Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

We are Compass Gás & Energia, a company created in 2020 by Cosan driven by the purpose of creating options for an increasingly free market. Through our businesses, we offer services and solutions focused on customers, with the objective of expanding access to natural gas in a safe, efficient, and competitive way, contributing to the security of the energy matrix, economic development and the expansion of national infrastructure. Our businesses are strategically focused on:

■ Natural gas distribution, to promote and expand access to the benefits of piped natural gas. In 2021, our portfolio included Comgás, the largest piped gas company in Brazil in terms of volume distributed. In the year, we acquired Sulgás, a distributor of piped natural gas in the State of Rio Grande do Sul, which has been part of our portfolio from 2022 on.
■ Infrastructure and gas origination, based on future access to the competitive supply of domestic and foreign gas, with imports of Liquefied Natural Gas (LNG), through Compass Infraestrutura.
■ Thermal gas generation and gas trading, we intend, in the future, to connect supply and demand to promote flexibility, competitiveness and energy security for our customers contributing to national energy security by providing stability to the increasingly renewable electricity matrix.

In 2020, Compass carried out a broad and careful process of building our sustainability strategy, a process that involved the engagement of suppliers, customers, municipal, state and federal public agencies, partners and employees to define material themes, which led to the creation of Compass' three sustainability pillars: Valuing people and society, Offering more energy with less greenhouse gas emissions, and Developing the country's infrastructure. For each of these pillars, we have defined three goals to be achieved by 2025. They are disclosed in the 2021 Sustainability Report, a document in the public domain. In this way, we reinforce our commitments to a fairer society and a more sustainable future for Brazil.

In 2021, we had around 1,200 direct employees and 3,600 indirect employees, fundamental to achieving results such as net revenue of R$ 12.3 billion, adjusted Ebitda of R$ 2.7 billion and adjusted net income of R$ $1.7 billion.
Comgás, at the end of 2021, served more than 2.2 million customers, with 130 thousand new connections made in the year, with more than 20 thousand kilometers of distribution network in 94 of the 177 municipalities in the concession area. Since privatization in 1999, Comgás has shown a virtuous trajectory of investment and growth (the number of clients served, for example, has increased more than seven times), with operational efficiency, safety and low tariffs.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1, 2021	December 31, 2021	Yes	1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Brazil

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

BRL

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	PASS3, PASS5 e PASS6

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	Pursuant to Compass Gás e Energia bylaws, the Board of Directors is responsible for, among other attributions, to establish the general business orientation of the Company and any of its Subsidiaries; (iii) to approve the work plans and annual budgets, investment plans and new expansion programs for the Company and its Subsidiaries. As a collegiate body, the Board deliberates in its meetings on CAPEX and OPEX investments in R&D, infrastructure and technology in projects that are related to climate change. For example, in an extraordinary meeting in 2021 the Board of Directors deliberated the approval of Comgas' pipeline network renewal and damage assistance, which is related to the Company's assets integrity system. The activities contributed to the reduction of fugitive scope 1 emissions related to the public commitment to reduce third-party damage by 15% in 2021-2025. Such initiatives contributed to a 6% reduction in Scope 1 and 2 emissions compared to 2020. In addition, the Compass CEO who is a member of the Board of Directors has deliberated and approved the company's scorecard goals. They are short-term goals that specify annual targets to be achieved and includes climate change metrics that will contribute to the 'Net zero' goal by 2025.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Sporadic - as important matters arise	Reviewing and guiding major plans of action	Compass Gás e Energia intends to formal design and implement its ESG

	Overseeing major capital expenditures, acquisitions and divestitures	governance structure, including climate change, by the end of 2022.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	The main criteria to assess the competence of the members of the Board of Directors in climate change are: experience as a Board Member, C-level positions or Sustainability Committee member in companies or organizations with ESG related operations such as biofuels, renewable energy among others and/or academic background related to social and environmental issues.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Assessing climate-related risks and opportunities	As important matters arise
Other, please specify Director of Corporate Affairs, Communications & Sustainability	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Executive Director of Comgás is responsible for climate change issues. This position reports directly to Comgás CEO that participates in Compass committees and board meetings with matrix reporting to Compass CEO in such forums. Some of his responsibilities include:
• Management of corporate sustainability strategy.
• Management of social and environmental indicators (including the management of GHG emissions).

• Assessment of risks and opportunities (including risks and opportunities arising from climate change).
• Communication of corporate sustainability and ESG issues relevant to the company's different stakeholders.

In 2020, Compass Gás & Energia carried defined the three flags leading the businesses we carry out, from the point of view of stakeholders and internal leadership. The flags are: valeu people and society, offer more energy with less emissions, develop country's infrastructure, board was responsible for this definition.

For each Flag, we instituted three goals that should be reached by 2025. The Flags, therefore, guide our day-to-day actions, always in search of sustainable development with the highest standard of governance. On its initiative, in 2020 we have instituted an ESG Work Group (WG) – a Work Group for each Flag with the goal of monitoring and proposing solutions for the advancement of these goals.

Flag 2 aims to offer more with less emissions, by by contributing to the reduction of Greenhouse Gas (GHG) emissions by replacing more polluting fuels with natural gas, expanding the presence of natural gas in the transport matrix and including renewable gas in our portfolio. The goals under this flag are:

• annually reduce our GHG emissions (Scopes 1 and 2) per kilometers of distribution network – decrease of 11% compared to 2020;
• make Comgás Net Zero in GHG emissions (Scopes 1 and 2) until 2025 – decrease of 6% compared to 2020;
• incorporate gas from renewable sources into the portfolio of supplies.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	In 2019, through Comgás, Compass began the process of fully measuring its greenhouse gas emissions. During 2020, Compass included Corporate Sustainability in its strategic planning, reviewing materiality for all its business fronts. At the beginning of 2021, it consolidated the work on the creation of the 3 strategic pillars in ESG, including the "More Energy with Less Emissions" flag, which contains the goals of being Net-zero by 2025,

		and of annually reducing direct GHG emissions per km. of the natural gas distribution network. As of 2021, Comgás will financially encourage employees to achieve good performance in indicators related to climate change, such as reducing fugitive GHG emissions due to network damage, and reducing Scope 1 and 2 emissions.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Board/Executive board	Monetary reward	Emissions reduction target	The remuneration of the Statutory Executive Board is composed of fixed and variable short and long term elements. The fixed element is determined according to the complexity, level of responsibility of the functions performed and market practice. In short-term variable compensation, to ensure differentiation and meritocracy, individual performance indicators are also taken into account, partly behavioral, and partly linked to financial, project and ESG goals. There are three climate-related goals: i. Annually reduce our GHG emissions (Scopes 1 and 2) per kilometers of distribution network. ii. Make Comgás Net Zero in GHG emissions (Scopes 1 and 2) by 2025. iii. Incorporate gas from renewable sources into the supply portfolio iv. Reduce by 15% the average third-party damage rate (in relation to the projection*) in the Comgás distribution pipeline network in the period from 2021 to 2025

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	At Comgás, a subsidiary that substantially represents the operations of Compass Gás e Energia, we monitor our medium and long-term strategy annually, focusing on sustaining our growth trajectory, expanding the natural gas distribution network and adding customers (in new regions and within the existing network) while increasing the profitability from customer base by offering new equipment, services and loyalty incentives.
Medium-term	1	5	As a regulated company, Comgás undergoes a Tariff Review process every 5 years. After the conclusion of this review with the Sanitation and Energy Regulatory Agency of the State of São Paulo (ARSESP), Comgás' strategic plan is revised, reflecting the results and commitments established in the Tariff Review process, defining clear parameters for us to operate efficiently, with reasonable tariffs, competitiveness and universalization of natural gas, maximizing the volumes distributed, always from a customer-centric approach.
Long-term	5	10	Our activities are focused on the long term and we work to consolidate strategic partnerships in our value chain, which mainly includes our customers and employees, as well as natural gas suppliers, material suppliers, and service providers (Engineering, Procurement and Construction , supervision and customer assistance). We continually study new contract models and revenue streams to ensure maximum efficiency, performance and contract governance. In addition, we always allocate capital in line with our long-term, sustainable value creation principles. After all, one of our values is socio-environmental responsibility, through the protection of natural resources, seeking the continuity of the business and the creation of value for the community.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The management of climate risks at Compass is integrated with Cosan's risk management, which verifies financial and business risks and therefore follows the same guidelines as Cosan's risk management methodology. As with Compass’s financial and business risk management, climate risks are included in the company's risk matrix, which classifies risks based on 3 levels of financial impacts:

Low - up to R$ 25 million Medium - up to R$ 100 million High - above R$ 100 million
In addition to the monetary variable described above, Compass considers the reputational variable linked to the mapped risks. In order to classify the impact in this respect, Compass also considers three levels:
Low: no media effect or impact on the company's image
Medium: reputational exposure with media mention of regional repercussion and / or causing flaws to close deals
High: reputational exposure with media mention of international repercussion and / or application of fines and / or reduction of revenues, generating relevant cash flow compromise
Although Compass manages the 3 levels present in the company's risk matrix, risks with impacts classified as medium and high are considered substantial in view of their relevance to the business. Thus, for the definition of these substantial risks, Cosan and Compass have a team of finance and corporate controls that perform the assessment and calculation of the financial and reputational impacts of each relevant risk mapped by the areas and thus classify them with the corporate view in the risk matrix. Medium and high impact risks are considered to be substantial due to their greater sensitivity, that is, they deserve closer management and with more urgent actions, while low impact risks, although managed, are less sensitive.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

