

SUSTAINABILITY REPORT

2015 – 2016



CONTENTS

FOREWORD	3
Defining what matters	4

STATEMENT FROM THE CEO	5
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COSAN IN NUMBERS	7
-----------------------------	----------

PORTFOLIO MANAGEMENT	10
Governance practices	11
Transparency and ethics.....	13
Talent management	13

COSAN S.A.	14
-------------------	-----------

Raízen	15
Comgás	23
Moove	30
Biomass	36

COSAN LOGÍSTICA	37
------------------------	-----------

Rumo	38
------------	----

GRI CONTENT SUMMARY	47
--------------------------------	-----------

EDITORIAL TEAM	50
-----------------------	-----------

FOREWORD

G4-3; G4-4; G4-5; G4-6

“CREATE VALUE FOR DEVELOPMENT AND TRANSFORMATIONAL STRATEGIES THAT ARE SUSTAINABLE OVER TIME.”

Inspired by this vision, Cosan – one of the largest private groups in Brazil – operates in two industries that are crucial for the country’s development: Energy and Logistics.

Headquartered in São Paulo, Cosan operates through its subsidiaries in fuel and natural gas distribution, sugar and ethanol production, production and distribution of lubricants and automotive specialty products, and rail and port logistics.

Cosan’s portfolio management approach is focused on ensuring operational excellence and sustainability. Dedicated teams for each business create a sense of ownership and improve efficiency in delivering results.

- standard disclosures
- cross-cutting material issues
- specific material issues

DEFINING WHAT MATTERS

GRI G4-17; G4-18; G4-19; G4-20; G-21; G4-22; G4-23

COSAN PERIODICALLY REPORTS ON ITS SOCIAL

environmental and economic performance in accordance with Global Reporting Initiative (GRI) guidelines. Prepared in accordance with the core option, its priority performance indicators have been established through a materiality process to identify issues that are relevant and essential in informing the decisions of its management and stakeholders.

The issues identified in the materiality process in 2013 were revisited in 2016 to reflect significant developments in the intervening period, such as the Rumo merger with ALL, and as an opportunity to develop a new approach to engaging its busi-

nesses around sustainability management and reporting.

Report disclosures cover general issues directly linked to attracting investment and creating financial value, as well as industry-specific issues. Inputs into the materiality process were drawn from senior leaders at Cosan and each subsidiary.

Cosan evaluated the importance and applicability of issues to its businesses and industries and focused on those aspects that are material to the organization (issues that could result in economical and social or environmental impacts or significantly influence stakeholders' perceptions and decisions).

raízen	comgas	móve	
Economic performance	Economic performance	Economic performance	Economic performance
Overall Profile	Overall Profile	Overall Profile	Overall Profile
Health & Safety (people)	Health & Safety (work environment and asset integrity)	Health & Safety (work environment and surrounding communities)	Health & Safety (work environment and surrounding communities)
Value chain (tenants and resellers)	Value chain (suppliers)	Value chain (distributors)	Value chain (drivers and third parties)
Social and economic development	Institutional and regulatory environment	Operating eco-efficiency	Product integrity
Energy & emissions	Customer relations	Product quality	Institutional and regulatory environment
Environmental and transportation impacts	Technology	Technology	Particulate and greenhouse gas emissions

STATEMENT FROM THE CEO

G4-1

WE HAVE MADE SEVERAL STRATEGIC MOVES IN RECENT YEARS WITH FOCUS ON CREATING SUSTAINABLE SHAREHOLDER VALUE AND IMPROVING OUR OPERATIONS.

In 2015-2016 we successfully delivered stronger results while maintaining high levels of safety and efficiency. This was achieved through capital allocation discipline and careful management approach that provides our businesses with sufficient independence but also accountability, controls and good governance. Our results were even more valuable considering the challenging economic environment, with political instability and economic turbulence taking a heavy toll on Brazil's business environment.

We faced major challenges in all of our businesses, but we took this opportunity to strengthen our company and make it even more efficient.

Raízen weathered a period of falling fuel consumption, while Moove faced even weaker demand for lubricants. Comgás successfully navigated the adverse conditions caused by industrial contraction and Rumo faced a severe credit crunch and unprecedented grain crop shortfall.

The expansion of Raízen Combustíveis' service station network helped to maintain sales volumes amid a market contraction.

The company also made further progress in payment methods and continued efforts to improve the customer experience across the Shell network.

Raízen Energia made significant progress in improving efficiency and applying new technologies to ensure healthy returns despite the commodity cycle. We also reiterate our belief in the potential of ethanol and remain confident that it will expand its share in the energy mix through a continuous drive for economical and environmental efficiency. Ethanol and cogeneration will play an important role as global demand for cleaner energies rises.

As for Comgás, the adverse effects of sharp decline in natural gas industrial consumption in São Paulo were offset by cost-cutting and efficiency initiatives. We delivered excellent results in expanding the network and saturating the residential and commercial segments. Our focus on innovation and developing new applications for natural gas was also crucial in taking the company to a new level.

Moove has continued to deliver on its internationalization strategy. Comma's turnaround and our excellent debut performance in Spain demonstrate that we can operate in these markets as efficiently as we do in Brazil.

Under Cosan management, Rumo implemented a major turnaround that has created new jobs, minimized accidents and improved the quality of the rail network for the export of agricultural

commodities. By investing judiciously and efficiently, we achieved cost reductions and growth despite adverse conditions.

I also believe that our divestment of Radar in 2016 was a sound decision. Created within Cosan, the business had grown and matured to a point where it made less sense to keep it in the portfolio. The new controlling shareholder, together with Radar team will now have the opportunity to aspire to new heights. We have retained a stake in the company due to our expertise in the business, but with virtually no capital exposure.

At Cosan Biomassa we entered into a partnership with Sumitomo Corporation and expect 2017 will bring a more favorable environment for growth.

Cosan made a number of strategic moves in recent years with focus on creating sustainable shareholder value and improving operational efficiency in all businesses. Proforma Net revenues in 2015 was R\$ 47.6 billion, up 19 percent from 2014, and Proforma EBITDA was R\$ 6 billion, an improvement of 56 percent over the previous year. In 2016, Proforma Net revenues was R\$ 51.9 billion, an increase of 9 percent, and EBITDA was R\$ 7.5 billion (25 percent higher than in 2015), a new record for Cosan.

Internally there is still much to do to further strengthen our reputation as managers of an asset portfolio with the capability to build progressive value.

These have been 24 months of hard but ultimately rewarding work. We ended the period with a sense of pride in demonstrating what a team of talents and effective management can accomplish.

This report tells these stories in detail.

I hope you find it interesting and informative.



MARCOS LUTZ

Chief Executive Officer, Cosan Limited

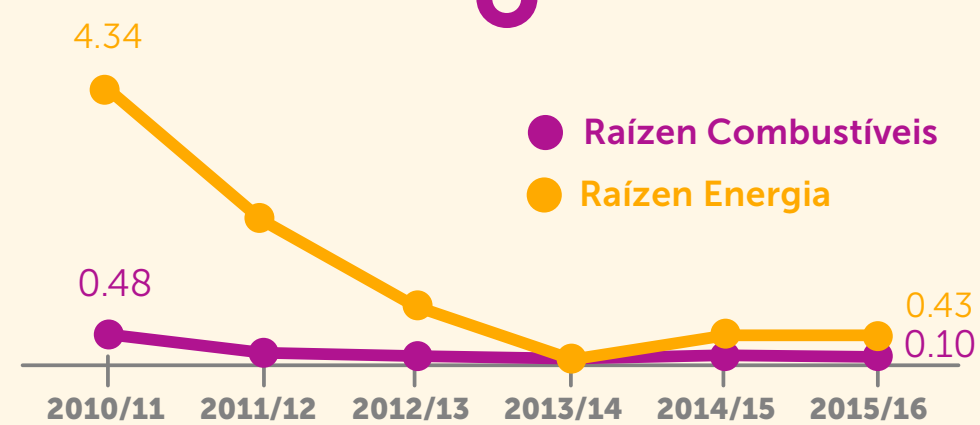
COSAN IN NUMBERS



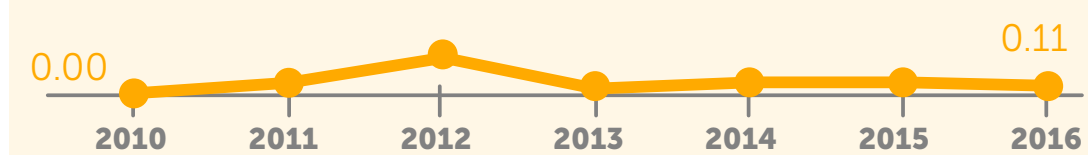
COSAN IN NUMBERS

A commitment to safety - LTIF*

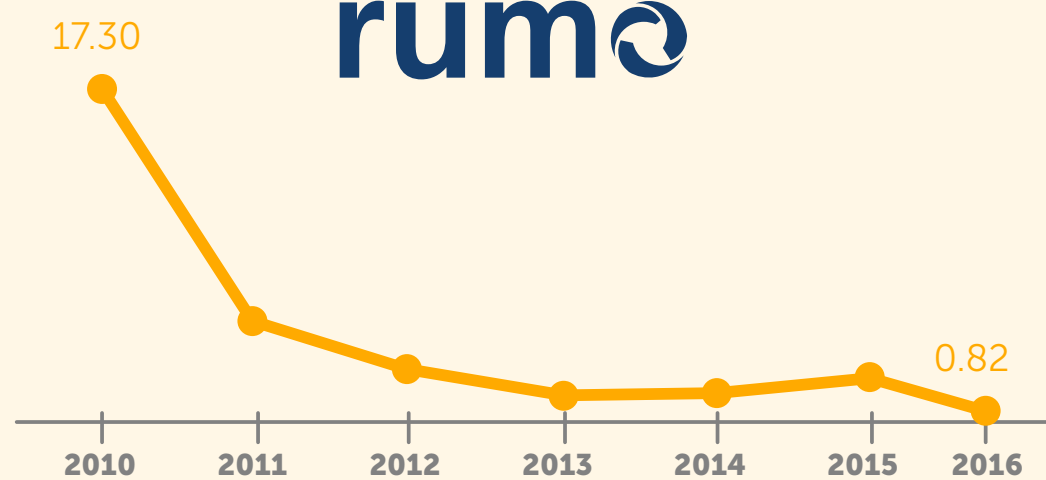
raízen



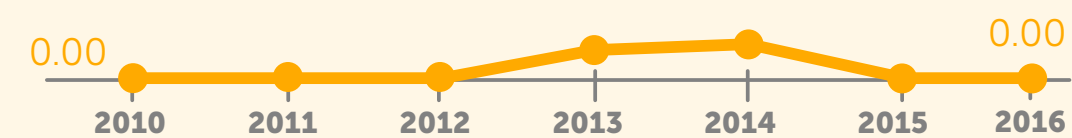
comgas



rumo



move



*LTIF = "Lost Time Injury Frequency".

COSAN IN NUMBERS

COSAN LIMITED PROFORMA ¹ (BRL mln)		NET REVENUES		EBITDA		NET INCOME	
		2014	39,841		3,836		160
		2015	47,570		5,989		406
		2016	51,889		7,476		278
COSAN S.A. PROFORMA ¹ (BRL mln)		NET REVENUES		EBITDA		NET INCOME	
		2014	38,926		3,552		280
		2015	43,841		4,363		580
		2016	47,007		5,538		1,036
COSAN LOGÍSTICA (BRL mln)		NET REVENUES		EBITDA		NET INCOME	
		2014	915		322		104
		2015	4,038		1,661		30
¹ Includes 50% of Raízen		2016	5,015		2,026		207

PORTFOLIO MANAGEMENT

GOVERNANCE PRACTICES

TRANSPARENCY AND ETHICS

TALENT MANAGEMENT



PORTFOLIO MANAGEMENT

G4-3; G4-4; G4-6; G4-7; G4-8; G4-9

COSAN LIMITED (CZZ) IS THE HOLDING COMPANY OF COSAN S/A (CSAN3) AND COSAN LOGÍSTICA S/A (RLOG3) – both publicly traded companies listed on the São Paulo Stock Exchange (BM&FBovespa) in accordance with Novo Mercado listing rules, which places them among a select group of Brazilian-based companies adhering to superior corporate governance standards.

In 2014, CZZ's role as the Group's holding company was enhanced in portfolio management, control and governance of operating subsidiaries and capital allocation. This strategy was designed to increase the focus, transparency and independence of each business and is already reflected in the operational performance of operating subsidiaries.

Through this structure and by remaining continually attentive to new opportunities, Cosan has achieved an optimal balance between energy and logistics, local and global exposure, and risks and returns, to develop a unique and unparalleled portfolio of assets.

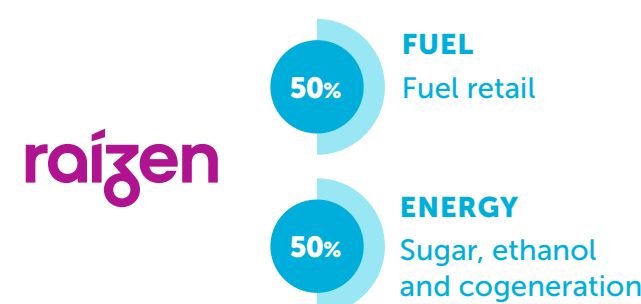
Cosan Limited "CCZ" - NYSE

Cosan Limited (CZZ) is listed on the New York Stock Exchange (NYSE) and was the first US-listed Brazilian company to comply with Sarbanes-Oxley Act (SOx) requirements. In addition to NYSE standards, Cosan Limited is also subject to Securities and Exchange Commission (SEC) requirements.

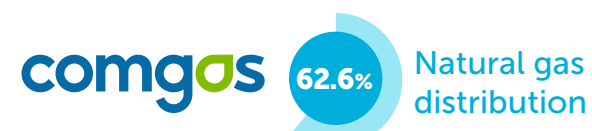
cosan
"CSAN3"
62.2%

cosan
logística
"RLOG3"
72.2%

ENERGY



A joint venture between Cosan and Shell, Raízen is one of Brazil's largest fuels distribution companies, the country's leading producer of sugar cane ethanol and the world's largest individual exporter of cane sugar.



