

# ESG Update

## Cosan (CSAN3): ESG-feedback from 13<sup>th</sup> Investor Day

How Cosan is building an ESG strategy across its companies portfolio?

Cosan held today its Investor Day 13<sup>th</sup> edition, with the presence of its President, Mr. Luis H. Guimarães, and each subsidiary's CEOs. The event revealed Cosan's success in deploying a robust ESG strategy across the portfolio, while achieving milestones itself. Overall, we highlight key ESG-themes discussed for each subsidiary: **(i)** Rumo: Leading railway safety; **(ii)** Raízen: Paving the way to reshape the future of energy; **(iii)** Compass: Exploring biomethane; **(iv)** Moove: Seeking to reduce emissions; and **(v)** Cosan Investimentos: Capital allocation into cutting-edge technologies. We have a Buy rating for CSAN3 (TP R\$31.8/sh).

**Rumo: Leading railway safety.** Mr. João Alberto Fernandez de Abreu (CEO) reinforced Rumo's obsession with operational safety, highlighting the achievement, in 2023, of the lowest railway accident rate since 2016 (1.7 YTD), beating the global benchmark<sup>1</sup>.

**Raízen: Paving the way to reshape the future of energy.** Referencing Raízen Day held early this year, Mr. Ricardo Mussa (CEO) shared latest accomplishments since then (access [here](#) our 'ESG-feedback: Raízen Day 2023'), noting that the company: **(i)** became the world's 1<sup>st</sup> ethanol producer to receive the CORSIA<sup>2</sup> certification, complying with international exigencies to produce sustainable aviation fuel (SAF); **(ii)** built the world's 1st green hydrogen station using ethanol; and **(iii)** showcased advances in E2G production, with 5 plants under construction of the 8 sold (capacity: 82MM liters each). Looking ahead, it is worth watching **(i)** Bonfim plant launch, expected later this month, being Raízen's 1<sup>st</sup> energy biopark; and **(ii)** the strategy to transform waste into high-value products, as pointed out in our note 'Expert XP: Key ESG takeaways' (access [here](#)).

**Compass: Exploring biomethane.** The company's CEO, Mr. Nelson Gomes, highlighted the R\$355M JV with Orizon to launch a biomethane production plant<sup>3</sup>, with this renewable gas placed as key to halt emissions across value chain. Additionally, the improvement in operational safety figures was also pointed out, with the lost time injury frequency dropping 65% in the last 10 years, achieving 0.14.

**Moove: Seeking to reduce emissions.** Mr. Filipe Ferreira (CEO) emphasized the company's efforts towards efficiency and productivity, to be achieved through a 20% cut in energy consumption, key to reduce emissions and meet (E)-backed goals.

**Cosan Investimentos: Capital allocation into cutting-edge technologies.** As a capital allocation vehicle that already invested R\$21B in prioritized assets (mainly Vale stake), Mr. Leonardo Pontes (CEO) highlighted the recent partnership with Fifth Wall to launch a Climate Tech Fund, which aims to co-invest in hydrogen and disruptive technologies.

**Building a successful ESG strategy.** As mentioned in our 'ESG Radar / CSAN3' (access [here](#)), Cosan is deploying a robust ESG-backed strategy across subsidiaries, while adding milestones itself, such as: **(i)** the presence within key B3 indexes, such as ISE and IDIVERSA; **(ii)** ESG targets linked to variable compensation for all employees and senior leadership; and **(iii)** 36% of women in leadership positions and on the Board.

**Marcella Ungaretti**

ESG Research

marcella.ungaretti@xpi.com.br

**Luiza Aguiar**

ESG Research

luiza.aguiar@xpi.com.br

**André Vidal**

Oil & Gas

andre.vidal@xpi.com.br

**Pedro Bruno**

Transportation

pedro.bruno@xpi.com.br

**Leonardo Alencar**

Agri, Food & Beverage

leonardo.alencar@xpi.com.br

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