To identify and assess the risks and opportunities that climate change could impact the strategic objectives of the holding, a study was carried out in 2021 based on a methodology supported by COSO and ISO 31000. The mapping included interviews with those responsible for the operation and were aligned with business strategy. From the intersection of these methodologies and information, the result was a mapping of risks and opportunities associated with our strategy in terms of a future climate scenario, both in terms of physical impacts, as well as reputation and market. Finally, to assess the relevance and likelihood of financial impacts, risk appetite calculations were

performed and subsequently validated by the CFOs of each business. To consolidated these risks into the company's risk management matrix, the same classification and relevance methodology was adopted, in which substantial risks are calculated. The assessment of these risks is carried out throughout the year by the risk management team. In this process, each risk is analyzed, the impacts on the company's business are scaled and then the financial impacts of each risk are estimated over the time horizons considered in the company's strategy (short, medium and long term). The risks and opportunities identified and evaluated were included in the business risk matrix and are managed in accordance with the company's risk management policy, which establishes that, with the risks identified, these risks will be prioritized between "impact intensity" and "likelihood of impact". occurrence". in a matrix, which is reviewed annually and aligned with the 5-year business plans with the support of leaders. After these definitions, the risks go through several rounds of validations and action plans are drawn up. Throughout the year, those responsible for each risk and action plan should report on the progress of action plans. For each risk factor, scenarios and work plans are simulated, with the results periodically reported to the Executive Leadership and the Audit Committee.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The regulation of natural gas distribution does not foresee specific climatic risks, but natural gas is one of the main fuels for the transition of the energy matrix, and it has impacted our strategy. Since 2003, Comgás has been certified under the ISO 14001 standard, which attests to our correct environmental performance in the expansion, operation and maintenance of the natural gas distribution network. The certificate covers the São Paulo Metropolitan Region and the regions of Campinas, Vale do Paraíba and Baixada Santista, including odorization stations, branch lines and Comgás regulation and measurement equipment. If the operations do not adhere to the environmental performance required by the regulatory body, there is a risk of increased direct costs for classification or via monetary penalties.
Emerging regulation	Relevant, always included	Natural gas distribution regulations do not foresee specific climate risks. However, we constantly monitor potential regulatory changes. As of 2021, we began to combine emerging regulations in our planning and management with a greater focus on the category of risks related to Climate Change.

Technology	Relevant, always included	We consider the evolution of technology, as it can represent risks and opportunities for the business. In the case of Comgás, as it is a regulated company, we need to constantly seek efficiency gains to ensure a good profit margin in the business. An example of a technology project in place aims to efficiently manage field services, implementing new routing and mobility tools to reduce travel time and maximize productive hours for teams. The project called Comgás 4.0 aimed to develop an automated system with remote measurement of customers' natural gas consumption, and efficient service to residential customers. Thus, the project aims to adopt cutting-edge technologies to update and automate field equipment, increase efficiency in the displacement of field teams, and reduce GHG emissions by reducing the volume of mobile combustion. Another risk assessed is the greater use of renewable sources such as energy instead of natural gas, for example for heating, or in the transport sector (electric vehicles). The main risk linked to the technology is in the reduction of revenues, without reducing operating costs.
Legal	Relevant, always included	Through our preliminary risk analyses, we identify all risks and potential environmental impacts in a specific system and rank them by frequency and probability. In this way, we act in line with the related legal requirements, which are checked monthly by the Health, Safety and Environment (HSE) area. In addition, we also have a Health, Safety, Environment and Quality (SSMQ) committee. Events of environmental non-compliance, or large natural gas leaks will result in fines and other penalties, characterizing the risk of increasing direct costs if we do not act correctly to avoid these incidents.
Market	Relevant, always included	At Comgás, the behavior of natural gas (NG) consumers, especially in the residential segment, has been undergoing changes over time, impacting the volume of gas consumed. Drastic changes in the climate, with long periods of drought, impact consumption behavior with a reduction mainly in the residential segment: financial bias and increasingly expensive energy, and ecological bias (conscious use of energy). This directly impacts Comgás' revenues due to the reduction in the volume distributed. One of the risks for the infrastructure and power generation segment of Compass Gas & Energy, focused on NG-fueled projects, is the preference for renewable sources in new projects, or the substitution of NG by less GHG emitting energy sources. This market preference brings great relevant risk to Compass' operations and potential revenues.
Reputation	Relevant, always included	When we look at it from a reputational point of view, we often identify the risk of potential leaks from damage to our distribution network and the impact not only on the environment with increased Scope 1 emissions, but also on the safety of local communities, given the

		flammable character of natural gas, bringing an explosive risk. Most of these damages to the network occur due to drilling by other companies in Comgás' underground pipeline, which also makes this a potential risk in reducing revenue from loss of natural gas, and in increasing costs with repairs to the electricity network distribution.
Acute physical	Not relevant, explanation provided	We do not consider acute physical risks in the analysis since Comgás's natural gas distribution infrastructure is not in high-impact locations of extreme climate change. Most of our assets are underground and those that are not are monitored by asset management, with no history of occurrence.
Chronic physical	Relevant, always included	We may be affected by adverse weather conditions. For example, if there is a strong drought affecting southeastern Brazil, at Comgás's concession area, during this period residents are encouraged to save water. As a relevant part of Comgás's revenue is provided by the residential segment, and a significant part of the natural gas used by the residential consumers is used for water heating, Comgás may have a reduction in its net revenue from the residential segment. Therefore, Comgás's business can be materially affected by unusual weather patterns

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Comgás is the largest distributor of piped natural gas in Brazil, with a concession area that accounts for 26% of Brazil's Gross Domestic Product, distributing more than 13,5MM cubic meters per day, serving more than 2.2 million customers.

Among the several sectors served by Comgás, of the 13,5MM m³/day distributed, 10,5MM m³/day are from the industrial sector, which is the most representative among all.

According to the global need to increasing the percentage of renewable sources in the energy matrix, the major consumers of natural gas, especially in the industrial sector, are committing to decarbonization targets in the short time.

The migration to alternatives renewable solutions have already been happening. Industrial clients have migrated over the years to other energy sources such as biomass and biomethane, leaving completely or partially the Comgás customer base.

Today, 75% of the largest consumers of natural gas have ESG decarbonization targets in their energy matrices and according to these companies NG consumption history, about 3,5MM m³ is at risk of migrating for low carbon fuels.

The great potential for biomethane production and gas consumption in the state of São Paulo, added to the promising regulatory environment, contribute to the increase of consumer on the state. The injecting of Biomethane into Comgás's distribution pipeline, participating on the gas mix, seeks to comply with this consumers.

By providing access to renewable gas, Comgás keeps the volume captive in its major customers (with potential for increment) and contributes to the decarbonization of the Brazilian energy matrix.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

415,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

75% of the largest consumers of natural gas have ESG decarbonization targets in their energy matrices. According to these companies NG consumption history, about 3,5MM m³ is at risk of migrating for low carbon fuels.

Considering ARSESP resolution No. 1,294, of June 1, 2022, which is disclosed the Tariff Tables and the Tariff for the Use of the Distribution System (TUSD) that the gas distributor concessionaire Companhia de Gás São Paulo – COMGÁS applies we calculated a maximum volume loss scenario, as shown below:

Maximum
Daily vol (m³) 3,500,000
Annual vol (m³) 1,260,000,000
Comgás margin (R$/m3) 0.327155
Offset margin BRL 415,000,000.00

Cost of response to risk

1,250,000

Description of response and explanation of cost calculation

A project was carried out between Comgás, through the R&D area, and the company Geo Energética to identify the biomethane production potential available in the state of São Paulo, making this an interesting business opportunity for Comgás. It cost approximate R$ 500,000.00.

Simultaneously with the study, the first public notice for Comgás was carried out, from which 7 biomethane producers were surveyed, with 12 projects, totaling a potential volume of approximately 500 thousand m³/day. Through the notice, negotiations have already been carried out with 2 producers, of which we are in the approval phase with the regulatory body and with executive projects in parallel with the approval, in the approximate amount of R$ 750,000.00.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Heavy precipitation (rain, hail, snow/ice)

Primary potential financial impact

Increased capital expenditures

Company-specific description

The mapped risk is landslides caused by extreme rainfall. An event could cause a landslide of the Baixada Santista slopes, where Comgás operates gas pipelines.

The impact of damaging these gas infrastructure can cause:
1) Lack of gas in this region and other municipalities, like: Arujá, Barueri, Cajamar, Carapicuíba, Cotia, Diadema, Embu, Ferraz de Vasconcelos, Guarulhos, Itapevi, Itaquaquecetuba, Mauá, Jandira, Mogi das Cruzes, Osasco, Poá, Ribeirão Pires , Rio Grande da Serra, Santana de Parnaíba, Santo André, São Bernardo do Campo, São Caetano do Sul, São Paulo, Suzano, Taboão da Serra, Cubatão, Guarujá, Santos, São Bernardo do Campo and São Vicente.
2) gas leakage and, in extreme events, explosions with impact on the surrounding community;
3) work accidents;
4) Interruption of gas impacting on non-compliance with the gas supply contract (possible contractual fines).

Time horizon

Long-term

Likelihood

Very unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

8,710,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We consider the amounts necessary for partial reconstruction of the pipeline:
R$ 6,500,000.00 in construction and installation service;

R$ 1,360,000.00 for materials such as piping and valves;
R$ 850,000.00 for management.

Cost of response to risk

410,000

Description of response and explanation of cost calculation

To minimize the risk of gas leak and lack in the piped distribution system, we maintain a robust Asset Integrity Management System (SGIA), anchored in international references and recognized practices, such as the British Standards Institution (BSI), Publicly Available Specification (PAS), Institute of Asset Management (IAM) and the ISO 31000, ASME B31.8S and ISO 55001 series.

Our Asset Integrity area manages 48 performance indicators, also with a view to prevention, detection, control and emergency response. The Comgás PAE (Emergency Plan) establishes technical and administrative procedures for the control of emergencies (leakage of natural gas and odorant; fire/explosion; lack of natural gas and absence/excess of odorant in natural gas), enabling quick and efficient actions to minimize damages and losses, quickly restore operations, preserve facilities, community safety and environmental quality. The Plan establishes communication and articulation mechanisms with state and municipal bodies, natural gas supply companies and society in general, for the adoption of appropriate measures to combat and control emergencies.