Brazil's largest natural gas distributor, Comgás serves 1.7 million customers in the state of São Paulo, including residences, commercial establishments, industrial plants and vehicles.



Moove is one of Brazil's largest lubricant players and a leader in the premium segment. The company also supplies base oil and produces and markets automotive specialty products. Under the Mobil, Comma and Zip lube brands, Moove has presence in South America, Europe and Asia.



A concessionaire operating more than 12 thousand kilometers of Brazil's rail network, Rumo offers a modern, integrated logistics platform, improving efficiency in the outbound shipping of Brazilian agricultural commodities.

Other businesses*

Cosan is continually attentive to new business opportunities in the industries that it operates. In energy, Cosan has invested in power generation from sugarcane biomass pellets, an innovative program funded by Financiadora de Estudos e Projetos (FINEP). Founded in 2010, Cosan Biomassa set up a joint venture with Sumitomo Corporation of Japan in 2016 to strengthen investments in this segment.

** As it is not yet operational, Cosan Biomassa is not included in the social and environmental disclosures in this report. G4-17*

Discontinued businesses

In 2016, Cosan completed the sale of a stake in Radar to Mansilla Participações, a vehicle within TIAA (Teachers Insurance and Annuity Association of America), for a total of R\$ 1.04 billion. Cosan has maintained a stake in Radar due to its expertise in the agricultural land management business.

Created in 2008 in response to growing global food demand, Radar uses state-of-the-art geo-processing and agri-meteorology technology in land management across eight Brazilian states.

PORTFOLIO MANAGEMENT



READ MORE about the different levels of governance and their roles at

<http://ir.cosanlimited.com/enu/councils-committees-and-board>

GOVERNANCE PRACTICES

G4-34

CORPORATE GOVERNANCE AT COSAN LIMITED is exercised by the Board of Directors and the Executive Board and its Committees.

Board of Directors

The Board of Directors sets out general guidance and policies for the businesses. It also oversees senior management and monitors the implementation of established policies and guidelines.

The board is composed of at least seven and at most twenty members appointed by Cosan shareholders at the annual general meeting for two-year, renewable terms. Members may be discretionally removed at any time by shareholders at a general meeting.

Executive Board

Composed of professionals appointed by the Board of Directors of Cosan Limited, the Executive Board is responsible for managing the conduct of business and implementing established guidance and strategies.

Business independence

While ensuring group-wide consistency in policies and practices, Cosan affords each business the independence needed to tailor its business approach to the market where it operates, in synergy with the overall strategy at the top.

Committees

Five committees support the Board of Directors:

AUDIT

The Audit Committee is responsible for hiring, terminating and supervising the independent auditors.

RISK MANAGEMENT

The Risk Management Committee discusses and proposes hedging policies.

EXECUTIVE RISK COMMITTEE

The Executive Risk Committee monitors macro-economic and industry developments and establishes risk mitigation strategies.

COMPENSATION COMMITTEE

The Compensation Committee reviews the compensation and benefits granted to officers and other non-statutory management members.

SUPERVISORY COMMITTEE

The Supervisory Committee assesses and makes recommendations on decisions involving R\$ 15 million to R\$ 60 million.

PORTFOLIO MANAGEMENT

TRANSPARENCY AND ETHICS

G4-56

VALUES SUCH AS TRANSPARENCY AND ETHICS UNDERPIN BUSINESS CONDUCT AT COSAN

and each of its businesses, and the respectful relationships the Company builds with its stakeholders.

Cosan's Code of Conduct outlines the behavior expected of employees at all levels, suppliers and partners, all of whom are required to sign an Accountability and Affirmation Statement. The Code of Conduct addresses issues related to hu-

man rights, discrimination, slave and child labor, conflicts of interest, the environment, health and safety.

Cosan provides an Ethics Channel where employees, third parties, suppliers and customers can report Code violations. This confidential channel is managed by an independent firm and reported concerns are referred to the Ethics Committee, which reviews each case and takes necessary action.

SOX Compliance

Through 399 controls, Cosan measures how well its practices comply with the Sarbanes-Oxley Act. In 2015, 98 percent of its controls were found to be effective, compared with a market average of 94 percent, according to the PricewaterhouseCoopers (PwC) audit. In 2016, 96 percent of controls were effective.

TALENT MANAGEMENT

HUMAN RESOURCES MANAGEMENT AT COSAN is focused on attracting, retaining and managing talent. To ensure the attraction of top talent and provide a healthy working environment that fosters employee engagement, Cosan establishes common, Group-wide principles while maintaining the independence of each business to manage its workforce.

The Company's continuing expansion through mergers and acquisitions, and the need for a wide range of competencies, augment the challenge of ensuring its people are prepared to take on new roles to support future growth. Cosan works with its divisions to attract, retain and develop talent through four major processes: leadership pipeline management, executive remuneration, engagement and culture.

This includes ensuring its professionals are motivated, engaged and under the leadership of people who embrace Cosan values and culture. Key executives from all subsidiaries attend periodic meetings for strategic alignment and to share best practices. These meetings provide an opportunity to improve integration among division heads and Cosan leadership. They are also a venue to discuss the challenges faced by the businesses and parent company.

Safety culture

Remaining consistently true to Cosan DNA while keeping the controlled companies independent is crucial to the development of each business.

As a non-negotiable pillar of its culture, safety is a priority at Cosan. A number of activities are in place at the Company to engage all levels of the company around safety. Among these are monthly meetings in which senior management meets with employees in 15- to 20-minute sessions to discuss safety. Each business also has safety forums, sends weekly safety e-mails, and runs other awareness, training and prevention initiatives. Safety indicators are evaluated monthly.

Engagement

Cosan believes committed and purposeful people are more productive. Employee engagement is measured through an annual survey conducted company-wide. This provides a consistent picture of the level of engagement and any required action.

The engagement survey assesses people's desire to remain with the company, the resources the organization provides to perform tasks, satisfaction with workplaces and leadership, among other attributes. The survey is conducted every two years at all Group companies. In 2015 the overall engagement rating was 88 percent. The highest-rated aspects were safety, engagement, support and well-being. Identified areas for improvement were talent management and compensation and benefits.

COSAN S.A.

RAÍZEN

COMGÁS

MOOVE

BIOMASS



COSAN S.A.

With a solid presence in the energy sector, Cosan S.A. operates businesses specializing in fuel distribution, production of sugar, ethanol and electricity, natural gas distribution and lubricants. This portfolio positions Cosan as one of the largest energy and natural gas companies in Brazil, with a clear focus on operational efficiency and cash generation.

raízen

Raízen is one of the world's largest individual producers of sugar and ethanol. It is also among Brazil's leading cogeneration and fuel distribution players.

The year 2016 marked Raízen's fifth anniversary. Its short history contrasts with the company's long list of achievements as a solid and enterprising organization with strong values and an outstanding capability to deliver superior results.

Created as a joint venture between Cosan and Shell, Raízen was born already as one of the largest companies in Brazil and one of the most competitive energy players in the world. The company comprises two businesses: Raízen Energia, which produces sugar and ethanol and electricity cogenerated from sugarcane bagasse, and Raízen Combustíveis, which operates a network of more than 6,000 Shell-branded stations, as well as convenience stores, aviation fuel distribution and supply terminals.

Raízen's corporate governance structure reflects the integration of its businesses and ensures flexible and expedited decision-making. Both businesses work towards targets set by a single executive board and have unified policies and procedures to ensure alignment with the company's short-, medium- and long-term strategies.

Raízen defines itself as an energy company that mobilizes people, partners and customers to achieve their life goals, business aspirations and results.

RAÍZEN'S RESULTS FOR CROP YEAR 2015/2016

62.7 MILLION
METRIC
TONS OF MILLED
SUGARCANE

27% (2016)
AND
25.3% (2015)
FUEL MARKET SHARE

Source: Sindicom*

R\$ 74.1B
IN OPERATING
REVENUE

R\$ 6.3B
IN EBITDA

28,000
EMPLOYEES

*Greases and lubricants were excluded from the market-share calculation.

Energy

ETHANOL, SUGAR AND BIOENERGY (EAB)

Raízen is one of Brazil's largest producers of sugarcane ethanol and sugar. It is also the largest producer of electricity from sugarcane biomass.

EVERY YEAR, RAÍZEN PRODUCES

4.2 million
metric tons of sugar

2.1 billion
liters of ethanol

2.9 million
megawatt hours
of electricity

Fuels

LOGISTICS, DISTRIBUTION AND TRADING (LD&T)

Integrated logistics processes handle the distribution of 25 billion liters of fuel per year, with support bases at 67 terminals.

SALES

The company's sales function serves customers in the B2B, retail and aviation segments.

RAÍZEN'S OPERATING FOOTPRINT INCLUDES

more than **6,000** Shell service stations

960 convenience stores

67 distribution terminals

64 airports
in the aviation fuel business



STRONG RESULTS AMID A CRISIS

Brazil’s economic and political environment was particularly challenging in crop year 2015/2016*. This notwithstanding, Raízen recorded excellent business results in the period.

Fuel sales improved despite the negative impact of the economic slowdown on fuel demand in Brazil. This is a testament to the strength of its long-term organic growth strategy.

In Energy, a range of efficiency initiatives – including operational improvements in the sugar cane fields to increase agricultural productivity and the productivity of sugarcane harvesters and billet planters – have delivered significant results.

These factors combined drove a 28.8 percent increase in EBITDA from the previous crop year, to R\$ 6.3 billion in 15/16. Net operating revenue rose by 13.9 percent to R\$ 74.1 billion.

Capital expenditure in the crop year was R\$ 2.5 billion, including R\$ 1.8 billion by Raízen Energia and R\$ 0.7 billion by Raízen Combustíveis.

*The sugarcane crop year extends from April 2015 to March 2016. This is standard for all Raízen indicators.

3rd AGRIBUSINESS RECEIVABLE CERTIFICATES OFFERING

In June 2016 Raízen completed its third Agribusiness Receivables Certificates (CRAs) offering, raising R\$ 675 million to be allocated to the sugar and energy business. The company has more than R\$ 2 billion in CRAs issued, confirming its strength as a company trusted by investors.

Raízen Combustíveis G4-EC1		
STATEMENT OF ADDED VALUE (BRL thousand)	2014/2015	2015/2016
Raízen Accounting Approach		
Revenue - total	58,628,863	65,783,189
Inputs purchased from third parties	(54,708,091)	(61,451,486)
Net value added	3,447,731	3,798,448
Transferred added value – total	340,041	832,898
Value added to be distributed	3,787,772	4,631,346
Distribution of total added value – total	358,469	335,562
Taxes and contributions – total	1,689,072	1,951,555
Interest expenses – total	499,660	1,143,753
Interest on equity – total	1,240,571	1,200,476
Added value distributed	3,787,772	4,631,346

Raízen Energia G4-EC1		
STATEMENT OF ADDED VALUE (BRL thousand)	2014/2015	2015/2016
Raízen Accounting Approach		
Revenue - total	10,384,016	12,591,930
Inputs purchased from third parties	(5,190,576)	(6,112,878)
Net value added	3,285,315	4,602,156
Transferred added value – total	951,904	1,456,322
Value added to be distributed	4,237,219	6,058,478
Distribution of total added value – Total	1,711,769	1,627,424
Taxes and contributions – total	416,324	1,225,262
Interest expenses – total	1,998,127	2,020,148
Interest on equity – total	110,999	1,185,644
Added value distributed	4,237,219	6,058,478

Disclaimer: all data about the company is in accordance with Raízen’s accounting methods.

COSAN S.A.

raízen

SAFETY: A NONNEGOTIABLE VALUE

A pillar of its culture, the importance attributed to safety is reflected in Raízen governance framework. The Board of Directors, Raízen's highest decision-making body, is directly involved in discussions on safety through its Corporate Social Responsibility (CSR) Committee. Other business-unit safety committees also work to foster a safe environment. This framework is designed to support safety initiatives and ensure that safety is an integral part of day-to-day activities.

Investments over the past five years have been channeled to improving infrastructure and standardizing programs and operating processes to maximize safety. Building on these investments, the current focus is on the human factor and raising awareness of the importance of safe behavior.

As a result of these initiatives, lost-time injury rates have decreased year-by-year. A total of 27 incidents were recorded in crop year 2015/2016, including two fatalities. These cannot be accepted and can only be prevented through continuous action with a focus on behavior.

Achieving the zero injury goal is certainly possible. Proof of this is that at the end of crop year 2015/2016, about 92 percent of the company's facilities had not reported any lost-time injuries. Out of 23 high-exposure business units, 11 recorded no lost time injuries.

In Logistics, Distribution and Trading (LD&T), a continued focus on safety brought Raízen through the end of crop year 2015/2016 with no lost-time injuries out of a total of 7.9 million man-hours worked.

