (PR)).

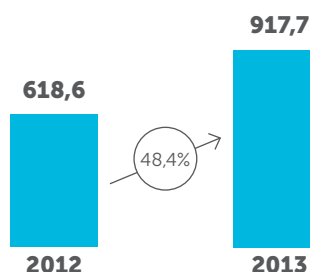
The bet on business expansion in the market through Cosan Logística has to do with the evolution of Rumo, which today has efficient management in integrated logistics. This path of success proves that it is possible to make a plan become a reality and take on aspirations that include solving bottlenecks in Brazil.

The strategy will be to invest in logistics assets with the purpose of operating integrated chains; the focus is on projects in ports and railways dedicated to bulk commodities and designed to transport large volumes over long distances. The products that will be able to be transported, besides sugar, will be soy and maize (staple grains), fertilizers, pulp, and liquid fuels.

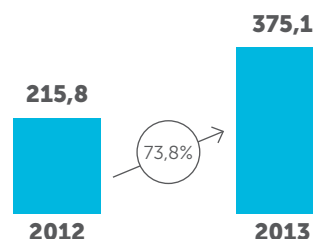
Rumo's net revenue grows 48.4%

Rumo reported net revenue of R\$917.7 million for 2013, an increase of 48.4% year-over-year. Net revenues from transportation, however, reached R\$726 million, an increase of 53% compared to 2012. These results are

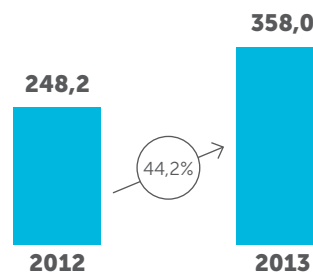
Net Revenue (R\$ Million)



Gross Income (R\$ Million)



EBITDA (R\$ Million)



due to the increased sugar volumes transported and to the reimbursements of additional costs from contracting highway transportation compared to the estimated cost of rail freight in the contract with América Latina Logística (ALL).

Also in 2013, the company recorded gross income of R\$375.1 million, up 73.8% year-over-year, while the gross margin rose 6 percentage points (p.p.) to 40.9% in the year, versus 34.9% in 2012. EBITDA was R\$358 million, 44.2% higher than in 2012, when the figure was R\$248.2 million.

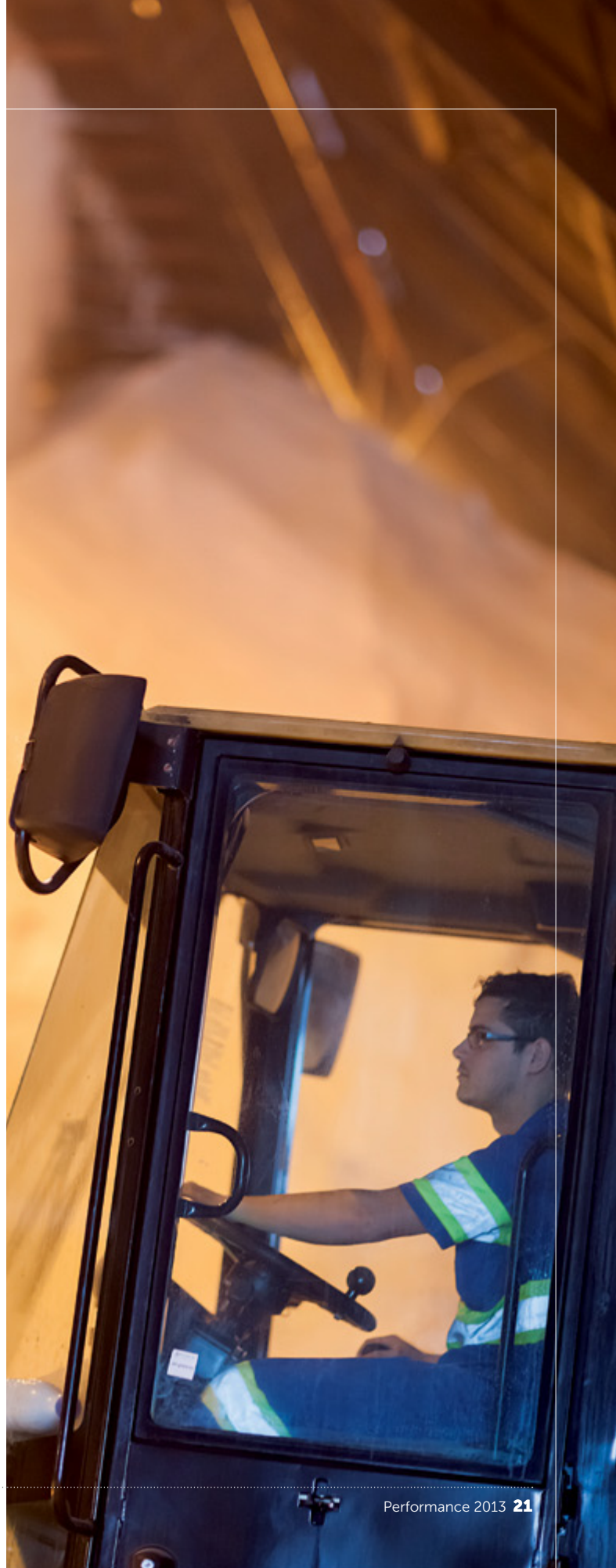
Processes that ensure integrity

To ensure performance with the proposal of integrated and flawless logistics, Rumo invests in improving its processes, in more efficient equipment, and in cargo monitoring. This ensures product integrity from one end—the client—to the other—the port. This integrated logistics service is a process that begins in the mills in the countryside, passes through the loading of trucks or railcars, reaches intermodal terminals, and finally arrives in the Port of Santos.

From the moment the product is at the port terminal, the focus of the process becomes the speed in unloading the product and loading it onto the ship while still meeting all safety requirements. In this process, the most obvious gains for customers are the possibility of unifying the procedures and storing the cargo.

PRODUCT SHIPPING EDGES

- 1** All trucks are tracked so that there is no route detour for possible contamination.
- 2** All vehicles (trucks and railroad cars) pass through a cargo analysis when unloading, checking color, polarization, and humidity.
- 3** An optical character recognition (OCR) system is used for reading license plates on the highway scales and at the entrance and exit for operation control and safety.
- 4** A new system for collecting sugar samples designed like a probe was installed in 2014. This system collects sugar from the bottom of the truck for samples.
- 5** Rumo has contracts with a lab in the terminals of Santos, Sumaré, Itirapina, and Jaú. <GRI PR1>



Management that minimizes impact

⟨GRI EN30 E EN33⟩

It is not enough to just simply work to ensure that a product transported reaches its destination intact.

It is also necessary to be aware of and manage the potential social and environmental impacts of the activity.

Rumo has determined that the emission of particulates into the atmosphere is one of the critical points of transportation. This is inherent to certain stages of the process such as when unloading sugar onto the conveyor belts and others. In this sense, procedures are adopted to ensure that the product will return to the process: recovery with tractor loaders and use of containment trays on the conveyors that group the points of excess sugar and make them fall in a concentrated way.

When spills occur during transportation, the contracted railways and carriers are responsible for collecting the cargo, recovering the environment, and paying damages. In 2013 there were no significant spills of material at its terminals, notably at the Port of Santos, where the operation is more intense. A highlight at Rumo was that it presented the Action Plan to Cetesb, the Environmental Protection Agency of the state of São Paulo, in February 2013. The plan has been accepted and approved by the agency, and aims to further improve the control of particulate emissions, comply with the current legislation, and improve the community's quality of life. ⟨GRI EN24⟩

Another improved process related to environmental impact mitigation is the installation of dust removal systems in the hoppers to

IN 2013, RUMO
REDUCED BY
27% THE
NUMBER OF
ACCIDENTS
WITH LEAVE, A
RESULT OF
IMPROVED
PROCESSES AND
PRACTICES.

prevent the escape of particulate matter into the atmosphere. This procedure is performed in accordance with a schedule filed with and approved by regulatory environmental agencies. Rumo also has a measuring and monitoring plan to check the smoke emission conditions from its mobile and stationary sources. A periodic inspection is made and a monthly sample is taken from supplier trucks to ensure the emissions are monitored and reduced.

An external noise assessment is also held biannually according to NBR 10151. The noise levels found in these measurements do not qualify as noise pollution by their activities.

Waste and Effluents

As for the management of wastes and effluents, there is a Solid Waste Management Plan for collection, separation, and proper disposal. Sugar loading and transportation activities do not generate significant waste. For the operations at the Port of Santos,

the company's sewer is connected to the Sabesp network. At the Itirapina unit, however, the terminal has a Sewage Treatment Station to treat the effluent before it is released into the body of water. At the Sumaré unit there is a new storm-water drainage system and in this same terminal the rainwater will be collected for later use. <GRI EN27>

27% reduction in number of accidents from 2011 to 2013

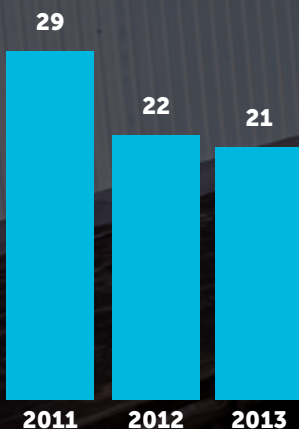
As for the actions to preserve the health and safety of employees, service providers, and suppliers, Rumo has terminals with signs for drivers about the safety equipment that needs to be used in each location. Service providers are also trained on Quality, Health, Safety, and the Environment before commencing their activities. The result is a reduction from 29 to 21 (27%) in the number of accidents resulting in leave between 2011 and 2013. <GRI LA6>

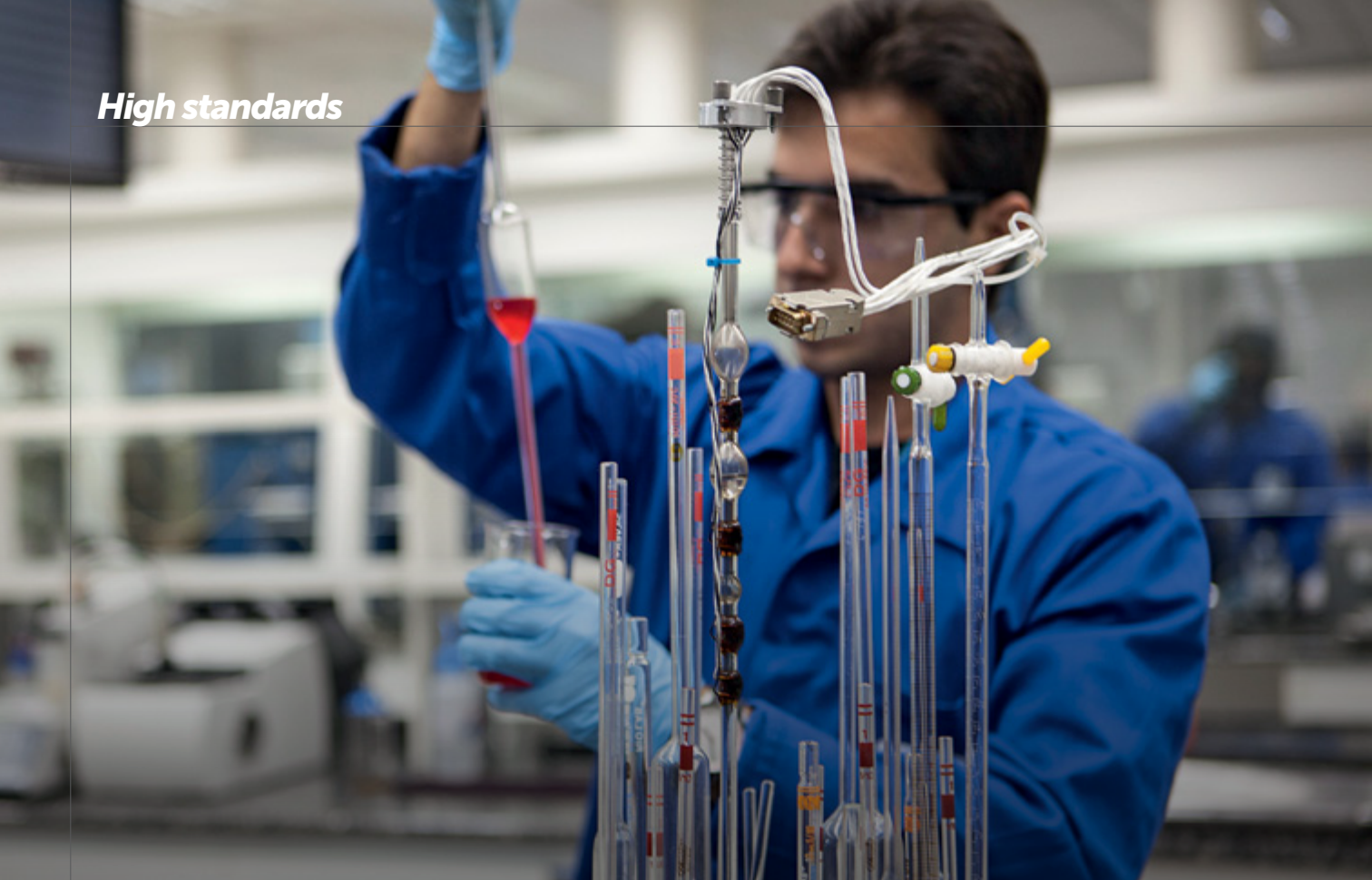
According to the Integrated Operations Management System (SIGO), plans are in place for annual functional training for the operational and administrative positions in the company. There are also training plans for outsourced staff. In addition, dialogues on safety are held on a weekly basis, and there are counseling tools in place for immediate supervision such as observation for incident prevention and safety self-assessment.

Risk management with employees is done on a preventive basis, giving the employee access to information and the care that needs to be taken about the activities they will perform. The O.P.A.! (Observe, Stop & Record, Act) tool was also launched to create a continuous process of analysis and identification of the most frequent unsafe behaviors and propose actions to minimize the risks of incidents.



**Number of accidents
resulting in leave**






COSAN LUBRIFICANTES

Innovative formula optimizes resources

Cosan Lubrificantes offers technologically advanced products compared to its peers, which increase the efficiency and extend the lifetime of equipments and make engines save fuel, thus optimizing the use of resources.

These are important characteristics for the customer, especially for those who use the product at an industrial scale. The production of lubricants in the company follows the strict standards of the National Agency of Petroleum, Natural Gas and Biofuels (ANP), of U.S. regulators, and of the automotive industry itself.

Cosan Lubrificantes's products in Brazil, Bolivia, Uruguay, and Paraguay are of the Mobil brand, whose license of use was granted to the company by ExxonMobil. The brand is known worldwide for its performance and innovation.



**THE CERTIFICATION
REFLECTS
THE POSITIVE
EVALUATION OF
RAÍZEN'S ENTIRE
PRODUCTION
PROCESS AND IT IS
A REQUIREMENT
OF THE EUROPEAN
UNION FOR
EXPORTERS
OF SUGAR AND
ETHANOL FROM
SUGARCANE.**

RAÍZEN

23%
of the ethanol
produced is
certified by
Bonsucro

Seven of Raízen's 24 units¹ are certified by the Better Sugarcane Initiative (Bonsucro), a global initiative based in London that provides parameters for the mitigation of environmental and social impacts from sugarcane and energy production. This is a significant number considering that 22% of the total production of sugarcane and 23% of all ethanol produced by Raízen have this seal. This corresponds to a total of 448 million liters of ethanol and 633 thousand tons of sugar.

The certification reflects the positive evaluation of Raízen's entire production process and it is a requirement of the European Union for exporters of sugar and ethanol from sugarcane. The seal assures buyers, suppliers, and consumers that the sugar and ethanol were produced in accordance with the law, and respecting the environment, and human rights. The certification is valid for three years and the companies evaluated report on 48 indicators based on sustainability, profitability, and competitiveness. With this seal and other certifications it has, Raízen demonstrates that it is

prepared to meet the growing international demand and generates value for the product by committing to sustainability in its operations. This is also a competitive advantage for the company in the market. All of the Company's 24 plants have been registered with the U.S. Environmental Protection Agency (EPA). The registration of these plants in line with the Renewable Fuel Standard (RFS), a set of standards regulating the production and use of biofuels on American soil.

22 of Raízen's units already approved by EPA have also obtained registration from the California Air Resources Board (CARB). The seal enables the units to export ethanol according to the Low Carbon Fuel Standard (LCFS), which is the regulation adopted in California, the state in the U.S. known for following advanced and stringent environmental rules.

¹Reported information refers to crop year 12/13. By the end of 2013, two more units had been certified.

NATURAL GAS FOR DEVELOPMENT

By expanding, **Comgás** delivers comfort and efficiency for more customers, a new alternative for industries and stores, and lower costs for vehicles powered by natural gas

In this article

Comgás, Rumo, and Radar

Imagine a 10,938-kilometer network, a wide distribution grid that is not visible, but that supplies houses, stores and industries, in addition to powering cars. That is the extent of Comgás' network that takes piped natural gas to 1,032 industries, 12,297 stores, and over one million residential customers, providing comfort for their various applications along with social and economic development.

Comgás is Brazil's largest natural gas distributor and operates in the metropolitan regions of São Paulo, Campinas, and Santos (Baixada Santista), and in the cities of the Paraíba Valley (Vale do Paraíba). This area corresponds to 27% of the Brazilian GDP and 35% of all energy consumed in the country.

Natural gas is a benefit already available in the most developed regions of the world. The populations of cities such as New York, Paris, London, Chicago, Miami, Berlin, Zurich, Amsterdam, Tokyo, and dozens of others have above 90% penetration of gas supply. Together with the São Paulo state administration, Comgás aims to democratize this service, which is not only comfortable and safe, but is also a versatile and efficient source of energy that provides advantages in the kitchen, for heating water, in washing machines and dryers, for refrigeration, for many industrial applications, for the generation and cogeneration of electricity, and as a car fuel among other uses.



2013 HIGHLIGHTS

RENOVATED

57
KILOMETERS

NETWORK ADDED

1.629
KILOMETERS

TOTAL INVESTMENT

R\$ 852
MILLION

COMGÁS PROFILE

Companhia de Gás de São Paulo (Comgás) is the largest distributor of natural gas in the country, providing energy for industries, businesses, homes, and vehicles.

70 cities served in the concession area

1,032 industries, 12,297 commercial establishments, and over 1,300,000 residential customers served—a record number

5.5 billion m³ of natural gas distributed

1,210 direct employees and companies providing services employing around 5,000 contractors

The company expands its network and improves its infrastructure driven by the demand for a greater range of gas supply and quality in the service provided. In 2013, 57 km of network were renovated and 1,629 km were added in a total investment of R\$852 million, which is the largest investment ever made in the company's history. The expansion enabled new connections, such as to the cities of São João da Boa Vista and Aguai, besides contributing to the development of the retail market in various regions of the concession area.

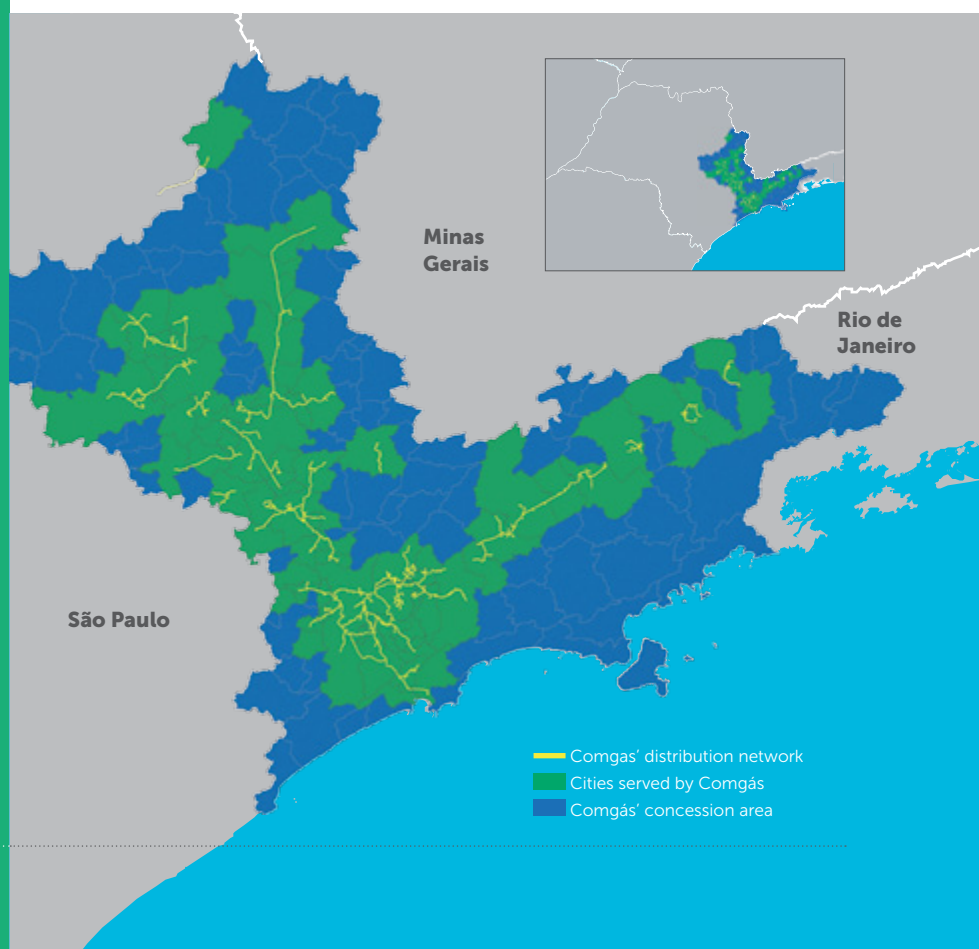
Part of the Network Renovation Plan includes replacing the iron pipes (made of a material that suffers the effects of corrosion and has limited useful life and safety) for more modern, safe-

er materials such as steel and polyethylene. The initiative focuses on safety and paves the way for job and income generation for construction, installation, and maintenance service companies.