The Plan also defines mechanisms for interaction with state and municipal authorities, as well as with natural gas transporters, for the adoption of appropriate emergency control measures. We also regularly carry out emergency care examinations, for which we invite representatives from external bodies, including the Public Services Regulatory Agency of the State of São Paulo (Arsesp), to monitor our controls.. The costs adopted for maintenance and invested in these actions total annually approximately:

Total: 410,000.00/annual
• Leakage Survey: BRL 50,000.00/annual
• Special Operations Civil Maintenance:. BRL 50,000.00/annual
• Network Patrol: BRL 75,000.00/annual
• Cathodic protection: BRL 235,000.00/annual

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

With the progress of discussions regarding actions and initiatives to combat climate change with the ambition to limit global warming to 1.5°C, governments and companies are challenging themselves to build decarbonization routes that are in line with this challenge, which also became a priority for Comgás/Compass. When we look at our customers in the Comgás's concession area, the major players have short, medium and long-term decarbonization goals and are looking for alternatives to achieve this ambition.

In Brazil, the transport sector is an important segment for the country to achieve the goal established at COP 26, to reduce its greenhouse gas (GHG) emissions by 50% by 2030 and neutralize them by 2050. Nationally, this sector is responsible for about 13% of total emissions (SEEG, 2019).

CNG presents itself as a great ally to contribute to the journey of decarbonization of the transport matrix, mainly on heavy commercial vehicles.- as it has a lower emission factor when compared to other fossil energy sources.

The sector presents some challenges, such as:
1 - Influence other automakers to produce vehicles (heavy fleet) powered by CNG. Today, in the Brazilian market there is only one company selling this technology.

2- Expansion of the CNG supply infrastructure in the country's main logistical corridors (ie, new CNG supply points at gas stations), connecting different regions to guarantee autonomy over long distances.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

40,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We estimate the potential increment by the following calculation:

Potential 2026: increment of 3000 trucks running in the year in Comgás's concession territory X the average consumption of CNG by the trucks X the tariff margin throughout the year. Resulting on BLR 40,000,000.00

Cost to realize opportunity

1,050,000

Strategy to realize opportunity and explanation of cost calculation

1) Situation: Customer demand for energy options with lower emission factors to contribute to the decarbonization journey in line with public commitments.

2) Task: Promote the heavy vehicle industry to diversify energy options. Today,the industry has only one company manufacturing and selling heavy commercial vehicle powered by GNV (lowest emission factor among fossils).

3) Action: Implementing CNG filling infrastructure (and in the future biomethane) along major highways, called ''Corredores Azuis'', starting on the State of São Paulo.
- R&D project for increasing the use of CNG (in the future biomethane) in urban public passenger transportation;
Partnership with Scania to develop and incite the use of heavy commercial vehicles powered by CNG.

4) Result:
Potential 2026: More 3000 trucks powered by CNG in the concession area - R$ 40,000.000

Total Cost Calculation:
R&D project:: R$ 550,000.00
Dedicated team: R$ 500,000.00

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
According to the global need of increasing the percentage of renewable sources in the energy matrix, the major consumers of natural gas, especially in the industrial sector, are committing to decarbonization targets in the short time. One option that this sector is aiming for the reduction of its GEE emissions is on the replacement of fossil energy sources (such as natural gas) with renewable solutions.

The great potential for biomethane production and gas consumption in the state of São Paulo, added to the promising regulatory environment, contribute to the increase of consumer on the state.
The injecting of Biomethane into Comgás's distribution pipeline, participating on the gas mix, seeks to comply with this consumers, as the biomethane gas emits around 90% less CO2 than natural gas.

By providing access to renewable gas, Comgás keeps the volume captive in its major customers (with potential for increment) and contributes to the decarbonization of the Brazilian energy matrix.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,230,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The state of São Paulo concentrates an important part of national diesel consumption; a large part of this volume is allocated to heavy fleet transport. An acceleration in sales of heavy vehicles powered by CNG are expected by 2027, mainly because of the potential of biomethane as an energy option. It is estimated that in 2027 the daily consumption volume of NG (considering NG + Biomethane on the mix) may reach approximately 1.5MM m³/day.

Comgás has, as one of its targets, the incorporation of gas from renewable sources in its supply portfolio and, for the first time in its history, a public notice for gas supply including biomethane was carried out in 2021, in which 12 different projects were offered, representing approximately 500 thousand m³/day of biomethane.

Aiming at the introduction of about 270 thousand m³/day of biomethane, representing 2% of biomethane to Comgas' total mix, it is expected to increase the consume by at least 4% of the volume.

Considering the average NG margin of R$0.313/m³, (based on ARSESP resolution nº. 1,294, of June 1, 2022) one scenario is proposed:

1)Maximum: 10,8k m³/daily (representing 4% incremental due to biomethane in the mix) X R$0,313/m³ = R$1,230,000.00/year

Cost to realize opportunity

1,250,000

Strategy to realize opportunity and explanation of cost calculation

Situation: According to the global need to increasing the percentage of renewable sources in the energy matrix, the major consumers of natural gas, especially in the industrial sector, are committing to decarbonization targets in the short time. One option that this sector is aiming for the reduction of its GEE emissions is on the replacement of

fossil energy sources (such as natural gas) with renewable solutions.

Task: Studying the potential of the use Biomethane and its applications to support future consumers projects on renewable energy.

Action: Comgás's R&D area and the company Geo Energética carried out a survey of producers and possible consumers of biomethaneaimed to promoting the universalization of biomethane in the Comgás concession area, worth approximately R$500,000.00

Comgás' first public notice selected 7 biomethane producers, with 12 projects, totaling a potential volume of approximately 500k m³/day of biomethane.

Result: Survey of the real potential of biomethane production in the State of São Paulo, proved that it is an interesting business opportunity for Comgás.

Negotiations have already started with 2 producers, of which we are in the approval phase with the regulatory agency. The executive projects are running on parallel of the approvals , which are worth approximately R$750,000.00

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

Attach any relevant documents which detail your transition plan (optional)

Transition Plan Explain.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly available transition scenario	Business activity	1.5ºC	To build Compass Gas e Energia decarbonization journey, we use published reports recognized by stakeholders as a reference such as IPCC Sixth Assessment Report and Brazilian government energy studies and plans. Such reports have been used as guidances for aligning our initiatives and actions with the commitment to limit 1.5°C assumed in the Paris Agreement and the Brazil NDC updated after COP 26. Natural gas plays an important role in energy security and in the transition of the energy matrix to less polluting levels. In addition, the potential for interchangeability with biomethane (renewable gas), Compass use the Ten-Year Expansion Plan for Energy 2031 (PDE 2021) which indicates the prospects for the expansion of the energy sector for the next 10 years (2022 to 2031) within an integrated vision for the various energy sources. The plan subsidizes energy policy decisions in Brazil and provide market with information that allow the development of the electrical system and the energy supply needs under different possible future scenarios. Regarding the potential use of biomethane in Brazil, the company uses the dynamic panel of Brazilian biogas and biomethane plants (BiogásMap) developed by CIBiogás, UNIDO and several consultancies and research institutions, in addition to internal studies to identify the biomethane production potential and injection into the distribution pipeline network.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Considering natural gas, the company's main product, what are the opportunities to ensure energy security, to reduce emissions in transportation sector and from the use of the product?

Results of the climate-related scenario analysis with respect to the focal questions

Using the information from the scenario analysis and assessing investments opportunities to increase the supply of natural gas to the national grid, the company decided to open a public call for the receipt of biomethane projects and started studies for the use of CNG in trucks to replace diesel.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	We are committed to implement by 2025, Biomethane as one of the distribution products. Biomethane is more sustainable as it transforms potentially polluting waste into energy. In addition, it is a renewable, inexhaustible and cleaner source than natural gas. This product must comply with ANP regulations and thus become fungible with natural gas. The connection of Biomethane with the distribution system may be via a gas pipeline, cnc and/or lng, in order to enable collection in locations further away from the network. This new commercialization product will allow us to move towards our public goals established in the Annual Sustainability Report, Offering More Energy with Less Emissions. We included, in the public call for gas supplies from Comgás, a proposal referring to biomethane projects. In 2022, we intend to enter into the first contract for the

		incorporation of gas from renewable sources into Comgás' supply portfolio.
Supply chain and/or value chain	Yes	We are committed to implement by 2025, Biomethane as one of the distribution products. Biomethane is more sustainable as it transforms potentially polluting waste into energy. In addition, it is a renewable, inexhaustible and cleaner source than natural gas. This product must comply with ANP regulations and thus become fungible with natural gas. The connection of Biomethane with the distribution system may be via a gas pipeline, cnc and/or lng, in order to enable collection in locations further away from the network. This new commercialization product will allow us to move towards our public goals established in the Annual Sustainability Report, Offering More Energy with Less Emissions. We included, in the public call for gas supplies from Comgás, a proposal referring to biomethane projects. In 2022, we intend to enter into the first contract for the incorporation of gas from renewable sources into Comgás' supply portfolio. Biomethane, obtained through the processing of biogas, is produced from biomass, which is abundant in Comgás' concession area, considering organic waste from the sugar-energy, agricultural, industrial and sanitation segments of solid urban waste and sewage. The State of São Paulo holds 30.5% of the total Brazilian potential for biomethane production. In this scenario, in 2021, Comgás joined the Brazilian Biogas Association (ABiogás) to join forces with producers, customers and society to discuss viable models for this renewable energy source. In our value chain, the objective of inserting Biomethane is for Comgás to be the distributor of Natural Gas with the largest renewable portfolio in Brazil in 2023. The studies prepared by Comgás show that inserting 2.0% of biomethane in the commercialization 173 thousand tCO2eq/year are avoided daily.
Investment in R&D	Yes	Comgás has a specific area for the management and identification of new opportunities in R&D, including projects to promote the use of natural gas and projects focused on reducing emissions, totaling investments of around R$7 million (2018 to 2021) . Below are some projects and investments commented on:

		1) implementation of underground interference detection sensor, which aimed to map interference caused in our network by other services that also use the ground (such as data and communication networks) and enable a reduction in response time, reducing GHG emissions of this events; 2) Monitoring system for damage prevention and prediction, has a similar objective, that is, to predict the incidence of damages in the network. However, the focus is to identify the areas of greatest impact, in order to outline contingency strategies and increase the Operational Security; 3) Planning the Use of Urban Subsoil for Universalization and Security of Public Utilities Services was a study to contribute with the best practices that make possible expansions in large cities. The subsoil of urban centers is increasingly congested by other ducts of various services, so the critical survey of international initiatives for planning and management of the use and occupation of urban subsoil supports us with physical, functional and normative aspects to forward future proposals for the treatment of the topic in Brazil. 4) Application of Natural Gas as Fuel for Energy Transition in Urban Public Transport was a detailed study to format the Technical, Financial and Environmental Defense for the insertion of Natural Gas in buses of the Urban Public Transport System. Comparing with Diesel, with the hypothesis of demonstrating that NG is the most competitive solution, especially regarding the emission of greenhouse gases; 5) Promoting the Universalization of Gas Through Biomethane was an initiative conducted internally with the objective of evaluating the feasibility of using biomethane for the universalization of gas in the Comgás concession area, contributing to the achievement of the GHG reduction.
Operations	Yes	Among our efforts to reduce direct GHG emissions, we highlight the completion of the Cast Iron Network Renovation Plan. In the last five years, investments were made for the total replacement of the iron network with polyethylene (PE), investing approximately R$ 158 million in the renovation of the Comgás network. As a result, we zeroed emissions from natural gas leaks caused by cracks in cast iron, which in 2016 were at levels close to 40,000 tCO2e/year. In 2021, we operated a 20,379km distribution network composed 100% of polyethylene.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures Access to capital	In terms of influence on financial planning, it is worth mentioning the renovation of cast iron networks using polyethylene, an investment of around R$ 158 million from 2016 to 2020. As a result, we zeroed emissions from natural gas leaks caused by cracks in the distribution network. Currently, when we analyze the short, medium and long-term financing lines of our investments, we are focused on credit lines that are diligent not only with the Company's ability to pay, but with the investment as a whole. Therefore, in this process, we constantly evaluate sources related to sustainable economy, such as the evaluation of technical and economic feasibility of using biomethane in the gas distribution network.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

16,484

Base year Scope 2 emissions covered by target (metric tons CO2e)

321

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

16,805

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2025

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

9,847.7

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

482.27

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

10,329.97

% of target achieved relative to base year [auto-calculated]

38.5303778637

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

Compass recognize climate change as central to its operations, which is a material theme highlighted in one of the ESG Goals: Offering more energy with less emissions. Comgás has set a net-zero target (scope 1 and 2) by 2025.
However, 99% of Comgas emissions are scope 3. While the company waits for further sector guidance from SBTi regarding it, we are studying potential scope 3 decarbonization routes, with the inclusion of biomethane in the mix being one of the alternatives. the insertion of biomethane in the natural gas pipeline network.

Plan for achieving target, and progress made to the end of the reporting year

The Compass Group aims to offer more energy with less emissions, by contributing to the reduction of emissions of Greenhouse Gases (GHG) through the replacement of more polluting fuels by natural gas, the expansion of presence of natural gas in the transport matrix and the inclusion of renewable gas in our portfolio.

To this end, it intends to internalize and universalize the natural gas, expanding its

presence in the energetic matrix, diversifying access to the molecule and adopting and promoting best security practices and value creation for communities.

Our goal is to annually reduce our Scope 1 and 2 emissions per kilometer of distribution network. In 2021, we achieved a decrease of 11% compared to 2020. Another goal is to make Comgás Net Zero in Scope 1 and 2 emissions by 2025. In 2021, we achieved a 6% decrease compared to 2020.

Another important action in 2021 was the fact that for the first time the public call for new projects by Comgás accepted proposals referring to Biomethane projects (gas of renewable origin). We received a surprising volume of gas projects from renewable sources, which reinforces the development of the market to explore this energy source. We have great expectations of having part of this volume contracted in 2022, which provides security for the continuity of new investments for producers.

Also in 2021 we instituted a monthly working group with t to follow the progress of the flag 2 targets – offering more energy with less emissions.. This group, which will continue to work in 2022, aims to identify and encourage internal areas that have greenhouse gas activities to reduce their impact. It was from this exercise that the initiative to replace the laboratory collection methodology emerged.

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per kilometer

Base year

2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.92

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.0179

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.94

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

100

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.483

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.024

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.51

% of target achieved relative to base year [auto-calculated]

45.7446808511

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

Compass recognize climate change as central to its operations, which is a material theme highlighted in one of the ESG Goals: Offering more energy with less emissions. Comgás has set a net-zero target (scope 1 and 2) by 2025.
However, 99% of Comgas emissions are scope 3. While the company waits for further sector guidance from SBTi regarding it, we are studying potential scope 3 decarbonization routes, with the inclusion of biomethane in the mix being one of the alternatives. the insertion of biomethane in the natural gas pipeline network.

Plan for achieving target, and progress made to the end of the reporting year

The Compass Group aims to offer more energy with less emissions, by contributing to the reduction of emissions of Greenhouse Gases (GHG) through the replacement of more polluting fuels by natural gas, the expansion of presence of natural gas in the transport matrix and the inclusion of renewable gas in our portfolio.

To this end, it intends to internalize and universalize the natural gas, expanding its

presence in the energetic matrix, diversifying access to the molecule and adopting and promoting best security practices and value creation for communities.

Our goal is to annually reduce our Scope 1 and 2 emissions per kilometer of distribution network. In 2021, we achieved a decrease of 11% compared to 2020. Another goal is to make Comgás Net Zero in Scope 1 and 2 emissions by 2025. In 2021, we achieved a 6% decrease compared to 2020.

Another important action in 2021 was the fact that for the first time the public call for new projects by Comgás accepted proposals referring to Biomethane projects (gas of renewable origin). We received a surprising volume of gas projects from renewable sources, which reinforces the development of the market to explore this energy source. We have great expectations of having part of this volume contracted in 2022, which provides security for the continuity of new investments for producers.

Also in 2021 we instituted a monthly working group with t to follow the progress of the flag 2 targets – offering more energy with less emissions.. This group, which will continue to work in 2022, aims to identify and encourage internal areas that have greenhouse gas activities to reduce their impact. It was from this exercise that the initiative to replace the laboratory collection methodology emerged.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Int1

Target year for achieving net zero

2025

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain target coverage and identify any exclusions

Compass recognize climate change as central to its operations, which is a material theme highlighted in one of the ESG Goals: Offering more energy with less emissions. Comgás has set a net-zero target (scope 1 and 2) by 2025.
However, 99% of Comgas emissions are scope 3. While the company waits for further sector guidance from SBTi regarding it, the transition plan is under construction, we are studying potential scope 3 decarbonization routes, with the inclusion of biomethane in the mix being one of the alternatives.

However, Comgás has been working to reduce its emissions, even before measuring them through the inventory. An example of this is the initiative to exchange the cast iron network.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Comgás's goal is to become Net Zero in
greenhouse gas emissions (Scopes 1 and 2) by 2025. The company's decarbonization journey has gained
structure in 2019 with the preparation of its first inventory of greenhouse gas emissions, the main
tool for emission management. With the preparation, potential sources of emission and the
materialization of their relevance in the company's operation
In recent years, Comgás has significantly reduced its Scope 1 emissions (direct emissions)
associated with fugitive emissions, the main offending activity of GHG. As of 2015, the process of exchanging
cast iron network for polyethylene (PE) was accelerated, which lasted until 2019, with a total investment of R$ 159
millions. In total, 186 km of renewed networking were 186 km, which helped Comgás to reduce the total emissions by 78%
2016 to 2020.
We continue to invest in modernization of the network and implementation of prevention and
integrity of assets associated with accidental damage of third parties on the network.

After replacing the cast iron network, the category that most represents fugitive emissions is damage caused by third parties.
Another initiative to reduce scope 1, Comgás
replaced its laboratory collection method, to ensure the quality of natural gas on the grid, by a method
with shorter purge time, reducing this other source of fugitive emission.

Comgás is also developing a net zero 2025 plan studying the possibilities of compensation and neutralization of scope 1 and 2 emissions that could not be avoided..
Some of the actions raised would be to neutralize the inevitable emissions, with two mechanisms for this, the first being
means of voluntary planting of trees that during the photosynthesis process in its development phase,
it kidnaps CO2 from the atmosphere and accumulates in its biomass, and can neutralize co2 emissions from a given activity after a certain period previously known through studies and scientific literature. Other mechanisms are certified emission reductions (CERs) or popularly known as carbon credit, which represents 1 tCO2e avoided or reduced by an environmental project accredited by internationally certified entities, which can also generate other environmental and social benefits.

Planned actions to mitigate emissions beyond your value chain (optional)

One of the main threats to Comgas' operational security is damage caused by third parties. These damages occur when other public service concessionaires, owners, contractors, construction companies, among others, carry out interventions in the basement of the Comgás concession area and cause damage to natural gas pipes, which may cause loss of containment.

In order to effectively act to reduce the operational risks that can be caused by the loss of containment, Comgas installed, in 2018, the Damage Prevention Management System (SGPD), which is made up of the following areas: Damage Prevention Program (PPD) , Integrated Asset Registry (CIA), Construction Monitoring and Intelligence (MIO) and Network Emergency and Repair (EMR). The joint action of these areas is responsible for identifying strategic and preventive actions to anticipate risks and minimize the impacts caused by subsoil interventions that are inappropriate for safety. In 2021, the PPD obtained the real value of 443 damages, being a reduction of 34% of the damage index and quantitative.

Also in 2021, we inaugurated our new Operational Control Center and we signed a partnership for integrated action with other concessionaires by through the Integrated Operations Center (COI), of the City of São Paulo, mitigating the risk of third-party damages. In 2021, 22% reduction in average damage rate from third parties in the Comgás operation in relation to the initial forecast of damage for the year.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	138
To be implemented*	2	174,414.9
Implementation commenced*	0	0
Implemented*	2	1,610.7
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Fugitive emissions reductions

Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

1,574.72

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

76,583

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

2021 the Company replaced the laboratory collection methodology, carried out to guarantee the quality of natural gas and the required percentage of the odorant. As of August 2021, 100% of the collections were carried out via bag, reducing the need to "purge" the natural gas in 4.5 minutes per collection. This action contributed to a 32% reduction in tCO2e emissions from this activity.