MITIGATING RISK

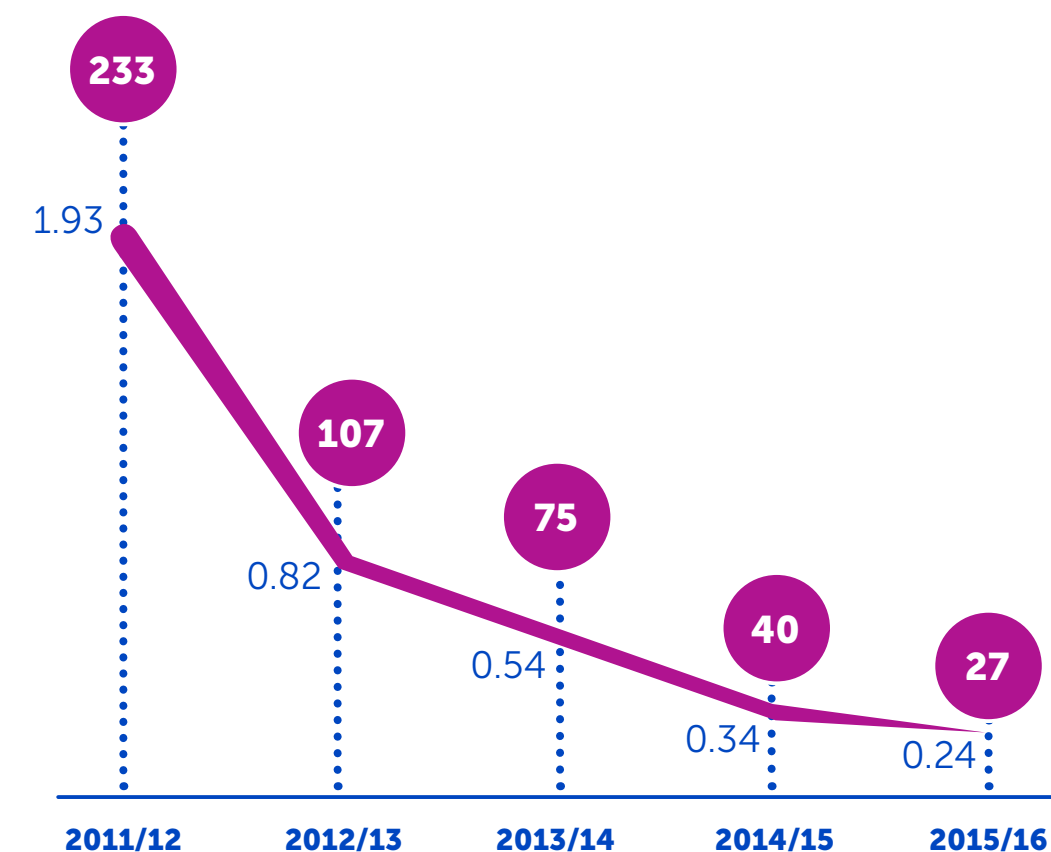
OVER A PERIOD OF 5 YEARS:

LTIF DECLINED BY **87.5%**

LOST-TIME INJURIES DECLINED BY **88.4%**

LTIF Lost Time Injury Frequency

G4-LA6



¹LTIF (Lost Time Injury Frequency) – Reported data refers to both employees and third-party workers company-wide.



INNOVATION: A FUNDAMENTAL PILLAR

Innovation is another pillar of Raízen's culture that drives the company to do more and to do things better and more efficiently and safely. Innovative processes are developed as a company-wide effort that relies on its people's capability to design and implement game-changing ideas.

These efforts led to the creation of Raízen's Intelligence Module (MI), a virtual tool through which employees can submit innovative ideas and solutions, and the Inovar Program, which encourages employees to identify innovative opportunities providing benefits for the business.

A range of projects were implemented in crop year 2015/2016 to improve production and efficiency. Examples include the Pre-Sprouted Seedlings Program, which will be extended to 800 hectares of plantations by the end of crop year 2016/2017, and Cana Energia – a partnership with Vignis to develop high quality and high productivity sugarcane varieties.

The efforts of production operations teams and improvements implemented in facilities maintenance supported an early start of industrial operations in March with no technical issues. The result was an added 2.8 million metric tons of milled cane ahead of the official start of the 2016/2017 crop year.

As part of an effort to reorganize its agri-industrial logistics, in 2015 Raízen created Pentagon, a robust project based on research on international best practice in ethanol, alcohol and bioenergy production. With a 200 people-strong project team, including employees, third-party workers and suppliers, the first deliverable from the project was the creation of the Logistics Integration Center (CIA). Also in logistics, Raízen implemented the Bolt system to optimize processes across production operations, terminals and trucking companies using digital tools.

In the biofuels segment, higher production of biogas from vinasse and productivity improvements were crucial in Raízen's successful bid in April 2016 in an auction organized by the National Electric Energy Agency (ANEEL) to supply 20.8 MW of electricity from biogas.

Raízen Certification

BONSUCRO

Bonsucro certifies sugarcane production processes for sustainability. It is among the standards recognized by the European Renewable Fuels Directive for ethanol marketing. In crop year 2015/2016, Raízen's second-generation ethanol production unit in Piracicaba (SP) was the first of its kind in the world to obtain Bonsucro certification.

CARB REGISTRATION

The California Air Resources Board ensures compliance with the fuel production and transportation requirements established in the Low Carbon Fuel Standard.

FSSC 22000

A Food Safety Management System Certification scheme based on ISO 22000 and ISO/TS 22002-1, which outlines a Prerequisite Program or Good Manufacturing Practices.

KOSHER

Certification given to foods prepared in accordance with Jewish dietary laws.

EPA REGISTRATION

The US Environmental Protection Agency (EPA) program is mandatory for ethanol producers around the world who market their products in the US.

ISO 9001

ISO 9001 certification provides assurance for the quality management systems in place in Raízen's ethanol, sugar and bioenergy production operations and administrative offices.

ISO 14001 AND OSHAS 18001

Certification for respectively the environmental management system and occupational health and safety management system in place at Raízen Combustíveis.

HALAL

Certificate given to foods prepared in accordance with Islamic food laws.

ISO/IEC 17025

General requirements for testing or calibration laboratories.

COSAN S.A.

raízen

PEOPLE ENGAGED WITH THE RAÍZEN CULTURE

Raízen has worked to strengthen engagement among its approximately 30,000 employees through dialogue between leadership and staff and the use of internal communication tools. This has included people management and professional development initiatives, training programs and fostering internal diversity.

People Management at Raízen is underpinned by these internal initiatives to disseminate the company's culture. In crop year 2014/2015, work began on the development of an execution and monitoring system that combines the company's key human resources management processes into a single tool. The new platform has lent greater clarity and consistency around merit recognition and employee performance.

This effort to strengthen the company's culture inspired the development of a Diversity

Plan approved during crop year 2015/2016. The Plan is designed to promote diversity of thinking, genders, cultural background and experience within the company. The Plan includes a continued commitment to include people with special needs within the company. During crop year 2014/2015 and up to March 2016, Raízen offered 1,500 professional training opportunities to people with disabilities in 18 municipalities. An internal committee was also established to address these needs.

Raízen continually seeks new ways to attract and retain talent. Examples of this include the Raízen DNA program launched early in crop year 2014/2015 to attract young professionals; the company's Internship Program; and Raízen Generation, a program created to prepare a talent bank for future strategic positions in the EAB business and accelerate development.

Training and development in agriculture and industry G4-EC8

Designed especially for sugar cane-field workers in the EAB business, Raízen's Alpha Project has helped to identify potential leaders among professionals in operational roles. A total of 950 professionals were selected to attend workshops and training to learn about available opportunities. These employees are being monitored for their engagement with their new roles and the concepts learned.

Another program, Nossa Raiz, aims to engage agricultural workers in pursuing operational excellence in sugar-cane cultivation, improving productivity and the productive life span of sugar cane plantations. In crop year 2015/2016, 6,839 people from operations teams were trained on cane-field preservation.

Employees in industrial operations were trained to contribute to RIT-91, a program designed to drive superior performance, safety, management and operational excellence. This training has provided knowledge about industrial losses, how to avoid them, and about planning and maintenance. In 2015, 6,965 professionals attended the program.



COSAN S.A.

raízen

VALUE-ADDING PARTNERSHIPS G4-EC8

The company invests continuously in building sustainable, enduring relationships in all value chains from which its businesses source materials and services. Raízen also addresses subjects such as ethics, integrity and sustainability as key competencies for its partners and makes a tangible contribution in helping them engage in this journey.

Sugarcane suppliers account for approximately half of Raízen's feedstock volumes. These suppliers are addressed by initiatives such as ELO, a program aimed at improving sustainability. To date, the Program has engaged approximately 1,300 suppliers (or 30 percent of milled cane volume and 55 percent of sugarcane suppliers). The ELO Program includes self-assessments of production processes and external verification, and is run in partnership with Fundação Solidariedade and Imaflora. Other initiatives include the Cultivar program, a platform for sharing

technical, legal and management expertise, and the Geocana Project, which disseminates the company's expertise as a pioneer in geotechnology among its suppliers.

In retail, the company's focus in crop year 2015/2016 was on expanding the Shell network by developing enduring partnerships. Before onboarding a new branded service station, Raízen makes a thorough assessment of aspects such as the station's profile, location and point-of-sale potential. After onboarding, retailers receive an array of valuable supporting resources: operations consultancy, training, health, safety and environment standards and station design.

Overarching this is Raízen's Integrated Offering program. Through this program, the company provides retailers with a marketing initiative plan and communicates targets and rewards programs. This support package is optional, with about 75 percent of Raízen's retailers subscribing.

ELO PROGRAM

HAS MORE THAN
1,300 SUPPLIERS:

30%
SUGARCANE
MILLED BY RAÍZEN

55%
SUGARCANE
FROM SUPPLIERS

CRITERIA FOR ACCEPTANCE OF TRUCKING COMPANIES

As one of Raízen's key supplier groups, trucking companies undergo a stringent approval due diligence process. Each company is inspected against a checklist with more than 200 items such as safety, legal requirements (including respect for human rights and decent work practices) and environmental criteria. In addition, periodic and random inspections are performed to ensure continued compliance with company standards.

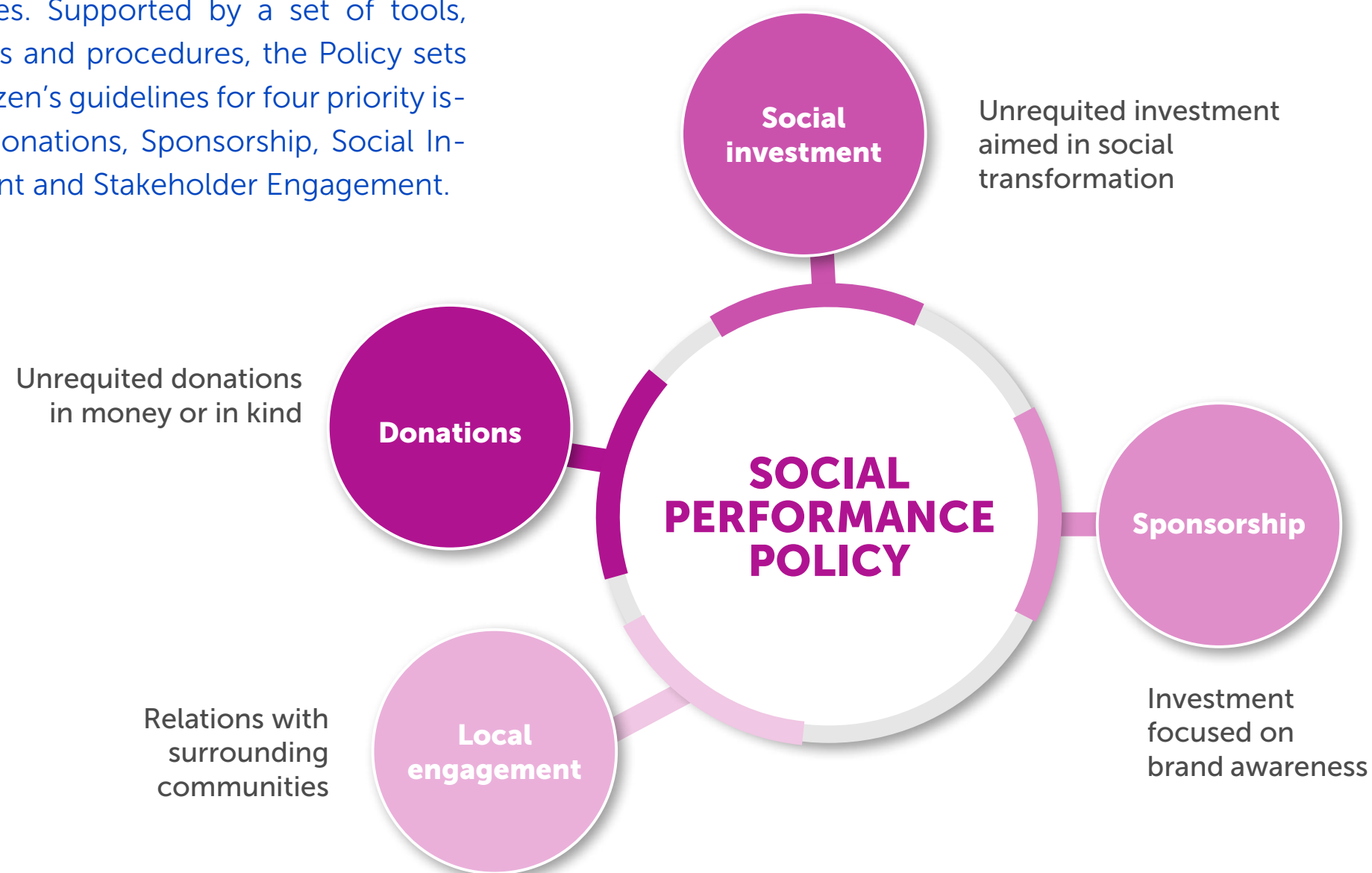
In the previous crop year, sugar trucking companies were included in the same framework of controls applied to fuel transportation. The process is being implemented gradually and four workshops have been held to train trucking professionals. Currently 13 trucking companies are operating under this new operations framework, reaching 100 percent of white sugar trucking suppliers. The result is safer road operations.

COSAN S.A.

raízen

CREATING SHARED VALUE G4-EC8

The company recently created a Social Performance Policy as an important deliverable from an assessment of sponsored initiatives. Supported by a set of tools, manuals and procedures, the Policy sets out Raízen's guidelines for four priority issues: Donations, Sponsorship, Social Investment and Stakeholder Engagement.



All production units, terminals and airports – with the exception of office premises – are subject to a risk of generating potentially negative social impacts. Potential negative social impacts include the shutdown of a labor-intensive production site in a municipality with a small, dependent population where workforce restructuring could have significant impacts. G4-EC8

Among the tools developed to measure and manage Raízen's potential impacts are its Criticality Tool, which assesses risks and opportunities for social investment and engagement in each location where the company operates, ranking its operations in order of relevance. These data allow the company to channel investments in line with its policy into each of the four types of social engagement.

Another mechanism adopted in crop year 2015/2016 is a system designed to improve the oversight and effectiveness of social investment and sponsorship projects.

Projects can be funded entirely with Raízen's own funds or partly with tax-deducted funds. In either case, the decision on which initiatives will be supported is subject to approval by the Sponsorship & Social Investment Committee, composed of five vice-presidents.