The construction of the necessary distribution infrastructure also enables Comgás to bring positive impacts to the communities where it operates, especially with the generation of jobs and income when building its networks and in the application of gas by industries.

Other impacts of Comgás operations derive from its nature as a gas distribution public utility. The use of gas in residential installations as part of the Company's expansion strategy allows previously missed groups to be included and to have access to the benefits that piped gas brings.

Comgás's 2014 concession area map



20% growth in net revenue

In 2013, Comgás recorded net revenue of R\$6.3 billion, an increase of 20% over the R\$5.3 billion recorded in 2012. This result is due to the rate increases, mainly changes in revenue from natural gas sales, in accordance with resolutions from the São Paulo State Sanitation and Energy Regulatory Agency (Arseps).

To determine this adjustment, Arseps considered the rise in the cost of natural gas, mainly imported gas, which was impacted by the appreciation of the dollar and the higher average cost of a barrel of oil in the contracts.

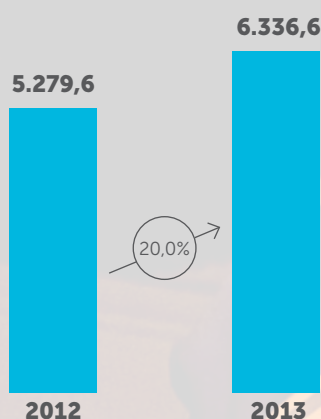
EBITDA, on the other hand, totaled R\$1.3 billion, an increase of 38.3% year-over-year.

The RETAP enhances Comgás' performance

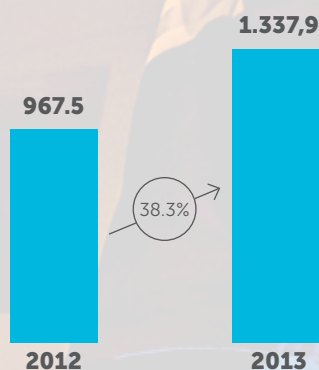
In 2013, Comgás expanded the supply of gas in the metropolitan region of São Paulo, especially to the Piratininga thermal power plant. This strategy made it possible to implement the High Pressure Pipe Network (RETAP) project, with an estimated cost of R\$113 million invested in 2013 and started in February 2014.

The RETAP project reinforced the existing pipelines that supply stores, industries, and service establishments, as well as homes in the region. The successful undertaking built a 27-km pipeline linking the RETAP to the future delivery point (city gate) located in São Bernardo. One of the sections is submerged in the bed of the Billings Reservoir and another terrestrial part crosses the Anchieta Highway. To carry out the work safely, minimizing impacts, and with transparency for society, a lot of effort was made to engage the society and provide environmental education in the existing traditional communities, especially with the colonies of fishermen who make a living from fishing in the reservoir. <GRI 501>

Net Revenue (R\$ Million)



EBITDA (R\$ Million)



2013 HIGHLIGHTS BY SEGMENT

RESIDENTIAL

- 117,295 new homes connected during the year, totaling 1,320,100 customers, an increase of 9.8% over the previous year.
- Total consumption of 224.7 million cubic meters of gas, up 13% compared to 2012, due to the expansion to the cities of Americana, Guarulhos, Mogi das Cruzes, Piracicaba, Santo André, São José dos Campos, Taubaté and other areas of São Paulo's metropolitan region.

COMMERCIAL

- 12,297 customers connected to the distribution network, an increase of 9.1% compared to 2012.
- Consumption of 119.2 million cubic meters of gas, 6.7% higher than in 2012.
- This change is due to the addition of 1,029 new customers in the last 12 months, most of them being restaurants.

INDUSTRIAL

- 1,032 customers accounting for 69% of total gas consumption in the year.
- Consumption of 3,788.3 million cubic meters, unchanged from 2012.
- Among industry sectors, the most important in volume are the chemical and petrochemical (22.4% of the sales volume in 2013), ceramics (18.1%), and pulp & paper (12.3%) sectors.

CUSTOMER RELATIONSHIP CHANNELS

Comgás Call Center
24/7: 08000 110 197 | Ombudsman
Monday through Friday from
8 am to 5 pm at 0800 016 16 27

Comgás invests in solutions for customers

In addition to expanding, Comgás invests in innovative solutions for the use of gas such as in automated air conditioning (modern air conditioners), pizza ovens, and new buildings. Hotels, hospitals, shopping malls, large buildings, and stores with a high flow of people can improve their energy management efficiency through cogeneration and air conditioning using gas. Comgás provides technical support for customers to find solutions and become more competitive, dealing with possible electricity supply failures.

⟨GRI G4-PR5⟩

Approximately 12,000 commercial establishments in Comgás's concession area are already using piped gas, and this number tends to grow faster as restaurants discover the advantages of gas ovens and various establishments actually keep track of their expenses with refrigeration and air conditioning. Pizza gas ovens reproduce the heat of woodstoves and can be a more economical alternative to many existing restaurants in São Paulo—over six thousand pizzerias in activity. Many of them already use the technology and can testify to its efficiency. Another group of customers that benefited from Comgás's expansion and its technological proposals was the group served by the New Housing project, targeted at the construction of new buildings ready for the installation of natural gas. On that front, there was an increase of 13% in sales volume of gas distributed (m³) to the residential market in 2013.

Proven satisfaction

Expansion actions and new technologies developed by Comgás reflected in a 22% increase in the customer satisfaction rate according to the Companies that Most Respect the Consumer Award 2013. This percentage stands out among the utility companies in operation in the state of São Paulo.

This achievement is also a result of process restructuring in the Ombudsman team. The change resulted in dealing with 100% of the received complaints by the deadline. Attention to consumers is at the core of important actions at Comgás, which stands out with a good rating in customer satisfaction surveys. The company recorded, for instance, a 93% customer satisfaction rate according to a survey by Arsesp. ⟨GRI G4-PR5⟩

Betting on power generation

The **Cogeneration** segment (simultaneous production of thermal power and electricity from natural gas) recorded a decrease of 9.6% in the volume of gas distributed in 2013 compared to 2012 due to maintenance shutdowns of two customers and a decrease in the production of some plants.

Even though this is an excellent energy alternative, cleaner and more efficient, it competes with electricity that, when offered at lower prices, results in reduced gas consumption. Comgás believes and invests in projects of this type, both for its economic viability from a total cost of operation point of view, as well as to remedy energy instabilities in the market and secure the supply, which are recurring problems in Brazil.

With respect to **Thermal Power Generation** (electricity produced from gas burning), Comgás ended 2013 with a total of 753.8 million m³ distributed, an increase of 43% compared to 527 million m³ in 2012. There was a strong impact from the Piratinin-ga Plant, which dispatched nearly its maximum capacity in 2013.

Although it is almost 50% more profitable than other fuels and releases 15% less CO₂ into the atmosphere compared to ethanol and 20% compared to gasoline, **Vehicle Natural Gas (VNG)** recorded a fall of 9.8% in consumption in 2013. Even though it is a good alternative for consumers, the expansion of VNG faces obstacles due to the increased purchasing power of the population, which is stimulated to constantly renew its vehicles fleet. Another barrier is the progressive incentives given by the federal government for the consumption of gasoline and diesel.

A program is already in place to increase the number of conversions to VNG, especially for new taxis, fleets, and consumers that drive more than 2,000 km per month. In 2014, the Company will strengthen its marketing campaigns for developing new VNG sales channels.



Created in 2013, the Rumo Melhor Para Todos (A Better Rumo for All) movement aims to improve business performance through relationships of trust with its stakeholders, especially customers, employees, and suppliers.

The inspiration came from the work done in a partnership with the School of Industrial Marketing, where "The Art of Serving" is a topic addressed in the discussions of a specific work group. The goal is to extend the understanding about paying attention to customers' needs to all those involved with providing the service. The company's Seven Guidelines are discussed and improved with this group: People make the difference; Customers are allies and we must cultivate relationships of trust; Profit earned as a premise; Boldness and innovation to create impeccable solutions; Austerity: careful use of all resources; Sustainable performance: economic, environmental, and social responsibility; and Value of the commitment and enthusiasm for the future. The concept of the Seven Guidelines should set the tone for the attitudes and behaviors in the daily tasks of the teams, and be the basis for decision making.

For 2014, the goal is to expand the platform, work closer to suppliers, and create new operational alliances in which the same fundamentals are disseminated. By encouraging the alignment of best practices and focus on the customer, Rumo strengthens its relationships and raises its level of excellence in the services it provides, which is key to the perpetuity of the business and to the strengthening of Brazil's logistics.

RUMO

Focus on customer service excellence



RADAR

The company improves environmental conditions, such as increased conservation of soil, surface waters, and biodiversity of the land managed.

Benefits that go beyond properties adequacy

Radar seeks to make sure that all properties comply with the Forest Code, which requires investments in procedures such as land geo-referencing, reclamation, recovery of riparian areas, regularization of legal reserves (RLs), inclusion in the Rural Environmental Registry, and maintenance of permanent preservation areas (APPs). The properties that are not yet in conformity in 2014 will continue their compliance processes. <GRI EN11>

The compliance process brings with it positive impacts that go beyond legal aspects. The result is reflected in improvements in the environmental conditions such as increased conservation of soil, surface waters, and biodiversity. In the social sphere, NR 31, Radar's management reference, reinforces the labor standards in agriculture. Also noteworthy are the impacts deriving from the work of lessees, including job creation and stimulation of local economies. <GRI EC8>

BENEFITS FOR THE WHOLE CHAIN

Radar buys and invests in land to make it cultivable and efficient based on a model that values partnerships and creates value for the entire chain

In this article

Radar, Cosan Lubrificantes and Rumo

To continue to expand and support the country so that it becomes a large food granary for the world, Radar, a pioneer in land administration in Brazil, has a business model that includes leasing and valuation of land, using technology, a platform containing data on land owner profiles, a thorough knowledge of the agrarian legal scenario, and relationships with leading farmers in the market.

In order to acquire promising properties, the company uses a satellite system that geo-references the region, making a detailed technical analysis in order to evaluate the potential of the property, and supporting the understanding of the value increase possibilities over time.

Based on this identification and guided by some market intelligence work, specialized teams

carry out the entire process from the purchase, through investment planning, and all the way to selling the pieces of land. The goal is to acquire sites with a high potential and invest in their regularization and preparation so that farmers can grow sugar cane, soybeans, corn, and cotton with efficiency and good results.

To make sure that the 232 thousand hectares are compliant with the Brazilian Forest Code, one of the strictest and most complete in the world, Radar evaluates the permanent preservation areas and their riparian forests and natural reserves, as well as whether the properties are geo-referenced.

In addition to legalizing the land, Radar acts as a promoter of good practices by establishing partnerships with lessees who want to develop and add value to

the properties. In a relationship of mutual benefits, the results are shared between the company and the farmers, ensuring that social and environmental requirements are met in all activities.

This partnership begins even before signing the contract. The company carries out a comprehensive analysis in order to get to know the history of the farms it intends to purchase. Environmental and labor liabilities are evaluated and when issues arise that require adjustments, Radar develops a plan together with the farmer to make sure those adjustments are made.



2013 HIGHLIGHTS

**232
thousand
hectares**

are managed by
Radar, a market
value of R\$4.1 billion

Land management support

Radar has created the Environmental Policy in order to ensure the compliance of its operations on the properties. To ensure its implementation, the company launched the Site Visit, a methodology that proposes on-site visits in order to make sure that policies on labor issues, human rights, conservation of natural resources, waste disposal, pollution control, and maintenance of infrastructure are being followed. As a result, reports are generated and action plans established for ensuring compliance of the issues identified.

The tool was improved in 2013 and 97% of Radar's areas have been visited. For next year, action plans will be implemented and new visits made for checking the results. <GRI SO10, EN27 E EN33>

Protected areas in the portfolio

Radar's properties are its greatest asset and therefore its strategy includes a model of sustainable management. The company manages a portfolio of 232 thousand hectares of land in the states of São Paulo, Goiás, Minas Gerais, Mato Grosso, Bahia, Maranhão, Piauí, and Tocantins.

- Approximately 95% of its land includes protected areas of two types—permanent preservation areas and legal reserves.
- 102 properties are located in priority areas for biodiversity conservation
- 5 properties are next to legally protected areas (conservation units (UCs))
- 6 properties are part of a conservation unit (state of São Paulo)
- 2 properties are partially in conservation unit-protected areas (states of Bahia and Tocantins) <GRI EN11>

RADAR PROFILE

A leader in the Brazilian agricultural real estate market, Radar operates with market intelligence for the acquisition and leasing of land. It acquires areas with a high potential for appreciation, invests in their regularization and productivity and then seeks to expand the various types of crops.

232 thousand hectares
under management

Properties in the states of São Paulo, Goiás, Mato Grosso, Mato Grosso do Sul, Maranhão, Bahia, and Piauí

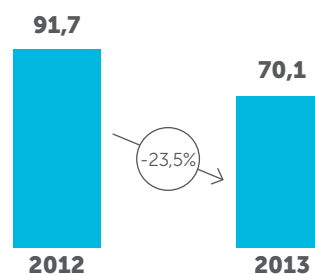
Market cap: **R\$4.1 billion**

24 employees <GRI G4-10>

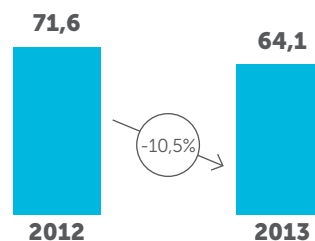
Radar's EBITDA grows 55.3%

Radar's Ebitda was 227.5 million in 2013, increase of 55.3% compared to 2012. The increase was impacted by the appreciation of 7.2% in its land portfolio. Net revenue totaled R\$70.1, decrease of 23.5% compared to 2012. This decrease was impacted by the lower volume in property sales and a reduction in lease values due to fluctuations in agricultural commodities prices. The company reported gross income of R\$ 64.1 million, decrease of 10.5% compared to 2012.

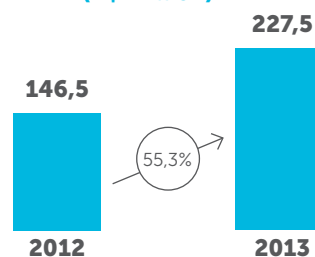
Net Revenue (R\$ Million)



Gross income (R\$ Million)



EBITDA (R\$ Million)



At Cosan Lubrificantes, the bases for managing the value chain are the consistent partnerships, the relationships of trust, and the sharing of practices. Distributors are important to the company's strategy, for they act as business partners in the distribution of lubricants and specialties in all regions of the country. They are aligned with the company's policies and practices, which aim to ensure the highest quality standards in product supply.

Therefore, the company contributes to the development of this group. It stimulates the professionalization of management, the implementation of structured human resources processes, and the consolidation of financial management and efficient inventory—helping, for example, with cash flow.

This relationship begins before signing the contract, with a review of the company's history. After the contract is signed, the business partners are oriented as to Cosan Lubrificantes' Policy on Health, Safety, and the Environment (HSE).

The management of Cosan Lubrificantes' chain also extends to suppliers that operate at different stages of the production process (carriers, suppliers of base oils, contractors, etc.). The company also trains these stakeholders on social and environmental matters relevant to their activities. Furthermore, in 2013, 63 companies—including 14 carriers—underwent reviews on HSE issues. <GRI G4-12>

Cosan Lubrificantes contractors undergo a qualification process. In situations where there is disagreement with the Integrated Operations Management System (SIGO) standards, a development plan is established. At the end of the contract, a performance review is conducted and lessons learned are shared.

These actions make it possible for Cosan Lubrificantes' distributors and suppliers to continue to develop, ensuring the high quality standard of the processes needed to manufacture the product. <GRI SO10 E EN33>

COSAN LUBRIFICANTES

Relationships with distributors are based on sharing of best practices



Project strengthens alliance with carriers

Resulting from a brainstorming session, the "Alliance with Highway Carriers" project seeks to change the profile of contractors, support their professionalization, develop carriers, and give support to their drivers, contributing to a safer and more efficient business. The goal is to maintain long-lasting relationships with growth and development for both parties through efficient management systems and good relationship channels.

The initiative will set targets in the contract for improving the operational controls and enhancing the services provided. One of the project's actions in 2013 was setting up break rooms for drivers and their families, as well as remodeling some terminals to generate a bet-

ter-quality work environment.

There is also demand for increased service productivity. With the optimization of routes, they can go to the nearest intermodal terminals and this reduces travel time and the volume of trucks on the highways, creating efficiency gains.

The carriers' quantitative performance indicators will be monitored on a monthly basis by the initiative. Every quarter a qualitative assessment will be done by Rumo with a focus on the quality of processes, on matters of health, safety, and the environment, and on people management strategies. Drivers will also review HSE issues, Rumo's operational procedures, the work schedule, and the equipment available. <GRI EC8 E SO10>



SAFETY TO OPERATE

Backed by a solid management system, **Cosan Lubrificantes** invests in the production and distribution of value-added products, inside and outside the country

In this article

Cosan Lubrificantes, Comgás, and Raízen

In just five years, Cosan Lubrificantes almost doubled its market share in Brazil and expanded its international footprint. These advances are backed by operational efficiency, by the high level of management standards adopted in all its processes, and by the quality of the products.

Cosan Lubrificantes operates in the industrialization and distribution of Mobil and Comma lubricants, and is present in South America, Europe, and Asia. It has two factories—one in Rio de Janeiro, Brazil and another in Kent, England.

Its operations are based on three pillars: quality, technology, and services; strategic partnerships with suppliers, distributors, and customers; and operational efficiency to continually improve all processes.

To ensure the integrity of its products and of its people is one of its main responsibilities. To do so, the company strictly follows the specifications of production

and local laws, meeting customer needs and expectations in providing products that meet and even exceed quality standards.

It is certified by International Organization for Standardization (ISO) 9001 (quality) and ISO 14001 (environment and safety), and undergoes frequent audits to check product control and its production process. It is also striving to obtain the ISO/TS 16949 certificate, a technical specification that exceeds the most stringent quality certifications and focuses on the constant evolution of the value chain. Quality and safety procedures are applied to 100% of the product categories. <GRI PR1>

Cosan Lubrificantes uses the Integrated Operations Management System (SIGO), a tool that establishes procedures for adopting operational practices in accordance with applicable health, safety, and environmental requirements. The system sets the actions to be taken to prevent

incidents, control emissions and waste generated, minimize the risk of occupational injuries and illnesses, and improve the company's ability to operate.

Even with excellent occupational safety results, after 17 years Cosan Lubrificantes recorded one accident resulting in leave. The occurrence reaffirmed the need to keep alert and take even more care in areas or procedures already considered safe. Since then, the goal of breaking a new safety record has become even more important, and the idea is that it will be as or more consistent and long-lasting than the previous record. <GRI LA6>



COSAN LUBRIFICANTES PROFILE

Cosan Lubrificantes operates in the industrialization and distribution of Mobil and Comma lubricants, and is present in South America, Europe, and Asia. It is also dedicated to the distribution of base oils in Brazil and to the production and distribution of automotive specialties.

A near 15% share in the lubricants market in Brazil

Net revenues exceeding R\$1.5 billion a year

Over 300 million liters handled

Brands present in more than 40 countries in Europe and Asia

Annual production capacity of over 2 million barrels of lubricants and other chemical products

Growth of 15.7% in EBITDA year-over-year

598 employees—282 men and 106 women located in São Paulo (city and interior of the state), Rio de Janeiro and Santos, plus 210 employees located in England and other countries in Europe and Asia <GRI G4-10>

Zero incidents is the goal

2013 data on safety is particularly good considering that the main industrial plant is located on a pier that receives vessels of up to 20,000 tons in the state of Rio de Janeiro. Other industries are present in the surrounding area and that is why the area is constantly monitored by agencies and regulators.

To address these issues, the unit has an effective contingency plan in addition to the emergency response procedure. It also is part of the Guanabara Bay Emergency Plan, which is an agreement that brings together government agencies and companies with activities in the region to deal with emergency situations in a collaborative manner. Additionally, contracted companies are called upon to act immediately on these emergencies, both at the lubricant plant and in transporting products. Contracts are signed with partners covering the entire country.

Cosan Lubrificantes has also prepared a contingency plan for sea pollution incidents, which sets the responsibilities and procedures for controlling and fighting in the case of accidents. All ships receive guidance about the risks of the activity, impacts that could be caused, and waste disposal. Two small spill incidents occurred in 2013. It is a small number, and the incidents occurred in a contained area. In both cases the remedy was fast and effective, and the spills did not cause significant environmental impact.

For 2014, the company intends to continue reducing the number of incidents, working in a preventive manner with the plans it has. The Alerta! loss prevention system, for example, allows for learning from incidents that occurred, sets

actions to prevent them from re-occurring or escalating, and guides improvement processes. <GRI EN24>

OLUC and Jogue Limpo ensure proper disposal <GRI EN28>

Through the program for the collection of used or contaminated lubricating oil (OLUC), agreements are signed among companies, the National Union of Fuels and Lubricants Distributors (Sindicom), and collection companies. In compliance with Inter-Ministerial Ordinance No. 464 of August 29, 2007, the waste should be sent for re-refining.

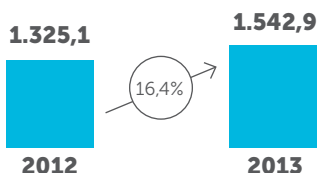
The used oil collection targets follow the Inter-Ministerial Ordinance. The following percentages were set for 2014 for each region:

Northeast: 30%
North: 30%
Midwest: 34%
Southeast: 42%
South: 37%
Brazil Target: 38.1%

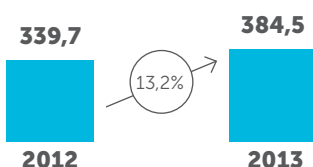
Also to comply with the guidelines, the Jogue Limpo program was created for collecting and recycling used and contaminated containers. The collection centers are run by a team appointed by Sindicom and supported by the participating companies. The volumes collected are monitored on a monthly basis and the cost of the program is shared and divided

Volume of products recovered at end of useful life – 2013	
58,073.96 t	
Volume of packages recovered at end of useful life – 2013	
Recovered	458.3 t
Reused	916.48 t
Percentage of recovered products and packages for each product category (%) – 2013	
Lubricants segment	37.3
Recovered (plastic containers)	17.25
Reused (200-liter drums)	100.00

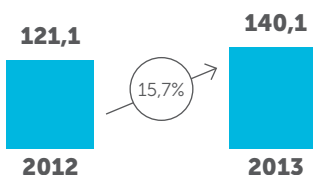
Net Revenue (R\$ Million)



Gross income (R\$ Million)



EBITDA (R\$ Million)



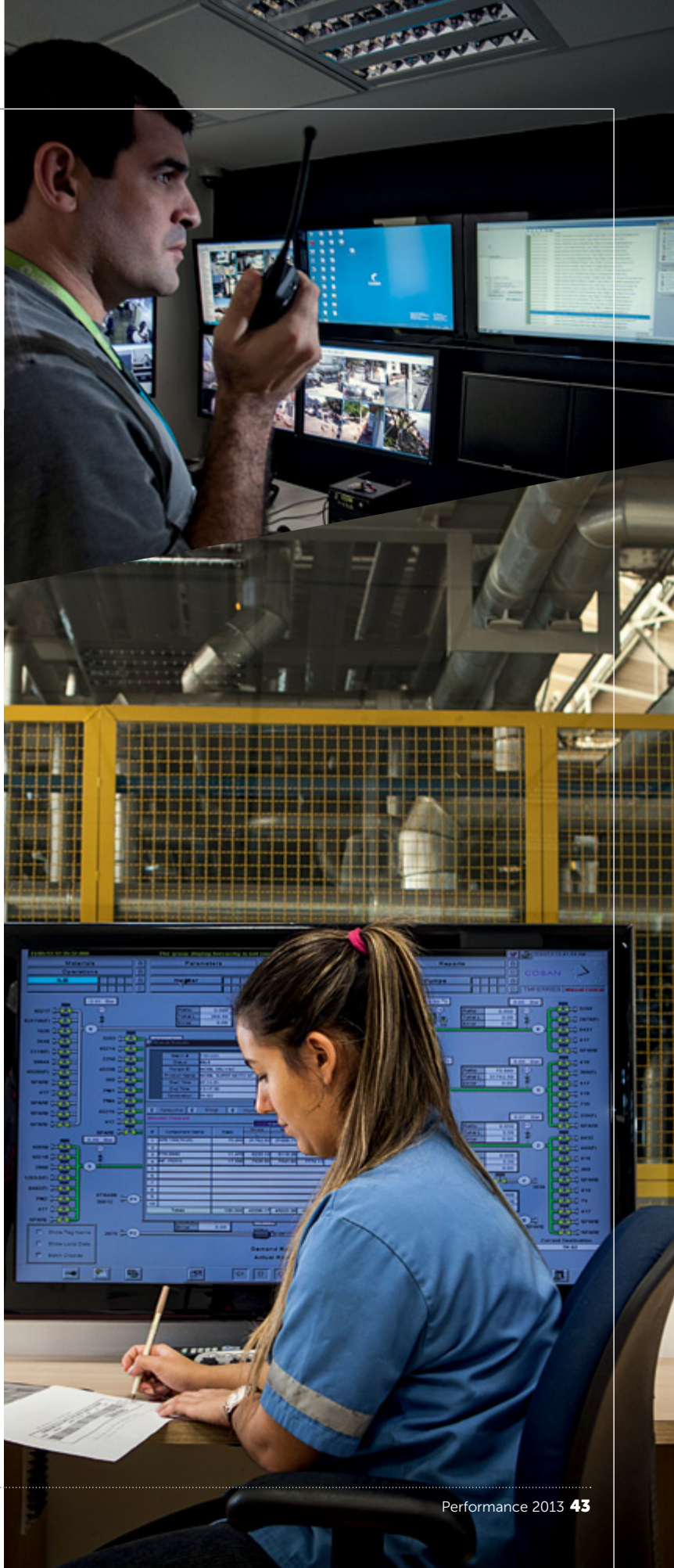
among the companies, considering the market share of each one. Jogue Limpo is based on the National Policy for Solid Waste - Law 12,305/2010, regulated by Decree 7,404 of 12/23/2010.

Gross income totals R\$384.5 million

In 2013, net revenue from the sale of lubricants and resale of base oil and other products and services of Cosan Lubrificantes rose 16.4% compared to 2012, reaching R\$1.5 billion.

Gross income totaled R\$384.5 million, an increase of 13.2% compared to R\$339.7 million recorded in 2012. EBITDA was R\$140.1 million in 2013, 15.7% higher year-over-year.

These results were due to the 16.8% increase in the volume of base oils sold.



COMGÁS

Practices ensure good performance in safety

Operations at Comgás include building, operating, and maintaining the gas distribution system for homes, industries, and stores. Risks are mapped for each of these fronts, resulting in the Occupational and Environmental Risk Prevention Program (PPRA), which is broken down into the Medical Control and Occupational Health Program (PC-MSO). These programs have reduced the frequency of occupational diseases to zero at Comgás for the last five years. The goal for 2014 is to once again record zero occupational diseases per million man-hours worked. <GRI LA7>

Furthermore, the Integrated Operation Management System, implemented over 10 years ago, helps the company set continuous improvement objectives and targets, with a reduction of occupational and operational incidents, with the stakeholders being direct employees, contractors, and customers.

The results reflect how internalized the management system is in the organizational culture. Occupational incidents resulting in leave reached 0.08 per million man-hours worked in 2013. This figure is comparable to the best oil & gas companies worldwide.¹

There are also actions for asset integrity, which refers to the maintenance and safety of the company's distribution networks. In 2013, the work on this front resulted in reduced damage to third parties, the creation of operational training plans, and minimized emissions of greenhouse gases (GHG). New operational training

will be done in the field on health & safety in 2014 with the target of reaching 85% of the contractors. <GRI PR1>

Partnerships for a safe environment

In order to build and maintain its natural gas pipeline network, connecting over 1.3 million residential customers, Comgás needs the support of approximately 5,000 contractors.

These professionals work across the company's entire concession area (metropolitan regions of São Paulo and Campinas, Baixada Santista, the Paraíba Valley and the interior of

the state of São Paulo) and they interact daily with the teams of various utility companies. In these situations, especially during the construction works, incidents sometimes do occur such as interference in piped gas, electricity, water, telephone networks, etc.

To prevent such interferences, regular training courses are given on standards, safety practices, and procedures required by the company. The qualification process for meeting the requirements of Health, Safety, Environment, and Quality of Comgás generates strong partnerships with suppliers and support the growth of both. <GRI EN33 E SO10>

Employees	2012					2013				
	Company		Contractors		Total	Company		Contractors		Total
	Men	Women	Men	Women		Men	Women	Men	Women	
Number of accidents ²										
Área de Concessão	10	3	43	3	59	3	0	90	4	97
Injury rate ³										
Área de Concessão	3,89	1,17	4,3	0,3	4,69	1,17	0	8,71	0,39	7,51

²Data includes small injuries requiring first aid, restricted work and work leave. Comgás does not verify lost days and the absenteeism rate. There were no cases of occupational disease or death in 2013.

³The methodology for calculating the injury rate considered the number of accidents/man-hour worked * 1,000,000.

¹ The 0.08 rate of injuries resulting in leave was calculated based on the methodology used in the oil & gas sector: (Number of accidents/man-hour worked)*1,000,000 man-hours worked. This figure corresponds to 0.016 according to the GRI methodology, whose multiplying factor is 200,000 man-hours worked.





RAÍZEN

Integrated tools for managing risks

To monitor and manage risks, Raízen has a consistent management system that ensures efficiency and safety in all operations—SIGO, the Integrated Operations Management System. SIGO has a structured approach that helps Raízen conduct its operations in such a way as to protect the health and safety of its employees, third parties connected to its operations, its clients and the community. Therefore, all of Raízen's facilities are designed and operated following the highest quality standards, so that risks to safety, health and the environment are identified and managed.

The key tools of this management system are the Alert System, the behavior-based accident prevention system, risk assessment inspections, training, operating procedures, and others.

In the communities, on the other hand, relationships are managed through actions of the Raízen Foundation, which coordinates private social investments with a focus on the cultural, social, and educational growth of the residents in the communities where the company operates.

With respect to third parties and partners, Raízen promotes the development of this public

through contracts with clauses that include social and environmental criteria, working toward disseminating the Code of Conduct.

To minimize impacts that pose risks to the business, Raízen gathers information regarding land use and areas of high conservation value (permanent preservation areas) by means of the Process for Changing Soil Use and Identification of Areas of High Conservation Value. The company has also established a partnership with the International Union for Conservation of Nature (IUCN), which set up a group of experts to diagnose how the biodiversity and services of the ecosystem are handled.

Furthermore, Raízen identifies the sources of emissions of greenhouse gases and other pollutants through the GHG Protocol methodology, and adopts measures to reduce them.

STRATEGIES FOR NEW PROCESSES AND PRODUCTS

Raízen invests in innovation for generation and distribution of biofuels, promoting sustainable solutions for energy worldwide.

In this article

Raízen, Radar, and Comgás

Raízen, is a joint venture between Cosan and Shell that produces ethanol, sugar, and bioelectricity—generated from sugarcane bagasse—and distributes fuel. In order to be globally recognized for its excellence in the development, production, and trading of sustainable energy, the company adopted a strategy based on sustainability. Thereafter, it developed its five strategic pillars: Technology, People, Infrastructure, Growth, and Operational Excellence.

Based on the Technology pillar and impacting the others, Raízen invests in process and product innovation. With an intelligent logistics system, it distributes fuel to all regions of the country, including the most remote ones.

Innovation in this process integrates the company's robust structure and makes it possible to export and handle large volumes. This apparatus allows for a strate-

gic target of handling two billion liters of fuel per year and supports the company's excellent results. The goals are to expand the capacity and crushing of sugarcane in the coming years, become the best fuel distribution company in the country, and make it so that the energy cogeneration accompanies this expansion.

As for product innovation, among Raízen's research & development lines is second-generation ethanol—a reality with industrial-scale production planned for 2014. The company also invests in studies related to bio-refineries, industrial processes efficiency, vinasse concentration and bio-digestion, and new raw materials such as sweet sorghum to produce a more efficient type of ethanol. Raízen also has a history of pioneering the development of Very High Polarization (VHP) sugar and is at the forefront of the production of organic and liquid sugars in Brazil.



RAÍZEN PROFILE

Raízen is composed of Raízen Energia, which produces ethanol, sugar, and bioenergy, and Raízen Combustíveis, which distributes and sells fuels in Brazil and abroad.

EBITDA¹

R\$ 4.0
BILLION

SUGARCANE

61.4
MILLION TONS
CRUSHED

FUELS

23.2
BILLION LITERS
SOLD

NET REVENUE¹

R\$ 57.7
BILLION

¹Pro forma consolidated data of Raízen Energia and Raízen Combustíveis, considering Jan-Dec 2013

REACH

24 UNITS PRODUCING

sugar and ethanol
in Brazil (São Paulo,
Mato Grosso do Sul
(MS), Goiás (GO))

60 fuel distribution
terminals

900 convenience
stores (retailers)

57 airports served

nearly **40,000**
employees

5 OFFICES in Brazil and 3
abroad (U.S., Switzerland,
and Singapore)

860,000 HECTARES
of planted area

Present in all of Raízen's activities, technology is a strategic pillar that enables the intensive use of solutions that make operations safer, more agile, and efficient. Based on this premise, Raízen has developed cellulosic ethanol, or 2nd generation ethanol, which should increase production by approximately 40%—without increasing the area planted with sugarcane. The increase in production is due to the use of bagasse, leaves, sugarcane straw, and other agricultural residues. The fuel helps ensure business profitability and maintain production of sugarcane during the off-season.

The project is expected to start in the 2014/2015 harvest at the Costa Pinto unit in Piracicaba (SP) with an investment of R\$230 million (in Company and Brazilian Development Bank (BNDES) resources) to produce 40 million liters with a lower carbon footprint than the other units. Raízen believes that in the future it will be a very attractive competitive edge for the companies and clients that understand the products' added value and that will end up transferring to the end price.

Fruit of its investment in research, Raízen has developed a bioelectricity production source by using sugarcane bagasse after processing it to make ethanol. This process avoids the emission of 517 thousand tons of CO₂ into the atmosphere. Its energy production level, which reaches 934 MW, could provide enough power for a city of 5 million inhabitants. Currently the energy is used to supply part of the demand of the production units, which are energy self-sufficient, and the remainder is sold in the National Interconnected Power System (NIPS), which produces and transmits electricity in Brazil.

Mechanization increases productivity and safety

Mechanizing the sugarcane harvesting is an example of improved agricultural processes. The adoption of modern machinery for approximately 92% of the harvest made it possible to increase productivity, reduce the time of land use (from seven to two or three cycles), prevent fires, and change the use of the laborers, who now are trained to make safer and more skilled tasks such as operating the machines themselves. The goal is to reach 100% of mechanization by 2017, while always paying close attention to the impacts that it may bring such as soil compaction; Raízen is attentive to this and develops projects for its minimization.

One of the advantages of mechanized harvesting is less exposure of workers to risks such as bites of venomous animals. The workers now perform their functions in air-conditioned cabins with more comfort and ergonomic seats. The machines allow for the reduction of harvest unit costs and greenhouse gas emissions, as well as the preservation of local fauna species. To qualify the workers for new positions, Raízen offers training programs focused on special skills for job categories such as mechanic, electrician, industrial welder, planter operator, and harvesting machine operator.

Raízen Combustíveis records R\$48.5 billion net revenue

In 2013, net revenue at Raízen Combustíveis was up 14%, reaching R\$48.5 billion, and the average price of products sold rose 7.3%. Changes in gasoline prices contributed to higher competi-

tiveness of ethanol in the domestic market.

Gross profit was R\$2.5 billion, up 4.5% year-over-year. EBITDA was R\$1.9 million, an increase of 21.5% year-over-year.

Raízen Energia records net income of R\$9.2 billion

In 2013, Raízen Energia reported on operating data based on the crop year, which started April 1, 2012 and ended March 31, 2013.

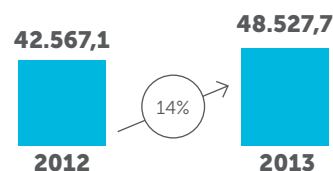
Financial data refers to January to December 2013.

In 2013, Raízen Energia recorded net income of R\$9.2 billion, an increase of 25.8% compared to the same period in 2012 (R\$7.3 billion).

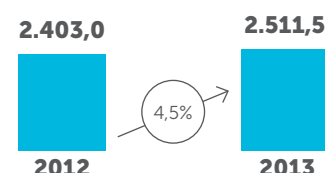
Gross income was R\$1,519.7 million for 2013, down 13.8% compared to 2012, when it reached R\$1,763.2 million. The decrease in sugar sales was responsible for this reduction. EBITDA was R\$2,112.4 million, 14.9% lower than the amount reported in 2012, of R\$2,482.9 million.

RAÍZEN COMBUSTÍVEIS

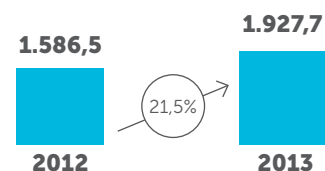
Net revenue (R\$ Million)



Gross Income (R\$ Million)

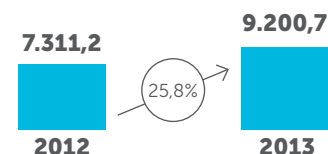


EBITDA (R\$ Million)

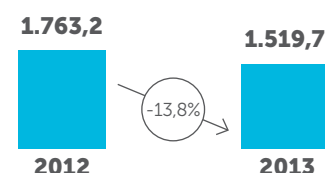


RAÍZEN ENERGIA

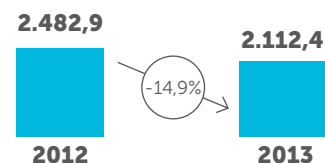
Net revenue (R\$ Million)



Gross Income (R\$ Million)



EBITDA (R\$ Million)



RETROSPECTIVE 2013

- Of the 24 units, 13 sell surplus energy from the cogeneration process
- Proprietary sugarcane harvesting mechanization has reached nearly 92%
- First public offering of debentures from Raízen Energia, which is now registered as a publicly-held company with the Brazilian Securities and Exchange Commission (CVM)
- Announcement of a project to build a new plant for producing 2nd generation cellulosic ethanol in Brazil
- Acquisition of a 10% interest in Serviços e Tecnologia de Pagamentos (STP), which is responsible for the Sem Parar and Via Fácil electronic payment systems. This action will allow for payments at Shell gas stations to be made using the Sem Parar tags in the future
- Bonsucro certification granted to the Junqueira and Dois Córregos plants in 2013 and to the Serra plant in 2014
- Partnership with Nestlé for sugar supply: with the alliance, all biscuits of this brand produced in Brazil are made with sugar from Raízen manufactured at the Maracá (SP) unit



Ethanol can reduce GHG emissions by up to 61%

With a structured operational risk management, Raízen maps and manages its impacts, including greenhouse gas (GHG) emissions. In addition to its core strategy of investing in ethanol, a fuel that enables a reduction of up to 61% in greenhouse gas emissions, the company pays close attention to its own operations.

Through studies and the GHG Protocol methodology, it identifies the sources generating these gases and other pollutants and takes actions to reduce them.

Besides the use of bagasse for the cogeneration of energy, using bioelectricity to power its own plants, Raízen has invested in products such as Shell Evolux

Diesel S-10, which came on the market in 2013 and provides a 3% reduction in fuel consumption, decreases maintenance costs, and reduces the emission of CO₂ and smoke.

Partnerships have been made since 2012, such as the one closed with Ecofrotas to create the Experts program, a technology solution used on the fuel pumps in registered gas stations for determining the filling volume and frequency, thus improving the environmental performance of heavy fleets especially.

Supplier development

At the beginning of the 2013/2014 harvest, Raízen launched the Cultivar program to strengthen the relationships with sugarcane suppliers, share knowledge, and contribute to improving the results of these partners. The pillars of this program are Services, Procuring Support, Supplier Development, Credit Facility, and Performance Recognition.

By the end of 2013, the program had reached the largest suppliers and aimed to amplify its extension gradually (see the image).

Results were impressive: 83% of the suppliers saw a 10% reduction in costs, and R\$120 million were spent on orders of inputs and equipment between May to September 2013. The goal is to continue developing actions and programs, with support from nine agronomists hired for the program to identify operational improvements with cost control and increased productivity.

In addition to the program, Raízen seeks to strengthen its partnerships with other types of suppliers in order to make the production chain that it is a part of more sustainable. These are suppliers of inputs and services, ethanol producers, and Petrobras, the company responsible for the distribution of fossil fuels in Brazil.

OTHER INITIATIVES WITH SUPPLIERS

- **Training on sustainability** with the participation of 63% of the suppliers and 90% satisfaction
- **Training on mechanized harvesting** with 60% participation and 93% satisfaction
- **Sharing of best agricultural practices** to improve the spraying of pesticides, weed handling, pest and disease control, as well as soil handling techniques
- **Creation of rooms to serve sugarcane suppliers** at the Santa Helena, Univalem, and Serra units
- **Raízen internship program** to form sugarcane suppliers' successors

RADAR

Inteligência de mercado para alavancar os negócios

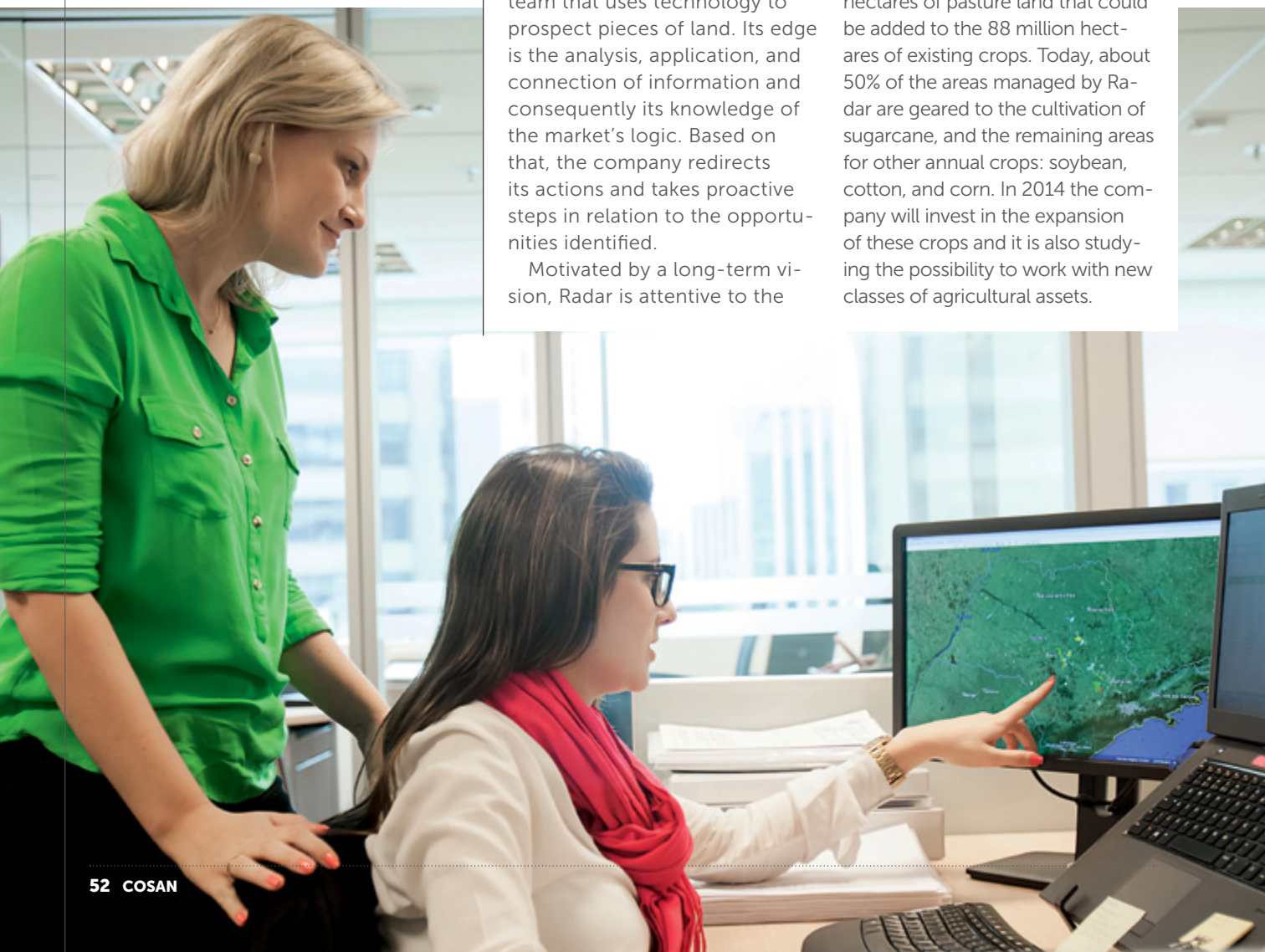
To support its expansion strategy, which includes acquiring properties that consider different crop types from those of the current portfolio, "market intelligence" is Radar's motto.

The company has a skilled team that uses technology to prospect pieces of land. Its edge is the analysis, application, and connection of information and consequently its knowledge of the market's logic. Based on that, the company redirects its actions and takes proactive steps in relation to the opportunities identified.

Motivated by a long-term vision, Radar is attentive to the

growing demand for food worldwide and the strong demand for natural products such as ethanol, bioplastics, and biodiesel. The objective is to help Brazil to continue to be the great granary of the world.

The country has 220 million hectares of pasture land that could be added to the 88 million hectares of existing crops. Today, about 50% of the areas managed by Radar are geared to the cultivation of sugarcane, and the remaining areas for other annual crops: soybean, cotton, and corn. In 2014 the company will invest in the expansion of these crops and it is also studying the possibility to work with new classes of agricultural assets.



Comgás bets on natural gas (NG) cogeneration and acts as mediator and consultant in plant projects, using its expertise in energy efficiency to support the viability of cogeneration in industrial, commercial and service establishments. It also promotes projects aimed to export surplus, the so-called distributed generation. Surplus energy can be used by the electrical system in a sustainable way, reducing the risk of failures and fluctuations at the point of consumption.

In São Paulo (SP), the Company has helped to make possible the construction of a cogeneration plant in the basement of the condominium Rochavérá. There are four corporate towers with 8 MW of installed power in NG cogeneration, which allows air conditioning of the towers with only the thermal waste provided by the generation of electricity.

With the Gas Heat Pump (GHP) technology, NG is applied directly into the system, reducing by 90% the dependency on electricity, providing an average reduction of 45% in the cost of electrical installation of the work and in the contracted demand of energy. The upscale semi-corporate "Niterói 400" building in São Caetano do Sul (São Paulo) was the winner of the "Abrava Seal - 2013 Highlight Febrava Innovation". The award is given to innovative initiatives presented at the International Refrigeration, Air Conditioning, Ventilation, Heating, and Air Treatment Show (Febrava).

The GHP technology leads to the rational use of water, reduces energy consumption and eliminates the use of chlorofluorocarbons (CFCs), which contributes to the accreditation Leadership in Energy and Environmental Design (LEED), developed by the U.S. Green Building Council.

COMGÁS

Cogeneration projects: technology and efficiency for customers



A TEAM THAT CREATES VALUE

The Company has a team that supports its strategy and ensures growth in the energy and infrastructure sectors

In this article

Comgas, Cosan Lubrificantes, Radar, Raizen, and Rumo

Cosan believes people management plays an important role in ensuring the strategy of continually growing in the infrastructure and energy sectors. The Company makes sure policies and practices are aligned across all businesses. The companies of the group have autonomy to adapt their models, considering their specific markets and in synergy with the corporate positioning. All actions are intended to prepare the professionals for the Company's future and therefore contribute to its success.

Take a look at some practices developed by Cosan and its companies:

COSAN **Developing leadership**

The Leaders School is comprised of a Basic Training School for all levels, preparing four types of leaders: operational, team, other leaders, and an area/business. For 2014, the school will have a greater focus on preparing people to work in the infrastructure and energy sectors in line with the company's strategy.

Every year the Company holds the Leaders' Meeting, an event that gathers the top management and business leaders, clarifies figures and strategies, and is an important element in ensuring internal management and alignment among all business units.

RUMO **Young Apprentices**

In line with its strategy of recognizing and developing professionals, Rumo has invested in the Young Apprentices program, focusing on the accelerated qualification of college graduates who have little experience in the market. The group is being prepared, together with other employees, to keep up with the company's rapid growth. The trainees were recruited in July 2013; the program is underway and is expected to close in a year and a half.



People

2013 Highlights

More than 3,000 employees¹

More than 29,000 hours worked¹

R\$2.4 million invested in professional training and instruction¹

100% of the employees are covered by collective bargaining agreements¹

⟨GRI EC3, G4-10 e G4-11⟩

¹Figures do not include Raízen.



COSAN LUBRIFICANTES **Career Perspective**

Cosan Lubrificantes has held the internship program since 2011. In 2012, 30 interns were chosen to participate in the two-year program that finished in 2013. Of all interns that participated in the program in 2012 and 2013, around 78% were contracted. The 2013 group has 24 interns and their training is still underway. Most of the current leaders are former interns. In 2014 the program will be revised and improved. During the program, the professionals complete development modules in topics such as creativity and innovation, as well as project management.

RAÍZEN **Internship Program**

In the first half of 2013, Raízen's internship program had more than 130 openings for interns in different areas of the company in the cities of Rio de Janeiro, São Paulo, and Piracicaba, plants in the interior of São Paulo and distribution terminals and airports throughout Brazil. The program focuses on corporate integration, individual development, and professional qualification. The program has already started for the first half of 2014, with nearly 70 openings in different areas and cities.

COMGÁS **Gas Industry Career**

In 2013 the company created the "Gas Industry Career" program, an opportunity for development for the professionals who are responsible for part of the specialized customer service: Customer Care, Repair, and Maintenance. To be able to change positions in the company, the employee

is evaluated on an annual basis, when he or she receives feedback and existing gaps that need to be overcome are diagnosed. After that, it is necessary to show improvements, gain skill certifications, and achieve a good level in functional capabilities.

The program was introduced to the employees during presentations, providing a vision of shared growth where they come with a high dose of interest and the company offers them the tools that help in their individual growth in line with their corporate strategies.

RADAR **Strategy Support**

To support its portfolio's growth strategy, Radar has designed some initiatives with a focus on people management. In addition to the annual individual targets, the company has a compensation process that has been restructured. To disseminate the new guidelines, a workshop was conducted in early 2014 with all the company's employees.

Survey Improves People Management

Based on the consolidation of the results from the "You Speak" 2013 survey, different action plans were built for each of Cosan's business, disseminated, and implemented throughout 2013.

Corporate Cosan had the highest response rate, reaching 93% of its employees. From there, three core actions were developed. The first focused on the workplace itself, aiming at better using the available space and promoting interaction among the teams. The second action focused on making technical content available in order to enhance learning opportunities and to exchange knowledge by setting up the Cosan Business School. The third action is about feedback and development, with the implementation of a 360° evaluation process that allows for Cosan leaders to be evaluated and have a broader view of how they are perceived by the different audiences they interact with, so that their individual development plan (IDP) is more effective.

Cosan Lubrificantes focused on improving people training and development, especially in terms of career planning and performance management, including a deadline for setting individual targets for 2014. 80% of the company's employees responded to the survey.

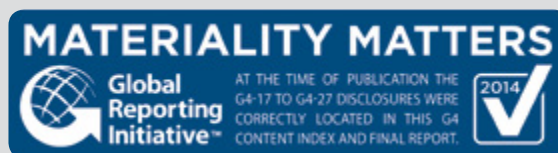
At Rumo, the answers from 76% of the employees from all levels provided information pointing to the company's solidity and the link between business growth and increased opportunities inside the company. The

survey has been conducted since 2011, and its latest edition resulted in six actions that are currently under development: Leaders-Subordinates Communication (improved dialogue channels); Management Style and Performance Culture (strengthening the importance of the employee's result for the company); Leadership: Roles & Responsibilities; HR Policies & Practices; and Workplace.

At Radar, 91% of the survey respondents encouraged the company to develop three actions to be implemented up to 2014: performance management (to include behavioral aspects and individual targets and projects in the annual review); rewards (to ensure the understanding of the criteria that compose the overall remuneration, making it more transparent for employees); and two-way communication (by setting up formal work processes and limiting functions by areas and employees in charge, so as to gain agility, alignment, and accountability along the value chain).

At Comgás the last survey was taken in November and December 2012 with 97% involvement. One of the main initiatives resulting from the survey was the Culture project, where, through an international methodology, the Cultural Assessment, the company identified and worked through several initiatives to leverage the new desired culture that is even more focused on the customer, on teamwork, and on results. As a result of this work, the "Comgás Attitudes" were created and people management was streamlined. Other activities involved communicating the strategy at all levels and strengthening the performance management process.





The general contents of the report present corporate information – in some cases, by business.

The Company's consolidated data refers to the companies Rumo, Radar, and Cosan Lubrificantes and specific information from corporate headquarters (GRI EC3, LA1, LA9, LA11, HR1, SO6, SO8 AND G4-10). Comgás was also considered in some of these indicators (GRI EC1, EC4, SO3, SO4 AND SO5).

After the presentation of the consolidated indicators, specific

indicators of each business will be presented, as identified in the table below. Raízen indicators were not considered as it has an independent process and its own report. To access the Raízen Sustainability Report 2013 go to <http://www.raizen.com.br/>.

External verification checked the indicators marked in the table below, whose letter of assurance is on p.62.

General content			
	Description	External verification	Page / answer
Strategy and analysis			
G4-1	Message from the CEO	—	3
Organizational profile			
G4-3	Organization name	•	8 and 9 of the sustainability report
G4-4	Primary brands, products, and/or services	•	8 and 9 of the sustainability report
G4-5	Location of organization's headquarters	•	8 of the sustainability report
G4-6	Countries either with major operations or that are specifically relevant to the sustainability issues covered in the report	—	All significant transactions of Cosan's businesses are located in Brazil. Some businesses have offices abroad to encourage exports and imports.
G4-7	Nature of ownership and legal form	•	8 of the sustainability report
G4-8	Markets served	—	8 of the sustainability report
G4-9	Scale of the reporting organization	—	6, 8, 9 and 10 of the sustainability report
G4-10	Employee profile	•	20, 36, 42, 56 of the sustainability report; 3,8,13,20 and 23 of the GRI Book
G4-11	The percentage of total employees covered by collective bargaining agreements	—	56 of the sustainability report
G4-12	Description of the organization's supply chain	•	12, 13 and 38 of the sustainability report
G4-13	Significant changes during the reporting period regarding size, structure, ownership, and supply chain	•	11 of the sustainability report
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	—	Cosan applies the precautionary principle following the same policies and guidelines adopted in risk management.
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	—	Not available.

General content			
	Description	External verification	Page / answer
G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	—	http://sustentabilidade.cosan.com.ptbr/governo
G4-17	All entities included in the organization's consolidated financial statements and if any of these are not covered in the report	—	8 of the sustainability report
G4-18	Process for defining report content	—	4 and 5 of the sustainability report
G4-19	List of material aspects	—	4 and 5 of the sustainability report
G4-20	For each material aspect report the boundary within the organization	—	4, 5, 12 and 13 of the sustainability report
G4-21	For each material aspect report the boundary outside the organization	—	4, 5, 12 and 13 of the sustainability report
G4-22	Report the effect of any restatements of information provided in previous reports	—	4 of the sustainability report
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	—	4, 12 and 13 of the sustainability report
Stakeholder engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization	—	4, 12 and 13 of the sustainability report
G4-25	Basis for identification and selection of stakeholders with whom to engage	—	4 of the sustainability re-report. More information in the 2012/2012 Sustainability Report
G4-26	Approaches to stakeholder engagement	—	4 of the sustainability re-report. More information in the 2012/2012 Sustainability Report
G4-27	Key topics and concerns that have been raised through stakeholder engagement, by stakeholder group	—	5 of the sustainability report; In this report Cosan privileged the most cross-cutting and relevant issues for the business. Perceptions of each public on the issues are considered in the internal management of these issues. more information in the 2012/2013 sustainability report.
Report profile			
G4-28	Reporting period	—	4 of the sustainability report;
G4-29	Date of most recent previous report (if any)	—	Fiscal year 2012/2013
G4-30	Reporting cycle	—	Annual. Starting in 2013, the period considered was January to December.
G4-31	Contact point for questions regarding the report or its contents	—	falecosan@cosan.com.br
G4-32	Table identifying the location of the Standard Disclosures in the report	—	4 and 58 of the sustainability report;
G4-33	Policy and current practice with regard to seeking external assurance for the report	—	The assurance letter can be found on pages 62 and 63.
Governance			
G4-34	Governance structure of the organization	—	8 of the sustainability report;
Ethics and Integrity			
G4-56	The organization's values, principles, standards and norms of behavior	●	8 of the sustainability report;
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior (non-mandatory)	●	8 of the sustainability report;
G4-58	Report the internal and external mechanisms for communicating concerns about unethical behaviors (non-mandatory)	●	8 of the sustainability report;

SPECIFIC CONTENT					
	Description	Omission	External verification	Page / answer	Scope
Economic category					
Economic performance					
G4-DMA	Management approach		—	10 and 11 of the sustainability report	General
G4-EC1	Direct economic value generated and distributed		●	11 of the sustainability report; 3 and 4 of the GRI Book	Consolidated data
G4-EC3	Coverage of the organization's defined benefit plan obligations		●	53 of the sustainability report; 4 and 13 of the GRI Book	Consolidated data; Comgás
G4-EC4	Significant financial assistance received from the government		●	11 of the sustainability report; 4 of the GRI Book	Consolidated data
Indirect economic impacts					
G4-DMA	Management approach		—	9, 33 and 39 of the sustainability report	General
G4-EC7	Impact of infrastructure investments for public benefit		●	9 of the sustainability report; 4 of the GRI Book	Consolidated data
G4-EC8	Description of significant indirect economic impacts		●	33 and 39 of the sustainability report; 8, 13, 20 and 23 of the GRI Book	Rumo, Radar, Cosan Lubrificantes, Comgás
Environmental category					
Biodiversity					
G4-DMA	Management approach		—	33 of the sustainability report	Radar
G4-EN11	Total number and volume of significant spills		●	33 and 36 of the sustainability report; 9, 14, 20, 21 and 23 of the GRI Book	Rumo, Radar, Cosan Lubrificantes, Comgás
Waste and effluents					
G4-DMA	Management approach		—	22 and 42 of the sustainability report	Rumo, Cosan Lubrificantes
G4-EN24	Total number and volume of significant spills		●	22 and 42 of the sustainability report; 8, 9, 14 and 24 of the GRI Book	Cosan Lubrificantes, Rumo, Comgás
Products and services					
G4-DMA	Management approach		—	22 and 42 of the sustainability report	Rumo, Radar, Cosan Lubrificantes
G4-EN27	Initiatives for environmental impact mitigation		●	22, 23 and 36 of the sustainability report; 9, 14, 21 and 24 of the GRI Book	Rumo, Radar, Cosan Lubrificantes, Comgás
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		●	42 of the sustainability report; 25 of the GRI Book	Cosan Lubrificantes
Transportation					
G4-DMA	Management approach		—	22 of the sustainability report	Rumo
G4-EN30	Significant environmental impacts of transport		—	22 of the sustainability report; 9 and 10 of the GRI Book	Rumo
Suppliers' environmental evaluation					
G4-DMA	Management approach		—	22,36,38 and 44 of the sustainability report	Rumo, Radar, Cosan Lubrificantes
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken		●	22,36,38 and 44 of the sustainability report; 9,10,14,15,21 and 25 of the GRI Book	Rumo, Radar, Cosan Lubrificantes, Comgás
Social category - labor practices and decent work					
Employment					
G4-DMA	Management approach		—	54 and 56 of the sustainability report	Rumo, Radar, Cosan Lubrificantes, Comgás
G4-LA1	New employee hires and employee turnover		●	5 and 15 of the GRI Book	Dados consolidados; Comgás
Occupational health & safety					
G4-DMA	Management approach		—	23,40 and 44 of the sustainability report	Rumo, Cosan Lubrificantes, Comgás
G4-LA6	Type of injury and rates of injury in the organization and lost days		●	23 and 40 of the sustainability report; 10,16 and 26 of the GRI Book	Cosan Lubrificantes, Rumo, Comgás
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		●	44 of the sustainability report; 11, 16 and 26 of the GRI Book	Cosan Lubrificantes, Rumo, Comgás
Training and education					
G4-DMA	Management approach		—	54 and 56 of the sustainability report	Rumo, Radar, Cosan Lubrificantes, Comgás
G4-LA9	Average hours of training per year		●	5,6,11,16,21 and 26 of the GRI Book	Consolidated data, Rumo, Radar, Cosan Lubrificantes, Comgás

SPECIFIC CONTENT					
	Description	Omission	External verification	Page / answer	Scope
G4-LA11	Percentage of employees receiving regular performance and career development reviews		●	6, 11, 17, 22 and 26 of the GRI Book;	Consolidated data, Rumo, Radar, Cosan Lubrificantes, Comgás
Social category - human rights					
Investments					
G4-DMA	Management approach		—	36 of the sustainability report;	Radar
G4-HR1	Significant investment agreements that underwent human rights screening		●	6 and 7 of the GRI Book;	Dados consolidados; Comgás
Social category – society					
Local communities					
G4-DMA	Management approach		—	Cosan operates all over Brazil and it involves many stakeholders (see p. 12 and 13). Different business approaches can be found in indicator G4 - S01 in the GRI Book	Cosan Lubrificantes, Rumo, Comgás
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs		●	29 of the sustainability report; 11, 17 and 26 of the GRI Book	Comgás, Cosan Lubrificantes, Rumo
Fighting corruption					
G4-DMA	Management approach		—	8 of the sustainability report	Consolidated data
G4-SO3	Operations assessed for risks related to corruption and the significant risks identified		●	8 of the sustainability report; 6 of the GRI Book	Consolidated data
G4-SO4	Communication and training on anti-corruption policies and procedures		●	8 of the sustainability report; 6 and 7 of the GRI Book	Consolidated data
G4-SO5	Confirmed incidents of corruption and actions taken		●	8 of the sustainability report; 7 of the GRI Book	Consolidated data
Public policies					
G4-DMA	Management approach		—	15,16 and 17 of the sustainability report - approach of the leaders on issues of public interest	General
G4-SO6	Policies for financial contribution to political parties, politicians or institutions		●	7 and 18 of the GRI Book	Consolidated data; Comgás
Conformity					
G4-DMA	Management approach		—	8 of the sustainability report	General
G4-SO8	Monetary value of significant fines for non-compliance with laws and regulations		●	7 and 18 of the GRI Book	Consolidated data; Comgás
Suppliers evaluation regarding impacts on the society					
G4-DMA	Management approach		—	36,38,39 and 44 of the sustainability report	Rumo, Radar, Cosan Lubrificantes, Comgás
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken		●	36,38,39 and 44 of the sustainability report; 8, 18, 22 and 27 of the GRI Book	Rumo, Radar, Cosan Lubrificantes, Comgás
Social category - product responsibility					
Customer health and safety					
G4-DMA	Management approach		—	21, 40 and 44 of the sustainability report	Cosan Lubrificantes, Rumo, Comgás
G4-PR1	Product and service categories for which health and safety impacts are assessed		●	21,40 and 44 of the sustainability report; 11,18 and 27 of the GRI Book	Cosan Lubrificantes, Rumo, Comgás
Labeling of products and services					
G4-DMA	Management approach		—	Although the GRI aspect refers to labeling, the indicator PR5 fits in material topics for client on Comgás' services. 30 of the sustainability report	Comgás
G4-PR5	Results of surveys measuring customer satisfaction		●	30 of the sustainability report; 19 of the GRI Book	Comgás

Independent auditor's limited assurance report on the information related to sustainability included in the Performance Cosan 2013 Report

To the Board of Directors
Cosan S.A. Indústria e Comércio

São Paulo- SP

Introduction

We have been engaged by Cosan S.A. Indústria e Comércio to present our limited assurance report on the compilation of the information related to sustainability included in the Performance Cosan 2013 Report of Cosan S.A. Indústria e Comércio ("Cosan") for the year ended December 31, 2013.

Management's responsibility

The management of Cosan is responsible for the preparation and fair presentation of the information related to sustainability included in the Performance Cosan 2013 Report, in accordance with the guidelines of the Global Reporting Initiative (GRI-G4) and for such internal control as it determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express a conclusion on the information related to sustainability included in the Performance Cosan 2013 Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical requirements, including independence requirements, and perform our engagement to obtain limited assurance that the information related to sustainability included in the Performance Cosan 2013 Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance

with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the entity involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation and presentation of the information related to sustainability included in the Performance Cosan 2013 Report, other circumstances of the engagement and our analysis of the areas in which significant misstatements might exist. The following procedures were adopted:

(a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information related to

sustainability included in the Performance Cosan 2013 Report;

(b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the information;

(c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the information related to sustainability included in the Performance Cosan 2013 Report;

(d) comparing the financial indicators with the financial statements and/or accounting records; and

(e) obtaining evidence for the most significant GRI - G4 indicators included in the Performance Cosan 2013 Report and presented in the "GRI Summary".

The limited assurance engagement also included the performance of procedures to assess compliance with the guidelines of the Global Reporting Initiative (GRI-G4) applied in the preparation of the information related to sustainability included in the Performance Cosan 2013 Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less detailed than those applied in a reasonable assurance engagement, the objective of which is the issuance of an opinion on the information related to sustainability included in the Performance Cosan 2013 Report. Consequently, we are not able to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an assurance engagement, the objective of which is the issuance of an opinion. If we had performed an engagement with the objective of issuing an opinion, we might have identified other matters and possible misstatements in the information related to sustainability included in the Performance Cosan 2013. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior years, nor future projections and goals.

Conclusion

Based on the procedures performed, described herein, no matter has come to our attention that causes us to believe that the information related to sustainability included in the Performance Cosan 2013 Report of Cosan S.A. Indústria e Comércio has not been compiled, in all material respects, in accordance with the guidelines of the Global Reporting Initiative (GRI-G4).

São Paulo, June 3, 2014

PricewaterhouseCoopers
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CRC 2SP000160/O-5

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Cosan 2013 Performance

GRI Book



The information presented in this report summarizes the indicators monitored by Cosan, defined using materiality matrices of each business. For more information on this process, access the Cosan Sustainability Report 2013 available on the website.

Due to the change in the investment portfolio, Cosan has changed the way it reports the results for the year. It used to report information for the crop year and, beginning with the 2013 Annual Report, information has been collected based on the period from January 1 to December 31 (some information exceptionally refer to the period from April 1 to December 31, that is, a nine-month period).

The Company's consolidated data refers to the companies Rumo, Radar, Cosan Lubrificantes and specific information from corporate headquarters (EC3, LA1, LA9, LA11, HR1, SO6, SO8 and G4-10). Comgás was also considered in some of these indicators (EC1, EC4, SO3, SO4 and SO5).

After the presentation of the consolidated indicators, specific indicators of each business will be presented, as identified in the table below. Raízen indicators were not considered as it has an independent process and its own report. To access the Raízen Sustainability Report 2013 go to the site ([link](#)).

Indicators G4	Description	Companies that answer the indicator	Page
G4-EC1	Direct economic value generated and distributed.	Consolidated data	3 and 4
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Consolidated data	4
		Comgás	12
G4-EC4	Significant financial assistance received from government.	Consolidated data	4
G4-EC7	Development and impact of infrastructure investments and services supported.	Consolidated data	4
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Rumo	8
		Comgás	13
		Radar	20
		Cosan Lubrificantes	23
G4-EN11	Location and size of operational sites owned.	Rumo	8 and 9
		Comgás	13
		Radar	19
		Cosan Lubrificantes	22
G4-EN24	Total number and volume of significant spills.	Rumo	9
		Comgás	13
		Cosan Lubrificantes	23
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Rumo	9
		Radar	14
		Cosan Lubrificantes	21
		Comgás	24
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	Cosan Lubrificantes	25
G4-EN30	Significant environmental impacts of transporting products and members of the workforce.	Rumo	9 and 10
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Rumo	9 and 10
		Comgás	14 and 15
		Radar	21
		Cosan Lubrificantes	25
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Consolidated data	5
		Comgás	15
G4-LA6	Type and rates of injury, occupational diseases, and lost days.	Cosan Lubrificantes	10
		Rumo	16
		Comgás	26

G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	Rumo	11
		Comgás	16
		Cosan Lubrificantes	26
G4-LA9	Average hours of training per year.	Consolidated data	5 and 6
		Rumo	11
		Comgás	16
		Radar	21
		Cosan Lubrificantes	26
G4-LA11	Percentage of employees receiving regular performance and career development reviews.	Consolidated data	5 and 6
		Rumo	11
		Comgás	15
		Radar	21
		Cosan Lubrificantes	25
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses.	Consolidated data	6
		Comgás	16
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs.	Rumo	11
		Comgás	16
		Cosan Lubrificantes	25
G4-SO3	Operations assessed for risks related to corruption.	Consolidated data	6
G4-SO4	Communication and training on anti-corruption policies and procedures.	Consolidated data	6
G4-SO5	Confirmed incidents of corruption and actions taken.	Consolidated data	6
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Consolidated data	6
		Comgás	16 and 17
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions.	Consolidated data	7
		Comgás	18
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Rumo	8
		Comgás	17
		Radar	21
		Cosan Lubrificantes	26
G4-PR1	Significant product and service categories for which health and safety impacts are assessed for improvement.	Rumo	11
		Comgás	17
		Cosan Lubrificantes	27
G4-PR5	Results of surveys measuring customer satisfaction.	Comgás	17
G4-10	Employees' profile.	Consolidated data	3
		Rumo	8
		Comgás	12
		Radar	19
		Cosan Lubrificantes	22

Cosan Corporate

Organizational Profile

G4-10 – Employee profile

The number of employees grew from the previous year, reaching a total of 1,879 employees (Cosan's Corporate Structure, Rumo, Cosan Lubrificantes and Radar). Out of this total, 84% are male and work in the São Paulo, Santos and Rio de Janeiro regions. Adding the Comgás team, Cosan has over 3,000 employees. Third parties' employees are managed by their own requesting areas and their information is not accessible to the Corporate HR. The number of Rumo employees may suffer variations as a result of the sugar cane (April to March) crop.

Employees by level	2012		2013	
	Men	Women	Men	Women
Council	1	0	1	0
Executive Board	20	2	22	3
Management	57	15	76	15
Supervision/coordination	62	31	64	27
Technical/leadership	35	8	43	10
Administrative	137	136	128	126
Operational	1.191	92	1.237	90
Trainees	3	1	0	0
Apprentices	6	1	0	0
Interns	14	14	15	22
Total by gender	1.525	300	1.586	293
Total	1.825		1.879	

Employees by labor contract	2012		2013	
	Men	Women	Men	Women
Fixed term	20	15	15	23
Indefinite term	1.505	285	1.571	270
Total by gender	1.525	300	1.586	293
Total	1.825		1.879	

Employees by employment type	2012		2013	
	Men	Women	Men	Women
Full-time	739	258	736	250
Part-time	786	42	850	43
Total by gender	1.525	300	1.586	293
Total	1.825		1.879	

Employees by region	2012		2013	
	Men	Women	Men	Women
São Paulo countryside	246	57	214	45
Rio de Janeiro	86	36	103	39
Rio de Janeiro island	164	50	168	61
Santos	926	74	993	69
São Paulo	103	83	108	79
Total by gender	1.525	300	1.586	293
Total	1.825		1.879	

Data refers to the period of January to December, 2013.

At the corporate headquarters of Cosan, in São Paulo, 42% of employees are women and 97% are employed full-time. The company does not have any trainees in this unit.

Employees by level	2012		2013	
	Men	Women	Men	Women
Council			1	0
Executive Board	9	2	7	3
Management	14	7	14	5
Supervision/coordination	14	14	18	10
Technical/leadership	3	0	3	0
Administrative	49	61	27	48
Operational	29	15	23	16
Apprentices	0	1	0	0
Interns	1	4	1	2
Total by gender	119	104	94	84
Total	223		178	

Employees by labor contract	2012		2013	
	Men	Women	Men	Women
Fixed term	1	5	1	2
Indefinite term	119	99	93	82
Total by gender	120	104	94	84
Total	224		178	

Employees by region	2012		2013	
	Men	Women	Men	Women
Full-time	118	98	92	82
Part-time	2	6	2	2
Total by gender	120	104	94	84
Total	224		178	

Employees by region	2012		2013	
	Men	Women	Men	Women
São Paulo countryside	42	34	19	21
São Paulo	78	70	75	63
Total by gender	120	104	94	84
Total	224		178	

Economic Indicators Aspect: Economic Performance

EC1 – Direct economic value generated and distributed

In 2013, Cosan generated more than three billion reais to be distributed among stakeholders. From this amount, 16.4% was distributed among shareholders. Taxes and contributions to the government accounted for 33.3%. At the Ordinary General Meeting held in July 2013, the Company changed its fiscal year, considering the change in its investment portfolio. The fiscal year now starts on January 1 to December 31, and this year will be unusual in covering nine months (started on April 1 and ended on December 31, 2013).

The Value-Added Statement (DVA) presented for the year 2013 could not be compared to DVA from the previous year due to the difference in the number of reported months. For 2012, the year of 12 months (started on April 1, 2012 and ended on March 31, 2013) was used and for the year 2013 amounts related to nine months were reported (started on April 1, 2013 and ended on December 31, 2013) due to the change in the company's fiscal year.

Value-Added Statement (%) ¹	2013
Shareholders	16.4
Employees	10.9
Government	33.3
Retained earnings	1.0
Interest and leases	38.4

Value-Added Statement (in thousands of reais) ¹	2013
Revenues	8,689,628.00
Inputs acquired from third parties	-5,907,545.00
Gross value added	2,782,083.00
Retention	-439,144.00
Net value added generated by the organization	2,342,939.00
Value added received in transfer	664,829.00
Total added to be distributed	3,007,768.00

¹The indicator includes information relating to the Cosan Corporate Structure (includes Rumo, Radar, Cosan Lubrificantes, and Comgás companies).

EC3 Coverage of the organization's defined benefit plan obligations

Cosan offers its employees a pension plan, as a variable contribution, applied to all employees in all business units, regardless of salary and years of service or hierarchical level. Participation in the plan is voluntary and there are no restrictions in terms of salaries, positions, region or years with the Company.

Cosan contributes 100% of the amount supplied by the employee (basic contribution only). The employee, in turn, can contribute up to 11% of the contribution salary that exceeds ten Reference Units (RUs), currently at R\$2,984.70.

In 2013, the fund's equity was R\$16,817 million, the mathematical reserves for plan coverage were estimated at R\$15,083 million and benefits offered were equivalent to R\$562 thousand.

In 2014, actions will be undertaken to increase the number of plan participants, mainly from operational positions, and thus boosting the retirement planning.

¹ Only values redeemed and carried to other entities are declared. Consolidated values are from Rumo, Radar and Cosan Lubrificantes.

EC4 Significant financial assistance received from government

Tax incentives include contributions at both federal (IRPJ) and state levels (ICMS). The amounts of IRPJ incentives total R\$4.8 million and were allocated to projects related to culture, sports and funds to support children and adolescents. ICMS incentive values amount to R\$1.6 million and were allocated to projects related to sport and culture in the state of São Paulo. The government is not present in the structure of the organization's actions. All other types of financial aid received can be checked in the

following table:

Financial assistance received	2013 (R\$)
Tax incentives/credits	6,391,506
Subsidies	420,622,774
Research and development grants	180,000
Total	427,194,280

¹ The values under the "Subsidies" line refer to agreements with the Brazilian Development Bank (BNDES).

Aspect: Indirect Economic Impacts

EC7 Impact of infrastructure investments for public benefit

In 2013 Cosan invested approximately R\$15.8 million¹ in projects related to culture, sports, education, and funds for supporting children and adolescents through its subsidiaries via incentive laws, sponsorships, and tax credits. Some examples are as follows:

- Pelé Museum: restoration of the Casarão Valongo and construction of the Pelé Museum in Santos.
- Hospital Pequeno Príncipe: support to two initiatives (advances in health care treatment - the Right to Life, and the Participating Family Project) in order to contribute to reducing child mortality and strengthening the emotional bond between the family and the child during the period that the SUS patient is hospitalized.
- Comunitas Juntos pelo Desenvolvimento Sustentável (Comunitas - Together for Sustainable Development): efforts to improve the municipal public administration. The companies will contribute not only with financial resources, but also with their expertise in corporate social investment in the areas of management, education, and health.
- Movimento Brasil Competitivo (Competitive Brazil Movement - MBC): support to the "Modernizing public management" program in order to obtain improvements in management and gain competitiveness and efficiency in public administration.

¹ The amount does not consider Raizen's investments.

Labor Practices and Decent Work Aspect: Employment

LA1 Total number and rates of new hires and employee turnover

In 2013, 512 new employees were hired, 422 of them

males. Out of this total, 60% of new employees are from the Santos region and the majority (62%) is under the age of 30. During this period, 439 employees were terminated, 81% of them male.

Terminations of employment by gender	2012	2013
Business unit		
Men	351	356
Women	86	83
Total	437	439

Terminations of employment by age	2012	2013
Business unit		
Younger than 30	251	263
31 - 50	160	159
Older than 50	26	17
Total	437	439

Terminations by region	2012	2013
Business unit		
São Paulo countryside	42	90
Rio de Janeiro	61	25
Rio de Janeiro – Ilha do Governador	0	33
Santos	313	267
São Paulo	21	24
Total	437	439

New hires by gender	2012	2013
Business unit		
Male	524	422
Female	124	90
Total	648	512

Hires by region	2012	2013
Business unit		
São Paulo countryside	83	59
Rio de Janeiro	26	37
Rio de Janeiro – Ilha do Governador	53	60
Santos	407	305
São Paulo	79	51
Total	648	512

Hires by age	2012	2013
Business unit		
Younger than 30	395	315
31 - 50	247	188
Older than 50	6	9
Total	648	512

Turnover by gender (%)	2012	2013
Business unit		
Male	19.22	18.95
Female	4.71	4.42

Turnover by age (%)	2012	2013
Business unit		
Younger than 30	13.75	14.00
31 - 50	8.76	8.46
Older than 50	1.42	0.90

Turnover by region (%)	2012	2013
Business unit		
São Paulo countryside	2.30	4.79
Rio de Janeiro	3.34	1.33
Rio de Janeiro – Ilha do Governador	0.00	1.76
Santos	17.14	14.21
São Paulo	1.15	1.28

Hire rate by gender (%)	2012	2013
Business unit		
Male	28.70	22.46
Female	6.79	4.79

Hire rate by age (%)	2012	2013
Business unit		
Younger than 30	21.63	16.76
31 - 50	13.53	10.01

Older than 50	0.33	0.48
Taxa de contratação por região (%)	2012	2013
Business unit		
São Paulo countryside	4.55	3.14
Rio de Janeiro	1.42	1.97
Rio de Janeiro - Ilha do Governador	2.90	3.19
Santos	22.29	16.23
São Paulo	4.33	2.71

Aspect: Training and Education

LA9 Average hours of training per year

In 2013, the Process Monitoring System (SAP) averaged 15.5 hours of training per employee. This indicator was lower than the actual figures due to the fact that most businesses do not use this system to record hours of training. With the consolidation of the Organizational Development Corporate area in 2014, it is expected that controls will be improved and new initiatives in training carried out. The amount invested in training and professional education was approximately R\$2.4 million in the period.

Training hours by gender	2012			2013		
	Em- ployees	Hours	Hours/ Em- ploy- ee	Em- ploy- ees	Hours	Hours/ Em- ploy- ee
Men	1,525	14,633	9.6	1,586	28,275	17.8
Women	300	2,006	6.7	293	825	2.8
Total	1,825	16,639	9.1	1,879	29,100	15.5

¹ Numbers refer to consolidated data. It does not include Comgás and Raizen.

Training hours by function	2012			2013		
	Em- ploy- ees	Hours	Hours/ Em- ploy- ee	Em- ploy- ees	Hours	Hours/ Em- ploy- ee
Council				1	0	0
Executive Board	22	150	6.8	25	17	0.7
Management	72	637	8.8	91	635	7.0
Supervision/ coordination	93	759	8.2	91	988	10.9
Technical / leadership	43	798	18.6	53	732	13.8
Administra- tive	273	2,960	10.8	254	1,433	5.6
Operational	1,283	11,223	8.7	1,327	25,296	19.1
Trainees	4	113	28.1	0	0	0
Apprentices	7	0	0	0	0	0
Interns	28	0	0	37	0	0
TOTAL	1,825	16,639	9.1	1,879	29,100	15.5

LA11 Percentage of employees receiving

Formal processes for individual performance review are conducted only for employees eligible for bonuses. For the others feedback meetings are held. Among Cosan's employees, considering Rumor, Radar, Cosan Lubrificantes and corporate headquarters, 12.7% received performance reviews in 2013. With respect to the Company's Corporate area, this percentage was 36.5%. Performance reviews are

applied to functional levels: board, executive board, management, leadership and coordination. The extension of formal individual reviews to employees of administrative areas not eligible for bonuses is currently under analysis.

Employees receiving performance and career development reviews	2012		2013	
	Men	Women		Men
Total employees	1,526	300	1,586	293
Number of employees receiving performance evaluation and career development	144	44	186	52
% by gender	9	15	12%	18%
% of total	10%		12.7%	

Human Rights Aspect: Investment

HR1 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening

Cosan adopts procedures to prevent risks related to this issue, such as not hiring suppliers with risks of slave and child labor or any irregularity in relation to human rights in their operations. The Company relies on clauses relating to this issue in contracts signed with third parties. We highlight the following points:

- not using child labor in the exercise of its activities;
- not using labor in conditions similar to slavery;
- complying with the daily workload limits provided by law;
- obtaining and maintaining valid all licenses and health and environmental conditions required by law and any and all relevant public agencies for the exercise of its activities;
- paying all taxes and social security contributions;
- complying with environmental and health regulations and occupational health;
- undertaking its best efforts to ensure that the above obligations are also met by their inputs and services suppliers;
- complying with all labor obligations to its employees.

Cosan's policies, which include the Corporate Anti-Corruption Policy* (updated by new Brazilian Anti-Corruption Law n. 12.846/2013) and the Antitrust Policy, are also included in the contracts as a clause. However, it is not possible to identify the percentage of contracts that include human rights issues, since each contract is developed in accordance with its specific features.

Society Aspect: Anti-corruption

SO3 Assessed for risks related to corruption

The business units and subsidiaries have awareness mechanisms and preventive assurance related to corruption, such as the Code of Conduct, policies and terms of adhesion to more exposed functions (presidents, VPs, directors and other key positions), and these mechanisms are disseminated through specific training for managers and biannual for managers and key employees.

Suppliers, customers and partners are made aware of these through notices and standard anti-corruption clauses present in signed contracts. Our customers have access to the Code of Conduct, released internally and externally to the public through the Cosan website.

Any event can be reported to the Ethics Channel, which is widely circulated internally and externally and managed by a third-party company, independently to avoid conflicts of interest.

As a result, no significant risks relating to this theme in the company's operations were identified. In 2014, Cosan intends to maintain the good practices and further strengthen the aspects of risk monitoring and compliance actions.

SO4 Percentage of employees trained on corruption policies and procedures

All Cosan managers participated in the anti-corruption training in 2012, including eight members of the Board and 100% of employees on the executive board, management and coordination levels; in 2013 there were no anti-corruption training. In addition, approximately 50 partners of law firms, consultants and another 15 distributors were informed of these procedures.

Other measures adopted to combat corruption and promote ethics and integrity in the market was the implementation of the Code of Conduct, Anti-Corruption Policy, standard clause in agreements with third parties and the Clean Company Project.

SO5 Confirmed incidents of corruption and actions taken

In 2013, there were no reported cases of corruption in the channels provided by the company. When there are cases, the Ethics Committee conducts the analysis and investigation. The cases that have been upheld lead to the immediate termination of the employee and reporting to authorities, when applicable.

Aspect: Public Policy

SO6 Policies on financial contribution to political parties, politicians or institutions

According to Cosan's Code of Conduct, political contributions can only be made by Corporate Cosan, after review and prior approval by the Board of Directors. Employees, directors or officers may make contributions or engage in political activities under their own names; however, nobody will be reimbursed by the Company, directly or indirectly, for personal political contributions. Offering a payment or advantage, directly or indirectly, to occupants of public positions and similar officials, in Brazil or abroad, is prohibited.

Aspect: Compliance

SO8 Monetary value of significant fines and total number of non-monetary sanctions

Sanctions for non-compliance with laws and regulations ¹	
Cosan	In 2013 Cosan received three administrative sanctions imposed by the Ministry of Labor and Employment. The Company believes it is in compliance with current legislation and filed appeals, which are still under trial.
Cosan Lubrificantes	Cosan Lubrificantes received three administrative sanctions in 2013, imposed by Cetesb and the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), which understood that the company had violated legal provisions. The company believes it is in compliance with current legislation and filed appeals, which are still under trial. Also in 2013, three non-monetary environmental sanctions occurred.
Comgás	Comgás did not receive significant fines in 2013, considering a cutoff value of R\$1 million, due to non-compliance with laws and regulations, including on the labor and consumer levels.
Radar	At Radar, during 2013 there were no significant administrative and judicial sanctions as a result of breaching laws and regulations.
Rumo	Rumo received two non-monetary administrative sanctions. The company believes it is in compliance with current legislation and filed appeals, which are still under trial. Also in 2013, the company got involved in two arbitration processes, of a confidential nature. In one of them, the counterpart has an interest in continuing the maintenance services contract; however, Rumo considers the contract terminated. The second also has a contractual character; however, as the Arbitration Court proceedings have not yet been initiated, it is not possible to establish precisely what are the claims of the parties and the subject of the complaint. Anyway, for this latter case, it is certain that Rumo intends to acknowledge that the other party must fulfill its contractual obligations and honor the commitments it made due to the large infrastructure investment made by Rumo.

¹ None of Cosan's companies received significant fines in 2013 considering a cutoff value of R\$1 million.

Rumo Indicators

Organizational Profile

G4-10 Employee profile

In 2013, the number of employees at Rumo increased over the previous year, totaling 1,289 employees - 99% contracted for an undetermined period of time. The number of employees at the operational level may be subject to changes due to the sugar cane (April to March) crop, especially between the months of July and October.

Employees by level	2012		2013	
	Men	Women	Men	Women
Executive Board	4	0	6	0
Management	10	2	11	2
Supervision/coordination	15	1	13	1
Technical/supervision	12	0	19	2
Administrative	53	33	57	35
Operational	1.031	58	1.085	50
Trainees	3	1	0	0
Third parties	0	0	0	0
Apprentices	6	0	0	0
Interns	3	3	2	6
Total by gender	1,137	98	1,193	96
Total	1,235		1,289	

Employees by labor contract	2012		2013	
	Men	Women	Men	Women
Fixed term	9	3	2	6
Indefinite term	1,128	95	1,191	90
Total by gender	1,137	98	1,193	96
Total	1,235		1,289	

Employees by employment type	2012		2013	
	Men	Women	Men	Women
Full-time	364	69	357	69
Part-time	773	29	836	27
Total by gender	1,137	98	1,193	96
Total	1,235		1,289	

Employees by region	2012		2013	
	Men	Women	Men	Women
São Paulo countryside	203	23	190	24
Santos	926	74	992	69
São Paulo	8	1	11	3
Total by gender	1,137	98	1,193	96
Total	1,235		1,289	

Economic Indicators Aspect: Indirect Economic Impacts Supplier Assessment for Impacts on Society

EC8 Significant indirect economic impacts, including the extent of impacts

SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken

A result of team brainstorming, the Aliança Rumo project, along with Road Carriers seeks to change the profile of contractors, supporting their professionalization, welcoming both the driver and the transporter, and contributing to a safer and more efficient business. The goal is to maintain long-lasting relationships with growth and development for both sides through efficient management systems and good relationship channels.

The initiative will seek to establish goals in the contract, in order to improve operational controls and increase the level of service. One of the project's activities in 2013 was the implementation of living areas for drivers and their families, as well as renovations in some terminals to generate better quality in the workplace.

There is also demand for increased service productivity. With the optimization of routes, the drivers can go to the nearest intermodal terminals, reducing the travel time and the volume of trucks on the highways and achieving more efficiency.

Quantitative performance indicators of the carriers will be monitored monthly by the initiative. A qualitative assessment by Rumo, focusing on quality of processes and equipment, in matters of health, safety and the environment (HSE) and strategies for people management and relationships, will be made quarterly. Drivers will also evaluate the work based on HSE issues, Rumo operating procedures, the workload and equipment provided.

Environmental Indicators Aspect: Biodiversity

EN11 Location and size of operation sites owned

Rumo's main activities consist of cargo handling, loading and unloading of road and railway vehicles, and administrative tasks at the office, such as receiving, shipping and registration of invoices, and in supporting departments (HR, IT, QSSMA, Warehouse). Rumo has its own unit located in Itirapina (SP) (latitude: -22.188279, longitude: -47.790871), with a total area of 2.1506 km², a built-up area of 0.204 km², and 0.4351 km² of legal reserves. The remaining units of the company are not located in protected or biodiversity areas.

Rumo's built-up area is adjacent to a legal reserve area and an area of high biodiversity value, comprising a rural area. And, although no specific studies have been made, it has important fauna and flora in terms of regional biodiversity. Both in the protected area as well as in the area of high biodiversity, the ecosystem is terrestrial. However, in

the permanent protection area (PPA), there is also a fresh-water ecosystem (Córrego das Cobras).

Aspect: Effluents and Waste; Transport; Supplier Environmental Assessment

EN24 - Total number and volume of significant spills

EN30 - Significant environmental impacts of transporting products and members of the workforce

EN33 - Significant actual and potential negative environmental impacts in the supply chain and actions taken

It is not enough to work to ensure that the transported product reaches its destination intact, in the same condition in which it was removed. We must be aware of and manage the potential social and environmental impacts of activities.

Rumo determined as one of the critical transportation points the emissions of particulate matter into the atmosphere, an inherent part of the process that happens in stages, such as the unloading of sugar (either from truck or rail cars) in conveyors and other equipment.

In the case of spills caused by accidents during the routes, the railway companies and contracted carriers are held responsible for clearing away the load, for the environmental recoveries and for compensation of losses. If there are incidents with railcars, the procedure is to separate and seal them before circulating. In 2013 there were no significant spills of material in its terminals, especially at the Port of Santos, where the operation is more intense.

It is important to highlight that in February 2013 Rumo presented the Plan of Action to Cetesb, a State Environmental Agency, aiming to further improve the particulate emissions control, meeting current environmental legislation and improving the community's quality of life, which was accepted and approved by the agency. The procedures adopted to avoid incidents and ensure that any spilled product returns to the process are:

- Any and all minor spills that occur in the terminal are retrieved with wheel loaders (tractors);
- Containment trays on conveyor belts reduce spillage in the streets;
- Scrapers are installed on conveyors, concentrating the excess of sugar so that it falls in a single place, which is then collected;
- All railcars leaving the terminal, after being emptied, are

completely sealed to avoid spillage along the route.

In the case of spillage on route:

- Rail companies are responsible for any and all spills that might occur along the route;
- Before starting the journey, all railcars are analyzed for possible spills. If any such possibility exists, the railcars are separated and sealed before circulating.

For 2014, Rumo intends to reduce the number of spills during the process, and perform preventive cleanings of operational routes in a regular and controlled manner.

Aspect: Products and Services; Transport; Supplier Environmental Assessment

EN27 - Extent of impact mitigation of environmental impacts of products and services

EN30 - Significant environmental impacts of transporting products and members of the workforce

EN33 - Significant actual and potential negative environmental impacts in the supply chain actions taken

As regards the use of natural resources, Rumo adopts mitigation measures at the Port of Santos, where the operation is more intense, such as:

- Water: Water consumption in 2013 was 43,014 m³. The terminal is studying the possibility of undertaking projects to capture rainwater for reuse, but there is no date scheduled for the project implementation.
- Emissions: through a monitoring and measurement plan, Rumo performs inspections with the Ringelmann ring¹ to assess the conditions of black smoke emission from its mobile and stationary sources and a monthly sampling from the suppliers' trucks. The company is also installing dedusting systems in hoppers, to prevent the escape of particulate matter into the atmosphere (according to a protocolled and approved schedule by Cetesb in Santos).
- Effluents: At the Santos unit, Rumo has no effluents in its production process. The sewage is interconnected to the Sabesp network. At the Itirapina unit, there is a Sewage Treatment Plant in order to treat the effluent before it is released to the water body. At the Sumaré unit, the terminal is implementing a new stormwater drainage network.

- Noise pollution: Every two years, Rumo conducts an external noise assessment, according to NBR 10151. Noise levels found in these measurements do not represent noise pollution.
- Waste: Rumo has a Solid Waste Program, besides carrying out selective collection and segregation of waste to avoid sending items to incorrect destinations as much as possible. In 2013 the following were recycled:
 - 22,670 kg of plastic and paper (22% lower than in the previous year);
 - 134,545 kg of ferrous metals (94% higher than in the previous year);
 - 1,500 mercury vapor lamps sent for decontamination (50 % lower than in the previous year);
 - 5,400 liters of lubricating oil sent to be refined again (35% lower than in the previous year);
 - 15,440 kg of oil contaminated waste sent for incineration (2,260 kg in 2012).

[†] Ringelmann ring - graphic scale for smoke density calorimetric evaluation

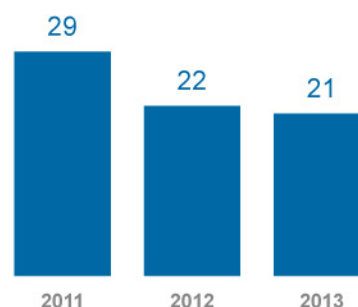
Labor Practices and Decent Work

Aspect: Occupational Health and Safety

LA6 Rates of injury, occupational diseases lost days

In 2013, the injury rate was 1.55, the occupational disease¹ rate was 0.12, and absenteeism² was at 709.30. The total lost days amounted to 6,147, corresponding to calendar days after the incident. There were no incidents with women and when it comes to the total number of employees, accidents are decreasing each year.

Number of incidents



¹ The incidents specified refer to recordable events (with or without work leave). Simple treatment and first aid incidents were not included. Units considered in 2012 and 2013 were Santos, Sumaré, Itirapina and Jaú. Service providers' incidents and occupational diseases and lost days from third parties and service providers are not manageable.

² The 2011, 2012 and 2013 male absenteeism rate refer to consolidated values, i.e., male and female. It was not possible to calculate the female absenteeism rate because the man-hours worked (hht) values are consolidated. There is no third-party absenteeism management.

	2011					2012					2013				
	Employees		Third parties		Total (E+T)	Employees		Third parties		Total	Employees		Third parties		Total
	Men	Women	Men	Women		Men	Women	Men	Women		Men	Wom-en			
Rate of injury															
Total	2.22	0	1.09	0	1.94	0.89	0	0.91	0	0.89	1.96	0	0.82	0	1.55
Occupational disease rate															
Total	0	0	0	0	0	0	0	0	0	0	0,12	0	0	0	0,12
Total lost days															
Total	6,167	279	0	0	6,446	4,688	265	0	0	4,953	5,468	679			6,147
Absenteeism rate															
Total	691.89		0		691.89	435.21		0		435.21	709.30		0		709.30
Total fatalities in the period															
	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0

LA7 Workers with high incidence or high risk of diseases related to their occupation

Rumo operations includes risks of specific diseases, such as in the role of warehouse helper and bagging mover, positions involving body parts such as the shoulders, fists, fingers, lumbar spine, cervical and spinal column, knees and ankles. To minimize the occurrences of these diseases, Rumo conducts training and preventive actions. In 2013, initiatives that involved 275 participants, including employees and third parties, were performed:

- Fighting dengue: Elimination of possible outbreaks of the mosquito *Aedes aegypti*, carrying out monthly examinations of the facility physical environment.
- Quick massage: Muscle relaxation and relief from possible sources of stress.
- Health circuit: Interaction and prevention of sedentarism and future health-related problems.
- Alcohol and drugs lecture: Education related to prevention, in order to advise on the dangers of addiction.

Aspect: Training and Education

LA9 Average hours of training per year per employee by gender, and by employee category

In 2013, there were 28,465 hours of training in the Process Monitoring System (SAP), about 22 hours per employee. For the trainee category, training hours were not recorded in the system.

Hours of training by gender	2012			2013		
	Employees	Hours	Hours/Employee	Employees	Hours	Hours/Employee
Men	1,137	13,976	12.2	1,193	27,720.8	23.2
Women	98	1,764	18.0	96	744.6	7.75
Total	1,235	15,741	12.7	1,289	28,465.4	22.0

Hours of training by employee category	2012			2013		
	Employees	Hours	Hours/Employee	Employees	Hours	Hours/Employee
Executive Board	4	122	30	6	9	2
Management	12	421	35	13	373	29
Supervision/coordination	16	530	33	14	834	60
Technical/leadership	12	667	56	21	587	28
Administrative	86	2,685	31	92	1,379	15
Operational	1,089	11,203	10	1,135	25,283	22.0
Trainees	4	113	28	0	0	0
Apprentices	6	0	0	0	0	0
Interns	6	0	0	8	0	0
Total	1,235	15,741	12.7	1,289	28,465	22.0

LA11 Percentage of employees receiving performance reviews

About 3% of Rumo's employees have received performance review in 2013, which are applied to the following functional levels: board, executive board, management, leadership and coordination. For other employees, some areas apply other forms of review, such as feedback.

Employees receiving performance and career development reviews	2012		2013	
	Men	Women	Men	Women
Total employees	1,137	98	1,193	96
Number of employees receiving performance evaluation and career development	30	3	30	3
% by gender	3	3	3	3
% of total	3		3	

Society Aspect: Local Communities

SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs

In 2013, Rumo has invested in infrastructure projects focused on local development, through laws on incentives, such as the construction of the Pele Museum in Santos. Positive impacts were identified with the implementation of initiatives, such as cultural and intellectual development, environmental preservation and education.

Product Responsibility Aspect: Customer Health and Safety

PR1 Assessment of impacts on health and safety during the life cycle of products and services

Considering the activity of storage and loading of products of plant origin, health impacts are assessed in 100% of Rumo terminals' activities. The company adopts health and safety procedures for its employees, service providers and suppliers. The terminal has specific signals for drivers, stating which safety equipment should be used at each location. Service providers performing some kind of service at Rumo are trained on aspects of Quality, Health, Safety and Environment.

Comgás Indicators

Organizational Profile

G4-10 Employee profile

The number of Comgás employees grew in relation to the previous year, reaching a total of 1,210 – 66% are male and 34% are female (9% in leadership positions). The population is mostly concentrated in the metropolitan region of São Paulo. The type of contract is for an undetermined period of time; only trainees and apprentices are hired for a fixed period. The headcount of third parties is significant, totaling 5,497 people.

Employees by level	2012	2013	
		Men	Women
Executive Board	9	8	1
Management	79	58	17
Supervision/coordination	57	32	20
Technical/leadership	90	76	17
Administrative	452	204	262
Operational	354	347	25
Trainees	0	0	0
Third parties	0	0	0
Apprentices	17	7	13
Interns	83	66	57
Total by gender	1,141	798	412
Total	1,141	1,210	

Employees by labor contract	2012	2013	
		Men	Women
Fixed term	108	75	74
Indefinite term	1,033	723	338
Total by gender	1,141	798	412
Total	1,141	1,210	

Employees by employment type	2012	2013	
		Men	Women
Full-time	1,139	795	408
Part-time	2	3	4
Total by gender	1,141	798	412
Total	1,141	1,210	

Employees by region	2012	2013	
		Men	Women
São Paulo countryside	162	129	36
Santos	32	29	8
São Paulo	947	640	368
Total by gender	1,141	798	412
Total	1,141	1,210	

Economic Indicators

Aspect: Economic Performance

EC3 Coverage of the organization's defined benefit plan obligations

Comgás offers a defined contribution pension plan, covering 94% of its workforce, considering employees eligible for the plan. Employees may contribute up to the limit of 4% of their salaries to the plan and Comgás contributes with twice the amount taxed by the professional. At retirement, the employee may choose to receive a pension or redeem the accumulated amounts. At December 31, 2013, the plan's accumulated balance was at R\$88 million.

Aspect: Indirect Economic Impacts

EC8 Significant indirect economic impacts

Indirect economic impacts generated by Comgás stem from its nature as a natural gas distribution public service company, where its expansion plan provides access to the use of natural gas in its concession area and creates jobs due to the deployment of plants, shops and vehicle natural gas stations. Additionally, the use of natural gas in residential installations, as part of the organization expansion strategy, allows the inclusion of groups not previously served by gas, bringing benefits before intended only for higher income classes. In 2013, visible improvements were noticed with the arrival of natural gas in regions like São João da Boa Vista, in a glass sector company in Vale do Paraíba (AGC), and in the expansion of the retail market in various regions within the Comgás concession area.

In the industrial sector, the use of natural gas allows the removal of particulate waste and sulfur compounds, which are pollutants. Following this advantage, several industries established themselves in the Comgás concession area to avoid possible environmental issues, bringing the economic benefit of generating new direct jobs or in the supply chain. Comgás executes its expansion plan through contracted companies, which are responsible for building the distribution network and for adapting internal client installations. The expansion operationalization includes the mobilization of the local workforce in various regions of the Comgás concession area, with direct impacts on generation of jobs and income. Comgás mobilizes around 5,000 contract workers in different regions of the concession area, which represents approximately 6,000 families benefited by its operations.

The growing share of natural gas in the Brazilian energy matrix, and the construction of the necessary infrastructure for its distribution, enables Comgás to bring significant positive impacts to the communities where it operates. It generates jobs and income to build its networks and in the application of gas by factories, during the distribution system operation.

The targets for 2014 include expanding the Comgás Business Plan, with the construction of high pressure steel networks and expansion of polyethylene networks, to serve the various segments, from industrial to residential. This occurs through small and large shops, cogeneration and VNG (vehicle natural gas).

Environmental Indicators

Aspect: Biodiversity

EN11 Operational sites owned

Comgás's natural gas distribution networks are located within or next to several protection areas. The whole operation is licensed by the regulatory body, and an environmental impact assessment is performed before the networks are set up in protected areas.

Operations in these areas are carried out by the network itself, which has a low environmental impact. One of the areas with the greatest biodiversity value is the Serra do Mar State Reserve (PESM); the company has approximately 13 km of network within the reserve's limits.

Comgás also has operations in other protected areas, such as the environmental protection area APA Várzeas do Tietê (Sustainable Use), fountainhead protection and recovery areas APRM Billings/Guarapiranga (Fountainheads Preservation), the Cantareira State Reserve (Integral Protection), and others.

Distribution networks are established on public roads, in highway surroundings, or public thoroughways determined by a Utility Decree. Odorizing stations are located next to the city gates (Comgás gas receiving points), in areas acquired by Comgás or in properties given by carriers.

Aspect: Effluents and Waste

EN24 Total number and volume of significant spills

The main cause of gas leaks in distribution networks occur due to assets damaged by third-party operations, and the major impact from these leaks is the emission of greenhouse gases. To minimize this impact, Comgás' target is to cut carbon-equivalent emissions by 4,051 tons in 2014, considering network renovation and repair actions and discounting damage-related leaks.

Another initiative of the company is to disclose the register of its network to stakeholders, and the monitoring of works and interventions of other concessionaires that might interact with the network.

	Total number	Total volume (m³)
2011	536	117,960.95
2012	625	155,653.39
2013	771	150,412.5

The values correspond to the total of network damages and leaked volume. Leaks due to corrosion, cracking and joint degradation are not calculated.

Aspect: Products and Services

EN27 Extent of impact mitigation of environmental impacts of products and services

Comgás holds ISO 14001 certification and has mapped three environmental aspects arising from its activities, which are often monitored:

- **Odorant leakage:** the gas odorization process introduces a mercaptan mixture to detect leaks. In order to minimize this impact, Comgás, in partnership with suppliers, has developed an odorization system for city gates, called closed circuit, which prevents odorant leakage.
- **Waste generation and disposal:** all waste generated by Comgás' activities pass through a selective collection process. In 2013, 110.87 tons of materials were collected and were properly allocated as Class I waste - lamps, batteries, anaerobic resin, paints, oils and industrial effluents.
- **Gas leakage:** this occurs by damage to the network or by corrosion, cracking or degradation of the pipeline system. To reduce the impact, Comgás has a network renewal program from cast iron to polyethylene pipeline and a Damage Prevention Plan, with awareness raising activities for dealers and the general public to avoid damage to the gas network.

Initiatives	Total	Reductions achieved
Water use	13,748 m³	2,641.10 m³ related to the utilization of reuse water.
Emissions	111,799,050 tons of GHGs (time of emergence (TOE))	4,986.30 tons of GHGs (TOE) related to the cast iron network renewal and extension repair.

Aspect: Supplier Environmental Assessment

EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken

Suppliers of significant contracts (civil works and infrastructure services) are mainly responsible for the organization's higher exposure to environmental risks. Every year, Comgás builds about 1,300 km of natural gas pipeline networks in sidewalks and public roads and connects approximately 120,000 residential customers, with the support of 5,000 employees, amounting to approximately 12 million man-hours worked in the period.

Therefore, "Zero Injury" is always the goal, backed by the training, development, monitoring and management of the suppliers' performance. Through these procedures, Comgás minimizes possible incidents due to gas leaks.

Operational service providers' contracts establish operating and social rules of conduct. Teams are trained as to standard procedures and to the risks to employees such as working at heights, in ditches, and with lifting materials. A technical audit annual program, aiming to monitor the suppliers' aspects in terms of operational, logistics, team training frequency, quality and workplace safety topics, is also established.

Labor Practices and Decent Work Aspect: Employment

LA1 Total number and rates of new employee hires and employee turnover

In 2013, 298 new employees were hired and the predominant age in hiring and terminations is under 30 years old, mostly interns. The fastest growing business unit was São Paulo, hiring 85% of the employees. The total turnover rate was 18.8% in 2013.

Terminations by gender	2013
Business Unit	
Male	124
Female	104

Terminations by age	2013
Business Unit	
Younger than 30	134
31 - 50	68
Older than 50	26

Terminations by region	2013
Business Unit	
São Paulo countryside	34
Santos	4
São Paulo	190

Hire rate by gender	2013
Business Unit	
Male	170
Female	128

Hire rate by age	2013
Business Unit	
Younger than 30	235
31 - 50	61
Older than 50	2

Hire rate by region	2013
Business Unit	
São Paulo countryside	35
Rio de Janeiro	0
Rio de Janeiro island	0
Santos	7
São Paulo	256

Turnover by gender (%)	2013
Business Unit	
Male	10.2
Female	8.6

Turnover by age (%)	2013
Business Unit	
Younger than 30	11.1
31 - 50	5.6
Older than 50	2.1

Turnover by region (%)	2013
Business Unit	
São Paulo countryside	2.8
Rio de Janeiro	0.0
Rio de Janeiro island	0.0
Santos	0.3
São Paulo	15.7

Aspect: Occupational Health and Safety

LA6 Rates of injury, occupational diseases and lost days

Funcionários ¹	2012					2013				
	Employees		Third parties		Total	Employees		Third parties		Total
	Men	Women	Men	Women		Men	Women	Men	Women	
Number of accidents	10	3	43	3	59	3	0	90	4	97
Injury rate ²	3,89	1,17	4,3	0,3	4,69	1,17	0	8,71	0,39	7,51

¹ Data includes first aid-level minor injuries. Comgás does not monitor the lost days and absenteeism rate. No cases of occupational diseases or fatalities have occurred in 2013.

² The methodology for calculating the injury rate considers the number of accidents/man-hours worked * 1,000,000.

LA7 Workers with high incidence or high risk of diseases related to their occupation

Comgás operations include activities of construction, operation and maintenance of the distribution system, without high-incidence diseases. Attention is paid to ergonomic issues, arising from field operating activity, but without high risk and without occurrences in recent years.

All Comgás' activities risks mapping is accomplished through the Program for Prevention of Environmental and Occupational Risks (PPRA), embedded in the Program for Medical Control of Occupational Health (PCMSO), with monitoring and mitigation measures required to inhibit the occurrence of occupational diseases. As a result of the implementation of mitigation measures, the frequency of occupational diseases at Comgás was zero in the last five years. In 2014, the company intends to maintain the rate of zero occupational disease.

Aspect: Training and Education

LA9 - Average hours of training per year per employee by gender, and by employee category

In 2013, Comgás' employees had an average of over 18 hours of training per employee, considering managers and non-managers. For 2014, a parallel check will be conducted, aiming to survey the amount of training hours per employee category.

Training hours by gender	2012			2013		
	Employees	Hours	Hours/Employee	Employees	Hours	Hours/Employee
Men	756	15,343	20	798	13,641	17
Women	385	9,600	24	412	9,284	22
Total	1,141	24,943	21	1,210	22,925	19

Training hours by function	2012			2013		
	Employees	Hours	Hours/Employee	Employees	Hours	Hours/Employee
Managers ¹	145	4,209.0	29.03	136	4,328.0	31.82
Non-managers	996	20,734.0	20.82	1074	18,597.7	17.32
Total	1,141	24,943	21.86	1,210	22,925.7	18.95

¹Managers: board, management, leadership and coordination. Non-managers: other functional categories.

LA11 Percentage of employees receiving performance reviews

In 2013, 88% of employees received performance reviews. Trainees and apprentices have other means of evaluation, according to Brazilian legislation. The performance review includes the company goals, as well as employees' individual goals and behaviors. The result has a direct impact on the value of the variable portion of the Profit Sharing plan (PLR) paid to employees.

Employees receiving performance and career development reviews	2012		2013	
	Men	Women	Men	Women
Total employees	756	385	798	412
Number of employees receiving performance evaluation and career development	710	331	725	342
% by gender	94	86	91	83
% of total	91		88	

Human Rights Aspect: Investment

HR1 Significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening

In 2013, 100% of significant contracts had clauses incorporating human rights, linked to the Comgás Code of Conduct and to the Company's business principles. The following are considered to have significant contracts: network, extension and internal facility construction service; network and extension renewal; network operation; and the distribution network of gas pipeline maintenance services.

These contracts are managed and monitored operationally and financially through monthly reviews. Every month, service providers are invited by Comgás' board to discuss several business topics such as health, environment, safety, quality, and asset integrity, among others. In addition, technical audits are intended to ensure high levels in those aspects.

Society Aspect: Local Communities

SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs

Comgás' pipeline network is spread around the whole area of operation and programs are held at specific times according to demand. This is the case of the High Pressure Tubular Reservoir (RETAP), which sought to promote the strengthening of the existing pipeline. The RETAP is re-

sponsible for serving all markets (commercial, industrial and service establishments and residences) in the metropolitan region of São Paulo, including the Fernando Gasparian Thermal Power Plant.

The project consisted of deploying a pipeline at the Billings Reservoir, to avoid large stretches of vegetation removal and expropriation. Given the huge impact of the project, an Environmental Impact Study was conducted, examining the environmental and social issues as well as the possible mitigation measures.

Because the largest stretch of the pipeline is immersed in the Billings Reservoir, meetings with regional municipalities affected were held and explanatory brochures were delivered to the residents of the area of influence. During deployment, a comprehensive informational work of social communication and environmental education was conducted, targeting existing traditional communities, and especially the colonies of fishermen who subsist upon fishing in the reservoir. It was then possible to monitor the social impacts generated by the RETAP and develop engagement actions with the community, such as:

- **Public Hearings:** These were carried out in the pre-installation phase of the Projeto Reforço RETAP (Reinforcement Project) in 2011. This also involved meeting participation in the Management Councils of impacted conservation units.
- **Environmental Education Program:** At the deployment phase of the project, activities and training workshops with internal employees and external stakeholders - artisanal fishermen, teachers and organized groups of neighborhoods - were held. On these occasions, Environmental Working Groups (GATs) were created, specific workshops with fishermen were held and a booklet was developed with school teachers. Topics such as leisure, waste recycling, the youth training center, reuse of fish skin, and environmental licensing booklet were discussed. In the implementation of the Environmental Education Program a deficit of fishermen was identified. Therefore, training workshops were offered to the fishermen colonies.
- **Environmental Working Groups - GAT's:** For the Projeto Reforço RETAP, working groups were created with leaders and communities of the affected neighborhoods.
- **Internal Accident Prevention Committee:** In every work project of the Company, Daily Dialogues on Safety, Health and Environment are held, in addition to annual activities.
- **Local community Ombudsman:** External stakeholders may contact the company through the call center: 08000-110-197. The number is published on the Comgás website and in flyers, which are distributed before the start of work.

In 2014, during the Projeto Reforço RETAP operation phase, the Social Communication Program and the Fishery Activities Monitoring Program will be continued.

Aspect: Public Policy

SO6 Policies on financial contribution to political parties, politicians or institutions

In 2013, Comgás made no donations to political parties. The company adopts procedures to regularize giveaways, gifts and hospitality, and reception of public authorities, among other things.

Aspect: Compliance

SO8 Monetary value of significant fines and total number of non-monetary sanctions

In 2013, Comgás did not receive any significant fines of amounts over R\$1 million as a result of nonconformity with laws and regulations, including in labor and consumer levels.

Aspect: Supplier Assessment for Impacts on Society

SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken

The nature of Comgás' business is based on providing public services of piped gas distribution, aiming at expansion and operation of the entire distribution system. Critical suppliers (focused on civil works and infrastructure service providers) annually represent 5,000 contracted professionals, working in external and internal civil works, exposed to various situations in the workplace. On average, 12 million man-hours are worked in a year, and there is a portion of risk to society at large and to the environment.

The operation of these suppliers occurs throughout the Comgás concession area (metropolitan area of São Paulo, Vale do Paraíba, Baixada Santista and metropolitan area of Campinas and countryside). Eventually incidents occur during construction, such as interference in piped gas networks, lack of electricity and water and telecommunications problems, or even incidents with injuries and explosions, endangering the safety of the worker. The scale of the incident may cause significant disruption to the surrounding society and harm local activities.

The hiring of the civil works and infrastructure service providers takes into consideration the commitments to the Code of Conduct and the principles of the Company's business. Suppliers are evaluated monthly and monitored on operational and financial levels, as well as invited on a monthly basis to discuss their performance with the management.

Comgás' working philosophy with suppliers of significant contracts aims to establish a continuous interface, offering support, guidance and monitoring to prevent any circumstances of premature rupture.

Product Responsibility Aspect: Customer Health and Safety

PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Piped natural gas distribution is a key activity in Comgás operations, therefore 100% of the identified impacts are assessed and mapped by the health and safety management processes. Through the Integrated Operations Management System, the Company sets objectives and targets relating to the reduction of occupational and operational incidents involving direct employees, contractors, customers and the general public, given Comgás activities in urban areas and communities.

Already internalized in the organizational structure, the system has a series of indicators. One of them is the frequency of occupational incidents resulting in leave; in 2013, there were 0.08¹ incidents per million man-hours worked, a figure that is comparable with the figures of the top oil and gas companies in the world.

In addition to people safety, there is asset safety, which refers to the integrity of the network, which is in constant expansion. Represented by another indicator—the Asset Integrity basket—it recorded significant results in 2013.

This is a result of the mitigation of risks to the natural gas distribution system, ensuring the network's maintenance, the interface with other concessionaires, the minimization of third-party damage, the creation of operating training plans, and the reduced greenhouse gas emissions.

The targets for 2014 include ensuring compliance in applying the operational training in the field, with the target of 85%, a reference percentage in several studies on inspection efficacy in the field of health and safety requirements. The Asset Integrity basket is maintained in order to ensure the improved operational safety of the Comgás' distribution system.

¹ The 0.08 rate of injuries resulting in leave was calculated based on the methodology used in the oil & gas sector: (Number of accidents/man-hour worked)*1,000,000 man-hours worked. This figure corresponds to 0.016 according to the GRI methodology, whose multiplying factor is 200,000 man-hours worked.

Aspect: Product and Service Labeling

PR5 Results of surveys measuring customer satisfaction

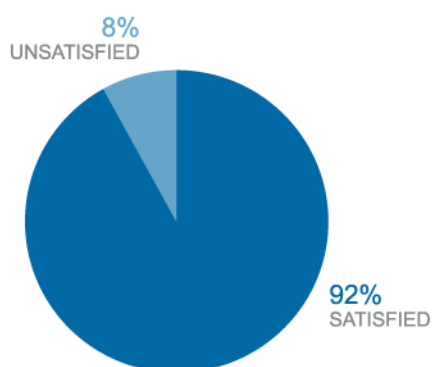
The Customer Satisfaction Survey is carried out every year using forms to be applied door-to-door or on the phone with residential, commercial and industrial customers.

Conducted for 14 years, it is a quantitative survey with a sample of 1,159 interviews, maximum error of 4%, and a reliability rate of 99%. The survey is conducted in São Paulo, São José dos Campos, Santos, and Campinas. This study also focuses on the attributes Arsesp considers important.

The questionnaires are customized by type of client and evaluate 29 impact and 13 image attributes. Sample selection is random and based on Comgás's customer list—encompassing men and women, as well as companies of different sizes and from different sectors.

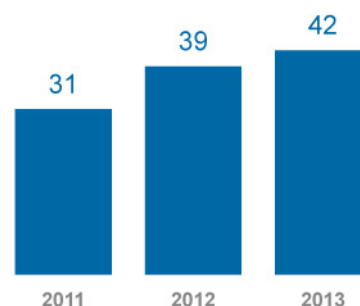
Overall, the services provided are evaluated well, ranging from "good" to "very good". Customer perception of the brand's image is also very positive. Residential clients prioritize attributes like safety, convenience, and price. For commercial and industrial clients, on the other hand, what matters most is service agility, clarity, and efficiency.

Satisfaction by attribute



For residential clients, the exclusive use of gas in stoves (41%) has been decreasing compared to previous years, indicating a better penetration for other natural gas uses. Using natural gas to heat water increased by a significant 12 p.p., from 8% in 2012 to 22% in 2013. Using it to heat shower water has also continued to increase—from 31% in 2011, to 39% in 2012 and 42% in 2013.

Use of NG to heat shower water (%)



Based on the results of the satisfaction surveys, Comgás found opportunities for improvement in the customer relationships, such as:

- Enhance the convenience benefit as well as the excellence perception in regard to supply quality and safety.
- Extend and enhance the benefit options reported in communication channels with customers.
- Explore opportunities offered by customer care and relationships, focusing on speed, transparency and efficiency in problem solving.
- Reaffirm concepts such as reliability, robustness and strength in customer relationships.
- Responsiveness, timeliness and clarity in collections are always opportunities for improvement.
- Every channel of communication with the customer should be strengthened.

Radar Indicators

Organizacional Profile

G4-10 Employee profile

In 2013, Radar had 24 employees in total. All employees are contracted for an undetermined period of time and work full time, being located in São Paulo, the capital and the countryside.

Employees by level	2012		2013	
	Men	Women	Men	Women
Executive Board	2	0	2	0
Management	2	0	4	0
Supervision/coordination	4	1	2	1
Technical/leadership	0	0	0	1
Administrative	7	6	8	5
Operational	1	0	1	0
Total by gender	16	7	17	7
Total	23		24	

Employees by region	2012		2013	
	Men	Women	Men	Women
São Paulo countryside	1	0	1	0
São Paulo	15	7	16	7
Total by gender	16	7	17	7
Total	23		24	

Economic Indicators Aspect: Indirect Economic Impacts

EC8 Significant indirect economic impacts, including the extent of impacts

Radar has identified positive indirect economic impacts, such as:

- Employment generation and triggering of services by the leaseholders;
- Improvements in environmental conditions, in relation to soil, surface water and biodiversity conservation, through the adequacy of properties to meet current legislation

such as Law No. 12.651/2012, which requires the land-owner to protect and/or restore permanent preservation areas and native vegetation remnants;

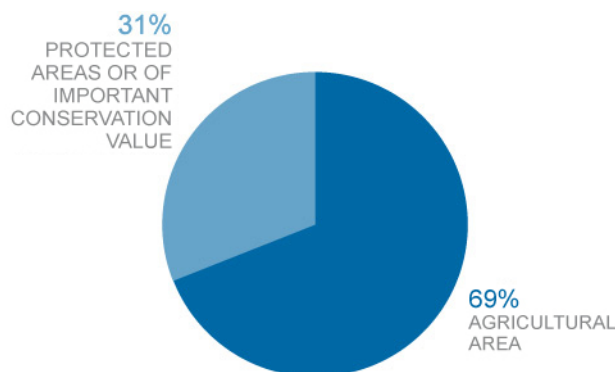
- Improvements in working conditions, in consideration of NR 31, a Labor Law regulatory norm regarding agriculture, livestock, forestry, logging and aquaculture;
- Influence over the price of agricultural land in the locations where it operates.

Environmental Indicators Aspect: Biodiversity

EN11 Location and size of operational sites owned

Radar has a total land portfolio of 232 thousand hectares, of which 71,628.27 are located in or adjacent to protected areas or of important conservation value. Located in the states of São Paulo, Goiás, Minas Gerais, Mato Grosso, Bahia, Maranhão, Piauí and Tocantins, these areas are distributed as follows:

Land portfolio¹



¹ In 2012, an area of land within and adjacent to protected areas, APA, state park and conservation areas was reported. In 2013, a more comprehensive survey on protected areas or with high biodiversity value, considering APPs and legal reserves, was carried out, which has increased the area.

Approximately 95% of the registrations contain protected areas such as permanent preservation areas (APPs) and legal reserves (RL), where:

- 102 registrations are located in priority areas for biodiversity conservation;
- 5 properties are adjacent to legally protected areas (conservation units – UCs);
- 6 properties are located in conservation units (state of São Paulo);
- 2 properties are partially located in conservation units' protected areas (states of Bahia and Tocantins).

Biodiversity is characterized by terrestrial (vegetation types) and freshwater ecosystems (springs, rivers, lakes and floodplains), protected by Federal Law 12651/2012

and by Federal Law 9985/2000. All states of conservation are seen, from open areas with human impact to large areas with conserved primitive vegetation. The classification follows the national and state legislation (primary vegetation, advanced secondary, middle secondary, early secondary and pioneer vegetation).

In 2014, the property portfolio continued the process of environmental compliance with current legislation, which involves the regularization of legal reserves, the recovery of APPs and registration in the Rural Environmental Registry (CAR).

Aspect: Products and Services

EN27 Extent of impact mitigation of environmental impacts of products and services

Radar created the Environmental Policy with the objective of mitigating the impacts caused by its tenants' operation. To ensure its implementation, the company made periodic visits to the properties, with the intention of monitoring the environmental control measures and proposing mitigation measures for negative situations.

Called Site Visit, the methodology consists of a descriptive report on the parameters related to promoting environmental sustainability, respect for labor relations and human rights, the conservation of natural resources, waste disposal, maintenance of the internal infrastructure and pollution control. Implemented in 2013, this methodology has been improved and applied throughout the whole portfolio.

The main challenges identified were: erosion in agricultural area and internal access roads; waste control (waste and civil construction) from external sources; and soil contamination control by diesel oil. Another premise adopted for the mitigation of negative environmental impacts is the environmental regularization of rural properties belonging to Radar, fulfilling the obligations contained in Federal Law No. 12.651/2012, especially regarding the conservation and recovery of APPs and legal reserves. Additionally, regularization initiatives include the recovery of unprotected degraded areas, but with extreme ecological importance and/or high environmental fragility existing in the properties.

Mitigation measures should be implemented along with new monitoring to check the results planned for 2014. Continuity in the properties' environmental regulation process and registration in the CAR will also be given.

Aspect: Supplier Environmental Assessment

EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken

With 13 lessees currently, the company conducts periodic visits to properties with the intention of monitoring the operation and proposing corrective measures in relation to negative situations observed. Visits are made by the company technicians, with a checklist drawn from a previous study.

During these visits a visual audit is performed and soil samples are taken to check for contamination. The water analysis is done by lessees, whose report is forwarded to Radar. This methodology, called Site Visit, was initiated in 2013, and up to now, efforts have been made in the development and improvement of the checklist. The main environmental aspects observed relate to the promotion of environmental sustainability, the conservation of natural resources, waste disposal and pollution control.

When issues such as the presence of erosion in the agricultural area, pollution, water and soil contamination in their units are identified, mitigation measures are carried out by Radar in conjunction with the farm operator.

The partnership with the lessee may be terminated if non-compliance with any term contained in the contract occurs. In the case of noncompliance of some of these points, Radar requests the lessee to mitigate the impacts, thus maintaining the relationships with the lessees.

Social Indicators Aspect: Training and Education

LA9 Average hours of training per year

No training hours were recorded in SAP in 2013. For the next year, Radar intends to enhance the records control and perform new initiatives focused on employee training.

LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

All employees in the functional levels – board, executive board, management, leadership and coordination – have received individual performance reviews in 2013.

Employees receiving performance and career development reviews ¹	2012		2013	
	Men	Women	Men	Women
Total employees	16	7	17	7
Number of employees receiving performance evaluation and career development	16	7	17	7
% by gender	100	100	100	100
% of total	100		100	

¹ For this indicator, the number of Radar employees is different from other indicators presented in the report, since, in 2013, there were two cases of employee transfer and they were evaluated by the companies they worked before the transfer.

Aspect: Supplier Assessment for Impacts on Society

SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken

In periodic visits to the properties, the main social aspects observed refer to the labor relations and human rights and maintenance of internal infrastructure. Actual impacts as the non-use of personal protective equipment (PPE), accommodations not meeting NR31 standards, and unsatisfactory hygiene conditions were observed, and the main potential negative impacts were employing child labor and slave labor, degradation of buildings and facilities, roads poorly signposted and obstructed, poor transportation conditions for workers and noncompliance with labor legislation.

Since rural land that is commercialized has already consolidated agricultural use, there is no triggering of new social impacts on the surrounding communities. The historical agricultural use in regions where Radar operates generates absorption of the local workforce in the productive system, increased local income and maintenance of built infrastructure (roads, bridges, bus stops, etc.). The negative impact refers to the mobilization of a large amount of area (ha) by the company within a municipality, a fact that influences the expansion and development of the city.

The partnership with the lessee may be terminated should noncompliance with conditions set out in the contract occur. The most relevant point in the lease agreement refers to the prohibition of hiring child labor or employment of slave labor, under penalty of immediate termination.

Cosan Lubrificantes Indicators

Organizational Profile

G4-10 Employee profile

In 2013, the number of employees in Cosan Lubrificantes grew over the previous year, totaling 388 employees. Of this total, about 93% are contracted for an undetermined period of time and work full-time.

Employees by level	2012		2013	
	Men	Women	Men	Women
Executive Board	5	0	7	0
Management	31	6	47	8
Supervision/coordination	29	15	31	15
Technical/leadership	20	8	21	7
Administrative	28	36	36	38
Operational	130	19	128	24
Trainees	0	0	0	0
Third parties	0	0	0	0
Apprentices	0	0	0	0
Interns	10	7	12	14
Total by gender	253	91	282	106
Total	344		388	

Employees by labor contract	2012		2013	
	Men	Women	Men	Women
Fixed term	10	7	12	15
Indefinite term	243	84	270	91
Total by gender	253	91	282	106
Total	344		388	

Employees by employment type	2012		2013	
	Men	Women	Men	Women
Full-time	242	84	270	92
Part-time	11	7	12	14
Total by gender	253	91	282	106
Total	344		388	

Employees by region	2012		2013	
	Men	Women	Men	Women
São Paulo countryside	0	0	4	0
Rio de Janeiro	86	36	103	39
Rio de Janeiro island	164	50	168	61
Santos	0	0	1	0
São Paulo	3	5	6	6
Total by gender	253	91	282	106
Total	344		388	

* Number does not include the 210 employees located in England and other countries in Europe and Asia.

EC8 Significant indirect economic impacts, including the extent of impacts

Cosan Lubrificantes' annual growth reflects the local economy, creating jobs and opportunities and stimulating small and medium suppliers (civil construction, cleaning, maintenance, allocation of labor and acquisition of raw material segments). Third-party companies, for example, mobilize their teams during a certain period of time to engage in sectors such as hotels, food or transportation.

Most of the activities are performed by labor hired locally - 82% of employees who work in dry cargo truck loading are residents of the adjacent community of Ilha do Governador, in Rio de Janeiro, where the business plant is installed. Every substantial growth spurt of Cosan Lubrificantes generates positive impacts on the local economy.

The information of the company's plans is passed on to the main public bodies such as the District City Hall of Ilha do Governador, and to community representatives. In 2014, the company will seek productive growth, inducing the continuous increase in the volume of base oil and finished oil.

Environmental Indicators Aspect: Biodiversity

EN11 Location and size of operational sites owned

The complex of Governor's Island has the following coordinates: latitude 22°49' and longitude 43° 09', measuring 63,000 m², and is adjacent to a protected area high in biodiversity value. Baía de Guanabara (Guanabara Bay) is an important marine ecosystem, called a tropical estuary.

Studies on this ecosystem are still limited. The latter was led by the Petrobras Research Center (Cenpes), and noted that the system renews itself every 11 days, and in this process, the saltwater daily enters beneath due to the tidal forces and the present current is driven out on top. The study also revealed that there is high biodiversity in Baía, with clusters of marine and terrestrial species.

Because it operates in the manufacture and production of lubricating oil and grease, the impacts generated by Cosan Lubrificantes are minimal. Investments in recent decades have been made for an efficient operational control, preventing the flow of pollution to Baía de Guanabara. All effluents generated are analyzed, taking into account environmental parameters required by the laws in force.

The company participates in the Baía de Guanabara Area Plan (PABG) Committee. Presented to the Department of Environment of the State of Rio de Janeiro in 2013, it is a mutual and integrated plan that foresees emergency and contingency actions in a scenario of great impact on Baía. The PABG is comprised by 33 companies operating around the Baía and by government agencies such as Civil Defense and State Environmental Institute (INEA). Nowadays, the active pollution of Baía is connected to the discharge of untreated wastewater from the surrounding community, as well as other unlicensed industrial activities.

In 2014 the company outlined some goals to minimize environmental impacts on Baía de Guanabara:

- Install a filtration system in the Water and Oil Separator

Economic Indicators Aspect: Indirect Economic Impacts

Box (CSAO), providing higher efficiency.

- Continue the study of emissions of greenhouse gases in the environment in order to find new control measures and invest in technologies that minimize emissions.
- Operationalize the PABG, conducting drills and trainings for operational staff of the companies.
- Through the National Union of Fuel and Lubricant Distribution Companies (Sindicom) or the PABG Committee interfaces, Cosan Lubrificantes seeks to foster shared investments in biodiversity studies of Baía.

Aspect: Effluents and Waste

EN24 Total number and volume of significant spills

In 2013, there were two occurrences of leaks and spills, and in both cases the operation was fast and effective, without incurring significant environmental impact. Cosan Lubrificantes has an Emergency Response Procedure, which is immediately activated in case of major spillages. The control is done by emergency response specialized companies, both in the lubricants plant and in transporting the product, with coverage of the entire national territory.

Total volume (m³)	Spilled material per incident	Impacts
15 m³	Spillage in a contained area during pump to tank operations	The spill occurred in a contained area and did not cause significant environmental impacts.
.05 m³	Oil spill on the waterfront	Small spillage of oil in Baía. The spill was immediately controlled, minimizing impacts.

Transporters and distributors are publicly relevant to the business chain and involved in the control practices and mitigation of impacts arising from the activities. As such, their tasks should be performed in a manner consistent and compatible with the company policies and objectives. Suppliers go through a qualification process for a performance review, for audits and external reviews. Cosan Lubrificantes also manages incidents and near incidents that happen in the chain of transporters and distributors, besides conducting training and assisting in the investigation process and cause analysis.

Cosan Lubrificantes prepared an emergency plan for pollution incidents at sea, where responsibilities and procedures to control and fight spills are defined. Ships get guidelines about the risks of the activity, the impacts that may be caused and guidance on waste disposal.

For 2014, the company intends to continue reducing the number of spills and achieve zero environmental impact, working more effectively with the Baía de Guanabara Area Plan. The company also intends to invest in the pier, aiming to minimize the likelihood of spills, and in the Water and Oil Separator Box for more efficiency in the separation process, increasing effluent quality.

Aspect: Products and Services

EN27 Extent of impact mitigation of environmental impacts of products and services

To establish continuous improvement in the manufacturing process, through the Health, Safety and Environment Committee, Cosan Lubrificantes achieved the following reductions in 2013:

Initiatives in 2013	Description	Reductions achieved
Water use	The waste of water was one of the items listed in Programa Vigilantes. The company acted with awareness strategies.	10% reduction
Emissions	According to a greenhouse gas (GHG) comparative inventory, there were increases in the qualitative survey in three scopes.	There was no reduction, only an increase.
Effluents	Considering that the effluent is the liquid waste resulting from industrial processes, we can not say that we generate waste in our production process (manufacture of lubricants). However, effluents are generated in our tank areas by rain. In the year of 2013 we had the highest level of rainfall resulting in the increase of our effluent generation.	There was no reduction, only an increase.
Noise pollution	Change in the trucks' circulation schedule, mitigating the impact on traffic and reducing noise pollution.	There were no complaints in the period.
Waste	Reducing the waste generation through Programa Vigilante. The goal of reducing the generation of contaminated and uncontaminated waste was 1.0%, based on the unit (tons per barrel produced).	Contaminated waste: 10% and not contaminated: 15%

With the participation of employees, the Programa Vigilantes (Watchers Program) was created to identify the largest waste and establish reduction actions. The initiative emphasized the commitment of the workforce, which has registered several ideas on how to save and optimize processes. The program has generated significant results, and the expectation for 2014 is a 10% reduction in water and electricity consumption indicators.

The company also intends to move forward in maintenance control, minimizing the pollution load generated from spills and reducing waste generation by 10%, due to the selective collection program.

EN28 – Percentage of reclaimed products and their packaging materials in relation to the total products sold, by product category

Cosan Lubrificantes meets Environment Ministry (CONAMA) Resolution No. 362/2005 and Ministerial Decree No. 464/2007, and performs the collection of oils and containers of used or contaminated lubricating oil (OLUC). In a joint action with the National Union of Fuel and Lubricant Distribution Companies (Sindicom), Cosan Lubrificantes and other lubricant companies have assumed the commitment of collecting used or contaminated lubricants

to be refined again. Part of the collected oil returns to the production of Cosan Lubrificantes. The collection of used and contaminated bottles for recycling is accomplished through the Programa Jogue Limpo (Play Clean program).

In 2013, the company recovered more than 58 thousand tons¹ of products at the end of their useful life, recovered 458 tons² of packaging and reused 916 tons.

Percentage of reclaimed products and their packaging, by product category (%)	2013
Lubricants segment	37.40
Reclaimed (plastic packages) ³	17.25
Reused (200l barrels)	100.00

According to current legislation, the 2014 used oil collection targets in each region are:

Northeast: 30%
North: 30%
Central-West: 34%
Southeast: 42%
South: 37%
Brazilian Target: 38.1%

¹ The collection control is made in liters; for conversion to tons an average density of contaminated used oil was used, provided by the company lab.

² Regarding the packages, Cosan Lubrificantes' figures are based on Programa Jogue Limpo. This program establishes used packages collection centers, which are sanitized and recycled.

³ For plastic packages, in 2014 the market share applied will be 16.24%.

Aspect: Supplier Environmental Assessment

EN33 – Significant actual and potential negative environmental impacts in the supply chain and actions taken

In 2013, 63 suppliers underwent social and environmental review. In total, Cosan Lubrificantes maintains 70 suppliers – seven companies collecting OLUC, 12 working with transportation and disposal of waste, 14 transportation companies and 37 ship operators.

The company seeks suppliers recognized in the market and studies the companies' history before hiring them. The suppliers are advised regarding Cosan Lubrificantes' Health, Safety and Environment Policy, and on the requirements for the necessary licenses. Companies that perform waste disposal, for example, are required to have an operating license from the competent environmental agency and participate in the Solid Waste Management Plan.

All services presenting Health, Safety and Environment exposure risks are pre-qualified, following the structure and procedures of the Integrated Operations Management System (SIGO). Certified by major international standards, SIGO is a management benchmark for the industry and has its guidelines stipulated in accordance with the essential requirements such as the ISO 14001:2004 certification. This process includes the qualification according to the activity risk and a development plan and performance eval-

uation, allowing for suppliers' continuous evolution as to the legal requirements and activities' risk management.

According to a study, it was proven that 98% of atmospheric emissions from Cosan Lubrificantes' operations are derived from transportation of products (scope 3 greenhouse gas report). Besides emissions, another risk is the possible contamination by road accidents or improper disposal of collected waste. However, to curb the effects and occurrences of this nature, policies and procedures for the prevention and mitigation are developed, as is the case with the qualification and audit process for transportation, along with the development of emergency plans aimed at minimizing further problems with regard to the environment. In 2013, there were no cases of terminations or interruption of contracts.

Labor Practices and Decent Work Aspect: Occupational Health and Safety

LA6 Rates of injury, occupational diseases, lost days, and absenteeism

Even with excellent occupational safety results, after 17 years Cosan Lubrificantes registered one lost day accident. The occurrence reaffirmed the need to remain vigilant and redouble attention in areas or procedures already considered safe. Since then, the company has reinforced the permanent goal of building a new safety record, in order to be equally or more consistent and lasting than the previous one.

No work-related fatality was registered in the year and the injury rate was 0.20, considering the average of 386 contractors and 388 employees (282 men and 106 women), working 220 hours a month. There were 69 lost days and an absenteeism rate of 7. This estimate attends the NBR 14280 and is aligned with OHSAS 18001:2007.

LA7 Workers with high incidence or high risk of diseases related to their occupation

According to the results of the annual report of the Programa de Controle Médico de Saúde Ocupacional (Program for Medical Control of Occupational Health (PCMSO)), no cases of occupational diseases were registered in 2013. This fact demonstrates that although some activities are exposed to chemical, physical and ergonomic risks, the control measures in place help to mitigate negative impacts and employees' exposure. Some risks identified are associated with deafness, lung disease, and lower back problems, among others.

There are opportunities for improvement through the Program for Medical Control of Occupational Health for the company contractors. After analyzing the main causes of

sick leave of that group, an action plan will be structured in the field of occupational medicine in order to minimize absences due to contractors' sick leave.

To achieve these results, the company conducts annual functional training plans for operational and administrative positions and for third parties, according to the tables below:

Assistance programs regarding serious diseases								
Covered by the program	Education/Training		Counseling		Prevention/Risk control		Treatment	
	Yes	No	Yes	No	Yes	No	Yes	No
Employees	x		x		x		x	
Employees' families		x		x		x	x	
Third parties	x		x		x		x	
Third parties' families		x		x		x		x
Community members		x		x		x		x

Description of programs	
Educational/Training	Educational lectures during Accident Prevention Week (SIPAT) and planned functional training in SIGO
Counseling	Safety Dialogues and Incident Prevention Observations (OPI)
Prevention/Risk control	Auto Safety Assessment, Task Safety Analysis and Risk Assessments
Treatment	Support from the partner network, monitoring by the occupational physician and health activities at the facility

Aspect: Training and Education

LA9 Average hours of training per year per employee by gender, and by employee category

In 2013, there were 493 hours of training in SAP. For the next year Cosan intends to improve this registration control and perform new actions focused on employee training.

Hours of training by gender	2012			2013		
	Employees	Hours	Hours/Employee	Employees	Hours	Hours/Employee
Men	253	346	1	282	482	2
Women	91	16	0	106	11	0
Total	344	362	1	388	493	1

Hours of training by employee category	2012			2013		
	Employees	Hours	Hours/Employee	Employees	Hours	Hours/Employee
Executive Board	5	0	0	7	8	1
Management	37	0	0	55	176	3
Supervision/coordination	44	139	3	46	152	3
Technical/leadership	28	131	5	28	145	5
Administrative	64	80	1	74	0	0
Operational	149	12	0	152	12	0
Interns	17	0	0	26	0	0
Total	344	362	1	388	493	1

LA11 Percentage of employees receiving performance reviews

About 30% of Cosan Lubrificantes' employees received performance reviews in 2013, which are applied to the following functional levels: board, executive board, management, leadership and coordination. For other employees, some areas apply other forms of review, such as feedback.

Employees receiving performance and career development reviews	2012		2013	
	Men	Women	Men	Women
Total employees	253	91	282	106
Number of employees receiving performance evaluation and career development	70	19	93	21
% by gender	28	21	33	20
% of total	26		29	

Society Aspect: Local Communities

SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs

To identify development and engagement programs in local communities in its operations, the company participates in the community council of Ilha do Governador, which holds bimonthly meetings on the 17th Battalion (Military Police). The company also sponsors social projects, supports events and assesses the impacts that the production can cause in the community.

The company has an operational control environment, monitoring its activities through a CCTV system 24 hours a day. This environment has a direct connection to the 17th Battalion and to the Fire Department, enabling efficient communication in a case of emergency.

In 2013, five cases were registered, one related and four unrelated to the company's operations. In addition, community members have access to a phone number that is available 24 hours a day, with staff prepared to answer, refer and settle community complaints.

The target for 2014 is to further narrow the relations between the Lubrificantes and the Ilha do Governador community, and maintain a low level of complaints linked to the company. It is also expected to increase investments through a project of sports and music education, as well as continue to improve the central square infrastructure for routine activities of the surrounding population.

Aspect: Supplier Assessment for Impacts on Society

SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken

Cosan Lubrificantes owns transporters that participated in previous reviews, and received instructions before the start of the contract. The company holds training courses with the drivers in order to minimize the social impacts and guide them about the company's procedures.

Cosan Lubrificantes' main operation is located in a residential area, with shops and houses around the factory. The main visible impact on the population is related to the increased flow of trucks entering the plant, to provide inputs or to load the finished products. This flow of trucks may cause impacts such as: noise, traffic, poor road conditions, minor accidents on the route and parking in inappropriate locations.

Cosan Lubrificantes has a property security team, located on the factory main access road, to guide drivers, monitor their movements, analyze complaints and provide necessary clarifications. In 2013, there was only one relevant complaint, ensuring the company's commitment to generating minimal impact on the local community.

Also in 2013 no contracts with suppliers were terminated, due to impacts on society. In the case of occurrence, each situation is investigated and corrective measures are taken.

Cosan Lubrificantes is committed to identifying, eliminating or managing risks to occupational health and safety, maintaining ongoing efforts to improve environmental performance in all its activities. Accordingly, the company's policy includes the following activities:

- Encourage awareness and respect for health, safety and the environment, emphasizing the responsibility of all employees and contractors and ensuring that adequate training and operational practices have been adopted;
- Manage the business, avoiding incidents and controlling emissions, waste and risks at levels below the established limits. Design, operate and maintain facilities for this purpose;
- React quickly and effectively to incidents resulting from its operations, in collaboration with industry organizations and government agencies;
- Commit to continuous improvement of its performance in HSE management, enhancing methods of preventing pollution, occupational injuries and diseases while also improving its ability to conduct operations.

For 2014, the company will update procedures in order to continue meeting existing legislation or to establish identified improvements in audit processes. Also, the company will structure a plan to meet the latest updates from GHS (chemical products classification and labeling system) and NR 16 (regulatory norm on hazardous activities), while restructuring the legal requirements control process, in order to meet all recent updates, with national and international coverage.

Product Responsibility Aspect: Customer Health and Safety

PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Quality and safety procedures are applied to 100% of the significant categories of products or services. Cosan has all rights reserved for the production and marketing of Mobil-branded products; however, the entire development concept remains under ExxonMobil responsibility.

Safe management of chemical products includes declaring its hazards to all potentially exposed persons, including employees who work in the manufacturing processes and use these products daily in various activities. The company only offers products that meet or exceed the specifications of quality, performance, documentation and compliance with regulatory and legal requirements. In addition, the company holds ISO 9001 (Quality) and ISO 14001 (Environment and Safety) certifications and undergoes audits attesting the product control and its production process.