Initiative category & Initiative type

Fugitive emissions reductions
Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

36

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

10,621,000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

One of the main threats to Comgas' operational security is damage caused by third parties. These damages occur when other public service concessionaires, owners, contractors, construction companies, among others, carry out interventions in the underground of the Comgás concession area and cause damage to natural gas pipeline, which may cause loss of containment.
In order to effectively act to reduce such operational risks, Comgas implemented, in 2018, the Damage Prevention Management System (SGPD), carried out the following areas: Damage Prevention Program (PPD), Integrated Asset Registry (CIA), Construction Monitoring and Intelligence (MIO) and Network Emergency and Repair

(EMR). The joint action of these areas has been responsible for identifying strategic and preventive actions to anticipate risks and minimize the impacts caused by underground interventions. In 2021, the PPD reduced the damage index by 34%.
The project conducts three type of strategic damage prevention actions: i. acting proactively with third parties operating in Comgás' concession area; ii. emergency response management aims to reduce the average response time related to leaks; iii. update and definition of the new as built standard of our network.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	In the renovation of the cast iron network, the investment was agreed with the regulatory body in the State of São Paulo: ARSESP - Regulatory Agency for Public Services of the State of São Paulo.
Dedicated budget for low-carbon product R&D	R&D project for increasing the use of CNG (in the future biomethane) in urban public passenger transportation.
Dedicated budget for other emissions reduction activities	By providing access to renewable gas, Comgás keeps the volume captive in its major customers (with potential for increment) and contributes to the decarbonization of the Brazilian energy matrix.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	In 2021, the GHG emissions inventory considered a new scope 1 category: land use change. The inclusion of the land use change category was necessary due to the need to suppress vegetation from infrastructure works, authorized by the competent environmental agency and will be duly compensated through TCRA as recommended by the current environmental licensing process.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the impact does not meet our significance threshold	0

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

16,484.29

Comment

Scope 1 are reimbursed by natural and non-natural, as well as direct and stationary transport activities of fugitive bases, operational and administrative.
Compass Infrastructure, Commercialization and Generation is non-existent in the base year, as in 2019 only Comgás maintains operational activities.

Scope 2 (location-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

320.72

Comment

The electricity consumed by Compass Gás & Energia in 2019 comes from the local utility, therefore, Scope 2 is based exclusively on location-based. Emissions from Compass Infrastructure, Commercialization and Generation are non-existent in the base year, as in 2019 only Comgás maintained operational activities.

Scope 2 (market-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

The electricity consumed by Compass Gás & Energia in 2019 comes from the local utility, therefore, Scope 2 is based exclusively on location-based.

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

3,260.99

Comment

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

576.56

Comment

Scope 3 category 6: Business travel

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

122.54

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

9,000,262.31

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Público

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Público

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Brazil GHG Protocol Programme
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
Other, please specify
Climas Online Tool

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

9,847.696

Start date

January 1, 2021

End date

December 31, 2021

Comment

All Scope 1 emissions in 2021 are from Comgás, a company in the Compass Gás & Energia portfolio that had operational activities during the year. The main source of scope 1 emissions is associated with fugitive emissions of natural gas in the natural gas distribution network. Over the last few years, Comgás has invested in replacing 100% of the cast iron network to polyethylene. As a result, in 2020 we achieved zero emissions from natural gas leaks caused by cracks and breaks in pipes that were made of cast

iron. Currently, the main challenge is associated with fugitive emissions of natural gas from leaks in the network resulting from third-party damage. We have an initiative that contributes to the reduction of GHG emissions of this source, the Damage Prevention Plan, with actions for the maintenance of our assets and awareness of business partners and other concessionaires that operate in the state of SP. in 2021 we adapted the laboratory collection methodology at Comgás, carried out to guarantee the quality of natural gas and the required percentage of the odorant. As of August, 100% of the collections were carried out via bag, reducing the need to “purge” the natural gas in 4.5 minutes per collection. This action contributed to a 32% reduction in tCO2e emissions from this activity. In addition to these points, in our fleets, as a way of mitigating our emissions, we prioritize the use of Ethanol and Vehicle Natural Gas.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

12,219.18

Start date

January 1, 2020

End date

December 31, 2020

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

Compass has not yet adopted the purchase of energy from the free market for its own consumption, using the electricity acquired from local concessionaires only (National Grid).

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

482.27

Start date

January 1, 2021

End date

December 31, 2021

Comment

Electricity consumption in 2021 was 3.2% higher than 2020. However, due to the activation of thermal power plants in 2021 the national GRID emission factor was higher, resulting in a 106% increase in GHG emissions.

Past year 1

Scope 2, location-based

232.32

Start date

January 1, 2020

End date

December 31, 2020

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Please explain

We have not identified relevant materials for Compass Gas & Energy's operation in 2021. At Comgás, we only perform the natural gas distribution service, and we count

the combustion of natural gas distributed in the Use of sold products category of Scope 3.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

We have not identified emissions of capital goods from third parties relevant to the operation of Compass Gás & Energia in 2021. We operate on our own operational bases, and their emissions are included in Scope 1. Emissions from the use of machinery and fleets by third parties at the service of Compass are accounted for in the Upstream transportation and distribution category.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Please explain

No relevant activities were identified thas has not been included in transport (Upstream transportation and distribution) or in the use of natural gas distributed by Comgás to its end customers (Use of sold products).

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,769,719

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

It is considered the fuel consumption of vehicles (CNG, ethanol, gasoline and diesel) of the companies that provide services to Comgás It includes outsourced vehicles used to transport employees for expansion and maintenance operations of Comgás' natural gas distribution pipelines.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

136.553

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

It is considered all waste generated in Comgás' operational and administrative bases. We control this data from a contracted service for waste collection.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7.365

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Data refer to all air travel related to work carried out by employees of Compass Gás & Energia, considering the airport of departure and destination.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

It is not significant, but as a good practice we are looking for ways to report this data in the coming years. In the 2021 cycle, an expressive part of the employees continued to work remotely without daily commuting to/from work due to Covid-19 pandemic.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Parameter does not apply to Compass Gás & Energia in 2021. We do not operate leased assets. Emissions from the use of machinery and third-party fleet in the service of Compass are already accounted for in the Upstream transportation and distribution category of Scope 3.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

At Comgás, the company's natural gas distribution is mainly carried out via underground gas pipelines. Therefore, emissions from downstream transmission and distribution are not relevant.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Does not apply to Comgás (natural gas distributor). Emissions linked to the emission of the distributed product (combustion of distributed natural gas) are accounted for under “Use of sold products”.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

9,689,714.18

Emissions calculation methodology

Average spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We have not identified any relevant inputs for the operation of Compass Gás & Energia in 2020. At Comgás, we only perform the natural gas distribution service, category that represents 99% of the company's total emissions and that has historically been increasing due to the increase in the volume of natural gas distribution and new clients and new municipalities, in line with the company's commitment to universalize and internalize access to energy, and with the commitments made in its concession contract with ARSESP.

In this way the distribution of natural gas that is accounted for in the category Use of

Sold products of scope 3 is the company's business.

Comgás have signed with the São Paulo state government the extension of Comgás' concession contract until 2049. Thus, the concessionaire will expand its distribution network to 41 new municipalities by 2049, investing in infrastructure and technology to ensure the supply of gas and energy security.

Biomethane is one of the initiatives that will make possible that one day Scope 3 will be reduced as long as more gas is traded.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Treatments are not required at the end of the natural gas lifecycle as it combusts when used by the end customer.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Parameter does not apply to Compass Gás e Energia in 2021. Company does not have relevant assets leased by third parties.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Parameter does not apply to Compass Gás & Energia in 2021. Company does not operate franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Parameter does not apply to Compass Gás e Energia in 2021. The company does not provide finance for third-party projects.

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1, 2020

End date

December 31, 2020

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

3,260

Scope 3: Waste generated in operations (metric tons CO2e)

124

Scope 3: Business travel (metric tons CO2e)

24

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

8,440,809

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	1,630.428	In 2021, biogenic scope 1 emission was 814.771 tCO2 and scope 3 815.657 tCO2 in 2020). These emissions are linked to the use of fuels (ethanol, gasoline and diesel) in Comgás' own fleet and also by third-party companies at the service of Comgás. In Brazil, diesel and

		automotive gasoline have, respectively, about 11% biodiesel and 27% anhydrous ethanol in their composition, according to Brazilian legislation.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.51

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

10,326.14

Metric denominator

kilometer

Metric denominator: Unit total

20,379

Scope 2 figure used

Location-based

% change from previous year

20.3

Direction of change

Decreased

Reason for change

There was a reduction from 0.64 tCO2e/km in 2020 to 0.51 tCO2e/km in 2021, mainly due to the reduction of scope 1 emissions.
In 2020, we ended the Cast Iron Network Renovation Plan, zeroing emissions resulting from natural gas leaks caused by cracks in cast iron. As a result, we reduced by 84% the fugitive emissions of Comgás, the company's main source of direct GHG emissions, which in 2016 were close to 47,000 tCO2e/year. Our Damage Prevention Plan, with actions for the maintenance of our assets, is another highlight, as it helps to control fugitive emissions of natural gas caused by leaks in the network resulting from damage by third-party companies. In 2021, we adapted the laboratory collection methodology, carried out to guarantee the quality of natural gas and the required percentage of the odorant. As of August 2021, 100% of the collections were carried out via bag, reducing the need to “purge” the natural gas in 4.5 minutes per collection. This action contributed to a 20.3% reduction in tCO2e emissions from this activity.

Intensity figure

0.000837

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

10,326.14

Metric denominator

unit total revenue

Metric denominator: Unit total

12,330,209

Scope 2 figure used

Location-based

% change from previous year

38

Direction of change

Decreased

Reason for change

There was a reduction from 0.0000018 tCO2e/R$ to 0.0000013 tCO2e/R$ due to the reduction in Scope 1 emissions and the increase in revenue in 2021.