Raízen Foundation

An important catalyst for social responsibility initiatives in the more than 50 cities where the company is present, Raízen Foundation's initiatives are primarily focused on youth and adult education. Over the next five years, initiatives will span four pillars: education; professional training and inclusion; citizenship and diversity; and entrepreneurship.

The Foundation has a highly successful track record with impressive numbers:

337,000
BENEFICIARIES IN
EDUCATION PROGRAMS

615,000
BENEFICIARIES IN SOCIAL
INCLUSION PROGRAMS

333,000
BENEFICIARIES IN
RAÍZEN FOUNDATION
PROGRAMS

21,000
BENEFICIARIES IN
PROFESSIONAL TRAINING
AND INCLUSION

171,000
BENEFICIARIES IN
VOLUNTEER CAMPAIGNS
AND INTERNAL INITIATIVES

Read more at
www.fundacaoraizen.org.br

COSAN S.A.

raízen

ENERGY MEANS PROGRESS

Energy and greenhouse gas emissions (GHG) have never been as high on policy agendas as in crop year 2015/2016. The 21st Climate Conference (COP 21) has put a spotlight on the issue, and Raízen plays an important role in meeting commitments.

Raízen and the sugar and ethanol industry have a lower CO₂ footprint than fossil energy sources and have the potential to play an important part in mitigating global emissions and meeting the Paris Agreement objectives.

According to the Sugar Cane Industry Union (UNICA), growth of the industry could mitigate 1,239 million metric tons of carbon dioxide equivalent by 2030. This is equivalent to almost three years of GHG emissions from Brazil's entire energy sector and would be achieved by replacing gasoline with ethanol and fossil-fueled electricity with bioenergy.

Emissions inventory

Raízen quantifies annual GHG emissions from its operations in accordance with the guidelines of The Greenhouse Gas Protocol – a global authority in quantification of corporate emissions – and its national version, the Brazilian GHG Protocol Program. Raízen has published its GHG inventory for five consecutive years and is committed to continually improving both the quality of primary data and its quantification tools. Over the past three years, Scope 1 emissions have remained stable, while Scope 2 emissions have fluctuated largely due to emission factors.

Direct greenhouse gas emissions by scope, in tCO₂eq G4-EN15

	2014/2015	2015/2016
Scope 1	1,142,217.3	1,205,254.8
Scope 2	20,022.6	16,506.4
Scope 3	428,830.2	446,687.5
Biogenic emissions	15,433,380.4	17,045,632.4

A clean energy mix

Raízen's energy requirements are largely concentrated in the agri-industrial activities of the EAB (Ethanol, Sugar and Bioenergy) busi-

ness. Energy supply to operations in this business is 97 percent from renewable sources, primarily sugarcane bagasse, a byproduct of the production process. All ethanol, sugar and bioenergy plants are self-sufficient in energy and use fossil sources only when necessary due to the nature of certain processes.

In addition, 13 out of Raízen's 24 production sites have cogeneration capabilities, producing surplus energy that is sold to the national grid and contributes to a cleaner energy mix. In crop year 2015/2016, Raízen exported a surplus of 2.4 million megawatt-hours (MWh), 11 percent more than in the previous period. This creates a significant competitive advantage by providing its businesses with a source of power supply even during adverse climate conditions, such as the water crisis in São Paulo (SP) during the previous crop year.

Raízen sells enough electricity to power a city with a population of 5 million people.

Total energy consumption by type of fuel, in GJ¹ G4-EN3

	2014/2015	2015/2016
B5 Diesel	3,427,117.0	3,186,108.3
Gasoline + anhydrous alcohol blend	2,271.2	2,062.3
LPG	123,942.1	158,770.7
Heavy fuel oil	19,763.8	16,327.0
Total energy consumption <i>Nonrenewable sources</i>	3,573,094.1	3,363,268.3
Sugar cane bagasse ²	144,211,506.6	144,833,877.4
Hydrated ethanol	151,540.7	139,356.2
Total energy consumption <i>Renewable sources</i>	144,363,047.3	144,973,233.6
Utility electricity	531,965.6	477,676.8
Total energy consumption	148,468,107.3	148,814,178.7

¹ The conversion factors available in the National Energy Balance were used. This data is collected for emissions calculations using the GHG Protocol methodology.

² Not including electricity sold.

³ Raízen accounts for energy consumption in trucking. In crop year 2015/2016, 5,903,473.5 GJ¹ of fuel were consumed by Raízen's trucking suppliers G4-EN4.

COSAN S.A.



A provider of energy services and solutions, Comgás is Brazil's largest piped natural gas supplier, operating in the industrial, residential, commercial and automotive segments. It also supplies natural gas to thermal power stations and cogeneration and HVAC projects

CONSISTENT RESULTS

Comgás added more than 200,000 new customers to its customer base in 2015 and 2016, coming close the 1.7 million customer mark and further building its reputation as an industry leader and the largest piped natural gas supplier in Brazil. Almost 113,000 new customers were connected in 2015 and another 111,000 in 2016.

In 2015, despite the economic slowdown and the water crisis in State of São Paulo, Comgás recorded normalized EBITDA of R\$ 1.4 billion, up 5.7 percent from the previous year, explained by a better sales mix and operating cost control as well as the margin adjustment in May 2015.

Results for the following year were again affected by Brazil's macroeconomic performance, with further volume reductions due to the continued decline in industrial consumption. Despite this, Comgás generated Normalized EBITDA of R\$ 1.5 billion in 2016, up 6.3 percent from the previous year, as a result of a better sales mix and the annual margin adjustment in May 2016.

15,000 KM
OF NATURAL GAS
NETWORK

1.7 MILLION+
CUSTOMERS

177 MUNICIPALITIES
IN SERVICE AREA

1,000
EMPLOYEES





Financial Headlines (BRL thousand)	2015	2016
Number of meters	1,100,028	1,148,973
Total volume (thousand m3)	5,210,899	4,323,010
Net revenues	6,597,017	5,657,246
IFRS EBITDA	1,529,918	1,964,726
Normalized EBITDA	1,378,099	1,464,532
Net income	698,852	901,099

Disclaimer: all data about the company is in accordance with Comgás’s accounting methods.

Direct economic value generated - revenue (BRL thousand)	2015	2016
	8,319,885	7,283,426
ECONOMIC VALUE DISTRIBUTED (BRL thousand)		
Operating costs	6,120,508	4,491,594
Employee salaries and benefits	181,254	175,768
Payments to providers of capital	756,452	808,834
Payments to Government	881,150	1.141,872
Community investment		
Total	7,939,363	6,618,067
ECONOMIC VALUE DISTRIBUTED (%)		
Operating costs	74%	62%
Employee salaries and benefits	2%	2%
Payments to providers of capital	9%	11%
Payments to Government	11%	16%
Community investment	0%	0%
Total	95%	91%
Economic value retained (BRL thousand) (“Direct economic value generated” less “Economic value distributed”)	2015	2016
	380,521	665,359

Financial assistance received from government (BRL thousand) G4-EC4	2015	2016
Tax relief and tax credits	11,067	10,716

1 Includes Federal, state and municipal tax benefits such as: Worker’s Nutrition Program; cultural, artistic and sports activities; the Fund for the Rights of Children and Youth; Federal, state and municipal funds for the elderly; filmmaking; maternity allowances; cancer care; health care for people with disabilities; and cultural and sports programs (PAC and PIE).

COSAN S.A.

comgás

Natural gas is a safe, economical and environmentally friendly energy source compared with other fossil fuels. Comgás is Brazil's leading piped natural gas distributor with approximately 1.7 million customers in the state of São Paulo, reaching homes, commercial establishments and industrial plants in a service area covering 177 cities in the metropolitan region of São Paulo, Campinas, and the Baixada Santista and Paraíba Valley areas. Combined, these areas account for approximately 26 percent of Brazil's GDP.

Comgás undertook a rebranding process in 2016 to mark its evolution on the market. The company's new logo translates its ambition to be the best energy choice for people, companies and society, offering future-ready services and solutions.

The company uses technology and specialized operations resources in the development and management of a natural gas distribution network of more than 15,000 kilometers. The company is also actively engaged in service expansion, as well as supplying compressed natural gas (CNG) for vehicles and supporting co-generation and air conditioning projects.

This reflects Comgás's personality as an organization formed by inquisitively active, engaged professionals who strive for flawless execution and set standards for safety and technology across the industry.

New gas applications G4-EC8

Natural gas is an increasingly competitive energy source in Brazil and can be an effective substitute for reducing greenhouse gas emissions in industry, transportation, power generation and the residential segment. Developing new natural gas applications is accordingly central to Comgás's planning efforts.

The environmental efficiency of natural gas is clearly seen when used as a substitute for fuel oil. In 2014, for example, commercial volumes of natural gas for industrial applications supplied by Comgás alone contributed to emissions reductions of 3.7 MtonCo₂. This corresponds to 19.9 percent of the annual reduction target from 2005 to 2020 (18.6 MtonCo₂) under a commitment undertaken by the state of São Paulo in its Policy on Climate Change.

Another beneficial application is peak hour generation in replacement of still-widely-used diesel generators.

In the transportation segment, CO₂ reductions can be achieved by using CNG in public transport, as biofuel supply is insufficient to ensure needed GHG reductions.

Expanding home usage of natural gas is another way to reduce emissions. By replacing LPG (cylinder gas) with piped natural gas, emissions can be reduced by removing thousands of distribution trucks from the streets.

Despite its effectiveness, the share of natural gas in São Paulo's energy mix remains short of the share established in the São Paulo Energy Plan (PPE).

An example of a Comgás project that generated environmental, operational and economic benefits was the adoption of natural gas at a power plant at Viracopos International Airport, capable of generating 10 MW of electricity for the complex during peak hours between 6 pm and 9 pm, when the conventional electricity rate in the host city is significantly more expensive.

Following completion of the project in the first half of 2016, the airport became the first in Brazil to use a dual fuel package in a power plant previously entirely fueled with diesel. The system allows the equipment to operate simultaneously up to 70 percent on natural gas and the remainder on diesel, including in the event of any failure of the grid. Substituting natural gas for diesel significantly reduces carbon dioxide (CO₂) and particulate emissions.

Another example of the benefit of using natural gas is co-generation projects. These are one of the most stable and safe forms of energy production, as electricity is generated directly on site, avoiding transmission and distribution losses and minimizing infrastructure costs. A good example is the Mercedes-Benz plant constructed in 2016 in Iracemápolis (SP). The plant, which produces premium cars, is the first in the automotive industry to be energy self-sufficient, with capabilities to simultaneously produce electric and heat energy for the factory floor, and air conditioning at office facilities. The natural gas project enabled factory completion on schedule while meeting the client's energy requirements.



SAFETY IS INTEGRAL TO THE BUSINESS STRATEGY

Safety is an absolute priority at Comgás. In 2015, as part of its continuous improvement efforts, the company launched a program to improve the organization’s Safety Culture and Safety Management practices.

In 2016, Comgás focused on developing its leadership to become the main example and key players in the process of maturing its safety culture. The initiative will extend into 2017 to further improve its processes and ensure the sustainability and maturity of its safety culture.

Comgás uses best-practice safety metrics for organizations of its size including LTIF, TRC and First Aid Case and other safety indicators.

The company also assess its safety performance on the basis of Asset Integrity, a set of 17 indicators that monitor monthly issues such as station failure, third-party damage and corrosion of steel pipes.

Comgás identifies each and every process with the potential to affect its safety performance.

The company exceeded its target efficiency indicator and no material incidents occurred in 2015.

Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities G4-LA6	2015					2016				
	EMPLOYEES		THIRDY PARTY		T	EMPLOYEES		THIRDY PARTY		T
	MEN	WOMEN	MEN	WOMEN		MEN	WOMEN	MEN	WOMEN	
Lost-time injuries	1	0	0	0	1	0	0	1	0	1
Lost-time injury frequency (LTIF)	0.37	0	0	0	0.10	0	0	0.16	0	0.11
Total recordable cases (TRC)	0	0	4	0	4	0	1	3	0	4
Total recordable case frequency (TRCF)	0	0	0.58	0	0.42	0	0.40	0.49	0	0.47
First aid cases	2	0	11	2	15	6	0	11	1	18
First aid case frequency	0.73	0	1.60	0.29	1.56	2.41	0	1.81	0.16	2.10

COSAN S.A.

comgás

SYSTEM MAINTENANCE AND MODERNIZATION

Installed underground, natural gas network share the infrastructure with other public utilities. Since 2003, Comgas has worked with other utilities companies to implement a Damage Prevention Plan (PPD) aimed at creating a collaborative prevention culture. Key initiatives under the plan include training on reading utility maps and excavation techniques to minimize damage to the system. Pipeline network works are also monitored and in 2016 the company's e-geogás system was redesigned to facilitate access to information via the internet. The information is available at www.comgas.com.br/nossarede for review by utilities, public agencies and companies carrying out works involving excavation of streets and sidewalks. The tool greatly simplifies planning for excavation work. The initiative is yet another step in protecting the integrity of Comgás assets and preventing damage

that could lead to gas leaks and, in some cases, loss of gas supply. Comgás also works with other utilities to raise awareness and engagement on the importance of preventing gas main strikes.

In addition, to mitigate the risks of gas leaks due to utility strikes, corrosion, cracking and degradation, approximately 55 kilometers of distribution network were refurbished between 2015 and 2016. The method consists of inserting a polyethylene tube into the cast iron piping. This increases the gas pressure rating and pipeline network capacity. The old pipes remains in place and acquires a new protection function, reducing the risk of incidents occurring during excavations.

Expansion of distribution network systems is carried out using methods that cause minimal impact, such as non-destructive methods (MND), or horizontal directional drilling, which ensures maximum safety for all parties involved in the operation.

Leak detection

An important tool for ensuring safety, leak detection technology has evolved significantly over time. In 2015, Comgás introduced Optical Methane Detector (OMD) technology – which uses laser beams to identify escaping gas – installed at the front of “sniffer” vehicles. This highly reliable technology is able to locate very low gas concentrations and has replaced the old process in which vehicles were equipped with detectors with attached hoses placed on the front bumper of the vehicle.

Every kilometer of the Comgás distribution network system is probed twice a year. The company has five vehicles in total, three in São Paulo, one in the Campinas region and one in the Paraíba Valley area, with capabilities to locate, identify and classify gas leaks.

STRINGENT CONTRACTS G4-EC8

All Comgás suppliers are required to follow the company's procedures and Code of Conduct. Comgás performs pre-contract due diligence screening on issues such as operational health, financial capacity and technical skills. Screening criteria include labor, environmental and regulatory compliance. After initial due diligence, these criteria are continually monitored through technical audits and visits to periodically assess compliance and environmental impacts, and implement practices to drive continual improvement.

In 2016, Comgás further developed the Supply Chain project and reduced the number of service contractors from 35 to seven. Initiated in 2014, the project streamlined the division of assignments in the company's service area based on the regional presence and capabilities of each contractor in order to optimize costs, impacts and management efficiency at Comgás.

Progress was also made in purchasing, with 95 percent of purchases now made online using an e-commerce system, an entirely paperless process from proposal to contract signature.



24/7 SAFETY AND SERVICE

Comgás works to deliver natural gas to its customers with a high level of safety, quality and reliability.

A customer-oriented culture permeates the organization and helps to improve the customer experience and satisfaction.

In 2015 the company invested in solutions such as mobility and logistics using smart phones for servicing and emergency response. This provided significant benefits including higher productivity, efficiency and a dramatic reduction of service ticket closing times from days to minutes, while also improving efficiency in providing information about services performed.

Comgás invests continually in improving its service channels. In 2015, the company invested toward enhancing its website usability and in 2016 the company added new self-service options on the Comgás Virtual website (including account holder switch and debt financing facilities) and launched the Comgás Virtual mobile app.

In April 2016 the share of requests handled by the Comgás Virtual website and the toll-free number was inverted. The voice service channel, which accounted for 55 percent of requests in 2013, accounted for only 36 percent in 2016.

Comgás Virtual grew its share from 22 percent of requests to 42 percent.

This was the result of investment in digital projects, process reviews and optimization and efficient on-line customer service.

Number of customers			
SEGMENTS	2015	2016	CHANGE 2015 X 2016
Residential	1,083,734	1,131,710	4.4%
Autonomous Housing Unit (AHU)	1,557,411	1,667,998	7.1%
Commercial	14,879	15,811	6.3%
Industrial	1,100	1,160	5.5%
Power station	2	2	0
Co-generation	28	25	-10.7%
Automotive	276	265	-4.0%
Total meters	1,100,028	1,148,973	4.4%
Total AHUs	1,573,696	1,685,331	7.1%

SUPERIOR SERVICE G4-PR5

Comgás conducts annual Customer Satisfaction Surveys and submits the results to the São Paulo State Sanitation and Utility Regulator (ARSESP). The overall satisfaction rate increased from 95 percent in 2015 to 97 percent in 2016, the highest since 2002.

The percentage of satisfied customers grew from 26 percent in 2015 to 40 percent in 2016. The number of “very dissatisfied” customers was zero in both 2015 and 2016 for the first time since Comgás initiated the survey. The company’s strengths according to the survey include service reliability (uninterrupted, high quality and safe gas distribution) and efficient problem response and customer service.

Web services were also ranked higher across all segments.

Effective results from the company’s focus on superior service can be seen in the lower levels of complaints, which in 2015 declined by 42 percent at the Ombudsman’s Office and by 31 percent at the first service tier. In 2016, the Ombudsman’s Office received 22 percent fewer complaints than in 2015.

Comgás was awarded a “1000 Mark” in 2015 from the customer complaint website Reclame Aqui; a “Customer Service Excellence” award from Consumidor Moderno magazine; and an “Efficiency and Effectiveness” award in the Gold category of the ABT Awards program run by Instituto Brasileiro de Marketing de Relacionamento.

Comgás was also named the best piped gas supply company in Brazil in the “Most consumer-conscientious companies” survey conducted by Shopper Experience in partnership with Grupo Padrão’s Consumidor Moderno magazine. The company was recognized for attributes considered by consumers as indicating respect for consumers, such as helpful, available, efficient and polite employees across service channels; service efficiency across channels; and high-quality products at attractive prices.

In 2016, Comgás ranked first in the Época Reclame Aqui awards in the Utility segment, and was presented for the second consecutive year with a “Customer Service Excellence” award by Consumidor Moderno magazine, in the Gas Supply category. The company’s chat service was also recognized as the best multichannel service strategy at the International Customer Management Conference (CIC).

COSAN S.A.

comgas

ETHICAL RELATIONS G4-SO6

Corporate social responsibility is embedded in Comgás's business strategy. This includes an ethical commitment to creating value for all stakeholders: customers, employees, suppliers, communities, shareholders and government. Company projects support initiatives that are aligned with the company's commercial strategies.

The company subscribes to the ARSESP Annual Program agenda and has engaged in creative or entrepreneurial research to generate knowledge, apply existing knowledge in innovative ways and investigate new applications.

Comgás made no donations to political parties in 2015 and 2016.

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations¹ G4-SO8

2015	R\$ 872,264.73
2016	R\$ 126,856.03

¹ Fines imposed for: failure to obtain permits for construction of gas network under public roads; failure to obtain permits for installation or maintenance work; failure to obtain certificates of completion and inspection.

COSAN S.A.



Cosan Lubricants has recently been rebranded as Moove. The company has worked to gain further recognition in the domestic and international markets by delivering consistently high-quality products and services

Moove is one of Brazil's largest lubricant players and a leader in the premium segment. The company also supplies base oil and produces and markets automotive specialty products. Under the Mobil, Comma and Zip lube brands, Moove has presence in South America, Europe and Asia.

Launched in November 2016, the company's new visual identity denotes its personality, lubricant expertise and commitment to Cosan's values and governance framework. The rebranding effort is designed to more powerfully and impactfully communicate the company's objectives and attributes and drive business growth, in particular through internationalization.

As a manufacturer of high-quality, high-tech lubricants for all types of vehicles, Moove is alert to the growing demand for premium, higher performing products. The company also offers products for a broad variety of industries that are formulated to improve efficiency and productivity.

The company operates two plants: one in Rio de Janeiro, Brazil and the other in Kent, UK. Moove also has an extensive marketing footprint with 80,000 points of sale in Brazil and 14 exclusive distributors. The company has an annual production capacity of more than 2 million barrels of lubricants and chemical specialties. Its products and services are subject to stringent quality control to ensure high standards of safety, efficiency and sustainability.

2 MILLION-BARREL
ANNUAL LUBRICANT
PRODUCTION
CAPACITY

PRESENT IN
40 COUNTRIES

316,000
CUBIC METERS SOLD

658
DIRECT AND
INDIRECT EMPLOYEES





INTERNATIONAL EXPANSION

Moove continued to pursue its internationalization strategy throughout 2015 and 2016. Started in Latin America, the company's expansion efforts have turned their focus to Europe, with initial entry into the Spanish market. The company's strategy is to replicate an operating model that has proven to be highly successful in Brazil, strengthening its partnership with ExxonMobil to market Mobil-branded products.

Moove already has a presence in Europe and Asia under the Comma brand, which provides the needed structure and expertise to support its international growth strategy.

In Brazil, the company has continued to develop strategic partnerships with exclusive distributors, suppliers and customers. Distributors country-wide are encouraged to professionalize their management approaches by introducing structured human resources processes.

OVERCOMING CHALLENGES

Moove delivered positive results in 2015 and 2016 against economic contraction and a decline in global oil prices, which took their

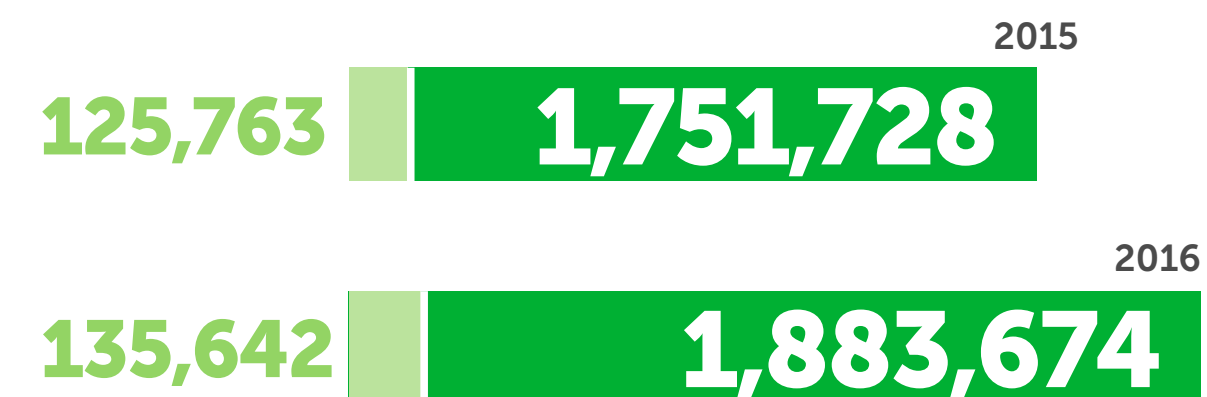
toll on Brazil's lubricant industry. Contributing to positive results were a better sales mix and higher Real-denominated performance in international operations.

Net revenues in 2015 was R\$ 1.8 million, up 9.3 percent from 2014, and EBITDA was R\$ 125.7 million, a year-on-year increase of 21.6 percent. Net revenues in 2016 was R\$ 1.9 billion (up 7.5 percent from 2015) and EBITDA was R\$ 135.6 million, an improvement of 7.9 percent compared with the previous year, reflecting higher volume and an improved sales mix during the year.

Moove has continued to pursue opportunities to expand its customer base and strengthen its position in its markets and especially in the automotive OEM segment, while retaining customer loyalty in the aftermarket segment.

NET REVENUES (IN BRL THOUSAND)

■ EBITDA ■ Net revenues



Direct economic value generated - revenue (BRL mln) G4-EC1	2015	2016
	1,386.3	1,490.1

ECONOMIC VALUE DISTRIBUTED (BRL mln)

Operating costs	44.9	51.4
Employee salaries and benefits	76.6	110.8
Payments to Government	6.3	1.8
Community investment	1.0	0.5
Total	128.9	164.6

ECONOMIC VALUE DISTRIBUTED (%)

Operating costs	3%	3%
Employee salaries and benefits	6%	7%
Payments to providers of capital	0%	0%
Payments to Government	0%	0%
Community investment	0%	0%
Total	9%	11%

Economic value retained (BRL mln) ("Direct economic value generated" less "Economic value distributed")

1,257.4	1,325.5
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COSAN S.A.



PARTNERSHIPS: DELIVERING POSITIVE RESULTS

Moove's approach to relations with distributors, suppliers and customers provides an important competitive advantage.

Distributors – which the company relies on to deliver products to customers – are encouraged to professionalize their management systems. As part of this, the company has invested in distance training through a new education platform. Other initiatives to develop the distributor network include: a financial management support team, implementation of best-practice health and safety procedures at storage facilities, and standardization of sales routines to achieve management excellence.

The company has also worked to establish and renew long-term partnerships with suppliers and with direct customers. These partnerships are designed to ensure a high standard of quality from raw materials to end products.

ATTRACTING AND MANAGING TALENT

G4-10; G4-LA9; G4-LA10

Moove has redesigned its organizational structure to support its expansion strategy and address new challenges, with a revitalized leadership team with the capabilities to deliver on the company's objectives. Among the changes are country heads with greater independence, a new executive function to direct the expansion process, a New Business and Processes function, as well as other changes to executive positions.

An important challenge in preparing for projected growth is ensuring it attracts the right talent and capabilities. To address this challenge, Moove has invested substantially in entry-level staff positions. In 2016, the company developed a more robust internship program and created a trainee program.

Training and development is another important strategic objective. The organiza-

tion enhanced its training management tools with the addition of a Learning Management System (LMS) to improve the training process and provide additional development opportunities through distance learning.

As part of these initiatives, the company launched an education portal called Aprenda+. Geared to employees and distributors, the new website offers online training with multimedia resources that enhance the learning process. Employees are also offered education grants for undergraduate, graduate and foreign language programs.

Moove Corporate University is anticipated to be launched the coming year as an additional platform for continuing professional development aligned with each division's business strategies.

In 2016, Moove provided more than 5,400 hours of training company-wide, or a total of 10.79 hours of training per person. This is an improvement from 3,000 hours of training in the previous year, reflecting the company's efforts and investment in developing the team.

At the company's headquarters office in São Paulo, the team participated in a distance safety training program on emergency preparedness.

A merit-based performance assessment program is also in place across all levels of the company. On average, 90 percent of employees receive structured feedback on performance. Changes will be implemented in the company's Performance Management system in 2017 to improve management assessment. **G4-LA11**

MOOVE HAS 503 DIRECT EMPLOYEES, OF WHICH APPROXIMATELY 74 PERCENT ARE MEN. THE COMPANY ALSO HAS 155 THIRD-PARTY EMPLOYEES, FOR A TOTAL WORKFORCE OF 658 PEOPLE. GRI G4-10



Health and safety indicators <small>G4-LA6</small>	2014		2015		2016	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Total recordable case frequency	0.53%	0%	0%	0%	0%	0%
Occupational disease rate	0%	0%	0%	0%	0%	0%
Total lost days	120	0	0	0	0	0
Absentee rate	0%	0%	0%	0%	0%	0%
Total fatalities	0	0	0	0	0	0

Average hours of training <small>G4-LA9</small>	2015		2016	
	HOURS	HOURS PER EMPLOYEE	HOURS	HOURS PER EMPLOYEE
Senior Management	0	0.00	14	1.88
Men	0	0.00	14	1.75
Women	0	0.00	0	0
Line Management	218	12.82	468	18.72
Men	146	10.43	430	20.48
Women	72	24.00	38	9.50
Leader/coordinator	369	11.18	851	44.79
Men	147	7.00	676	56.33
Women	222	18.50	175	25
Technical/supervisor	303	10.10	269	9.96
Men	195	7.22	158	6.87
Women	108	36.00	111	27.75
Administrative	1,316	6.75	2,267	10.45
Men	524	4.26	1,421	10.68
Women	792	11.00	846	10.07
Operational	732	6.15	954	5.96
Men	545	5.14	704	4.86
Women	187	14.38	250	16.67
Interns	154	5.31	605	26.30
Men	130	6.50	376	26.86
Women	24	2.67	229	25.44
Total	3,092	7.17	5,429	10.79
Men	1,687	5.31	3,779	10.16
Women	1,405	12.43	1,650	12.60

COSAN S.A.

moove

HIGHER PERFORMANCE, LESS POLLUTING LUBRICANTS G4-EC8

Brazil's lubricants market is undergoing a major shift from lower quality mineral oil to synthetic products. Synthetic and semi-synthetic oils improve engine efficiency, reduce emissions, are longer lasting and improve fuel savings compared with traditional fossil oils.

Moove is a market leader in the synthetic products segment and has had the fastest-growing market share over the past five years. Synthetics production and distribution remains a strategic priority for the company.

Another way the company has improved cost savings for customers while also reducing waste is through the Smart Change bulk oil change program. The new oil change format has become increasingly popular in Brazil and provides a wide range of advantages.

The Program uses a mini-tank system that allows engine oil to be fed directly into the vehicle's crankcase. The new system provides a practical and economical way for retailers and customers to get

the same level of quality and technology as from regular packaged Mobil products. In a Smart Change, the engine is fed the exact, OEM-recommended amount of oil and customers pay only for the amount they really need, without having to needlessly spend money on residual oil or on packaging.

Bulk oil changes also improve sustainability performance by eliminating the need for thousands of plastic containers which could otherwise contaminate the environment. For example, the franchise network Zip lube, a Mobil partner, has reported that 80 percent of oil changes have used the new bulk Smart Change system, avoiding the need to produce and dispose of at least 120,000 plastic containers and cardboard boxes.



COSAN S.A.

moove

GOOD PACKAGING DISPOSAL PRACTICES

As part of an industry initiative launched by Instituto Jogue Limpo, Moove has encouraged customers to properly dispose of empty lubricant containers in an environmentally friendly manner. The company is a member and one of the founders of the Institute, which manages a reverse logistics system for empty packaging in accordance with Brazil's recently enacted Solid Waste Management Policy (Act 12.305/2010).

Based on the notion of shared responsibility, local regulations recognize the need for cooperation at all levels of the lubricant value chain to successfully implement reverse logistics. Manufacturers, retailers and consumers all play a part in ensuring proper disposal.

Specially designed trucks conduct sched-

uled pickups at registered points of sale to collect empty packaging. The materials are compacted and shipped to recycling companies. The Jogue Limpo program is currently present in 14 states and the Federal District. In 2016, 4.4 metric tons of plastic packaging were collected from 42,000 registered points of sale. There are plans to further expand the program over the coming years in the North and Midwest and into segments such as auto repair garages, automotive parts stores, oil change garages, automotive centers and supermarkets. The Institute's first greenhouse gas (GHG) emissions inventory revealed that packaging recycling in 2015 alone prevented 4 metric tons of greenhouse gases from being released into the atmosphere. The required logistics, in comparison, released 1.2 metric tons of CO₂.

TRUCKING SAFETY AND ENVIRONMENTAL PERFORMANCE

Annual training provided to trucking companies on loading, maintenance and emergency response procedures are part of Moove's initiatives to improve safety in passenger and cargo transportation.

Health, Safety and Environment personnel also hold monthly conference calls to report on results and share best-practice guidance. In 2016, Moove ran a traffic safety campaign geared to trucking companies and employees that provided rewards for safe drivers.

Ten traffic accidents occurred in 2015 and 2016 involving trucking company employees, although none were injured. There were also two spill incidents involving trucking suppliers: in one incident, a 200 L drum was spilt on the deck of a truck, and in the other a fuel tank was ruptured in a road accident and leaked onto the ground. **GRI EN30**

Significant fines and total non-monetary sanctions for non-compliance G4-SO8

	2015	2016
Monetary value of significant fines ¹	R\$ 41,650,000	0
Total number of nonmonetary sanctions ²	Environmental warnings	0

¹ The Company appealed on a fine imposed by the Rio de Janeiro State Environment Agency for failing to dispose of liquid waste in accordance with established requirements. Moove argued that its production process does not generate polluting effluents and that this was supported by documentation. The case is pending an administrative decision.

² São Paulo State Environmental Agency (CETESB) Warnings for soil contamination requiring soil remediation.

COSAN S.A.



A novel source of renewable energy, sugarcane bagasse pellets can replace coal as a lower-impact alternative fuel

Created in 2010, Cosan Biomassa has developed the technology and machinery to produce clean electricity and heat energy from sugar cane biomass in replacement of coal, natural gas and fuel oil. In 2015, the company initiated commercial operation of a biomass production facility in Jaú (SP) with an installed capacity to produce 175,000 metric tons of pellets per year. The unit has been sited adjacent to Raízen Energia's plant.

In 2016, the company took another important step in the sustainable growth of the business. A joint venture with one of Japan's largest conglomerates, Sumitomo Corporation, was approved by Brazil's and the European Union's antitrust agencies, leading to the first capital contribution from the new partner, which acquired a 20 percent stake in the company. The deal is expected to support business growth while also creating opportunities for pellet sales in the Japanese market.

The innovative project has also secured R\$ 254.9 million in funding from Financiadora de Estudos e Projetos (FINEP) at subsidized interest rates. These funds will be invested in research and development spanning the entire pellet value chain. The first bagasse and tops supply contract was concluded with Raízen. The company is also developing new customer accounts in Brazil and abroad to produce renewable energy with significantly reduced environmental impact. Cosan Biomassa has identified consumer markets for sugarcane biomass pellets in Europe and Asia, and especially in Japan and South Korea.

Pellets are typically made from wood waste and widely used as fuel for residential heaters, industrial boilers and power plants in Europe and the US. Cosan's new product from sugarcane biomass is globally unique.

Global pellet demand is expected to grow exponentially over the next five years as the material gains traction as an alternative to coal and other polluting sources for power generation. It can also help countries meet their greenhouse gas (GHG) emission reduction targets. Brazil, as the world's largest sugarcane producer, is well positioned to build a competitive advantage in this market.

PELLETS

PELLETS COME IN THE SHAPE OF CAPSULES, GRANULES OR RODS. WHILE PELLETS ARE ALREADY PRODUCED FROM WOOD IN THE US AND EUROPE, COSAN BIOMASSA IS THE FIRST COMPANY TO MANUFACTURE PELLETS FROM SUGARCANE BAGASSE AND TOPS. THE FACTORY PROCESSES THESE RAW MATERIALS INTO SMALL ENERGY-CONTAINING PELLETS THROUGH A DRYING AND COMPRESSION PROCESS.

SINERGY

THE FIRST SUGARCANE BAGASSE SUPPLY CONTRACT WAS CONCLUDED WITH RAÍZEN ENERGIA. COSAN BIOMASSA'S PRODUCTION FACILITY IS ADJACENT TO ONE OF THE GROUP'S ETHANOL PLANTS, CREATING BUSINESS SYNERGIES.

COSAN LOGÍSTICA



COSAN LOGÍSTICA

rumo

Through Rumo, Latin America's largest rail logistics company, Cosan has a presence in the rail transportation of agricultural commodities, fuels, containers and pulp. The company provides a complete range of services with modern and integrated intermodal freight infrastructure capable of hauling approximately 18 million metric tons of cargo per year, improving export efficiencies.

LATIN AMERICA'S LARGEST INDEPENDENT RAIL FREIGHT COMPANY, RUMO OFFERS A COMPLETE RANGE OF AGRICULTURAL EXPORT SERVICES.

Rumo is an integrated logistics company offering transportation, storage and port handling services for the outbound shipping of agricultural commodities and industrial products. With a presence in six Brazilian states (Mato Grosso, Mato Grosso do Sul, Paraná, Rio Grande do Sul, Santa Catarina and São Paulo), the company operates more than 12,000 km of railways and is present in Brazil's major grain farming regions.

In April 2015, Rumo concluded a merger with ALL. The subsequent transition focused on improving operating efficiencies, expanding capacity, reducing costs and building competitiveness. The post-deal strategic plan projects investments of R\$ 9.5 billion (in nominal terms) by 2020.

Rumo's shares (RAIL3) are listed on BM&FBovespa in the Novo Mercado segment, denoting superior governance and transparency practices.

A STRONG ASSET BASE

12,000 KM
OF TRACK

16 MILLION
METRIC TONS
PER YEAR
HANDLING
CAPACITY AT THE
PORT OF SANTOS

1,000
LOCOMOTIVES

25,000
RAILCARS

11,000
DIRECT AND
INDIRECT
EMPLOYEES

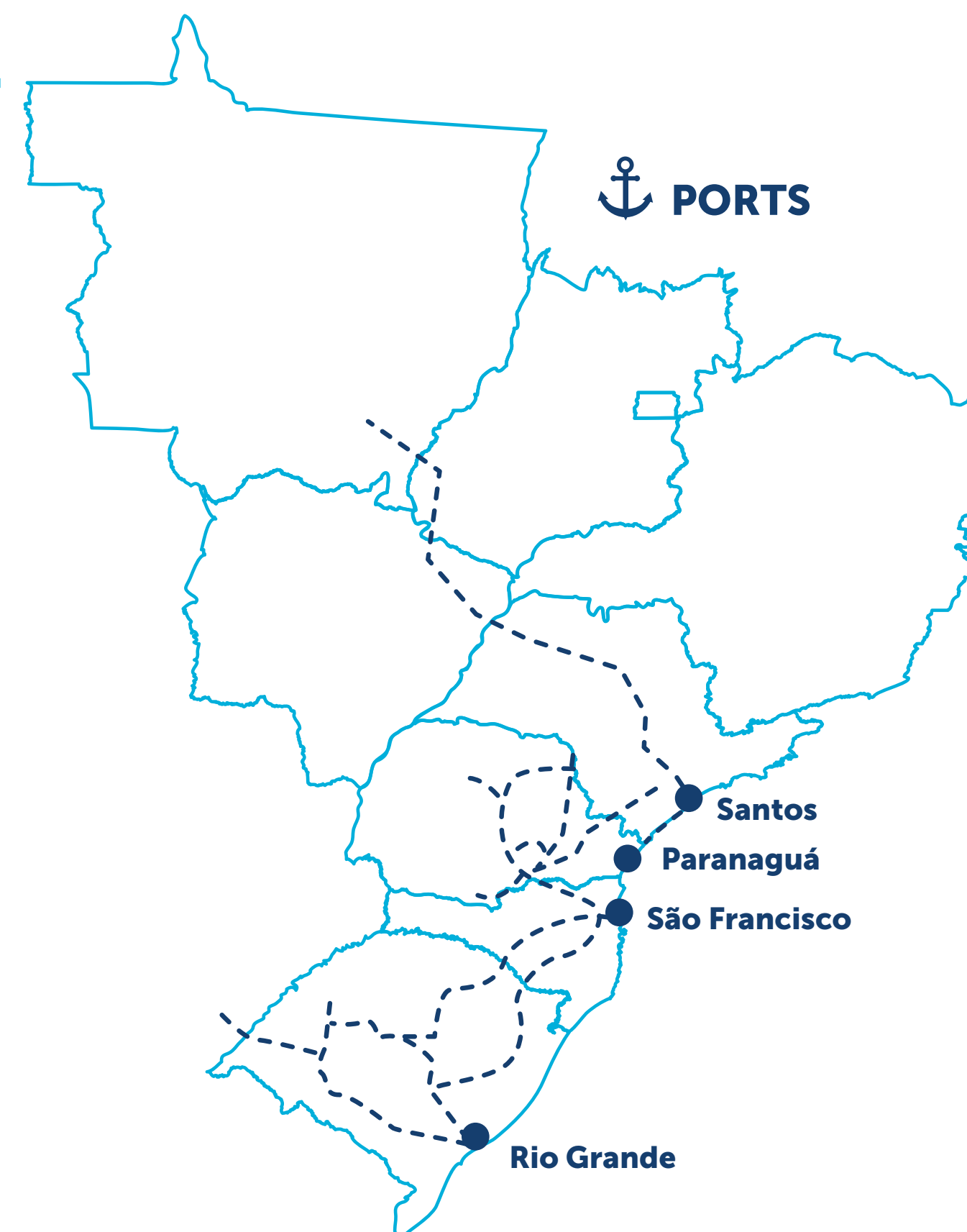
Strategic presence

Rumo operates 4 exclusive rail freight concessions in the south and southeast of Brazil:

INDUSTRY DEMAND

70%
of Brazil's grain exports
are handled by the ports
of Santos and Paranaguá

90%
of Brazil's sugar
exports leave from
these two ports



COSAN LOGÍSTICA

BETTER EFFICIENCY, SUPERIOR RESULTS

The two year period 2015-2016 was punctuated by Rumo's transition following the merger with ALL, with the first steps towards business integration focusing on administrative and financial reorganization to support the company's growth strategy.

During the period, Rumo strengthened its capital structure by issuing new common stock and refinanced its short-term debt to lengthen maturities. In October 2016, the Company successfully applied for BNDES financing of R\$ 3.5 billion. The loan is currently pending certain regulatory procedures and is projected to be completed in 2017.

The successful conclusion of these initiatives has strengthened the company's financial position and supported its Investment Plan, with capital expenditures during the first two years totaling R\$ 3.9 billion (read more below).

The lower costs and expanded capacity are already reflected in the company's results. In 2015, total transported volume increased by 4.5 percent, reaching 44.9 billion CMTK, largely explained by a 10 percent increase in agricultural commodities. As a result, net operating revenue rose by 13.9 percent in 2015 to R\$ 4.8 billion. EBITDA was 28.4 percent higher than in 2014 at R\$ 1.9 billion.

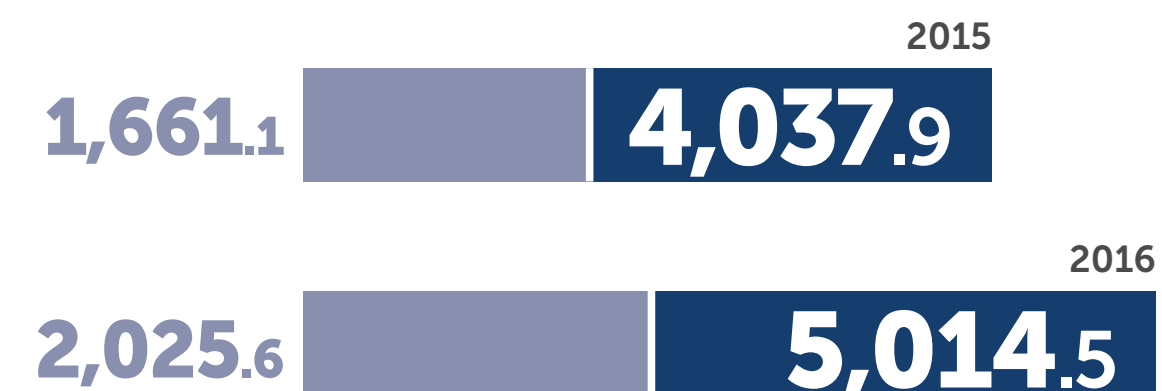
Results in 2016 were adversely affected primarily by grain crop failure. Soybean crop projections for 2016 had been positive as far as April, but were then revised down. Shipments declined from the end of May as soybean volumes had largely already been exported. The second half was marked by a 20 percent drop in corn crop that resulted in a 40 percent decline in exports, adversely affecting Rumo operations. Transported volume in 2016 declined compared with previous year.

The company's newly implemented commercial strategy, with average contract terms of three years and higher take-or-pay commitments to improve demand predictability and develop longer-term relationships, have proven successful in mitigating the effects of crop failure. Rumo also shifted its operations in 2016 to fill idle capacity with other cargo, such as sugar, and offset the lower grain volumes.

¹Cargo metric ton kilometers, a unit calculated by multiplying metric tons transported by the distance traveled.

NET REVENUES (BRL mln)

■ EBITDA ■ Net revenues



Economic value distributed G4-EC1

	2015	2016
Direct economic value generated - revenue (BRL thousand)	4,610,154	5,021,195
Operating costs	2,287,897	3,216,552
Employee salaries and benefits	477,961	530,020
Payments to providers of capital ¹	1,641,809	2,030,853
Payments to Government	367,825	296,342
Total	4,775,492	6,073,767
Economic value distributed (% of revenue)	2015	2016
Operating costs	50%	64%
Employee salaries and benefits	10%	11%
Payments to providers of capital	36%	40%
Payments to Government	8%	6%
Total	104%	121%
Economic value retained (BRL thousand)	-165,338	-1,052,572

² Payments to providers of capital includes third-party capital only. Because the company reported a loss during the period, no dividends were paid to shareholders.

COSAN LOGÍSTICA

INVESTMENT PLAN

Investments initially focused on renewing the fleet by replacing locomotives and rail cars to increase volume capacity, average train speed and efficiency on arrival at the ports of Santos (SP) and Paranaguá (PR). Rumo has already purchased 109 locomotives and nearly 1,600 rail cars since the merger. The investment plan for the period 2016 to 2020 projects a total of 170 new locomotives and approximately 2,600 rail cars. From 2015 to 2016 approximately R\$ 1.5 billion was invested in maintenance, renovation, rail line revamp and yard construction and expansion. The result is more than 700 kilometers of rail line refurbished during the period. Following a revision in early 2016, the company's current Investment Plan projects expenditure of R\$ 8.4 billion by 2020.

On November 25, 2016, Executive Order 752 authorized an extension of road, rail and airport public-private partnership agreements. In December, the Brazilian Department of Transportation (ANTT) initiated Public Consultation No. 10/2016 with a view to further developing studies on extending the concession contract for the São Paulo state rail network. The renewal, which is in advanced stages of negotiation with the Federal Government, will be the first involving a railway in Brazil. Contract renewal will also support a new cycle of investment in both rail infrastructure and new rolling stock and equipment, significantly increasing capacity on the rail network. The current concession contract expires in 2028 and the renewal will extend the contract term to 2058.

Assets acquired in 2015 and investments in 2016 are aligned with Rumo's Investment Plan and are expected to improve productivity, efficiency and operational safety. Indicators have already progressed significantly as a result of improvements implemented in 2015/2016, especially in aspects related to process, materials and people management.

Financial assistance received from government ¹ G4-EC4

2015

2016

R\$ 28,596,124

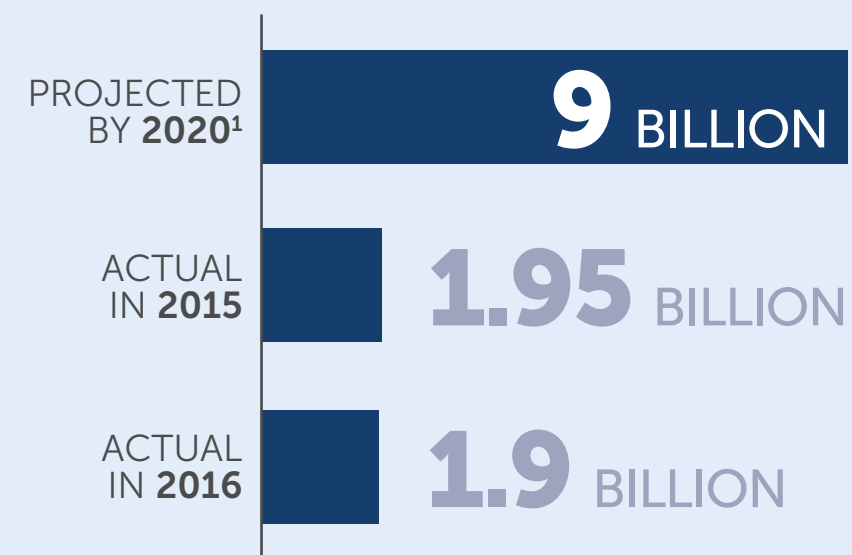
R\$ 13,959,037

¹ A 75 percent income tax reduction granted in exchange for rail infrastructure development in Amazônia. This included past investment in the construction of the Rondonópolis Terminal and investments in fixed stock.

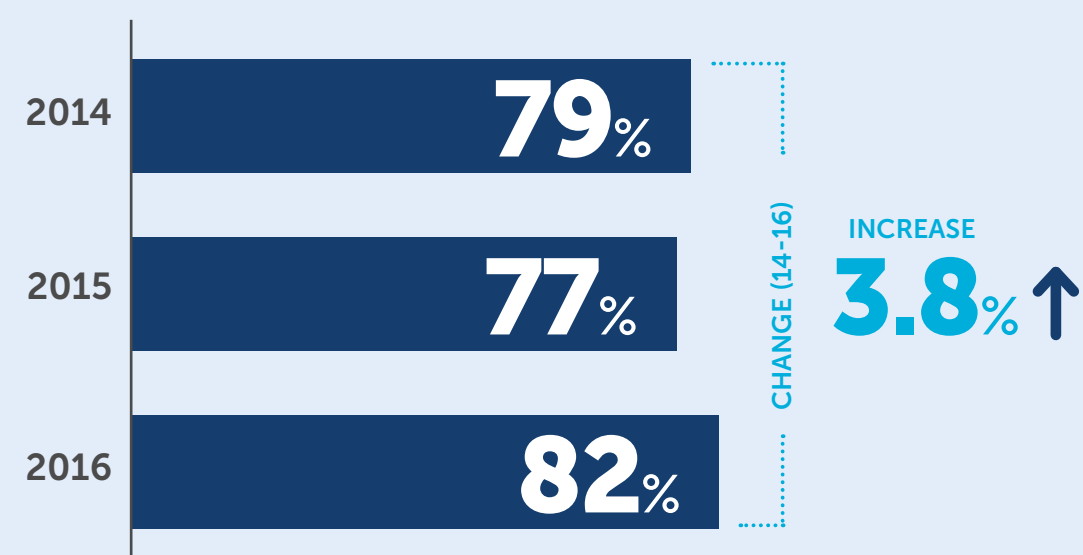
COSAN LOGÍSTICA

Results

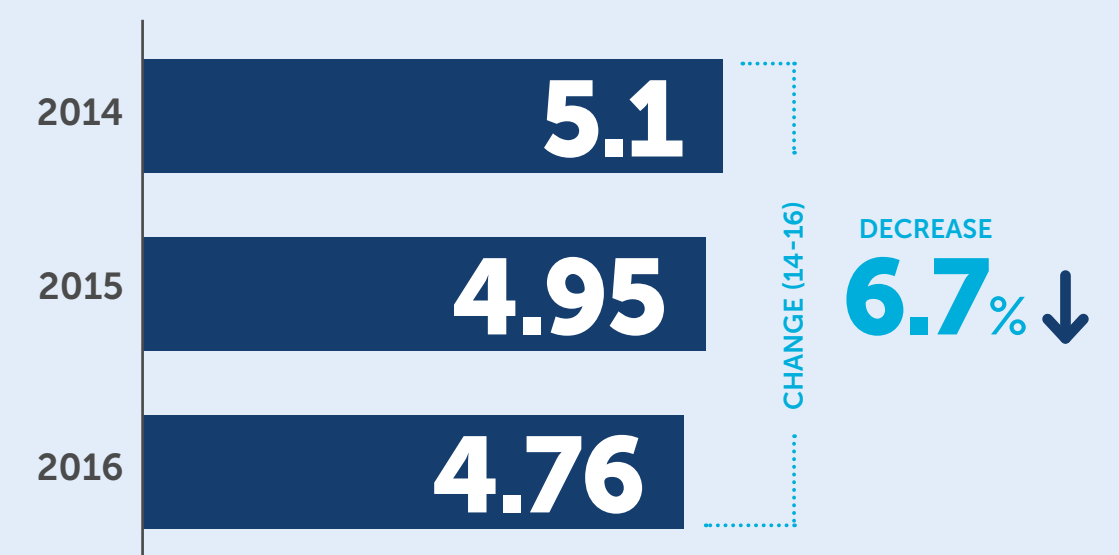
CAPITAL EXPENDITURE (BRL)



OPERATING RATIO²



DIESEL CONSUMPTION³



¹In nominal terms

²The portion of net revenues needed to cover operating expenses, including depreciation and amortization

³ Liters of diesel consumed to transport 1,000 GMTK (gross metric ton kilometers) in North and South operations

COSAN LOGÍSTICA

SAFETY

Rumo has a number of procedures and processes in place to ensure the safety and physical integrity of its employees and stakeholders, and strives for excellence in accident prevention.

An action plan applying to all terminals ensures that processes are continually reviewed and updated to ensure they are prepared to promptly and effectively respond to an emergency. The Rumo Zero Injury Program includes behavioral tools that are audited on a monthly basis and investigations of any incidents. The program is based on the assumption that prevention requires a focus on each employee's behavior. At Rumo, employees are encouraged to speak out and act whenever they observe an unsafe condi-

tion in any area. Locomotive engineers can raise concerns with switchmen, brakemen or supervisors. This ensures safety is seen as a shared responsibility. In one of the company's key safety initiatives, called "O.P.A!" (an acronym for the Portuguese words Stop, Observe, Note, Act!), continuous assessments are performed to identify recurring unsafe behavior. These assessments inform action to reduce risks and protect the integrity of employees and equipment.

Company employees, and especially the fire brigade, are given training on how to ensure safe conditions in different situations. Internal Accident Prevention Week (Sipat) is also periodically observed at all terminals to encourage employees to exhibit safe behavior at all times.

Health and safety indicators (employees and third-party workers), by gender G4-LA6	2015		2016	
	Men	Women	Men	Women
Injury rate ¹	1.94	0.12	0.82	0.00
Occupational disease rate (%)	0.011	0	0.22	0.00
Total lost days	1,709	15	2,818	0
Absentee rate (%)	2.32	2.36	0.99	0.80
Total fatalities	3	0	0	0

¹ Lost time injuries only.

Health and safety indicators (employees and third-party workers), by region G4-LA6	2015			2016		
	South	Southeast	Midwest	South	Southeast	Midwest
Injury rate ¹	2.15	2.03	1.97	0.59	1.24	0.90
Occupational disease rate (%)	0.00055	0	0.00055	0.43	0	0
Total lost days	571	811	342	787	1,861	170
Absentee rate (%)	1.98	2.59	2.48	1.00	0.66	1.32
Total fatalities	1	1	1	0	0	0

¹ Lost time injuries only.

Despite the company's efforts to improve occupational safety, three fatalities were recorded in 2015. These fatalities and other minor incidents were thoroughly investigated. The data from the investigations were used to create new solutions or to improve the preventive measures already in place. The results from these efforts were seen in 2016, with no recorded fatalities and the number of lost time injuries dropping by 165 percent, and the number of restricted work cases by 19 percent. Operations audits helped to ensure the Rumo Zero Injury Program was optimally implemented.

COSAN LOGÍSTICA

FIRE BRIGADE

The company's fire brigade is a team of professionals trained to quickly respond to emergencies and protect, above all, the physical integrity of employees. Rumo's fire protection infrastructure ensures an efficient and prompt emergency response and has been modernized as part of the Investment Plan. In Sumaré (SP), for example, a new system of alarms was installed. Rumo's largest and most important port operation – the Port of Santos – is equipped with a number of items in addition to mandatory fire protection systems: a water foam powder fire engine; two high suction seawater pumps (used as necessary); 21 fixed fire monitors; a deluge system; and a team of 60 firefighters, well above the number required by IT-017.

This infrastructure ensured a quick response to two fires that occurred during 2016 (there were no fire incidents in the previous year). Both incidents are currently under investigation. The first fire broke out at a transfer tower at the Rumo Terminal in Santos on July 14. The fire was contained within an hour. There were no injuries and ship loading operations were resumed the same day. Response procedures were directly monitored by Cetesb, and Ibama was properly notified. Another fire broke out at one of the loading conveyors at the Rondonópolis Railway Terminal (MT), on August 16. The fire lasted an hour and a half and, as in Santos, no one was injured.

More comfort for railway engineers

As part of its initiatives to improve safety and quality of life for employees, Rumo has developed a new hotel system for overnight accommodation of railway engineers. In 2015, 40 facilities underwent renovation in an investment of R\$ 1.85 million.

The program included structural improvements at workshops and maintenance stations with a focus on personal safety, working conditions and the environment. 7,000 new safety, hygiene and meal kits were also issued.

At waiting yards, waiting lounge facilities designed in hotel fashion were constructed, with modernized accommodations, toilets and lounge areas.

In addition to affording greater comfort for rest, the initiative has also helped to minimize safety risks.

Much has also been done to build better relations with employees, third parties and suppliers, with clear rules on working conditions and safety.



COSAN LOGÍSTICA

PEOPLE MANAGEMENT AND DEVELOPMENT G4-LA10

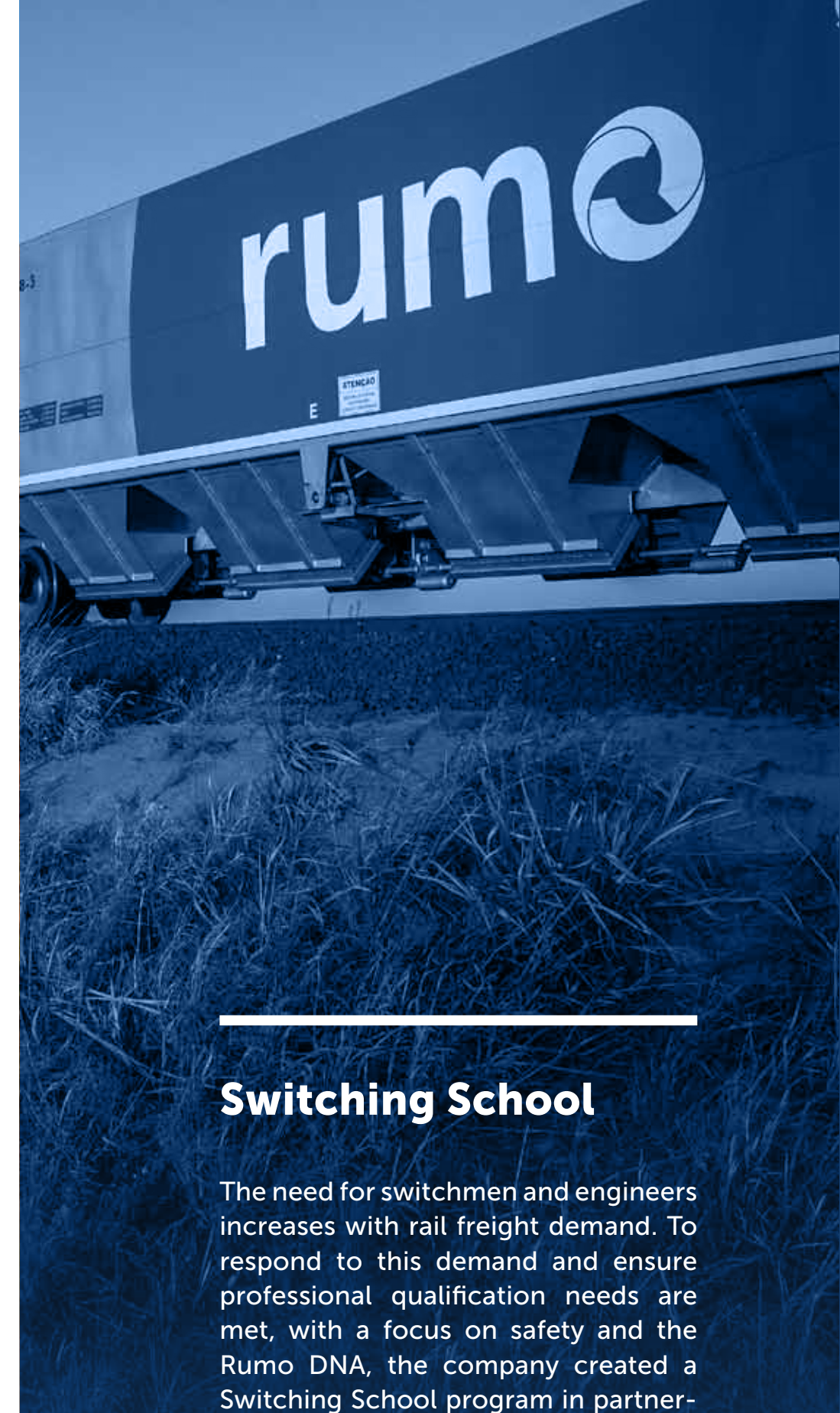
Rumo's workforce is 14,481 people-strong, including direct and indirect employees. HR management prioritizes integration, fostering high performance and developing competencies aligned with company opportunities. In the last two years, investments have focused on process improvements and leadership training. Integrating the cultures of Rumo's predecessor companies and managing operational indicators are a significant challenge, especially considering the sheer extent and capillarity of the rail network, which makes tracking performance indicators a challenging task.

Using a corporate university model, the Company has a suitable learning structure and modern educational models in place that focus on the training needs of new

hires, providing the technical and continuing training needed in any railway system.

Training for railway engineers and operations, administrative and behavioral training and apprentice and trainee development programs are all part of the company's development portfolio. Rumo also offers financial support for external training in specific skills as well as graduate study grants. In 2015 and average of 34 hours of training were delivered per employee, above the projected target of 24 hours per employee.

From analysts to VPs, all direct employees underwent performance and career development assessments in 2015. In 2016, other levels of the organization were included in the performance assessment program. In 2017 most employees across all functions are planned to be included on the performance assessment process.



Switching School

The need for switchmen and engineers increases with rail freight demand. To respond to this demand and ensure professional qualification needs are met, with a focus on safety and the Rumo DNA, the company created a Switching School program in partnership with the industry-led professional training organization, SENAI.

With theoretical and practical classes delivered at a dedicated railway yard, as well as a period of on-the-job training, the program lasts a total of 12 weeks. The Program is designed to become the primary platform for induction of new switchmen.

Rumo also runs training programs for train drivers and engineers. Approximately 120 switchmen and 150 engineers complete training each year.

COSAN LOGÍSTICA

SOCIAL PROGRAMS BRING RUMO CLOSER TO COMMUNITIES G4-EC8

With a robust investment plan for the coming years, the company is focused on expanding operational capacity and improving operational efficiency, employee safety and customer satisfaction as overarching priorities.

The company also supports social and environmental programs that help transform surrounding communities. These include educational, environmental, social inclusion and sports projects that help build Rumo's reputation as a transformational brand. Among these initiatives are support for the community project De Bem com o Manguê (which promotes waste segregation in the Vila Esperança community in Cubatão, where residents can exchange waste for the local currency accepted by the neighborhood's retail businesses); Railroad wall graffiti workshops through the projects Linha da Frente (also in Cubatão) and Janelas para a Comunidade, in partnership with Instituto Multi-Irão in Curitiba; the Cleaning Patrol Project (read more in the box below); the Every Day is Tree Day program (which plants native species in strategic locations to support the conservation of biodiversity); and the Environmental Education Program (an ongoing program that supports an average of 2,500 students and 70 teachers in public schools each year, providing education on railway safety and the

environment to rail-side communities). Other key initiatives include the construction of a biobank at Little Prince Hospital in Curitiba (The facility stores and manages a variety of human biological samples used in research); support for construction of the Santa Casa de Misericórdia Burn Care Facility in Campinas (SP); and construction of an amphitheater in Itirapina (SP). Rumo also supports a variety of sports interests and activities, and is the official sponsor of the Brazilian Rugby Federation.

A SAFE RAILWAY

In addition to these community initiatives, another important commitment undertaken by the company is aimed at reducing railway accidents to zero. The company runs safety awareness campaigns in rail-side communities and schools to provide education about safe behavior. Rumo also conducts periodic track inspections and maintenance and implements level crossing signaling improvements to prevent accidents.

Cleaning Patrol: employment opportunities for sentence reduction

In a pioneering initiative, Rumo partnered with the municipal government of Piraquara (PR) and the Paraná Department of Penal Enforcement under the Office of the Secretary for Justice, Citizenship and Human Rights to develop a program offering employment opportunities to convicts on semi-parole.

The Cleaning Patrol program employs prison workers for maintenance and cleaning services – such as mowing and brush clearing and waste collection – along the right-of-way and throughout the community, under the supervision of a company employee and the municipal government.

The program is a re-socialization initiative that reduces sentence time in exchange for time worked. Every three days worked reduces sentence time by one day. Approximately 30 convicts on semi-parole at Colônia Penal Agroindustrial (CPAI) enrolled in the initiative.



COSAN LOGÍSTICA

ENVIRONMENTAL MANAGEMENT

Rumo's environmental management system is designed to control and minimize potential impacts from its operations, in conformity to legal requirements and environmental best practice.

The primary environmental issues associated with the company's railroads in the South, Southeast and Midwest are emissions, noise, fragmentation of biodiversity and potential soil and water contamination in the event of an accident. Environmental education and stakeholder engagement are additional key aspects.

One of the ways the company mitigates these impacts is fleet renewal. Deploying modern locomotives with state-of-the-art technology can positively contribute to reduce pollution. ES43BBi locomotives, for example, were designed specifically for the Brazilian market. The company's fleet includes 23 of these units, with more efficient engines that reduce diesel consumption by 26 percent in L/GMTK (liters per gross metric ton kilometer) compared with oth-

er engines. Consists are typically formed of 105 railcars and two locomotives, while other fleets require three to four locomotives for the same consist. ES43BBi locomotives already account for part of the rail freight fleet in Paraná.

Compared with truck transportation, atmospheric emissions from rail operations are proportionally lower. The volume transported by 30 rail cars, for example would require 68 turnpike double trucks.

Also as part of its environmental protection efforts, Rumo regularly inspects the right-of-way for erosion, grain leakage, invasive vegetation and roadkill. **G4-EN30**



GRI CONTENT SUMMARY

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GRI CONTENT SUMMARY

General disclosures		
ASPECT	DESCRIPTION	PAGE/WHERE ADDRESSED
Strategy and analysis	G4-1 Message from the CEO	5
	G4-2 Message from the Board of Directors	5
Organizational profile	G4-3 Name of organization	3, 11
	G4-4 Primary brands, products, and/or services	3, 11
	G4-5 Location of organization's headquarters	3
	G4-6 Countries where the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	3, 11
	G4-7 Nature of ownership and legal form	11
	G4-8 Markets served	4
	G4-9 Scale of organization	4
	G4-10 Employee profile	32
	G4-11 Percentage of employees covered by collective bargaining agreements	All Cosan businesses comply with applicable regulations and collective bargaining agreements.
	G4-12 Description of organization's supply chain	12
Governance	G4 -13 Significant changes regarding size, structure, ownership, or supply chain	Described in the report where applicable.
	G4-15 Externally developed charters, principles or other initiatives	All Cosan businesses have the independence to implement initiatives and commitments related to the specific social, environmental and economic aspects of their industries.
	G4-16 Memberships of associations and organizations	All Cosan businesses have independence to arrange for membership of trade associations and other entities in their industries.

General disclosures		
ASPECT	DESCRIPTION	PAGE/WHERE ADDRESSED
Identified material aspects and boundaries	G4-17 Entities included in consolidated financial statements and entities not covered by the report	11
	G4-18 Process for defining the report content	4
	G4-19 List of material aspects	4
	G4-20 Aspect boundary within the organization	4
	G4-21 Aspect boundary outside the organization	4
	G4-22 Restatements of information provided in previous reports, and the reasons for such restatements	4
	G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries	4
Stakeholder engagement	G4-24 List of stakeholder groups engaged by the organization	4
	G4-25 Basis for identification and selection of stakeholders with whom to engage	4
	G4-26 Approach to stakeholder engagement	4
	G4-27 Key topics and concerns that have been raised through stakeholder engagement	4
	G4-28 Reporting period	January 1, 2015 to December 31, 2016.
Report profile	G4-29 Date of most recent previous report	2014
	G4-30 Reporting cycle	Annual up to 2014, biennial for 2015 and 2016.
	G4-31 Contact point for questions regarding the report or its content	ri@cosan.com.br
	G4-32 "In accordance" option the organization has chosen and location in GRI Content Index	Core
	G4-34 Governance structure of the organization	12
Ethics and integrity	G4-56 Values, principles, standards and norms of behavior	13

GRI CONTENT SUMMARY

Specific disclosures		
ECONOMIC		
ASPECT	DESCRIPTION	PAGE/WHERE ADDRESSED
Economic performance	G4-DMA Management approach	16, 24, 31, 39
	G4- EC1 Direct economic value generated and distributed	16, 24, 31, 39
	G4-EC4 Financial assistance received from government	24, 40
Indirect economic impacts	G4-DMA Management approach	19, 20, 21, 25, 27, 34, 45
	G4-EC8 Significant indirect economic impacts	19, 20, 21, 25, 27, 34, 45

Specific disclosures		
SOCIAL – LABOR PRACTICES AND DECENT WORK		
ASPECT	DESCRIPTION	PAGE/WHERE ADDRESSED
Health & Safety	G4-DMA Management approach	17, 26, 33, 42
	G4-LA6 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender	17, 26, 33, 42
Training and education	G4-DMA Management approach	32, 33, 44
	G4-LA9 Average hours of training per year	32, 33
	G4-LA10 Programs for skills management and lifelong learning	32, 44
	G4-LA11 Percentage of employees receiving regular performance and career development review	32
SOCIAL – SOCIETY		
ASPECT	DESCRIPTION	PAGE/WHERE ADDRESSED
Public Policy	G4-DMA Management approach	29
	G4-SO6 Monetary value of significant fines and total number of non-monetary sanctions.	29
Compliance	G4-DMA Management approach	29, 35
	G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions	29, 35
SOCIAL – PRODUCT RESPONSIBILITY		
ASPECT	DESCRIPTION	PAGE/WHERE ADDRESSED
Product and service labelling	G4-DMA Management approach	28
	G4-PR5 Results of surveys measuring customer satisfaction	28

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