Revenue in 2020: R$ 9,093,170,000
Scope 1+2 emission in 2020: 12,451.5 tCO2e
Emissions intensity in 2020: (12,451.5/9,093,170,000) = 0,001369 tCO2/R$

Revenue in 2021: R$ 12.330.209,000
Scope 1+2 emission 2021: 10,326.14 tCO2e
Emissions intensity in 2020: (10,326.14 /12.330.209,000) = 0,000837 tCO2/R$

We reached a variation of -38% in tCO2/R$ when comparing 2020 to 2021: (0,000837 - 0,001369)/ 0,001369 = -38%

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CH4	7,346.652	IPCC Fourth Assessment Report (AR4 - 100 year)
CO2	2,367.799	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	21.831	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	21.414	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Brazil	9,847.696

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility
By activity

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
CORMSP - Centro Operacional na Região Metropolitana de São Paulo	646.074	-23.54833	-46.624758
Campinas	5.705	-22.844959	-47.052173
Osasco	0	-23.483935	-46.782944

Santos	0	-23.94467	-46.321942
São José dos Campos	17.803	-23.198869	-45.887092
Comgás Corporative and other refers to the entire natural gas distribution network and City Gates Gates located in the Comgás concession area (covers 177 municipalities in the state of São Paulo).	9,178.114	-23.54833	-47.052173

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Natural gas distribution - refers to fugitive emissions linked to the distribution network	7,435.827
Transport – fuel consumption of the Comgás fleet during the company's operating activities	883.279
Utilities – includes emissions from other activities related to the business, such as operating the bases, and the use of some stationary equipment, for example.	647.752
Land use change	880.838

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Brazil	482.27	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

By activity

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based	Scope 2, market-based

	(metric tons CO2e)	(metric tons CO2e)
CORMSP – Centro Operacional da Região Metropolitana de São Paulo	128.764	
Campinas	73.17	
Osasco	12.913	
Santos	4.765	
São José dos Campos	7.215	
Comgás Corporate and Others – Refers to the entire natural gas distribution network and City Gates Gates located in the Comgás concession area (covers 177 municipalities in the state of São Paulo).	255.441	

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Utilities – includes emissions from other activities related to the business, such as operating the bases, and the use of some stationary equipment, for example.	482.27	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Compass has not yet adopted the purchase of energy from the free market for its own consumption, using the electricity acquired from

				local concessionaires only (National Grid).
Other emissions reduction activities	2,125.357	Decreased	17	(A) Scope 1+2 emission 2020: 12451.500 (B) Scope 1+2 emission 2021: 10326.143 (A)-(B) = 2125.357 ((A-B)/B)*100 = 17%
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	3,177,873	7,124,733	10,302,606
Consumption of purchased or acquired electricity		0	3,827,714	3,827,714
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		3,177,873	10,952,447	14,130,320

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application

Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

3,177,873

Comment

Hydrous ethanol consumed in Compass own light vehicle fleet

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

0

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

0

Comment

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

1,122,029

Comment

Diesel and gasoline consumed in Compass own vehicle fleet

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

6,002,704

Comment

Natural gas and GNV consumed in stationary combustion and own vehicle fleet

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

0

Comment

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

10,302,606

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	58,633	58,633	31.76	3.76
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Brazil

Consumption of electricity (MWh)

3,827.71

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3,827.71

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Declaration CDP_Comgás_2022.pdf

Page/ section reference

Inventory verifyed by Instituto Totum

Verification Standard: Brazilian GHG Protocol Program – 2011 Edition and ABNT NBR ISO 14064-3.
INEA
Case nº: 433-22
Inventory year: 2021
Limited Assurance

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Declaration CDP_Comgás_2022.pdf

Page/ section reference

Inventory verifyed by Instituto Totum

Verification Standard: Brazilian GHG Protocol Program – 2011 Edition and ABNT NBR ISO 14064-3.
INEA
Case nº: 433-22
Inventory year: 2021
Limited Assurance

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Declaration CDP_Comgás_2022.pdf

Page/section reference

Inventory verifyed by Instituto Totum

Verification Standard: Brazilian GHG Protocol Program – 2011 Edition and ABNT NBR ISO 14064-3.
INEA
Case nº: 433-22
Inventory year: 2021
Limited Assurance

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Declaration CDP_Comgás_2022.pdf

Page/section reference

Inventory verifyed by Instituto Totum

Verification Standard: Brazilian GHG Protocol Program – 2011 Edition and ABNT NBR ISO 14064-3.
INEA
Case nº: 433-22
Inventory year: 2021
Limited Assurance

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Declaration CDP_Comgás_2022.pdf

Page/section reference

Inventory verifyed by Instituto Totum

Verification Standard: Brazilian GHG Protocol Program – 2011 Edition and ABNT NBR ISO 14064-3.
INEA
Case nº: 433-22
Inventory year: 2021
Limited Assurance

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Declaration CDP_Comgás_2022.pdf

Page/section reference

Inventory verifyed by Instituto Totum

Verification Standard: Brazilian GHG Protocol Program – 2011 Edition and ABNT NBR ISO 14064-3.
INEA
Case nº: 433-22
Inventory year: 2021
Limited Assurance

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

2021 Compass Sustainability Report.pdf

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Year on year change in emissions (Scope 1)	GRI Standards Sustainability Accounting Standards Board (SASB)	The Compass Report has limited assurance performed by Ernest and Young on the indicators reported based on the GRI Standards and the Sustainability Accounting Standards Board (SASB), for the period from January 1, 2021 to December 31, 2021. 1
C5. Emissions performance	Year on year change in emissions (Scope 1)	GRI Standards Sustainability Accounting Standards Board (SASB)	The Compass Report has limited assurance performed by Ernest and Young on the indicators reported based on the GRI Standards and the Sustainability Accounting Standards Board (SASB), for the period from January 1, 2021 to December 31, 2021. 1
C6. Emissions data	Year on year change in emissions (Scope 1)	GRI Standards Sustainability Accounting Standards Board (SASB)	The Compass Report has limited assurance performed by Ernest and Young on the indicators reported based on the GRI Standards and the Sustainability Accounting Standards Board (SASB), for the period from January 1, 2021 to December 31, 2021. 1
C8. Energy	Year on year change in emissions (Scope 1)	GRI Standards Sustainability Accounting Standards Board (SASB)	The Compass Report has limited assurance performed by Ernest and Young on the indicators reported based on the GRI Standards and the Sustainability Accounting Standards Board (SASB), for the period from January 1, 2021 to December 31, 2021. 1

[1]2021 Compass Sustainability Report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

3.3

% total procurement spend (direct and indirect)

8

% of supplier-related Scope 3 emissions as reported in C6.5

1

Rationale for the coverage of your engagement

We collect information from some of Comgás' largest suppliers that provide EPC (Engineering, Procurement and Construction) services such as construction of a natural gas distribution network, customer connection, and repairs:

Total suppliers in 2021: 1174
Operational service providers we collected emissions data in 2021: 39
% of suppliers by number: 39/1174 = 3.3%

About 80% of Comgás' total spend on products and services refers to the acquisition of distributed natural gas, mostly purchased from Petrobras. When comparing the spend with these 39 service providers against the total, including the purchase of natural gas, they represent 8% of supply expenses in 2021.
Comparing the spend of these 39 suppliers against the total, excluding the purchase of natural gas, they represent 41% of supply expenses in 2021.

The % of emissions computed in Scope 3 referring to third-party activities at the service of Compass (Upstream transportation and distribution - 1.769,72 tCO2e) is less than 1% because, in Scope 3, the combustion of natural gas distributed by Comgás (Use of sold products - 9.689.714,2 tCO2e which represents 99% of the company's total Scope 1, 2 and 3 emissions. Not counting the combustion of distributed natural gas, the calculated emissions referring to third-party activities (Upstream transportation and distribution + Waste generated in operations) are equivalent to 15,5% (1.769,72 +136,55)/ 12.243,58 tCO2e)) of Compass's total emissions (Scopes 1 + Scope 2 + Scope 3 excluding Use of sold products)

Impact of engagement, including measures of success

We collect data on waste management from contractors (monthly) followed by the SSM team, in order to quantify Scope 3 emissions (indirect emissions, from transportation and disposal of third-party waste) and engage our service providers to prioritize better sustainability practices and annually reduce their GHG emissions. These Scope 3 emissions with Waste generated in operations reduced by 78.2% from 2019 (568 tCO2e) to 2020 (124 tCO2e).
We also collect some models of transport fuel and machines (natural gas, diesel and gasoline) from some generators in the management of fuel consumption in our operational chain. These Scope 3 measures with Upstream Transport and Distribution reduced compared to 2020, from 3,260 tCO2e to 1,769.7 tCO2e in 2021 – reducing 46%.

These 39 suppliers are in Compass' critical supplier category, which provides services or manufactures materials that have a major impact on Comgás operation. This category has 183 companies, our goal is to collect data from 100% of them. Therefore our current success rate is 21% (39/183), we are working for reaching data from 80% of Comgás' critical suppliers by 2022 and 100% by 2023. For 2022, we are engaging more operational service providers to share their information and seek efficiency in

emissions management, with the support of Compass and Comgás to make use of best practices in sustainability.

We carry out an annual Management System Audit with an analysis of environmental management.
In addition, in Scope 1, we consider damage caused by third parties to Comgás' natural gas distribution network (fugitive emission). On this front, working in collaboration with the contractors that provide services to us is essential to reduce occurrences, the value of emissions reduced from 2020 (4,026 tCO2e) to 2021 (3,989 tCO2e).

Comment

Every month, engineering companies hired on behalf of Compass send a spreadsheet with information on their sustainability performance, including fuel consumption (natural gas, ethanol, diesel and gasoline) during the period of service provided to Compass. This consumption is converted to tCO2e, and computed monthly within the company's Scope 3 emissions.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

1.3

% total procurement spend (direct and indirect)

3.5

% of supplier-related Scope 3 emissions as reported in C6.5

1

Rationale for the coverage of your engagement

In the Comgás Excellence Program, we engage the main suppliers of operational services, based on periodic (monthly) and annual monitoring of the compliance of the suppliers' operational performance and sustainability. In 2021, we developed the ESG module, with the expectation of encouraging initiatives and bringing knowledge about the climate and social agenda. All suppliers participating in the Comgás Excellence Program report their GHG emissions data with transport (Upstream transportation and distribution in Scope 3) and waste management (Waste generated in operations in Scope 3).

Total suppliers in 2021: 1174
Operational service providers participating in the Program in 2021: 16
% of suppliers by number: 16/1174 = 1.3%

About 80% of Comgás' total spend on products and services refers to the acquisition of distributed natural gas, mostly purchased from Petrobras. When comparing the spend with these 16 service providers against the total, including the purchase of natural gas, they represent 3.5% of supply expenses in 2021.
Comparing the spend of these 16 suppliers against the total, excluding the purchase of natural gas, they represent 26.3% of supply expenses in 2021.

The % of emissions computed in Scope 3 referring to third-party activities at the service of Compass (Upstream transportation and distribution – 1,769.7 tCO2e) is less than 1% since, in Scope 3, the combustion of natural gas distributed by Comgás is also accounted for (Use of sold products – 9,689,714.2 tCO2e), which represents 99% of the company's total Scope 1, 2 and 3 emissions. Not counting the combustion of distributed natural gas, the calculated emissions referring to third-party activities (Upstream transportation and distribution + Waste generated in operations) are equivalent to 15,5% (1.769,72 +136,55)/ 12.243,58 tCO2e) of the total Compass emissions (Scope 1 + Scope 2 + Scope 3 excluding Use of sold products)

Impact of engagement, including measures of success

With the Excellence Program and awareness campaigns, we aim to encourage good environmental practices. In 2021, we started spaces dedicated to the ESG agenda, working on literacy among participating suppliers. In 2022, we will work on the theme focused on improving waste management, including its management, destination and disposal. Service providers seek to optimize their operations to improve their performance in the Excellence Program and adapt to the operational and sustainability standards desired by Compass and Comgás. The performance of suppliers is a parameter evaluated in contract renewals and future contracting of operational service providers.

We collect data on waste management (monthly) from all companies participating in the Program, in order to quantify Scope 3 emissions (indirect emissions, from transportation and disposal of third-party waste) and to engage our service providers to prioritize better sustainability practices and annually reduce their GHG emissions. These Scope 3 emissions with Waste generated in operations reduced by 78.2% from 2019 (568 tCO2e) to 2020 (124 tCO2e). In 2021 (136 tCO2e) emissions remained at the same level as in 2020. Therefore, we were able to achieve the goal of collecting 100% of information from suppliers participating in the Excellence Program and engage them in climate agenda actions.

We also collect data on fuel consumption in transport and stationary machines (natural gas, ethanol, diesel and gasoline) from some contractors, engaging them in the management of emissions throughout our operational chain.

These Scope 3 emissions with Upstream transportation and distribution have reduced compared to 2020, from 3,260 tCO2e to 1,769.7 tCO2e in 2021 – down 46%.

We measure engagement according to the number of outsourced companies at the service of Comgás that participate in the Excellence Program (16) compared to the total (53) of operational service providers: 19/53 = 39.6%. We also evaluated the spend engagement with these companies compared to spend with the total operational service providers: 69.3% in 2021. Each year we seek tools to engage more operational service providers to participate in the Excellence Program, sharing their information and seeking efficiency in the management of emissions, with the support of Comgás to make use of best practices in sustainability.

Comment

The Comgás Excellence Program manages operational performance indicators, sustainability and process improvement via audits. For, committing to the monitoring of the indexes, which represent our most relevant processes, for the display in the improvement of daily functioning, quick view and operational/occupational risks. The audit plays a fundamental role in the identification and correction of critical processes, encouraging its partners to delve into the management system in an independent and mature manner.

In 2022, we completed the fourth year of the Comgás Excellence Program. Our path so far has been full of learning - we have evolved on important issues, corrected and consolidated practices essential for our operation. In 2021, we incorporated a sustainability agenda as a pillar to be monitored. We held a serie and workshops with relevant information and principles, impact and environmental issues - future events journey in the coming years

By fostering these efficient principles, we optimize services, mitigate risks and deliver a sustainable operation of piped natural gas services. On the other hand, we also contribute to the continuity of Comgás' business and its main suppliers, the Program being a guide for the prosperity and evolution of the partners' management system.

In 2021 there were 16 participants - partners who work in a service provision network in the construction of gas. The Excellence Program is an annual cycle that is monitored monthly, and, at the end of each cycle, the 3 partners with the best performance in the program are awarded.

As a result of the actions, the start registration was made in 2021 in important points: as a result, since the beginning of safety, the registration of all companies had no incidents with the improvement program; in the customer service basket to reduce the number of external referrals. On average, our Excellence Program advanced by 3 p.p. compared to 2020, with an average of 82% on engagement.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

We identified all of Comgás' current customers, classifying them according to the volume of natural gas consumed and opportunities to implement natural gas energy solutions. In 2021, we end the year with 2,232,315 customers, distributed in the following segments:
Residential: 2,211,826 customers with 312,313,921 m³ of gas distributed
Commercial: 18,763 customers with 127,996,261 m³ of distributed gas
Industrial: 1,481 clients with 3,804,594,091 m³ of distributed gas
Cogeneration: 29 clients with 412,153,079 m³ of distributed gas
CNG: 214 clients with 202,018,647 m³ of gas distributed
Thermoelectric: 2 clients

In Scope 3, we account for the combustion of this total of natural gas distributed (ex-terminal volume) by Comgás (Use of sold products - 9,689,714.2 tCO2e), which represents 99% of the company's total Scope 1, 2 and 3 emissions. We aim, through education of all customers and technological solutions, to bring efficiency in the consumption of natural gas, optimizing the average consumption per customer in each segment.

For large and medium customers, Comgás has a dedicated sales team that is trained to offer specialized consulting and technical feasibility studies seeking the best option in technology for replacing more polluting fuels with natural gas, according to the particular needs of each operation.

In case of small customers, we offer information and tips for a more conscious and sustainable consumption of gas, generating less waste, reduced emissions, and reduced environmental impact.

Impact of engagement, including measures of success

For small customers: we seek to make customers aware of the efficient use of natural gas, which also directly impacts the value of the natural gas bill. We measured the impact related to average consumption by another segment, which no residential segment had a decrease of 3.5% from 2019 to 2020.

Another metric is the total number of non-segmented customers In the consumption of replacing natural LPG, there is a direct reduction (in the case of the same energy CO2e), given that natural gas in LPG is 11% CO2 compared to LPG. In addition, there is a reduction in reduction due to the reduction in the circulation of diesel vehicles, for the transport of cylinders in the residences, for the transportation of cylinders in the residences, for the transport and collection in the residences.

Customers in the residential segment at the end of 2020: 2,081,466 customers, consuming 301,517,141 m³ of natural gas = 144.8 m³/customer
Customers in the residential segment at the end of 2021: 2,211,826 customers, consuming 312,313,921 m³ of natural gas = 141.2 m³/customer.
Growth in the number of customers from 2020 to 2021: (2,211,826 / 2,081,466)-1 = 6.2%

Means of committed segment according to the number of customers reached by our communications for a more conscious and sustainable consumption of gas, which covers the entire universe of the residential segment, through campaigns published on Comgás' social networks, website, or in direct contact with customers:

Total Comgás customers at the end of 2021: 2,232,315 customers
Customers in the residential segment at the end of 2021: 2,211,826 customers
Customers reached by awareness campaigns: 2,081,466/2,101,357 = 99%

Comgás' concession area currently covers 177 municipalities in the state of São Paulo, we have a distribution network in 94 of them. Of the 2.1M customers served in these locations, we engage 100% with information to raise awareness about resources conscious consumption. . Our commitment is to maintain this engagement rate as we move into more municipalities, in the renewal of the concession contract we committed to reaching 41 more municipalities, expanding the distribution network by 15,400 kilometers by 2049.

For large and medium-sized customers: we will positively impact the reduction of customers from the use of the more efficient and less efficient Scope by the use of the Natural Scope.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

2021 Compass Sustainability Report.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

In 2020, Compass Gás & Energia carried out a materiality construction work with identification of the context in which it operates, with a study of more than 30 internal and external documents.
Priority was given to the stakeholders to be consulted, including representatives of industry associations, federal, state and municipal governments, financial institutions, investors and regulatory bodies. Then, an analysis was carried out with the definition of materials and approval by the executive board.

Based on this materiality matrix, it was defined the three flags leading the businesses we carry out, from the point of view of stakeholders and internal leadership. The flags are: valeu people and society, offer more energy with less emissions, develop country's infrastructure.

For each Flag, we instituted three goals that should be reached by 2025. The Flags, therefore, guide our day-to-day actions, always in search of sustainable development with the highest standard of governance. On its initiative, in 2020 we have instituted an ESG Work Group (WG) – a Work Group for each Flag with the goal of monitoring and proposing solutions for the advancement of these goals.

Flag 2 aims to offer more with less emissions, by by contributing to the reduction of Greenhouse Gas (GHG) emissions by replacing more polluting fuels with natural gas, expanding the presence of natural gas in the transport matrix and including renewable

gas in our portfolio. The goals under this flag are:

• annually reduce our GHG emissions (Scopes 1 and 2) per kilometers of distribution network – decrease of 11% compared to 2020;
• make Comgás Net Zero in GHG emissions (Scopes 1 and 2) until 2025 – decrease of 6% compared to 2020;
• incorporate gas from renewable sources into the portfolio of supplies.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change
Climate-related targets
Energy attribute certificate systems
Methane emissions
Transparency requirements

Specify the policy, law, or regulation on which your organization is engaging with policy makers

In order to join the construction of the São Paulo State Government's climate agenda and reinforcing that natural gas plays an important role in the search for a cleaner energy matrix, we participated in the Public Consultation held by the São Paulo State Government, through the Infrastructure and Environment Secretary.

In this occasion, we made several sustainable alternatives to the government agenda, especially with regard to the use of natural gas and/or biomethane to decarbonize the heavy transport sector, replacing the use of diesel oil, an input in which the country is not self-sufficient. Giving rise to the need to import up to 23% of current consumption (ANP 2021).

Another initiative was the participation in the Working Group called “Corredores Sustentáveis”, under the Coordination of the Ministry of the Economy. In which various agents were able to contribute to the formulation of public policy (still under development) to promote the implementation of logistical runways that use less polluting fuels, such as natural gas and biomethane, including the assessment of existing infrastructure and potential for biogas/biomethane production.

Also in 2021, we act in the affiliation with Abiogás (Brazilian Association of Biogas) aiming to enhance our sustainability actions and to promote the use of gas pipeline infrastructure piped gas infrastructure at the service of biomethane distribution, enabling

scale gains in its use.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Brazil

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

Comgás has been strengthening its environmental agenda in order to contribute to the decarbonization agenda of our energy matrix. We have sustainability as a strategy and act strongly in initiatives capable of accelerating and fostering ESG practices both internally and in our supply chain, customers and society.

In synergy with the government effort within its climate strategy under the "Guidelines and Strategic Actions", Comgás forwarded technical contributions to a preliminary version in a Public Consultation that aims to contribute to the formulation of the Net Zero 2050 Climate Action Plan of the State of São Paulo, which is under construction.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

COMPASS - Cosan Day 22 (29.05.2022).pdf

Page/Section reference

ESG Call: Page 2

Content elements

Emissions figures
Emission targets

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

2021 Compass Sustainability Report.pdf

Page/Section reference

Page 41

Content elements

Strategy
Emissions figures
Emission targets

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Registro Público 2020.pdf

Page/Section reference

All

Content elements

Emissions figures

Emission targets

Comment

The 2021 verification will be published on the website (https://registropublicodeemissoes.fgv.br/) in September 2022.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, and we do not plan to have both within the next two years

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, and we do not plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, and we do not plan to undertake any biodiversity-related actions

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity	Page 87 1

[1]2021 Compass Sustainability Report.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	1 - Director of Finance and Investor Relations and Member of the Executive Board of Compass 2 - Director of Institutional Relations and Sustainability at Comgás	Chief Financial Officer (CFO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Compass Gas & Energy was created in March 2020 with the goal of offering gas and energy alternatives that generate more value for customers and society, safely, efficiently and engaged people. We are part of Cosan, one of the largest economic groups in Brazil with leading companies in the energy and logistics sectors.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	12,330,208,547.05

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Iochpe-Maxion SA

Scope of emissions

Scope 3

Allocation level

Facility

Allocation level detail

IOCHPE-MAXION S/A (UNID CRUZEIRO): 145,9107,653,844.34 m³ of distributed natural gas, whose combustion is equivalent to approximately 15,266.40 tCO2e
IOCHPE-MAXION S/A (UNID LIMEIRA): 5,921,197.47 m³ of distributed natural gas, whose combustion is equivalent to approximately 11,810.46 tCO2e.

Emissions in metric tonnes of CO2e

27,076.86

Uncertainty (±%)

5

Major sources of emissions

We only have the annual volume (2021) of natural gas distributed to the requesting company.

Verified

Yes

Allocation method

Allocation based on the volume of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

As a natural gas distributor, we control the volume of natural gas distributed to industrial customers.
Emission calculation methodology according to available emission factors for each type of source, such as the Brazilian GHG Protocol Program for Brazil, IPCC and ISO 14064.
GWPs: CO2 = 1 | CH4 = 25 28 | N2O = 298265.
Density of natural gas = 0.74 kg/m³ (National Energy Balance 2015, page 224 - Energy Research Company - EPE)
Net calorific value of natural gas = 48 TJ/Gg (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 1 table 1.2)
CO2 emission factor for combustion of natural gas = 56,100 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 1 table 1.4)
CH4 emission factor for stationary combustion of natural gas - energy industries = 1 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 2 table 2.2)
N2O emission factor for stationary combustion of natural gas - energy industries = 0.1 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 2 table 2.2)

Requesting member

Pirelli

Scope of emissions

Scope 3

Allocation level

Facility

Allocation level detail

PIRELLI (UNID CAMPINAS): 7,680,949.54 m³ of distributed natural gas, whose combustion is equivalent to approximately 15,320.47 tCO2e

Emissions in metric tonnes of CO2e

15,320.47

Uncertainty (±%)

5

Major sources of emissions

We only have the annual volume (2021) of natural gas distributed to the requesting company.

Verified

Yes

Allocation method

Allocation based on the volume of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

As a natural gas distributor, we control the volume of natural gas distributed to industrial customers.
Emission calculation methodology according to available emission factors for each type of source, such as the Brazilian GHG Protocol Program for Brazil, IPCC and ISO 14064.
GWPs: CO2 = 1 | CH4 = 25 28 | N2O = 298265.
Density of natural gas = 0.74 kg/m³ (National Energy Balance 2015, page 224 - Energy Research Company - EPE)
Net calorific value of natural gas = 48 TJ/Gg (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 1 table 1.2)
CO2 emission factor for combustion of natural gas = 56,100 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 1 table 1.4)
CH4 emission factor for stationary combustion of natural gas - energy industries = 1 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 2 table 2.2)
N2O emission factor for stationary combustion of natural gas - energy industries = 0.1 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 2 table 2.2)

Requesting member

Suzano Papel & Celulose

Scope of emissions

Scope 3

Allocation level

Facility

Allocation level detail

SUZANO (UNID I SUZANO): 83,836,196.25 m³, the combustion of which is equivalent to 167,220.17 tCO2e
SUZANO (UNID II SUZANO): 9,573,551.55 m³, the combustion of which is equivalent to 19,095.46 tCO2e
SUZANO (UNID LIMEIRA): 38,339,695.01 m³, the combustion of which is equivalent to 76,472.58 tCO2e
FIBRIA CELULOSE S/A: 41,548,437.10 m³, the combustion of which is equivalent to 82,872.76 tCO2e
FIBRIA CELULOSE S/A (COGEN): 74,628,280.61 m³, the combustion of which is equivalent to 148,854.0 tCO2e

Emissions in metric tonnes of CO2e

643,368.97

Uncertainty (±%)

5

Major sources of emissions

We only have the annual volume (2021) of natural gas distributed to the requesting company.

Verified

Yes

Allocation method

Allocation based on the volume of products purchased

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

As a natural gas distributor, we control the volume of natural gas distributed to industrial customers.

Emission calculation methodology according to available emission factors for each type of source, such as the Brazilian GHG Protocol Program for Brazil, IPCC and ISO 14064.
GWPs: CO2 = 1 | CH4 = 285 | N2O = 298265.
Density of natural gas = 0.74 kg/m³ (National Energy Balance 2015, page 224 - Energy Research Company - EPE)
Net calorific value of natural gas = 48 TJ/Gg (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 1 table 1.2)
CO2 emission factor for combustion of natural gas = 56,100 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 1 table 1.4)
CH4 emission factor for stationary combustion of natural gas - energy industries = 1 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 2 table 2.2)
N2O emission factor for stationary combustion of natural gas - energy industries = 0.1 kg/TJ (2006 IPCC Guidelines for National Greenhouse Gas Inventories Programme, Volume 2 Chapter 2 table 2.2)

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

We jointly publish the combustion emissions of the total volume of natural gas distributed by Comgás in the year. These emissions refer to the Use of sold products category of Compass Gás & Energia's Scope 3, whose total calculated GHG emissions is 9,689,714.18 tCO2e. Information on the volume of natural gas distributed (m³) by segment is available in the Comgás Earnings Release: https://ri.comgas.com.br/informacoes-financeiras/central-de-resultados/ .Emissions information (CO2e) is available in the Compass Gás & Energia Annual Sustainability Report: https://www.compassbr.com/sustainability/. Emissions information (CO2e) will also be available when Compass Gás & Energia's Emissions Inventory 2021 is released in the Public Emissions Registry of the Brazilian GHG Protocol Program: https://www.registropublicodeemissoes.com.br/

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Doing so would require we disclose business sensitive/proprietary information	We control the daily volume of natural gas distributed to each industrial customer, but we only disclose the aggregate volume by segment. The volume consumed per customer is kept confidential by Comgás.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

This information is already controlled by Comgás. We monitor the volume of natural gas distributed daily to each customer, but we only disclose information on volume distributed in the year consolidated by segment: residential, commercial, industrial, vehicular and others.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member

Iochpe-Maxion SA

Group type of project

New product or service

Type of project

New product or service that reduces customers operational emissions

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

1-3 years

Estimated lifetime CO2e savings

26,076.86

Estimated payback

Other, please specify

Depending on the market and direct emission reduction initiatives of each company.

Details of proposal

Promote demand for biogas, for market diffusion. With the use of natural gas from renewable sources, the industry reduces Scope 1 fossil emissions in its operations,

which is equivalent to a reduction of the same proportion in Comgás' Scope 3 fossil emissions.

Requesting member

Pirelli

Group type of project

New product or service

Type of project

New product or service that reduces customers operational emissions

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

1-3 years

Estimated lifetime CO2e savings

15,320.47

Estimated payback

Other, please specify

Depending on the market and direct emission reduction initiatives of each company.

Details of proposal

Promote demand for biogas, for market diffusion. With the use of natural gas from renewable sources, the industry reduces Scope 1 fossil emissions in its operations, which is equivalent to a reduction of the same proportion in Comgás' Scope 3 fossil emissions.

Requesting member

Suzano Papel & Celulose

Group type of project

New product or service

Type of project

New product or service that reduces customers operational emissions

Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized

1-3 years

Estimated lifetime CO2e savings

643,368.97

Estimated payback

Other, please specify

Depending on the market and direct emission reduction initiatives of each company.

Details of proposal

Promote demand for biogas, for market diffusion. With the use of natural gas from renewable sources, the industry reduces Scope 1 fossil emissions in its operations, which is equivalent to a reduction of the same proportion in Comgás' Scope 3 fossil emissions.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms