



SUSTAINABILITY
REPORT
2017

rumo 



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[GRI 102-14]

MESSAGE FROM THE ADMINISTRATION

The year 2017 was quite positive for Rumo, despite the country's complex macroeconomic scenario. Agribusiness, which accounts for 82% of the volume we transported, registered record soy and corn harvests in the period, taking us to a new level. We achieved 49.7 billion RTK¹, equivalent to a 23% increase in our transportation capacity, compared to the previous year. In the grain sector, this growth reached 39%.

We also advanced in several of our indicators of efficiency and productivity. To this end, it should be noted that, even in the face of the significant growth achieved in 2017, our focus on operation and employee safety remains a priority. With the 'Zero Accident Program,' we had a significant progress in the main indicators that measure railway safety, with a reduction of 62 % in the rate of personal accidents. However, we know that there is still work to be done. In this way, we will keep focusing on the continuous reduction of accidents and on the execution of our investment plan for this purpose.

The control of costs recorded throughout the year also contributed significantly to a major increase in the profitability of our operation. This result, once again, reinforced the confidence of our shareholders and of the financial market in the strategic direction that Rumo has been taking.

At the beginning of 2017, we entered the international debt market with a bond issuance of USD 750 million and, in October, we successfully completed a second capital increase totaling BRL 2.6 billion. These operations took our Company to a new level, reinforcing liquidity and reducing business execution risks.

The effects are already being felt. In January 2018, we issued new bonds abroad worth USD 500 million, at a cost considerably lower than the previous issue. Our shares have appreciated in the last two years, with their value multiplied by ten. All this confirms that investments are being made in the right places at the right times.

For a company that intends to grow more than 10% per year, every day is a new challenge. And 2018 is no different. We remain focused and committed to the execution of our Business Plan, totally focused on our projects and, most especially, on our operation. As the Company's internal motto states: "*Foco no trem, que o resultado vem!*" ("With focus on the train, the results we will obtain!").

JULIO FONTANA NETO
Chief Executive Officer of Rumo S.A.

¹ Tons transported per kilometer. Calculation is made by multiplying the tonnage transported by the distance in kilometers.



“
We remain focused and committed to the execution of our Business Plan, totally focused on our projects and especially on our operation.
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[GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56]

ABOUT THE REPORT



For the second consecutive year we are presenting our Sustainability Report based on the guidelines of the Global Reporting Initiative (GRI), in the Standards version ('In Accordance - Core' option). The report contains our Company's main financial and non-financial performance indicators for the period from January 1 to December 31, 2017. The indicators reported were selected through a materiality process that helped us identify which topics are relevant to the business.

Materiality

[GRI 102-21, 102-40, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47]

In 2017, we conducted a new materiality study to identify the relevance of economic, environmental, and social topics to the business and our practices to report results. The process chosen to define the content of the report included an initial consultation with SASB², RepRisk³, Sustainalytics⁴ and benchmarking of material topics disclosed by companies in the sector in order to map potentially relevant issues to Rumo.

In order to ensure alignment of the results of our materiality study with our management strategy, we also conducted an engagement process with the Company's main stakeholders (including Company leadership), who helped identify the most important issues and risks for Rumo's management.

After consultations and interviews to prioritize the topics, it was possible to determine significant perceptions regarding how the Company perceives sustainability within the context of its business, as well as the big challenge that lies ahead. This result will also guide which issues should be addressed in this sustainability report.

THE FOLLOWING PARTICIPATED IN THE SURVEY:



103
EMPLOYEES



4
MEMBERS OF RUMO'S
LEADERSHIP



15
EXTERNAL
STAKEHOLDERS

OF WHICH:

2
ARE CLIENTS

4
ARE MEMBERS OF
THE COMMUNITY

2
SUPPLIERS

2
INVESTORS

3
GOVERNMENT
BODIES

2
REGULATORY
AGENCIES

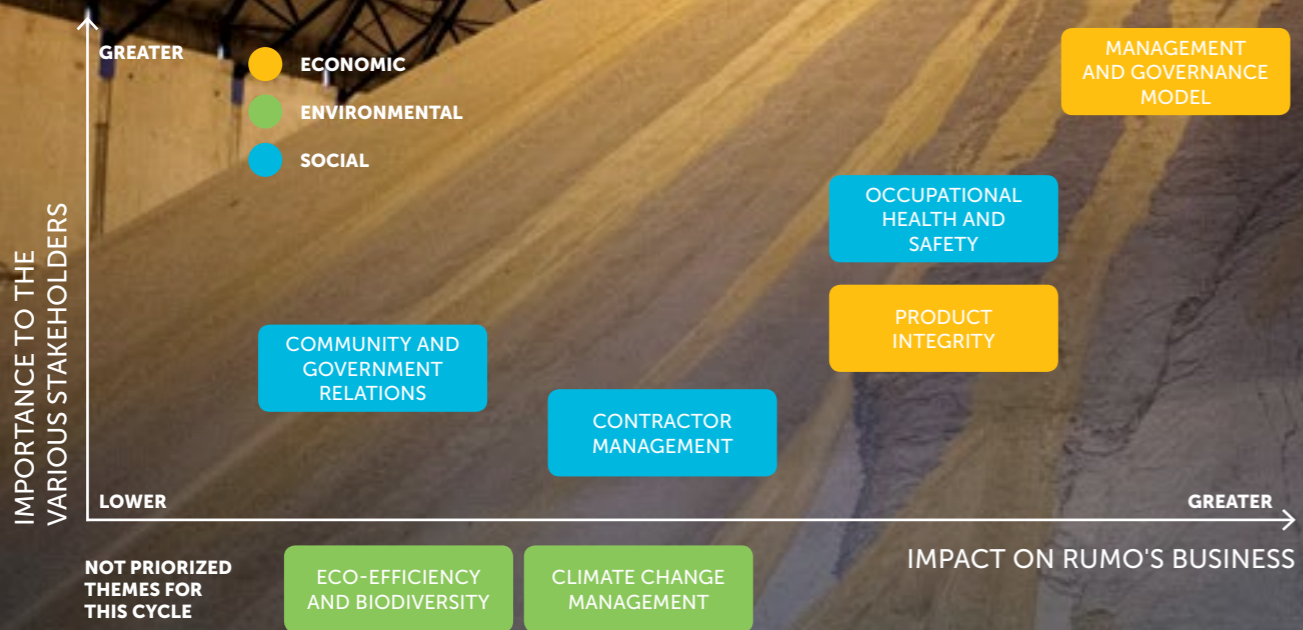
² The Sustainability Accounting Standards Board (www.sasb.org) which sets out specific standards for disclosure of corporate sustainability, ensuring that disclosure is material, comparable, and useful for decisions by investors.

³ RepRisk (www.reprisk.com), is a tool that provides information on environmental and social issues that pose financial and reputational risks to companies.

⁴ Sustainalytics (<https://www.sustainalytics.com>): research and ratings company related to ESG data and targeted to investors.

MATRIX

MATRIX COMPOSED OF THEMES CLASSIFIED AS "VERY IMPORTANT"



NOT PRIORIZED THEMES FOR THIS CYCLE

In order to have an overview of the importance to the different stakeholders of Rumo, we evaluated aspects related to: impacts on activities or without impact on activities.

In order to have an overview of Rumo's business impact, we evaluated aspects related to: impacts on activities or without impacts on Rumo's activities.

PRIORITIZATION

WHY ARE THE MAIN TOPICS PRIORITIZED AS "VERY IMPORTANT" RELEVANT TO RUMO?

● ECONOMIC DIMENSION/ GOVERNANCE ● SOCIAL DIMENSION



IMPACTS ON SOCIETY AND THE ENVIRONMENT

- P** IT IS REASONABLY LIKELY TO AFFECT SOCIETY, SURROUNDING COMMUNITIES, THE ENVIRONMENT OR ITS LIFE
- G** THE IMPACT, IF ANY, WILL BE RELATIVELY SEVERE
- C** IT IS IMPORTANT FOR RUMO TO COMMUNICATE THIS ISSUE TO THE GENERAL PUBLIC

IMPACTS TO THE BUSINESS

- BRL** IF ANY, FINANCIAL IMPLICATIONS WILL BE REASONABLY HIGH
- D** POTENTIAL TO INFLUENCE RUMO'S PERFORMANCE IN THE LONG TERM
- RR** THERE IS A CERTAIN DEGREE OF REPUTATIONAL RISK
- V** THERE IS POTENTIAL TO GROW OR GAIN IN COMPETITIVE ADVANTAGE FROM A LONG-TERM PERSPECTIVE

[GRI 102-1, 102-2, 102-4, 102-6, 102-7, 102-12]

RUMO

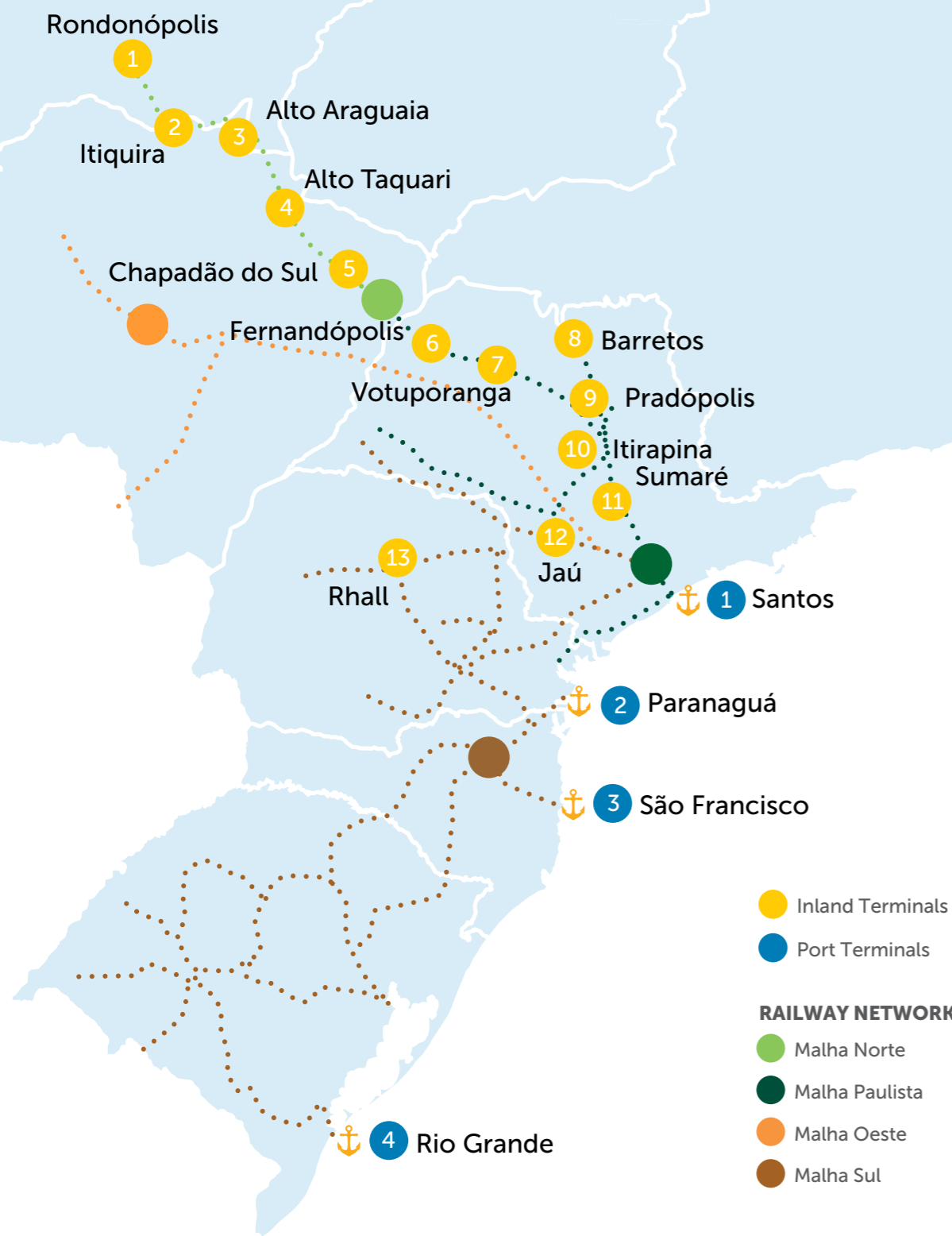


We are the largest independent railroad logistics operator in Latin America. We offer a full range of logistics services for rail transport, port lifting and storage, with a modern and integrated intermodal transport platform, which transported 49.7 billion RTK of agricultural and industrial products in 2017. Our asset base includes a rail network comprised of four concessions totaling 12,021 km of railways, one port concession, 1,000 locomotives, and 25,000 rail-cars, as well as distribution centers and storage facilities.

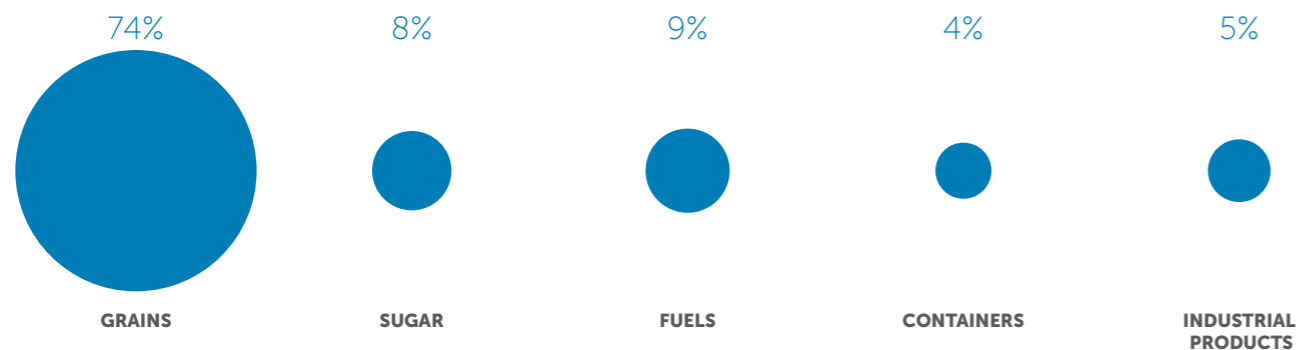
Today, our Company operates 12 transshipment terminals, both directly and in partnership, with a storage capacity of approximately 900,000 tons of grains, sugar, and other commodities. Among these assets, one of the most important is the logistics complex in Rondonópolis (MT), with a monthly loading capacity of over 1 million tons.

The four railway concessions we operate extend over the states of Mato Grosso, Mato Grosso do Sul, São Paulo and the states of Southern Brazil (Paraná, Santa Catarina and Rio Grande do Sul) and serve the three main export corridors of agricultural commodities, covering an area responsible for approximately 80% of the Brazilian GDP and for almost 70% of the total soybean and corn produced in Brazil.

Four of the most active ports in the country are located in this area (Santos - SP, Paranaguá - PR, São Francisco do Sul - SC, and Rio Grande - RS), through which 68% of domestic grain production is exported. Rumo also holds interest in six port terminals, five of which are located in the Port of Santos (SP) and one in the Port of Paranaguá (PR), with a storage capacity of nearly 1.3 million tons and a loading capacity of approximately 29 million tons per year.



TRANSPORTED VOLUME IN 2017



RUMO IN NUMBERS

49.7 BILLION

RTK OF AGRICULTURAL AND INDUSTRIAL PRODUCTS TRANSPORTED IN 2017

12,021 KM

OF RAIL NETWORK

1,000

LOCOMOTIVES

25,000

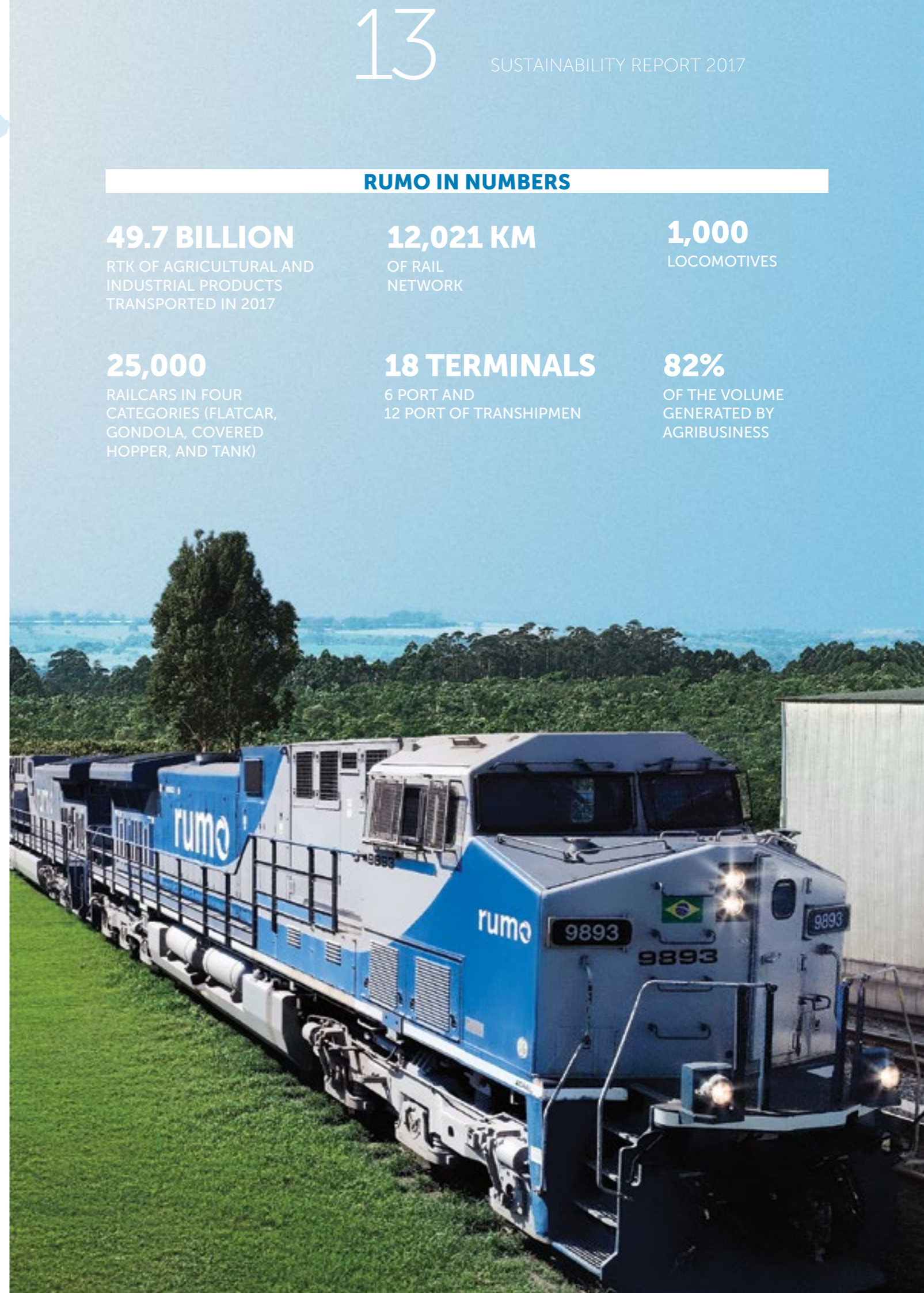
RAILCARS IN FOUR CATEGORIES (FLATCAR, GONDOLA, COVERED HOPPER, AND TANK)

18 TERMINALS

6 PORT AND 12 PORT OF TRANSHIPMEN

82%

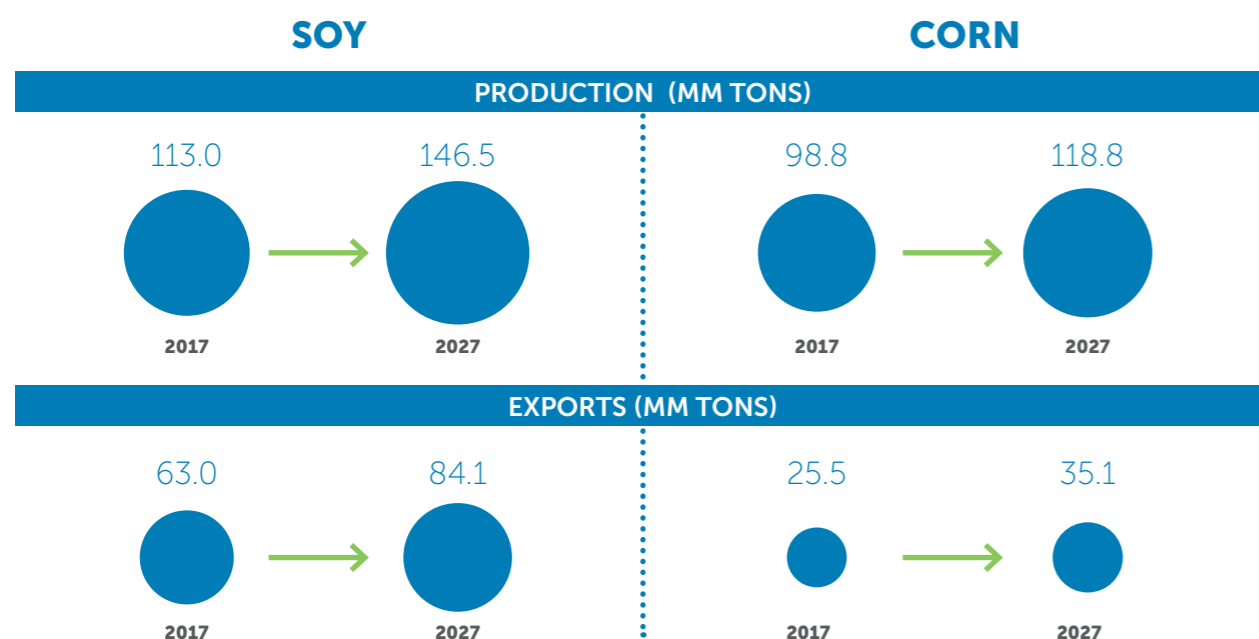
OF THE VOLUME GENERATED BY AGRIBUSINESS



BUSINESS UNITS

The Company's operations are broken down into three segments that correspond to the business units in the main markets in which we operate: **North Operation**, which includes the North and 'Paulista' railway concessions, the Company's transshipment terminals in the states of Mato Grosso and São Paulo and port lifting at the Port of Santos (SP); **South Operation**, which

comprises the West and South rail networks and the transshipment terminals in the state of Paraná, and **Container Operations**, which includes the operations of Brado Logística and other results of the container operations. Each of these segments works strategically and in search of efficiency, preparing to meet future production and export projections.



Source: MAPA (Ministério da Agricultura, Pecuária e Abastecimento)

North Operation

Formed by subsidiaries Rumo Malha Norte, Rumo Malha Paulista, port lifting at the Company's terminal at the Port of Santos and the Company's transshipment terminals in the states of Mato Grosso and São Paulo, North Operation mainly transports agricultural commodities such as grains (soy, soybean meal and corn), sugar, rice, wheat and fertilizers, and industrial products such as fuels and pulp. North Operation's rail network crosses most of the Brazilian agricultural production areas in the states of Mato Grosso and São Paulo and is therefore the Company's most important operation, accounting for approximately 68%

of the volume transported by Rumo in 2017. A highlight is the logistics complex in Rondonópolis (MT), with a monthly loading capacity of over 1 million tons. Through the terminals at the Port of Santos, Rumo lifts agricultural commodities, mainly sugar and grains.

South Operation

Comprises the concessions held by subsidiaries Rumo Malha Oeste and Rumo Malha Sul, which operate in the rail network in the states of Mato Grosso do Sul, Paraná, Santa Catarina and Rio Grande do Sul. In addition, it operates important transshipment terminals

in the Ports of Paranaguá, São Francisco do Sul (Santa Catarina) and Rio Grande (Rio Grande do Sul). South Operation mainly transports agricultural commodities such as grains (soy, soybean meal and corn), sugar, rice, wheat and fertilizers, and industrial products such as fuels, paper, and pulp.

Container Operation

Comprises the operations of Brado Logística⁵, in which Rumo holds a 61.71% stake, and other container operations. Responsible for transporting agricultural products such as cotton and pulp, and industrial products such as refrigerated cargo and ore.



- MATRIX STRUCTURES**
- TRAIN OPERATIONAL CONTROL CENTER
 - RAILWAY ENGINEERING
 - PLANNING AND OPERATIONAL CONTROL
 - EXPANSION PROJECTS

NORTH AND SOUTH OPERATION

- North Operation
- South Operation

⁵ A pioneer in multimodal container transport in Brazil. Currently operates in the South, Southeast, and Midwest regions



Main Subsidiaries

Rumo Malha Norte S.A.: entered into a 90-year Concession Agreement with the Federal Government for the construction, operation, exploitation, and maintenance of the railroad between Aparecida do Taboado (MS), on the right bank of the Paraná River, and Rondonópolis (MT).

Rumo Malha Paulista S.A.: Rumo has exclusive exploitation and operation rights until 2028 (renewable for another 30 years). In 2017, we began negotiations with the Federal Government to bring forward the renewal of the concession agreement for this important logistics network. Malha Paulista interconnects the agricultural and mining production regions of the Midwest and the industrial and agricultural centers of São Paulo to domestic and international consumer centers. Spanning 2,039 km, it has interconnection points with the ports of Santos (SP), Pederneras (SP) and Panorama (SP), interconnecting with the railways MRS Logística S.A., Ferrovia Centro-Atlântica S.A., Rumo Malha Sul, Rumo Malha Oeste, and Rumo Malha Norte.

Rumo Malha Sul S.A.: exclusive exploitation and operation rights until 2027 (renewable for another 30 years) of the 6,586-km rail network in the southern region of Brazil, connecting with the three main ports in the region: Paranaguá, São Francisco and Rio Grande.

Rumo Malha Oeste S.A.: exclusive exploitation and operation rights until 2026 (renewable for another 30 years). Spanning nearly 1,600 km, it interconnects with river terminals in Porto Esperança (MS) and Ladário (MS), in addition to interconnecting to the rail network operated by Rumo Malha Paulista in Bauru (SP) and in Corumbá (MS) with Bolivia's Ferrovia Oriental.

Brado Logística S.A.: operates intermodal container logistics focused on railroad transport, storage, terminal operations, and other logistics services. The Company is controlled by Rumo S.A., which holds 61.71% of its share capital.



MANAGEMENT MODEL AND CORPORATE GOVERNANCE

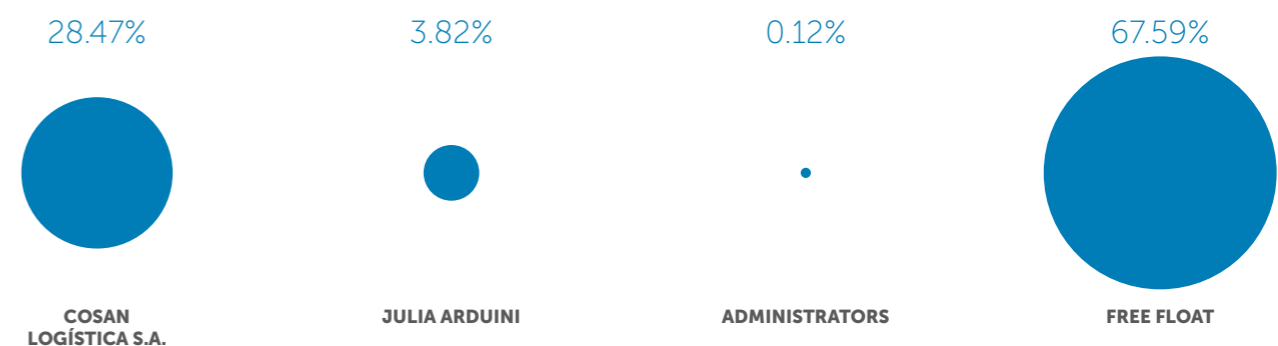
[GRI 102-16, 206-1, 205-1, 205-2, 205-3, 307-1, 419-1]

Integrating the Cosan Group, Rumo S.A. (RAIL3) is listed at the highest level of corporate governance of B3⁶ Novo Mercado, a segment of the stock exchange for trading shares issued by Companies that are committed to adopting the most rigorous governance practices in addition to those required by Brazilian legislation and by the Brazilian Securities and Exchange Commission (CVM).



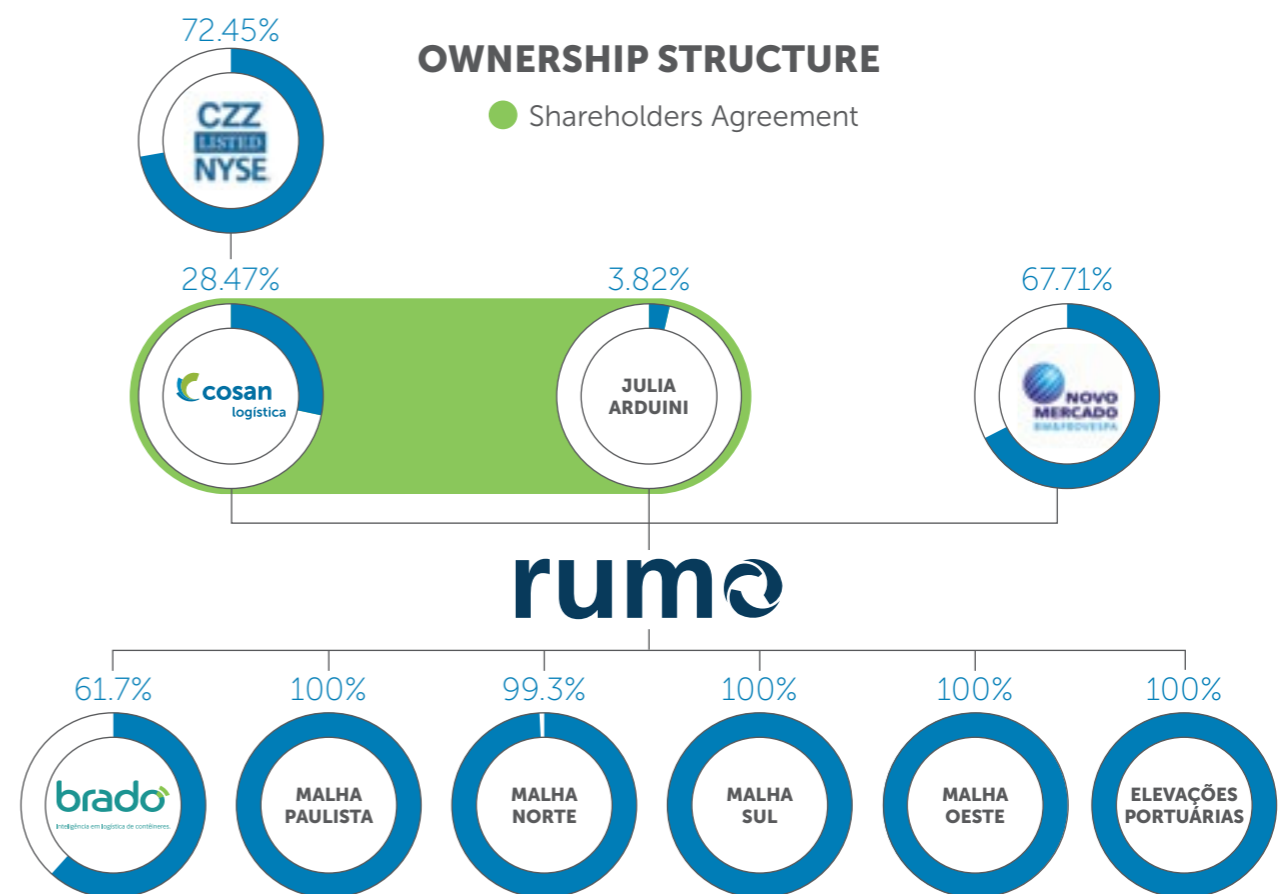
TO LEARN MORE ABOUT INVESTOR RELATIONS, VISIT IR.RUMOLOG.COM

SHAREHOLDING STRUCTURE - RAIL3



Note: The Company does not hold Treasury Shares

OWNERSHIP STRUCTURE



⁶ In March 2017, BM&FBOVESPA SA - Securities, Commodities and Futures Exchange, merged its activities with those developed by Cetip SA - Mercados Organizados and began operating under the name B3 (ri.bmfbovespa.com.br)

Governance Structure**[GRI 102-17, 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-25, 102-26]**

Formed by the Board of Directors and the Executive Board, Rumo's governance structure operates based on the Company's Bylaws, where members of the Board of Directors are elected at a General Meeting and the Executive Board is elected by the Board of Directors.

Board of Directors: Composed of 12 full members (three independent) and two alternates. Elected for two-year terms (re-election allowed), the current Board took office on April 26, 2017⁷.

Executive Board: Composed of at least three and at most nine⁸ members appointed for two-year terms (re-election allowed). Today, the Board is composed of the Chief Executive Officer, VP of Finance and Investor Relations, VP of Operations of Malha Norte and Malha Paulista, VP of Operations of Malha Sul and Malha Oeste, and VP of Human Resources. The group is responsible for the regular administration of Rumo's operations.

Fiscal Council: Elected at the General Meeting, it will be formed by three to five full members and alternates, in equal numbers. Its purpose

is to supervise the actions of managers and to provide opinion on the Company's accounts (financial statements, capital changes, etc.). Its members convene periodically (before disclosing the results) to analyze matters within its purview and issue opinions and statements.

Audit Committee: Formed by three independent members with experience in compliance. With one-year terms, this committee reports directly to the Board of Directors on issues such as monitoring quality and integrity of information and internal controls; evaluation and monitoring of exposure to risk, among other responsibilities.

Remuneration Committee: Composed of four members with two-year terms. Reports to the Board of Directors on issues involving fixed and variable remuneration of the administrators, members of the Fiscal Council and other employees, and defines and controls goals.

Related Parties Committee: Composed of three to five members with two-year terms. Works to ensure equal and non-discriminatory treatment of competitors regarding hiring, pricing, and service provision, as well as the level of service of rail transport, transshipment, storage, and port lifting.

NOTE

For 2018, two new advisory committees should be created to advise the Board of Directors, namely: Finance Committee and the Sustainability Committee.

⁷ General Meeting of 4/26/2017

⁸ Art.28 Bylaws



TO LEARN ABOUT THE COMPOSITION AND SEE THE CREDENTIALS OF BOARD MEMBERS AND DIRECTORS, VISIT [HTTP://IR.RUMOLOG.COM/ENU/COUNCILS-COMMITTEES-AND-BOARD](http://ir.rumolog.com/enu/councils-committees-and-board)



Code of Conduct

Based on respect, ethics and transparency, our Code of Conduct establishes values that must be followed by all Rumo professionals and stakeholders. With values disseminated among all Board Members, Directors, employees (own, contractors, interns or temporary employees), clients, suppliers, partners and shareholders, the Code includes several procedures and principles that represent the policies and establish the working conditions at the Company on:

- Anti-corruption laws and policies.
- Treatment of confidential information and intellectual property, as well as policies on information security and for the dissemination of relevant information.
- Specific antitrust policy and laws.
- How to report irregularities: The Company has an ethics channel that ensures anonymity and confidentiality.
- Initiatives regarding health, safety, and the environment.

COMMUNICATION CHANNELS

Violations of guidelines or principles provided in the Code may be reported through the Ethics Channel, via toll-free number 0800 725 0039, or the Internet page www.canaldeetica.com.br/cosan



TO LEARN
MORE ABOUT
RUMO'S CODE OF
CONDUCT, VISIT
IR.RUMOLOG.COM
> CORPORATE
GOVERNANCE >
BYLAWS, POLICIES
AND CODE OF
CONDUCT

Compliance and Anti-Corruption

[GRI 103-1, 103-2, 103-3, 205-1, 205-2]

All our operations are evaluated from a corruption risk standpoint through a materiality process defined by the Internal Audit. All significant points identified are assessed under the Sarbanes-Oxley Act and tested annually by both Internal Audit and External Auditors, who, in turn, at the end of the reporting period, issue an opinion on the effectiveness of controls.

Rumo's Anti-Corruption Program began in 2017 and, since then, several actions have been implemented to structure and consolidate it, including internal training and bulletins to disseminate the program. Most training was concentrated in August 2017, when the

program was launched, and focused on specific groups such as senior management (Directors and Board Members) and managers.

In order to continue the program, the appointment of those responsible for Compliance and Audit was approved. These professionals work together in the dissemination of and compliance with the anti-corruption guidelines. Rumo monitors all non-compliance processes, seeking to quickly resolve the issues with minimal damage to the parties involved.

Thus, all processes have room for discussion where penalties may be annulled, reduced, or even converted into signing a Terms of Conduct Adjustment.

ANTI-CORRUPTION POLICY

The Company has in place an Anti-Corruption Policy that forbids business relations with clients, partners, or suppliers who are in conflict with the assumptions established in the policy or applicable laws, based on the US Foreign Corrupt Practices Act.

Risk Management [GRI 102-11, 102-15, 103-1, 103-2, 103-3, 206-1]

Rumo is part of Cosan Group's corporate Risk Management area, which has created a specific (not yet public) policy to protect the Company from any type of risk that could impact the achievement of the objectives set out by senior management. The main risks we manage and to which we are exposed are:

- **Strategic:** Can impact long-term objectives and business strategies related to the process for creating value for shareholders, employees, the community and control environment.
- **Financial and Operational:** Associated with the effective use of available resources, such as currency exposure, hedge operations, restrictions imposed on contracts and financing in general.
- **Compliance and Reporting:** Can result in tax, labor, environmental, financial, criminal, sanctions among others. It covers compliance with the Brazilian Anti-Corruption Law, Sarbanes Oxley Act (SOx), Foreign Corrupt Practices Act (FCPA), UK Bribery Act, and risks that could potentially affect the financial statements.

The Company has an internal audit, risk and compliance area, reporting directly to the Audit Committee and to the Chairman of the Board of Directors, which is responsible for implementing and managing the Rumo Ethics

Channel and fraud investigations, creating and putting into practice an Internal Audit Plan with focus on internal controls and compliance with laws and with the Company's internal policies, following up on the action plans of the Internal Audit reports, reviewing and publishing the Policies and Procedures, disseminating the culture of Internal Controls, among others.

Rumo has in place a structure dedicated to management of operational risks, such as Internal Control, Occupational Health and Safety, Environmental Licensing, Regulatory Licensing, Crisis Management, and Risk Management. The joint operation of the above-mentioned areas allows us to have an integrated view of the risks and controls so we can better evaluate the actions adopted in risk treatment.

ANTITRUST POLICY

We are subject to the provisions of Cosan's Antitrust Policy, a document that covers basic assumptions and strictly prohibited conduct, in line with the best practices described in Antitrust Law 12,529/12⁹.

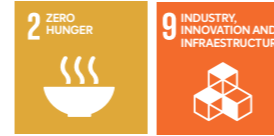
In view of the obligations assumed in the merger control agreement (Acordo em Controle de Concentração - ACC), when Rumo incorporated shares issued by ALL, we have in place mechanisms to guarantee transparency in our actions. Among them is the Service Verification Panel, which helps us verify the level of rail transport service in relation to competitors and logistics services providers.

⁹ http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2011/Lei/L12529.htm





STRATEGY AND DEVELOPMENT



With railway concessions connecting traditional agricultural and industrial production centers to Brazil's main ports, Rumo's growth strategy focuses on its competitive advantages and the logistics challenges faced by Brazil. Its main business objective is bold: to more than double rail transport capacity over the next ten years.

Rumo's main objective is directly associated with agribusiness in Brazil. This sector is detached from the average Brazilian econo-

my, since it has posted consistent growth in recent years. We work with a vision for the future that combines increase in the production and export of grains in Brazil with the execution of our investment plan, intended to expand our transportation capacity. In this way, we will continue to provide strong support to improving the economy in the country, addressing the increasingly greater demands for grain exports and mitigating the logistics bottlenecks faced today.

THE BASIC PRINCIPLES GOVERNING THE VISION FOR THE FUTURE OF THE BUSINESS ARE:

To focus growth on those areas where Rumo has a clear competitive edge

The Company's goal is to serve railway and intermodal corridors that increase its market share in regions with strong potential for grain production and among clients who historically use trucks as the main means of transportation. Thus, it is possible to demonstrate the advantages of railway transportation compared to highway, especially in segments such as agricultural products.

To maintain strict cost control

Commitment to business continuity lies in disciplined execution, focusing on low costs and growth in volume and revenues. Priorities include control of fuel consumption and supplier management.

To comply with commitments made to clients

Client trust is one of the key ways to leverage business results and establish long-term business relationships. One current focus is on establishing partnerships in order to expand logistics infrastructure.

To maximize use of assets and return on employed capital

In order to optimize profitability and return on employed capital, Rumo has in place programs to maximize the use of assets in the rail network and continues to invest in eliminating bottlenecks, seeking to adjust the acquisition of equipment to expected demand.

Investment plan

With a long-term focus and a clear purpose of reducing operating costs and increasing the organization's capacity, efficiency and service level, Rumo continues to execute its investment plan announced in 2015.

A significant portion of the resources (between 40% and 60%) is being invested in the recovery of the network, in the expansion and construction of new yards and in improvements to our operations in the ports of Santos (SP), Paranaguá (PR), São Francisco do Sul (SC) and Rio Grande (RS). An additional amount (from 30% to 40%) will be used to replace and refurbish locomotives and railcars with a focus on expanding the fleet of 100-ton covered hoppers¹⁰.

To make our operation even more efficient, we are changing our consist from 80 to 120 railcars. This change in the consist means 50% more cargo on each train, increasing our capacity to serve the pent-up demand in agribusiness as well as for other cargo. All this significantly improves our profitability allowing for, in addition to a more efficient operation, the spreading of fixed costs (10% reduction in fuel consumption).

This change required adjustment to our assets, since locomotives need to be more modern and railcars must have higher capacity. Currently, 90% of our locomotives and 100% of the railcars already meet this requirement. In addition, the yards need to be restructured to receive longer consists. Today, 43% are already adapted to this new structure.

Malha Paulista

Rumo has projects to increase its investments in the coming years, after renewal of the Malha

Paulista concession, which is under analysis by the National Land Transport Agency (ANTT). Extension for another 30 years will enable BRL 4.7 billion in investments, which will allow for increasing the transportation capacity over this network - from 30 million tons/year to 75 million tons/year by 2023.

Benefits from these investments include job creation, reduced risk of road accidents and reduced greenhouse gas (GHG) emissions. Along the nearly 2,000 kilometers of the network, stretches will be expanded, yards extended, railroads modernized, and works will be conducted to mitigate the urban conflicts between the railroad and the municipalities crossed. The idea is to increase not only the capacity of railroad transport, but also safety in operations.

BENEFITS ARISING FROM RENEWAL

- 10% reduction in diesel consumption.
- 21.5% increase in the average speed of trains.
- 150% increase in transportation capacity.
- BRL 1 billion saved by reducing emissions.
- BRL 1.6 billion saved by reducing road accidents.
- 1.6 million fewer truck hauls on roads.
- 30,000 new direct and indirect jobs.
- BRL 59 billion in value created throughout the production chain.

¹⁰ Closed railcars that carry grains such as soybeans, corn, and soybean meal.

FERTILIZERS PROJECT



Initiated in April 2018, the Fertilizers Project is a strategic solution for transportation of inputs in the country, taking advantage of the largest export corridor: the Port of Santos (SP) and the Multimodal Terminal of Rondonópolis (MT). Thus, the railcars that are unloaded in the port in São Paulo may return to Mato Grosso (considered the heart of Brazilian agribusiness) loaded with raw material for fertilizers.

With an investment of BRL 200 million, the project involves expansion works that will give the terminal of Rondonópolis capacity to unload 7.5 million tons of fertilizers per year, with two railway entrance lines for unloading eight railcars at the same time. The terminal's 160,000 sqm area will have a capacity for 64,000 tons in the first year - with

plans to expand by more than 50% in the future, according to demand.

In addition to receiving goods by rail, the terminal will provide services for storage, packaging in big bags (large polyethylene containers) and road transport for 12,000 tons per day.

Currently, most of the fertilizers arrive from abroad through the ports of the Southern region of the country. Transportation to the agricultural production areas is mainly by highway, which increases the final price of the product. The purpose of Rumo's project is to change this practice, making the main grain export corridor in Brazil available to the import of fertilizers. In addition to operational and financial benefits, the project provides environmental gains, with significant reduction in emission of pollutants. One train with 100 railcars, for example, corresponds to an average of 357 fewer trucks on roads.

GRAINS AND PULP

Through Malha Norte, in October 2017, we started to transport pulp for a major sector Company, advancing the operations planned for the beginning of 2018. Investment of BRL 12 million in the reactivation of the terminal in Chapadão do Sul (MS) will allow for handling nearly 600,000 tons of grains. Upon completion of the works in 2018, the terminal will have a capacity to handle two million tons a year and will be an important logistics alternative for producers in the regions of Goiás and Triângulo Mineiro, who depend almost exclusively on road transport.



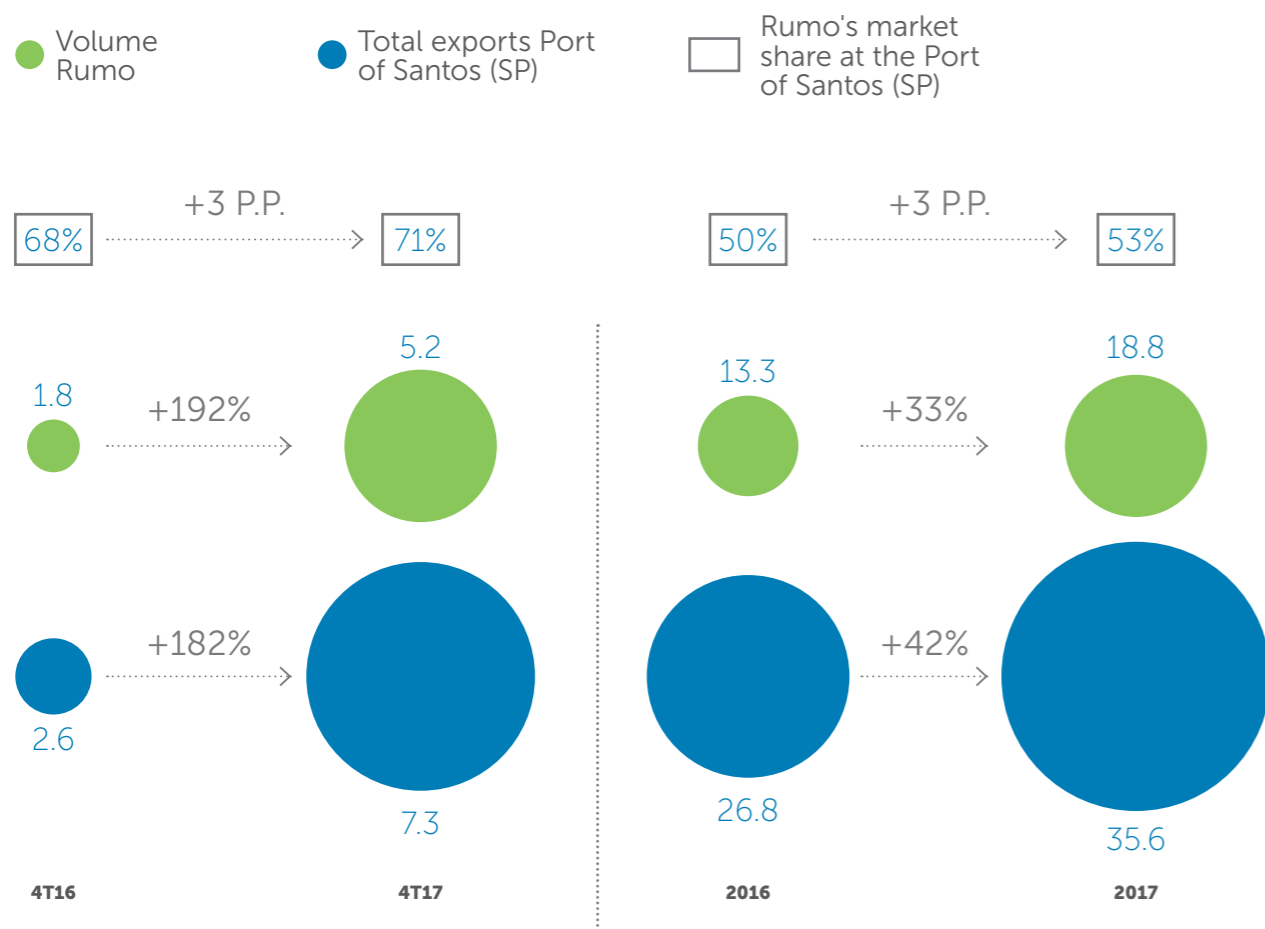
In 2017, we reached an EBITDA of BRL 2,757 million, a result 36% higher than the previous year and close to the top of the guidance range. Continuous investments provide major operational improvements and capacity expansion, which allowed us to capture higher volumes, thus spreading costs, according to the Company's strategy for creating value.

Fleet renewal, along with other initiatives in the investment plan, provided growth in variable cost that was smaller than volume expansion. We achieved 49.7 billion RTK in 2017, 23% higher than in 2016. The increase in transportation capacity generated gains in productivity and allowed Rumo to reach operating records during the year. Specifically in the case of grain transportation, the Company's most profitable operation, growth was 39% YoY.

The year 2017 reinforces our execution capacity to achieve our long-term goals. North Operation, a segment with greater relevance in the Company's results, showed a significant advance in its indicators, mainly volume and EBITDA, which grew 28% and 29%, respectively, in 2017.

The Port of Santos (SP), the main destination of the cargo transported by North Operation, handled, in 2017, a total of 36 million tons of grains, a strong increase compared with 27 million tons in the previous year. Even with this significant expansion of the export market, Rumo achieved a 53% market share, 3 percentage points higher than in 2016. This result confirms the successful implementation of the investment plan, with significant growth in capacity.

EXPANSION OF RUMO'S TRANSPORTATION VOLUME AND MARKET SHARE AT THE PORT OF SANTOS (SP) (MILLION TONS AND %)



South Operation presented a significant improvement in the result in 2017. Since the beginning of its investment plan, Rumo has worked to revitalize South Operation. Several initiatives have been taken, such as process restructuring, fleet renewal, investments in permanent ways, terminals and yards, resulting in increased market share in the ports of the Southern region, cost reduction and expansion of the client base. As a result, in 2017, there was an increase in transported volumes, reaching 14 billion RTK, EBITDA growth, totaling BRL 301 million, and expansion of 11 percentage points in the margin.

Today, we are in a better position to finance our investment plan. In October 2017 Rumo completed the capitalization process in the amount of BRL 2.6 billion. The purpose of the process was to optimize the Company's capital structure, reducing its indebtedness levels and increasing its liquidity. After capital increase, there was a debt restructuring of BRL 1.2 billion, with reduction in interest rate. In January 2018, we again issued debt securities in the foreign market, totaling USD 500 million, maturing in January 2025 and interest rate of 5.875% per annum, considerably below the cost of the first issuance in the foreign market in February 2017.

EVOLUTION OF THE COMPANY'S MAIN PERFORMANCE INDICATORS SINCE TURNAROUND

	2015	2016	2017
Volume (RTK Billions)	44.9	40.3	49.7
Net Revenue (BRL MM)	4,802.5	5,014.6	5,946.3
EBITDA (BRL MM)	1,918	2,028.6	2,756.6

Note: They reflect Rumo S.A.'s Pro Forma results on December 31, 2016 and the consolidated fiscal-year ended on December 31, 2015, in order to allow for a comparison, since the acquisition of ALL occurred on April 1, 2015 and on December 31, 2016 Rumo S.A., formerly ALL Holding, absorbed Rumo Logística.

	2015	2016	2017
Revenue (BRL)	4,453,299	4,772,715	6,454,096
Sales of goods, products, and services (BRL)	4,382,881	4,718,110	6,332,656
Provision for doubtful accounts and credits (BRL)	3,733	1,514	-12,198
Other revenue (BRL)	66,685	53,091	133,638
Inputs acquired from third parties (BRL)	-1,671,369	-1,925,245	-
Costs of products, goods, and services sold (BRL)	-1,206,019	-1,331,589	-1,324,897
Materials, energy, third-party services, and others (BRL)	-465,350	-520,458	-918,149
Loss/Recovery of assets (BRL)	-	2,974	-
Other	-	-73,198	-
Gross Value Added (BRL)	2,781,930	2,847,470	4,211,050
Depreciation, amortization, and depletion (BRL)	-616,528	-1,291,307	-1,341,687
Net Value Added (BRL)	2,165,402	1,556,163	2,869,36
Value Added Received in transfer (BRL)	156,855	248,480	263,133
Equity accounting results (BRL)	11,164	8,380	4,243
Financial Revenue (BRL)	145,691	240,100	258,890
Other			
Total Value Added (BRL)	2,322,257	1,804,643	3,132,496
Value Added Distribution (BRL)	2,322,257	1,804,643	3,132,496
Personnel and Charges (BRL)	477,961	530,020	709,577
Taxes, fees, and contributions (BRL)	367,825	296,342	384,874
Interest, lease, and other operating expenses (BRL)	1,641,809	2,030,853	2,296,483
Dividends and interest on own capital (BRL)	-165,338	-1,052,572	-258,438
Non-controlling shareholding interest	-6,931	10,658	2,369
Retained earnings (BRL)	-158,407	-1,063,230	-260,807

CHAVE NA MÃO

The system called *Chave na Mão* (Key in Hand), developed by Rumo, has the purpose of establishing a direct connection via smartphones (provided by the Company) among the approximately 2,000 locomotive engineers with the human resources area, the control center and the area responsible for the shifts, where locomotive engineers have access to information on their work schedule, time & attendance, rest, paycheck stub, and vacations.

The software consists of a direct connection via smartphones with a customized app that offers several features and benefits, such as Mobile Time & Attendance, GPS, integration with stopovers, active communication with the locomotive engineer through images and voice commands, reporting of alerts, management of the locomotive engineer's transportation, Human Resources information, Company's norms and procedures, in addition to the possibility of making telephone calls.

The project started operations in 2016 and has proved to be a good tool to increase the Company's efficiency, reducing costs and providing gains in operations. In 2017 alone the project provided the Company with savings of nearly BRL 2 million.



TO LEARN MORE ABOUT RUMO'S FINANCIAL PERFORMANCE, VISIT IR.RUMOLOG.COM > CENTRAL DE RESULTADOS

TO LEARN MORE ABOUT RUMO'S OPERATIONAL PERFORMANCE, VISIT IR.RUMOLOG.COM > GUIA DE MODELAGEM





RELATIONSHIP WITH SOCIETY



For us, rail transport is one of the main tools for the country's economic growth. Therefore, even with the difficulties in infrastructure still faced by Brazil and the social and environmental challenges inherent to the development of this mode of transport, we work to establish close relationships with our stakeholders and ensure continuity of our business.

RUMO RELATIONSHIP CHANNELS

Demands, suggestions, and criticisms may be communicated by phone or via the Internet, through the www.rumolog.com portal or on social network profiles (LinkedIn and Facebook). The direct channel (0800-701-2255) is available Mondays through Fridays, from 8am to 6pm.

EMPLOYEES

[GRI 102-8, 102-41, 103-1, 103-2, 103-3, 401-1, 401-2, 402-1]

With a workforce of almost 9,000 professionals, our work culture focuses on integration, on incentive to high performance and on developing skills. Our growth strategy is based on talent retention and on continuous investment in development of future leaderships.

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT

	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Fixed-term	145	108	135	121	86	88
Open-ended	7,823	499	7,906	543	7,972	555

Engagement Survey

In 2017, we achieved an 82% favorability rate in our Engagement Survey, which measures the level of employee satisfaction and is a strategic tool for Rumo's leadership to understand the perception and needs of all professionals at the Company's service.

Carried out every two years by an external consulting firm, the survey involves all companies that are part of the Cosan Group. With voluntary and anonymous participation, the results obtained from the survey help us make the best decisions about people management programs and policies, in addition to keeping the employees engaged and aligned with the needs of the business.

Compared with other organizations in the Brazilian market, the favorability rate achieved by Rumo was significantly higher than that of other Brazilian high-performance companies. In addition to presenting a positive overall result, the survey points to several opportunities for improvement that are already being addressed in action plans implemented by Rumo's departments.

People and Career Development

Our training and learning structure seeks to meet the technical and developmental needs of our professionals. Through Rumo Academy, an educational excellence center at the Company, we help reduce the lack of training in the rail logistics and intermodal services segment, training employees to make decisions quickly and in line with Rumo's business strategies. We also offer scholarships and financial support for external training in specific skills, in addition to four internal programs:

Career Path: Intended for professionals in the technical areas, this program aims to promote the development of employees at Rumo, based on pre-established requisites. In a transparent manner, the program recognizes people based on three pillars: Rumo's Essential Conduct, Technical Capacity and Good Performance. Today, Rumo has 14 career paths that include approximately 90% of the employees who work in its operation.

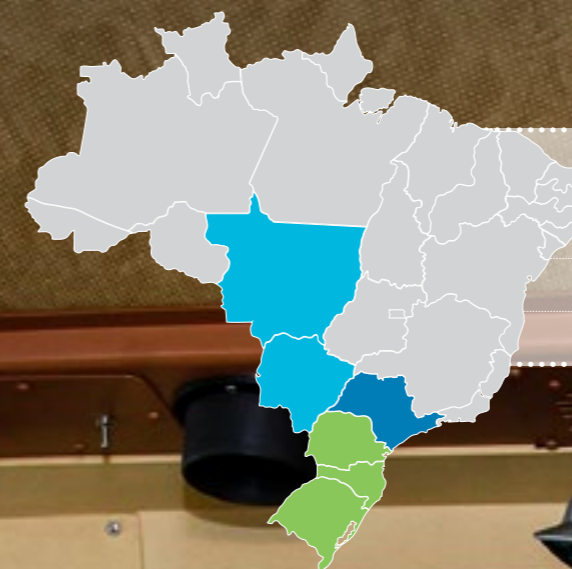
Talents and Careers: Seeks to guide the career of administrative employees (functional and matrix) as they join the Company, so that each one recognizes the skills that need to be developed and the results expected for their position and duty.

Strategic People Management: Focus on the development of managers using the *Ram Charan pipeline*¹¹ concepts. The program is supported by the Training of Managers, consisting of training in ten modules: Corporate Communication, Interpersonal Relationships, Presentation Techniques, Conflict Management, Negotiation, Methodology, Time Management, Finance, School of Management and Leadership.

Maneuvering School: With 12 weeks of theoretical and practical classes held in an exclusive railway yard, with different models of locomotives and railcars, it allows students to experience day-to-day in maneuvering, testing their skills in a simulator that maps all sections of the railways.

¹¹ Leadership Pipeline - a model that allows the Company to identify future leaders, evaluate their skills, plan their progress and measure results, guide the actions of organizations, and build teams aligned with all Company levels.

NUMBER OF EMPLOYEES BY REGION



	2015	2016	2017
● Southeast	2,942	3,549	3,541
● South	4,452	4,073	4,063
● Midwest	1,181	1,083	1,097



Performance Management and Remuneration

Our Competency and Performance assessment process is carried out with all Company professionals, with employees in leadership positions undergoing a 360° assessment; specialists, engineers and sales executives undergo a 270° assessment; 180° for analysts, lawyers, buyers and leaders; and apprentices, technical interns and employees at operational positions are assessed by their manager.

We have a variable remuneration model that recognizes and values deliveries of employees, in addition to maintaining a fixed remuneration system that is competitive and in line with the market. Among the main benefits offered by Rumo are meal allowance, meal vouchers, life insurance, health insurance, dental plans, pharmacy assistance, private pension, maternal and child support, Christmas baskets and school supplies for employees with children at school age, in addition to the *Pingo de Gente* Kit for employees with children up to four months of age.

Admission Programs

The Recruitment and Selection process is conducted through Attraction Programs: Young Apprentice, PwD Program, Trainee Program and Internship Program. The process to select experienced professionals is carried out by an external consulting firm, which reports to Rumo the information on the average time for admission and the number of applicants recruited and selected.

Labor Relations

In 2017, the Company's Legal Department provided training in labor legislation to more than 180 managers. Training had a preventive nature and its purpose was to update managers on working hours, bonus payments, and other topics involving legislation, providing to Company leadership the necessary knowledge to avoid cases of mobbing.

UNION RELATIONS

100% of the employees are covered by Collective Bargaining Agreements (ACT - *Acordos Coletivos de Trabalho*) entered into with 15 labor unions, distributed along the Malhas Norte, Oeste, Paulista and Sul, in addition to the terminals in Sumaré, Itapira, Jaú and Santos. Today we have 16 Collective Bargaining Agreements related to the baseline date to negotiate salary raises for Railways and Terminals.

THE RAILROAD IS ALSO A PLACE FOR WOMEN AND PEOPLE WITH DISABILITIES

In 2017, Rumo announced a campaign to attract female professionals and people with disabilities (PwD) to work in the Company's operational areas.

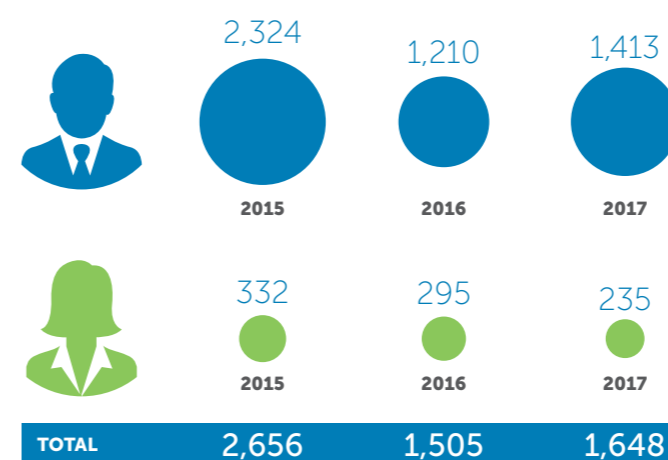
Created for two different audiences, the names of the campaigns were "*Ferrovias também é lugar de mulher*" (The railroad is also a place for women) and "*Ferrovias também é lugar de PcDs*" (The railroad is also a place for PwDs) and displayed videos with testimonials from professionals with both profiles who work at the Company, reporting their experiences and inviting women and PwDs to integrate Rumo's workforce.

The dissemination of the campaigns through internal media outlets and on social networks (Facebook and LinkedIn) caused a strong impact and continues to be an instrument for attracting new talent for the Company.

In promoting this initiative, Rumo meets the following Global Sustainable Development Goals (SDG) set by the UN:

- Reducing Inequalities
- Gender Equality
- Decent Work
- Economic Growth

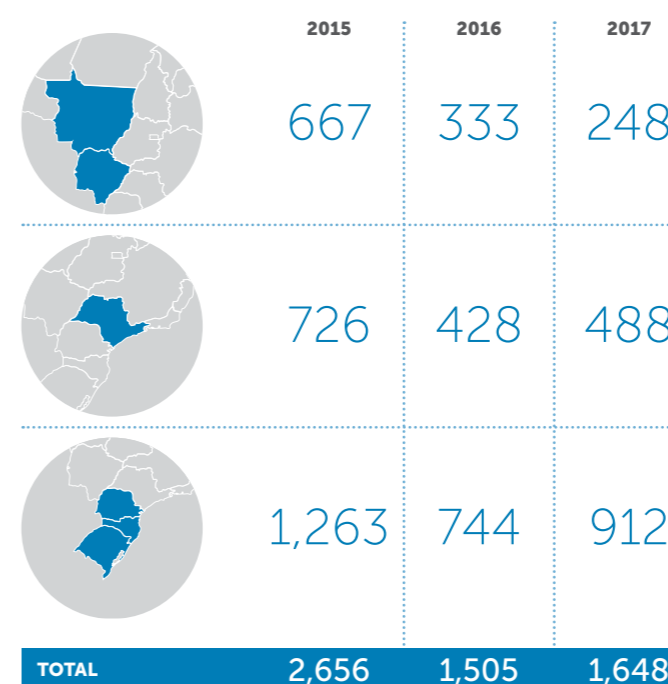
NUMBER OF HIRES BY GENDER



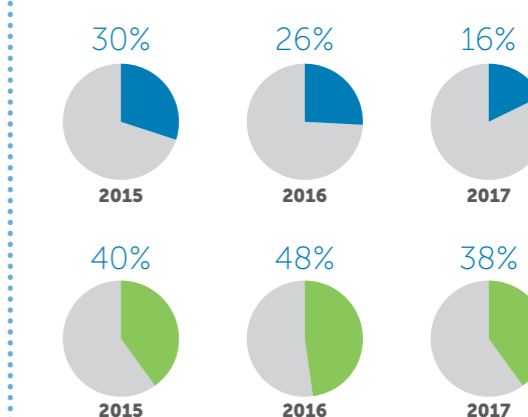
NUMBER OF HIRES BY AGE GROUP

	2015	2016	2017
Under 30	1,750	974	931
Between 31 and 50	847	523	697
Over 50	59	8	20
Total	2,656	1,505	1,648

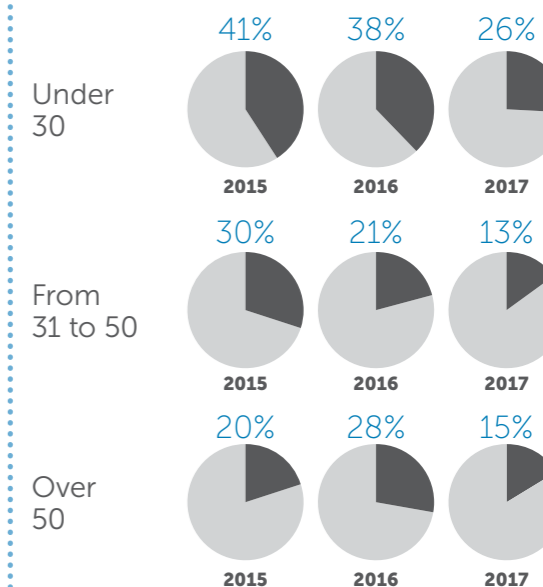
NUMBER OF HIRES BY REGION



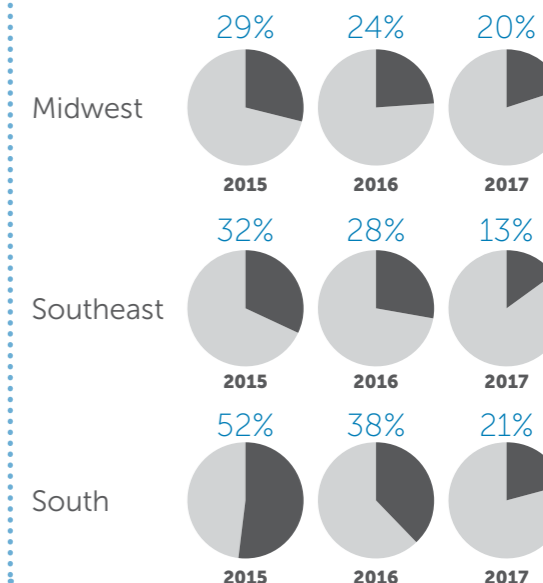
EMPLOYEE TURNOVER RATE (GENDER)



AGE GROUP



REGION





CLIENTS

[GRI 103-1, 103-2, 103-3, 418-1]

The change in Company management in 2015 was a determining factor for Rumo to establish long-term relationships with its clients and contributed to increasing confidence in our ability to perform contracts.

The execution of our business strategy and of our investment plan has also contributed to strengthening this relationship. As we invest in our rail network, in the renewal of our fleet of locomotives and railcars and in the improvement of our service level, our competitive advantages become even more relevant, especially in terms of cost and efficiency, and mainly for bulk cargo transported over medium to long distances.

In addition, the restructuring of our Commercial area in Sales and After-sales allowed us to focus on detailing our commercial relationships, generating greater assertiveness in meeting client needs and contributing to the Company's ability to capture larger volumes as its transportation capacity increases.

SUPPLIERS

[GRI 102-9]

Rumo has in place structured systems, in constant evolution, and always seeks to adopt best practices in all its lines of business. This becomes especially clear in the relationship with its suppliers, considered as business partners.

In this sense, the procurement area is dedicated to capturing a group of reputable suppliers, with appropriate social, environmental and ethical conduct, and who foster best commercial practices, with unblemished reputation. To analyze these issues, Rumo has a team exclusively dedicated to approving and managing suppliers, whose roles are to support the hiring process and manage all partners contracted.

To support supplier management, the procurement team uses an internally developed software called "Supplier Portal" in which it is possible to manage all information collected during the entire selection and qualification process.

In general terms, suppliers must meet specific requirements established by Rumo, such as submission of all relevant documentation, and com-

pliance with legal obligations, especially in labor, tax, social security, and social and environmental aspects. The initial process conducted within the Supplier Portal consists of three stages:

- **Stage 1:** pre-registration on the Portal
- **Stage 2:** evaluation of registration
- **Stage 3:** signing of the "General Clauses and Conditions for Future and Possible Provision of Goods and Services"

It should be noted that, depending on the Company structure and scope of supply provided, the registration will be evaluated by an auditing company chosen by Rumo. Evaluation involves provision of additional information and requests for additional documents, taking into account labor, social security, tax, financial and fiscal aspects. The cost of the registration analysis is directly paid by the company in question to the audit firm. In addition, for some materials and services related to safety of locomotives, it is mandatory to present certifications such as AAR (Association of American Rail-

roads), AREMA (American Railway Engineering and Maintenance-of-Way Association) or an OEM (Original Equipment Manufacturer) recommendation from locomotive manufacturers (GE and Progress Rail) in order to prove suitability and safety of the products. Once qualified, suppliers are registered in the database and may be consulted by the Procurement team in the purchasing processes.

We have a team dedicated to supplier management that, through the tools available in the Supplier Portal, manages all information related to our partners. For suppliers with active contracts, a monthly performance assessment is conducted through the Supplier Performance Index (IDF - *Índice de Desempenho do Fornecedor*), which analyzes two indicators: OTIF (On Time In Full) that evaluates time and scope of deliveries and Non-Conformity Report (RNC - *Relatório de Não Conformidade*) that indicates all deviations from what was actually contracted. In addition, this assessment helps ensure greater compliance in Contract Management in accordance with the following criteria:

- **Technical Scope:** compliance with the technical scope of the service, according to provisions in the contract/service order.
- **Quality of Service:** service provided must have an acceptable quality standard, without the need for rework after being inspected by the requesting party.
- **Schedule Compliance:** services performed within the proposed/established deadline, which may be a single project schedule, or agreed upon dates for delivery of service orders.

Furthermore, health and safety criteria are evaluated by the responsible area at Rumo, and focus on two specific points:

- **Safety Procedures:** Suppliers must provide the training required by the safety and environmental area with the frequency defined by the responsible area. Contractors must also guarantee the good conditions of machines, tools, transport, accommodation, and work areas while performing the tasks.
- **Accidents:** Contractors must ensure compliance with standards set out by the Ministry of Labor while providing the service. They must prioritize employee safe attitude and behavior, and all norms established by Rumo must be observed in order to avoid causing incidents and accidents.

Non-conformity records are entered into the system by the areas responsible for contracting services and the analysis of timely deliveries of materials is obtained through the database of requests and tax receipts from the SAP management software, forming an IDF score.

In addition, the Supplier Management area periodically evaluates compliance with laws and contractual clauses negotiated. Through the clauses, Rumo imposes on suppliers the obligation to guarantee and prove payment of

labor, tax and safety certifications related to the purposes of the service provider.

The use of labor under slave-like conditions by contractors entitles Rumo to cancel activities or immediately terminate the contract without any formality. The agreement may also be immediately terminated in the case of any violation of legal requirements which, during the rendering of services, affect the health and safety of Rumo's employees, the environment, the community, and society at large. The same applies if the infraction generates effects that could compromise the image of the Company.

Supplier Profile

Today, Rumo uses service providers for the following activities:

- Maintenance of permanent ways
- Construction and works in general
- Utilities
- Cleaning and maintenance
- Property security

Digital Signature

In 2017, Rumo completed the implementation of the QualiSign Digital Signature platform in contracts with suppliers and attorneys. Through this initiative, the Company streamlined formalization and management of contracts and simplified processes. Gains in agility were very significant. The formalization cycle was reduced to 8 days, i.e. 73% reduction in the amount of time.

There was also a significant reduction in costs, since paper contracts needed to be printed in two copies, have the signatures of both parties notarized, and shipment of the copies to the supplier and vice versa. In addition, our physical documents were stored in a third-party company. This entire process was eliminated after the implementation of the digital signature. Suppliers also had cost reductions, since they no longer have to print, notarize signatures or send a copy of the contract to Rumo.

Another improvement occurred to the signature validation process. In the former mod-



RUMO'S WEBSITE CONTAINS GUIDELINES AND POLICIES THAT DETERMINE THE MANDATORY REQUIREMENTS FOR PREVENTING ACCIDENTS AND MAINTAINING INFORMATION SECURITY THAT APPLY TO CONTRACTORS AND SUPPLIERS OF MATERIALS, EQUIPMENT, AND SERVICES. VISIT RUMOLOG.COM > TAB FORNECEDORES.

el it was necessary to check the purviews and signatures of attorneys. With the digital signature, verification is no longer necessary, since the digital certificate guarantees legitimacy of the signatory. Attorneys also greatly benefited from mobility, i.e., the possibility to digitally sign on their laptops, anywhere, anytime.

The digital signature also contributes to improving the sustainability indicators. Reduction in the use of paper, considering 2016 and 2017, was 66,000 A4 sheets, representing 6.6 trees. Production of this amount of paper would require approximately 16,000 liters of water and 1,600 kWh of energy. Reduction in CO2 emission was 85.07 kg. A green economy that is in line with one of Rumo's guidelines - economic, environmental and socially responsible sustainable operation.

COMMUNITIES

[GRI 103-1, 103-2, 103-3, 413-1, 413-2]

We are strongly committed to the communities located in the areas close to our operations, which extend along the more than 12,000 km of railroads, crossing six Brazilian states and over 500 municipalities in the South, Southeast, and Midwest regions. Given the nature of our operation, the main aspects that generate impacts refer to the train horn, lack of weeding and mowing along the railway line, accumulation of garbage, and closing of level crossings.

Most demands are sent through our service channels to the Company, which has to respond the requestor within 72 hours. In 2017, a total of 97% of the demands were answered, a significant increase over the previous year (85%).

Rumo also seeks to promote social welfare and performs in the areas of education, culture, sports and health, with more than 40 programs. The main initiatives include:

- **Supportive, Cultural and Environmental Christmas:** In 2017, more than 1,000 gifts were collected by the Company's employees and distributed to children and the elderly. Four locomotives decorated with lights became cultural attractions in the states of São Paulo, Paraná and Rio Grande do Sul. With rides that totaled 700 kilometers, the steam locomotive called *Maria Fumaça Mallet 204*, part of the collection of the Brazilian Association of Railway Preservation (ABPF - Associação Brasileira de Preservação Ferroviária) was the Christmas attraction in the region of Curitiba and in the municipalities of Almirante Tamandaré, Rio Branco, Paranaguá, Morretes, Araucária, Piraquara, Pinhais and Lapa, in Paraná. The action, called *Natal Iluminado Rumo* (Rumos Christmas Lighting), mobilized nearly six million people on social networks. Environmental preservation also inspired initiatives in the month of Christmas. An internal scavenger hunt mobilized 11 teams of railroad workers and collected 26,000 recyclable items. With this material, Rumo involved students from the School Durival Britto e Silva in Curitiba in the production of creative decorations to decorate their units.
- **Trem do Bem (Train for the Good):** In 2017, Rumo structured its volunteering program with the formation of groups to work on several fronts. The teams work continuously to develop campaigns to collect clothing, personal care products, food and toys, in addition to actions associated with Pink October and Blue November.
- **Na Rumo não vai dar Zika (No Zika at Rumo):** During the summer months, Rumo conducts cleaning efforts that help prevent



proliferation of the mosquito, *Aedes aegypti*, which is a vector for diseases such as dengue fever, zika and chikungunya. Hundreds of employees and residents of neighborhoods near railways collect items from railroads and public spaces, such as bottles, jars and plastic bags that can trap water and lead to the proliferation of the mosquito. Concurrently, Company railcars spray the margins alongside railroads in urban stretches with pesticides approved by environmental and sanitary authorities. Cleaning also helps reduce the risk of attacks from arachnid such as scorpions. A second joint effort, called *Mutirão do Meio Ambiente* (Joint Effort for the Environment), is held in June, as part of the celebrations for Environment Day. In addition to cleaning, the teams carry out planting and gardening services.

- **Citizen Gardens:** A 1,000 sqm community vegetable garden was implemented in 2017 as a pilot project under the program called *Canteiros da Cidadania* (Citizen Gardens) implemented in Curitiba. More than 20 types of vegetables have been grown by the community, with support from the Company and the city. Foods contribute to the diet of the 30 families who donate part of the production to social institutions and hold produce markets by distributing low-priced items such as lettuce, cabbage, carrots, beets, and kale. The success of the experiment inspires the implementation of new garden patches in Curitiba and other municipalities crossed by the railroad.
- **Cleaning Patrol:** Developed in partnership with the city of Piraquara and the Paraná Department of Corrections, the project paves the way for prisoners in a semi-open regime to reduce their prison time by working on the conservation of railroad and public road rights-of-way. The teams perform tasks such as weeding, mowing and waste collection. In addition to the benefit of reducing prison time, the initiative of-

fers work training and promotes social re-integration. Inmates who participate in the program supplement their families' income with a monthly minimum wage.

Other examples of projects funded in 2017 by Rumo through Incentive Laws are:

- **Rugby on Wheelchairs:** Support the Curitiba team through the Federal Sports Incentive Law.
- **Revitalization and Humanization of Elderly Care:** Support to the creation of the Thoracic Pain Unit (UDT - *Unidade de Dor Torácica*) of Hospital Angelina Caron, in Curitiba, through the National Elderly Fund.
- **Integrated Neurological Recovery Center:** Hospital Angelina Caron - National Program to Support Healthcare to People with Disabilities (PRONAS).
- **Futsal Top - Associação Monte Sião:** Support to the Paranaguá team through the Federal Sports Incentive Law.
- **Integrar Volleyball:** Support to the National Association for Development, Sports and Education (ANDEE) of the cities of Santos, Cubatão, São Vicente and Guarujá through the Federal Sports Incentive Law.
- **Curitiba Biennial:** Support to Instituto Paranaense de Arte through the Rouanet Act.
- **Intelligent Surgery Room:** Support to the Koutoulas-Ribeiro Liver Disease Foundation of Hospital São Vicente, Curitiba, through the National Program for Support to Cancer Treatment.
- **Humanized Assistance for the Health of Children and Adolescents at Hospital Pequeno Príncipe:** Through the Child and Adolescent Fund - FUNCAD.

• **Agrinho Project:** Participation in the largest social responsibility program of the FAEP System, as a result of the partnership between SENAR-PR, FAEP, the State of Paraná, through the State Departments of Education, Justice and Citizenship, Environment and Water Resources, Agriculture and Food Supply, the municipalities of Paraná and several companies and public and private institutions.

• **Acquisition of equipment for the Emergency Response Unit in Rondonópolis**

Rumo is also committed to reducing the number of accidents with contractors (collisions¹² and strikes). There are reduction goals in place, evaluated daily by Railway Safety. Whenever any change occurs, the Company intervenes in the communities through education campaigns, lectures, and strategic partnerships with municipalities and other municipal agencies in order to minimize risks.

Accident Prevention

Rumo continuously develops actions to increase railroad safety. Information campaigns help reduce accidents at level crossings and post warnings such as "Stop, look and listen!", which stress the need to be careful, are widespread in schools, communities and the general population.

We follow an annual schedule for educational workshops in schools near railways so that children and adolescents can help

disseminate safety and environmental information. Learning takes place through games and dynamics and has the support of municipal boards of education and educators at the schools. Today, the project reaches more than 1,000 students per year and there are plans in place to expand its activities.

Safety-related actions also directly involve communities in the vicinity of railroads. The topics covered go beyond precautionary measures indispensable at level crossings and foster respect to the environment, use of pedestrian overcrossings and care with public spaces for the well-being of the population. Participants become increasingly aware of the risks of practices such as railcar surfing or crossing bridges without a pedestrian walkway. Communities themselves help spread that access to railway areas is prohibited and poses risks to safety and life.

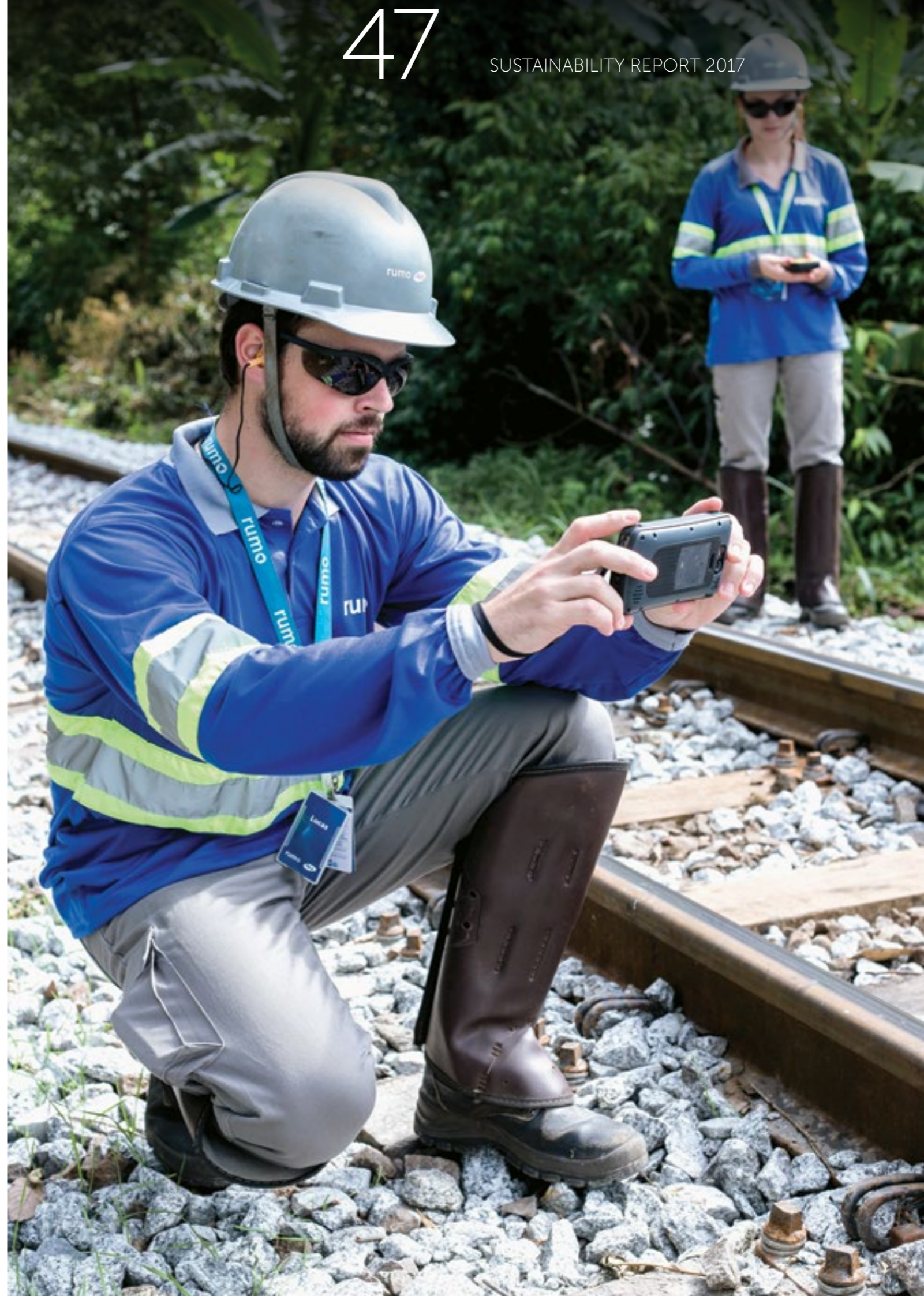
Assistance Program to Traditional Communities

Through the Basic Environmental Plan, structured during the licensing process for the expansion of the railroad between the region of the capital city and the coast of São Paulo, 12 indigenous villages participate in structured programs to address demands of health, education, income generation, cultural preservation, and environmental management. All stages of the implementation process are attended by FUNAI and indigenists, who monitor the actions and effectiveness of each activity.

COFFEE FOR SAFETY

Railway safety depends on the cooperation of everyone, especially truckers, drivers, motorcyclists and pedestrians who frequently cross railway lines in ports, logistics terminals and railway centers. This is the focus of the program called *Café com Segurança* (Coffee for Safety), an initiative that gathers communities and Rumo's employees for guidance and transfer of information that saves lives. The latest editions of the program were held in Curitiba (PR), Paranaguá (PR), Santos (SP), Rondonópolis (MT) and São Francisco do Sul (SC).

¹² Shock/collision of something with another.



OPERATIONAL PERFORMANCE





OCCUPATIONAL HEALTH AND SAFETY

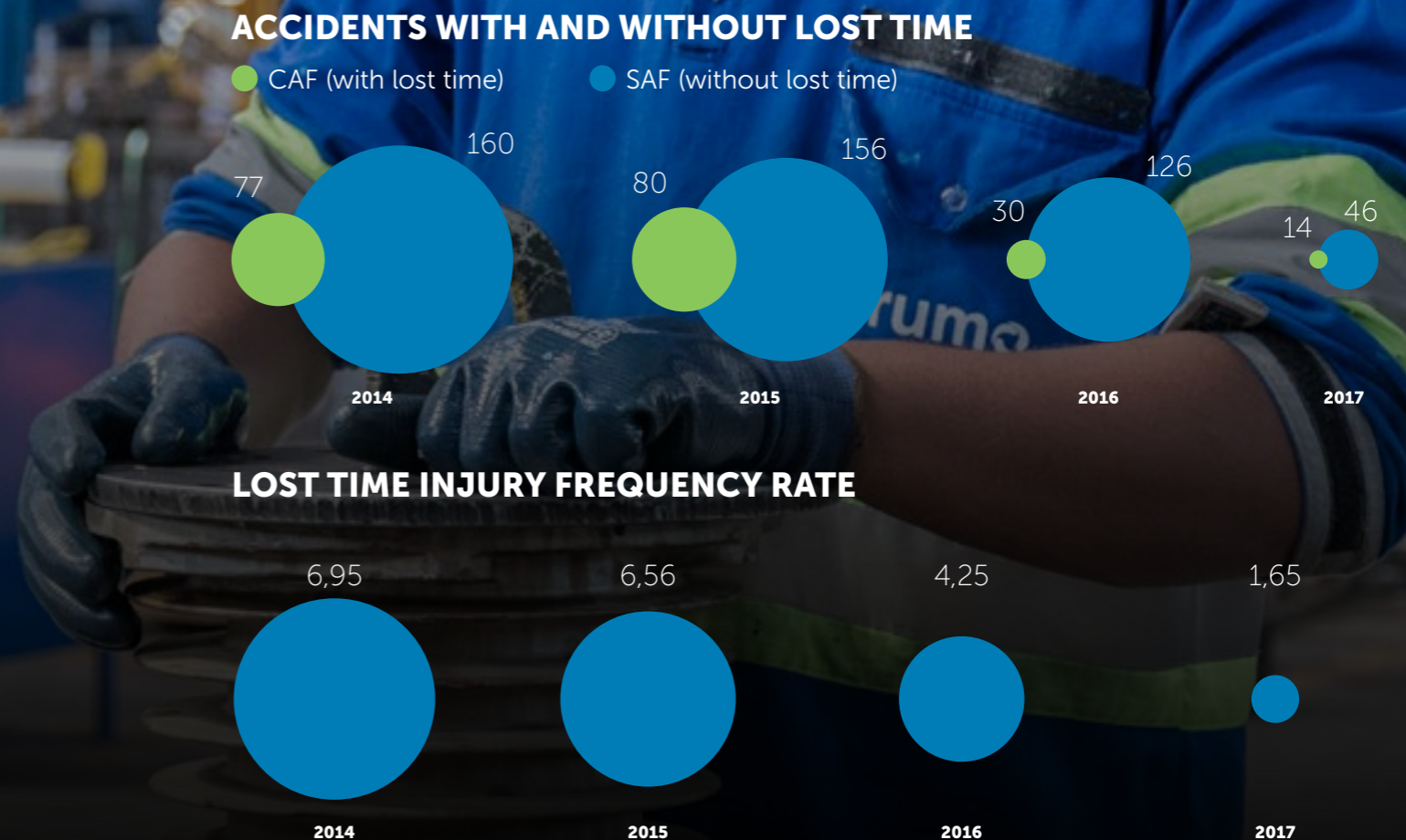
[GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-4]

Preserving the safety and health of employees and third parties is an extremely important value for Rumo. To this end, we invest in training and continuous education so that all professionals follow the necessary requirements associated with each activity performed.

Rumo has in place the Rumo Zero Accident program, whose main objective is to act proactively in terms of employee and third party behavior, and with involvement of Company management. We have several OHS management tools that allow us to act before, during and after the completion of activities.

RUMO WORKS WITH WEEKLY AND MONTHLY REPORTS THAT EVALUATE THE RESULTS OF INDICATORS SUCH AS ACCIDENT RATES, WITH AND WITHOUT LOST TIME (EMPLOYEES AND CONTRACTORS)

Employees	2016	2017
Lost time injury frequency rate (%)	0.82	0.39
Recordable incident rate (without lost time) (%)	3.43	1.26
Total recordable rate (with and without lost time) (%)	4.25	1.65





Rumo Zero Accident

Our Rumo Zero Accident program (RZA) includes behavioral tools audited monthly and thus, preventive actions are performed in a systemic manner. The program is based on the assumption that prevention requires focus on each person's behavior. Thus, at Rumo, all employees are encouraged to intervene whenever they see any risk situation in any area, thereby turning safety into a shared responsibility.

Our professionals undergo training aimed toward maintaining safety in different situations. The Internal Week for the Prevention of Workplace Accident (SIPAT) is also held at all terminals to encourage employees to constantly adopt safe behavior. Additionally, audits implemented at operational levels help ensure that Rumo's Zero Accidents Program is fully executed.

**IN 2017, WE
REDUCED THE
PERSONAL
ACCIDENT
RATE BY
62%**

GREATER SAFETY

For 2018, the Company is working on creating the app Rumo Zero Accident (RZA). We will use this technology to promote sustainable development and performance by making auditing information available to managers in real-time. In addition, we hope to integrate the information between existing tools and give autonomy and agility to managing Occupational Health and Safety (OHS) indicators. This way, digitization of the RZA Program will yield gains in productivity, time and assertiveness of the information, contributing to the preservation of the environment, since it will eliminate the need for printed forms.

RUMO ZERO ACCIDENT BEHAVIORAL TOOLS

Task Safety Analysis (AST - Análise de Segurança da Tarefa)	Individual Risk Assessment (AIR - Avaliação Individual de Risco)	Task Safety Check (VST - Verificação de Segurança da Tarefa)
A tool that studies and records each stage of a task, identifying risks and determining the best actions and procedures so that these risks do not turn into accidents. It must be conducted for all work processes involving risk of accidents and serves to ensure that safe procedures are adopted in the operation of facilities and equipment.	An assessment that should be conducted by employees before, during, and after completion of each task. The process considers that professionals should STOP and focus all their attention to EVALUATE what may go wrong, and then reduce to ZERO the possibility of accidents.	Generates commitment to safety and helps identify if a task is being performed according to pre-defined standards. One employee acts as an Inspector and another as Inspected.

Working Conditions

In line with its commitment to offering good working conditions, with comfort and safety, in 2017, Rumo conducted 225 audits in lodging accommodations and hotels used for locomotive engineer stopovers. All accommodations were adequate and remain at the disposal of these professionals.

Also, 1,120 hazard and health inspections were carried out in the Company's units in 25 municipalities to ensure safe working conditions for the execution of the team's activities.

The transshipment terminals in Rondonópolis (MT) and Alto Araguaia (MT) also received several improvements throughout the year to provide greater comfort and safety in the execution of activities for professionals performing services for the Company, such as Fire Fighting System, rest area for truck drivers and waiting room with television, water cooler and air conditioning for assistant drivers. In addition, Rumo has implemented several other improvements to the

well-being of all those working in the terminals, such as the creation of the school boxcar, leisure area, cafeteria, lounge, among others.

Safe Conduct

In order to raise awareness and encourage employees to constantly adopt a safe conduct, throughout 2017, a total of 47 SIPATs (Internal Week for the Prevention of Workplace Accidents) were carried out in 31 municipalities where the Company operates. The events were attended by own employees and contractors and covered topics such as: PPEs, Five Rules That Save Lives, Environmental Management Policy, AIR, alcohol and drugs, risks of using mobile phones in operating areas, smoking and caring for hands.

Safe Driving

In 2017, the new Policy for Driver at the Service of Rumo came into force, a document that

Observe, Stop and Record, Act (OPA - Observar, Parar e registrar, Agir)	Defining Causes and Actions (DCA - Definição de Causas e Ações)	Accident and Near-Accident Investigation (IA-IQA - Investigação de Acidentes e Quase Acidentes)
Behavioral tool to prevent accidents. A coworker checks another coworker to identify safe behaviors or attitudes. The goal is to enable a chain of safe actions, creating "Safety Guardians."	Identifies the causes of an accident, near accidents, or a deviation detected during the Task Safety Check. For each cause, it identifies corresponding initiatives, carefully detailing each one of them.	This tool helps prevent similar accidents from happening, based on the principle that it is not acceptable to devote less attention to events that did not cause injury or material loss.

sets forth the rules for employees to have an authorization to drive for Rumo, as well as for registration of new drivers. This way, the Company can take the appropriate measures, such

as suspension of authorization, if it learns of violations by drivers. Throughout the year, 1,400 drivers were reclassified according to the new rules and 798 training courses were carried out.

SAFETY DIAGNOSTIC

During the months of April and May, Rumo conducted a Safety Diagnostics, a major survey to help the Company understand at what level it is and what still needs to be done to eliminate work-related accidents.

The Occupational Health and Safety (OHS) team used the Hearts and Minds method, applied to Cosan Group, and interviewed almost 3,000 employees to achieve this result, which revealed significant advances, but also showed that the Company still needs to evolve to achieve the zero accident goal.

In the scale used in the survey, Rumo is at the "Calculative" level of occupational safety. This means that employees are familiar with the standards and procedures, but they still need to act safely on their own, without the need for supervision or constant guidance of a leader.

With this result, the OHS team drew up a plan comprising 17 initiatives, which should be executed by December 2019 in order to attain the "Proactive" level.

From 2014 to 2017, the number of workplace accidents fell by 77% thanks to the efforts of Rumo's Zero Accident Program and constant efforts on safe practices at various moments in the Company's daily life. With the implementation of this action plan and everybody's commitment, it will be possible to eliminate workplace accidents at the Company.

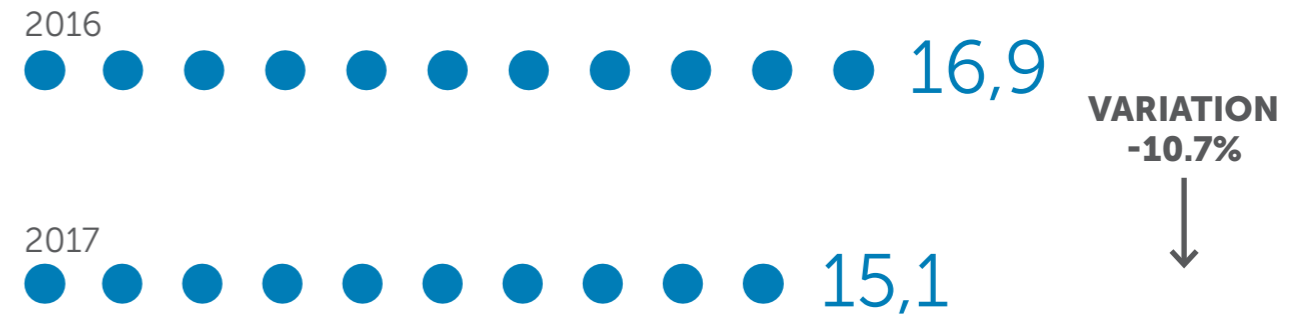
Railway Safety

Rumo has several specific safety standards that must be followed across the four railway concessions that it operates. The Company has a multi-year railway safety project that focuses on the reliability of the permanent way, mechanical aspects, operational technology and operations. The project is strongly supported by tutorials, training and diagnostic inspections.

Among the main aspects and preventive actions, the following stand out: standard conduction, notable machinists, railcar prospecting, broken rail detector, landslide detector and field audits with simulated tests.

The Operational Risk and Safety (SRO) area is responsible for preventing and investigating the cause of incidents of this nature. In 2017, three accidents were featured in the media, and these were caused by failures in assets of Mechanics and permanent ways. In these accidents, no one was injured and there were no environmental impacts; however, one of the accidents affected local traffic and damaged a commercial structure in the region. Rumo promptly took all appropriate measures possible to repair the property. The Company has managed to consistently reduce the number of accidents through investments and various initiatives, always seeking the highest standard of safety in its operations. As shown below, in 2017, Rumo reported an 11% reduction in the railway accident rate compared with 2016.

RAIL ACCIDENTS (ACCIDENTS / MM-KM*)



International indicator that measures accidents per million train per kilometer



BIODIVERSITY [GRI 103-1, 103-2, 103-3, 304-1, 304-2, 304-3, 304-4, TR0401-07]

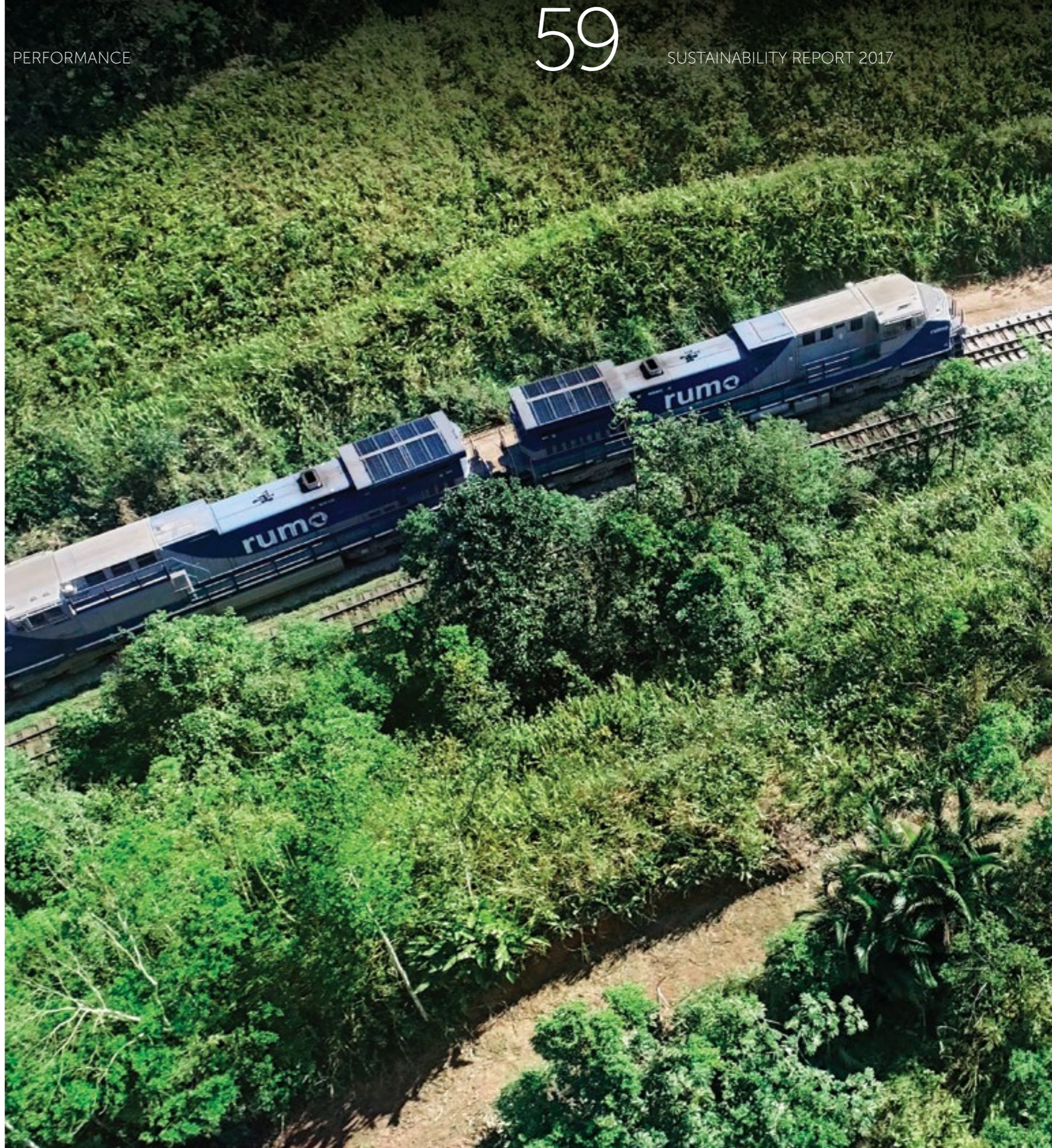
We continuously monitor the possible impacts caused by our operations by frequently monitoring wildlife, flora, air emissions, noise, waste management, and liquid effluent treatment, and evaluate erosion processes along our entire rail network and operational centers. Every year we invest in improvement and revitalization of the permanent way, in modernization of the fleet, in operational safety issues that contribute to the continuous improvement of the environmental conditions of the operation, and we invest in educational and environmental communication actions involving the surrounding communities.

We work in partnership with the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) and state environmental agencies (depending on the extent of the activities) to ensure compliance with the conditions set out in the licenses. For this purpose, reports are produced with proof of the implementation of social and environmental programs that demonstrate actions toward the prevention and mitigation of possible impacts caused by our activities.

Through the initiative called *"Todo dia é dia da Árvore"* ("Every Day is Tree Day"), we carry out actions to promote cultivation and conservation of natural areas and recovery of urban green areas, and creation of spaces for environmental experiencing in the regions where we operate. The Environmental Education Program (PEA) takes Rumo's environmental conservation and safety specialists to schools to carry out playful-interactive activities that pass on information about the environment and railway safety. In addition, we have in place programs to Monitor Erosive Process, Protect Flora, and Monitor Wildlife.

The flora protection program works with recovery, maintenance, and control of vegetation along the railways. In the execution of work to improve railways, impacts on native vegetation are minimized through on-site monitoring of the projects and maintenance in protected areas. The total amounts resulting from suppression of native vegetation are converted into environmental compensation measures based on current legislation, such as planting native seedlings or restoring degraded areas.

Through the implementation of subprograms, more than 300,000 seedlings of native species have been planted along the concession area, in permanent preservation areas and springs, with monitoring and maintenance to evaluate and improve the development of seedlings and recovery of habitats in the different states and biomes crossed by the railway. Planting of these seedlings offered conditions to formerly degraded environments



to initiate the ecological processes of regeneration and succession, allowing for the development and recovery of planted areas and formation of ecological corridors. Before planting, the areas had low potential for natural regeneration and would remain degraded for many years if weren't for the compensatory planting.

In 2017, Rumo planted 47,250 seedlings of native species of the Cerrado Biome for recovery of the Legal Reserve of the Itirapina Terminal (SP). With the support from specialized consulting firms, throughout the year, the Company also conducted feasibility studies in compensatory plantations along the Ipanema National Forest (FLONA), a Federal Sustainable Conservation Unit managed by the Chico Mendes Institute (ICMbio). FLONA is expected to plant nearly 50,000 seedlings of native species of the Atlantic Rainforest and Cerrado in 2018.

At the beginning of 2017, Rumo completed the measures for recovery of the permanent preservation areas (PPA) at Fazenda Santa Ignácia, in the municipality of Cravinhos (SP), with compensatory planting for Expansion of the Paulista Network of the Embu-Guaçu-Campinas stretch. This project involved planting, maintenance and monitoring of nearly 128,000 seedlings of native species and resulted in the recovery of a total of 66 hectares in the Atlantic Rainforest and Cerrado Biomes. In the state of Mato Grosso, close to 85,000 seedlings for environmental compensation of Malha Norte's Segmentos III were monitored and maintained. This planting took place to recover Permanent Preservation Areas areas on farms near the railroad in a Cerrado biome.

Environmental Management Guide for Works

In order to strengthen control and guarantee environmental compliance of the works in expansion, maintenance and revitalization projects of the Company's railroads, terminals and support units, the Environmental Management Guide for Works sets out criteria for environmental



management. The objective is to guide to best environmental practices and compliance with legislation for construction work, demonstrating the company's commitment to the environment. In 2017, a total of 43 works were monitored by Rumo's environmental auditors and 52 training courses were held on the Environmental Management Guide for Works covering works throughout Rumo's rail network.

In tandem, the technical team responsible for environmental monitoring of the works has been developing a system and an app that will operate in an integrated manner to streamline management of environmental actions of works. With the implementation of this system, the environmental audits carried out in the works will translate into intelligent action plans to monitor schedules and generate performance indicators.

Environmental Policy

In June 2017, Rumo launched its Environmental Policy based on seven principles to raise awareness of employees and third parties toward working in a responsible and sustainable manner. The purpose of the policy is to make the Company's activities compatible with environmental management:

1. Operate with environmental responsibility
2. Protect biodiversity
3. Make sustainable use of the natural resources
4. Promote environmental management
5. Comply with the environmental legislation, licenses and other applicable requirements
6. Maintain an open and transparent dialog
7. Promote continuous environmental development



TO LEARN ABOUT RUMO'S MAIN ACTIONS IN ENVIRONMENT, SAFETY, EDUCATION, CULTURE, SPORTS, AND IN THE SOCIAL AREA, VISIT WWW.RUMOLOG.COM > SUSTENTABILIDADE > BALANÇO SOCIAL 2016.

CLIMATE MANAGEMENT [GRI 103-1, 103-2, 103-3, 201- 2, 305-1, 305-2, 305-3, 305-4, 305-5]

Focusing on causing less environmental impact and modernizing our operation, we are investing in locomotives with lower diesel consumption and lower air emissions. Among the main measures to reduce this type of impact are maintenance and renewal of the railway fleet. Rumo's expansion plan foresees investments of BRL 3 billion to BRL 4 billion to replace locomotives and railcars. Compared to road transport, air emissions from railroad operations are proportionally lower - for the same volume transported by 100 railcars, for example, 357 b-train trucks would be needed¹³.

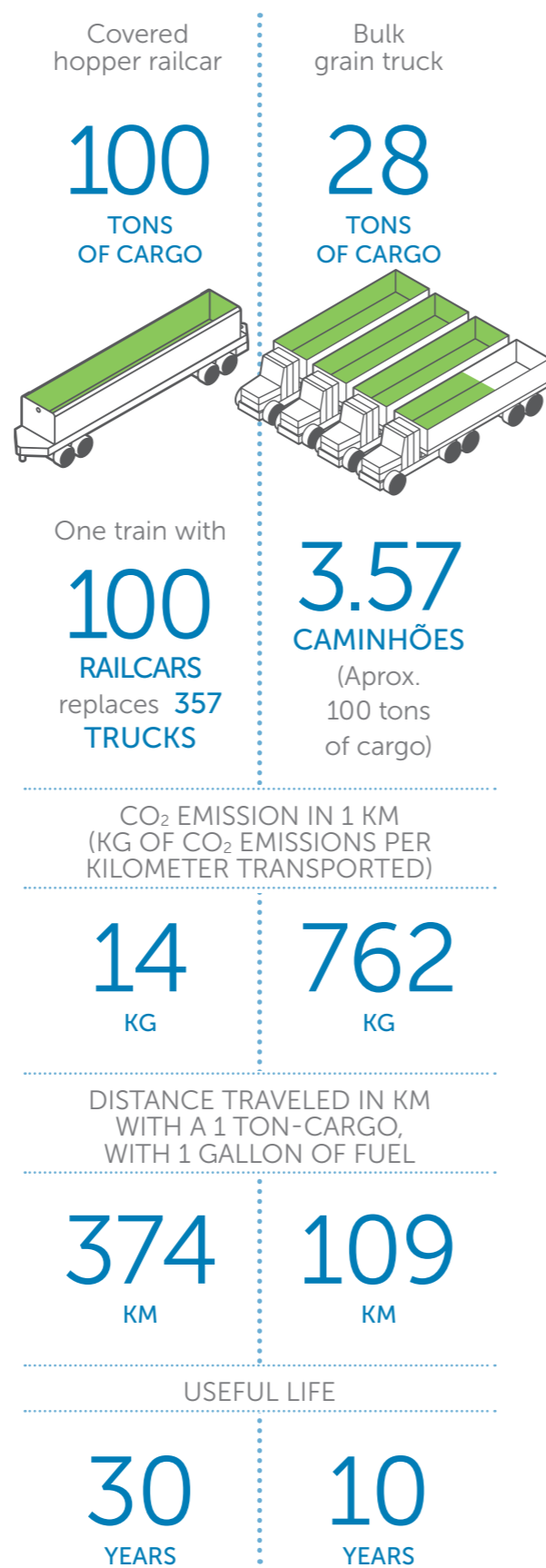
The Diesel area - along with the areas of Corporate Engineering, Field and Traction Engineering - monitors train performance regarding Energy Efficiency of Diesel, measuring consumption through the number of liters consumed to transport 1,000 gross tons per kilometer (liters per thousand GTK). This indicator is monitored in two ways:

1. Monitoring consumption of train trips (measured by the Locomotive's Onboard Computer).
2. Monitoring the volume consumed to fuel locomotives, through which it is possible to quantify the other components of consumption: balance in liters inside the locomotive tank, difference in measurement between theoretical and actual (deviations in locomotive calibration) and possible process deviations.

Regarding diesel consumption, a reduction of 9% was recorded for 2017 due to greater efficiency in diesel consumption in the locomotives included in the operation and the increase in the volume of grains transported, which represent a lower average fuel consumption compared to transportation of sugar.

In 2017, with the support of a specialized consulting firm, the Company developed a tool to manage greenhouse gas emissions (GHG), enabling monthly

ADVANTAGES OF RAIL TRANSPORT



¹³ Combination of two semi-trailers coupled together by a fifth wheel

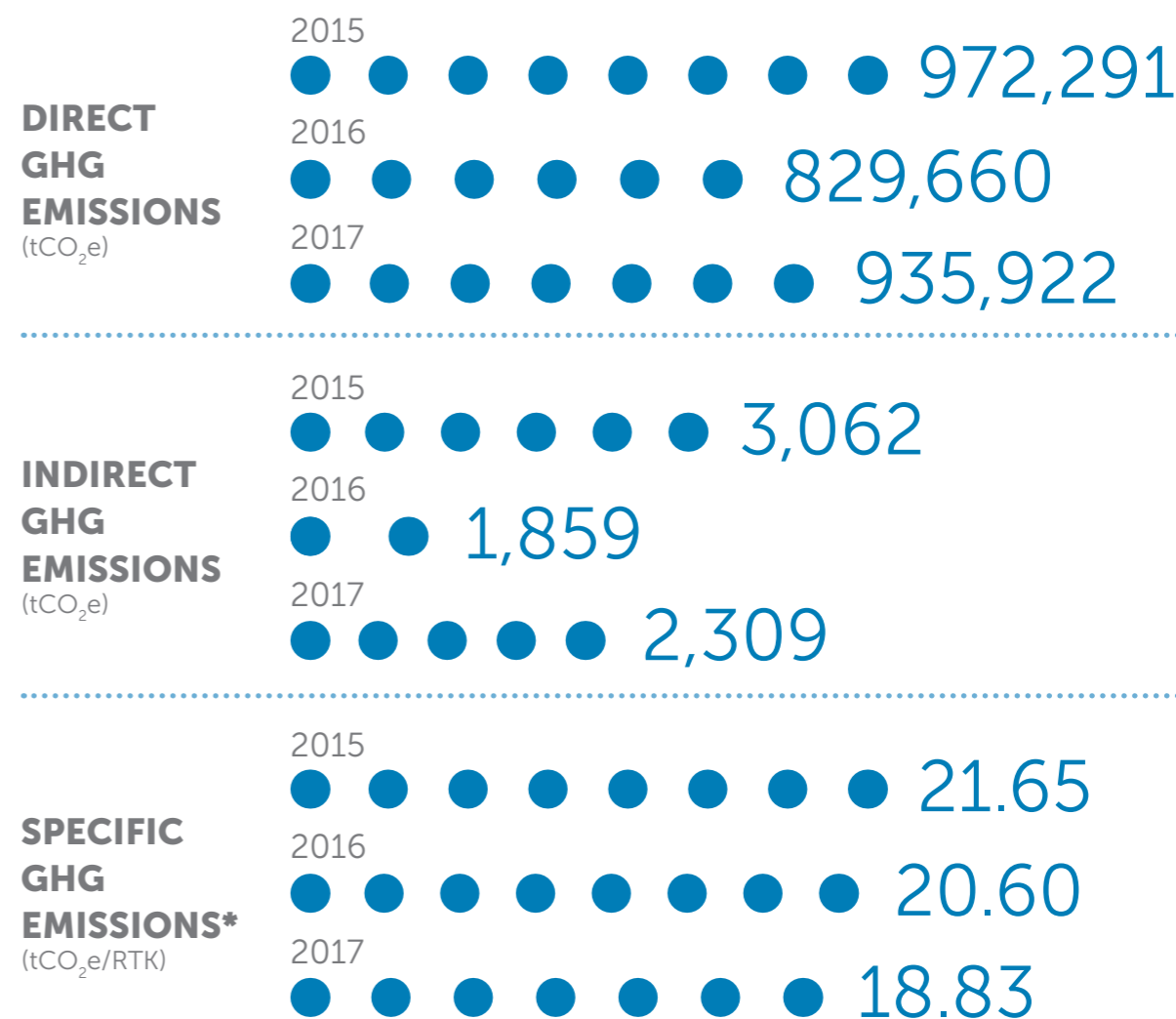
recording of emissions, as well as the analysis of operational efficiency along with the performance in terms of GHG emissions. Emissions in the last seven years were analyzed, and results are undergoing independent validation. In addition, in 2018, the Company will report its results to the CDP, since it understands the importance of transparency of information to the market. With this, Rumo seeks to show its sustainable performance through its efforts in mitigating environmental impacts.

Climate Change Risks

Regarding climate change, our operations are subject to risks related to adverse weather con-

ditions and natural disasters, such as flooding, landslides in the rail lines, causing interruptions in transit of consists, including crop failures, among other events that are beyond Company control. Consequently, these conditions can result in loss of revenues or increased costs.

The scenarios considered by the Intergovernmental Panel on Climate Change (IPCC) indicate that the frequency and magnitude of natural disasters tend to increase considerably over the course of this century. Rumo understands that its capacity to prepare for and respond to the climate changes foreseen for its areas of operation directly affect the provision of its services.



* Direct emissions divided by productivity (RTK).

ECO-EFFICIENCY

[GRI 103-1, 103-2, 103-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 305-6, 305-7, 306-1, 306-2]

Water Resources

Much of the water resources used by Rumo comes from water utility companies, with only 18% coming from underground sources (wells). In 2017, control of water consumption in the Company was revised and started to be carried out more assertively. According to an analysis of the water bills for the units issued by public water utility companies, throughout the year, 179,577 m³ were used while the volume of water from own sources was 36,828 m³.

Management of effluents is not yet fully car-

ried out, and calculations are performed based on the volumes at the larger treatment stations and estimates of the volumes of effluents treated by smaller systems through per capita water consumption. Based on the volume of effluents generated in 2017 (216,405.2 m³), it is possible to state that approximately 18% are industrial effluents and 82% are sanitary. We also have practices in place to reclaim and reuse water that involve closed-cycle systems to wash railcars, using rainwater and condensate from air conditioning units. In 2017, the total volume of water recycled and reused by the Company was 3,280 m³.

Several treatment methods are also adopted depending on the characteristics of the

effluents and volumes generated. In general, domestic waste effluents are sent to the local collection networks of local utility companies or sent to own treatment systems, such as treatment stations and biological filter systems. For effluents from the operational areas (Maintenance Stations, Fuel Stations), physical-chemical treatment systems are used. These structures are operated by specialized companies in order to guarantee the proper condition of the systems.

Compliance with current legislation is used as an assumption for operating effluent treatment plants. The Company is reviewing its processes regarding management of water resources and has therefore reassessed the

systems and methodologies used, and has worked with the service providers responsible for operating treatment plants to improve the level of operations.

The Company has pursued innovative and sustainable projects, including the implementation of effluent treatment systems based on permaculture techniques. Evapotranspiration Bed (BET) is a system that uses filters that work with the help of plants on the surface, and the operation consists of anaerobic breakdown of organic matter in the lower portion of the system and subsequent mineralization and absorption of water and nutrients by the roots of the plants near the surface, which incorporate the biomass of the plants, where elimination of the water through evapotranspira-



tion of the plants is the last phase of the process, representing a closed-loop system that does not generate effluents. This system was implemented in two operational subunits in the Serra do Mar region in the state of Paraná, and three more subunits are planned for 2018.

Waste

Waste management is integrated into the area of the Facilities, receiving technical support from the Environmental Licensing area. Like other operational support services, integrated management seeks to optimize resources, improve process controls and service levels. In 2017, the Solid Waste Management Adequacy Project was initiated with a focus on optimizing resources and raising service levels. The Company has prioritized training of employees, adequacy of structures, requalification of suppliers, and alternatives for disposal. The project is expected to reduce waste disposal costs by 10%, and minimize generation of certain types of waste through application of more sustainable processes.

There was an increase in the volume of waste handled through more sustainable methods. Waste generated is temporarily stored in the support units and awaits final disposal via specialized suppliers.

Energy

At Rumo, the Electrical Engineering area is responsible for managing the cost of energy used in operations and administrative areas, and presently this monitoring is only carried out in units that utilize medium voltage, equal to or greater than 13.8 kV. The policy is to analyze the bills on a monthly basis, verifying excessive costs and the best way to work toward reducing them. The Company is committed to generating the lowest energy purchase cost per megawatt hour (MWh) consumed. This is possible by identifying the demand behavior (kW), the fines assessed for low power factor, and best rates. In new facilities, the Company abolished the disposable/mixed lamps and replaced them with LED.

Disposal	Non-hazardous waste (t)	Hazardous waste (t)
Reuse	31,613	None
Recycling	12,162	1,311
Composting	810.42	None
Recovery, including energy recovery	21,572	1,325.13
Incineration	None	0.016
Underground injection	None	None
Landfill	58.71	1,874.34
On-site storage	None	None
Total	66,216.13	4,510.486

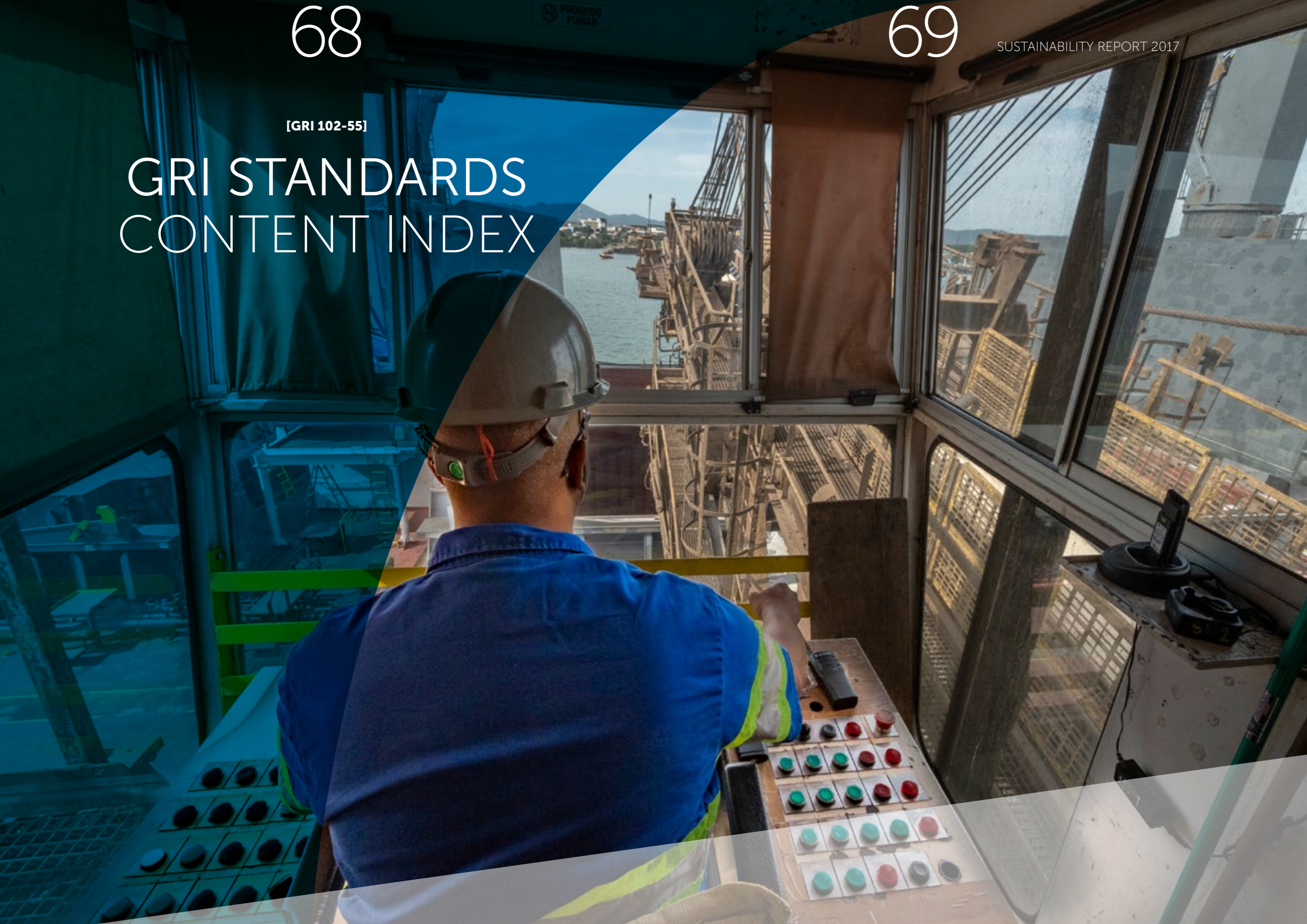
ENERGY CONSUMPTION WITHIN THE ORGANIZATION

	2015	2016	2017
Electric energy consumption - SIN (GJ)	88,884	81,938	83,131
Renewable sources (GJ)	10,047.57	10,533.54	8,599.66
Ethanol	9,151.46	9,765.70	7,712.90
Biodiesel	896.11	767.83	886.76
Non-renewable sources (GJ)	13,991,683	11,976,558	12,855,851
Diesel	13,705,143.17	11,743,280.40	12,612,863.17
Gasoline	40,810.33	34,210.83	38,022.44
LPG	3,108.34	2,760.23	2,784.61
Aviation Kerosene	3,196.31	1,205.70	41.58
Lubricants	239,424.70	195,100.97	202,139.51



[GRI 102-55]

GRI STANDARDS CONTENT INDEX



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GRI 101: FOUNDATION 2016			
GENERAL DISCLOSURES			
GRI 102: General Disclosures 2016	102-1 - Name of the organization		10
	102-2 - Activities, brands, products and services		10
	102-3 - Location of headquarters		82
	102-4 - Location of operations		10
	102-5 - Ownership and legal form	Anonymous society. Public concession for the operation of rail freight transport.	
	102-6 - Markets served		10
	102-7 - Scale of the organization		10
	102-8 - Information on employees and other workers		35
	102-9 - Supply chain		40
	102-10 - Significant changes to the organization and its supply chain	Bond issuance in the amount of USD 750 million (Feb/17). Change from RUMO3 to RAIL3 shares. Change of Director of Investor Relations (Aug/17). BRL 2.6 billion capital increase (Oct/17).	
	102-11 - Precautionary Principle or approach		22
	102-12 - External initiatives		10

GRI standard	Disclosure	Comment	Page
GRI 102: Disclosures Gerais 2016	102-13 - Participação em associações	ANTF - We actively participate in the ANTF committees, which are forums for discussion between companies and, often, with regulatory and governmental bodies.	
STRATEGY			
GRI 102: General Disclosures 2016	102-14 - Statement from senior decision-maker		4
	102-15 - Key impacts, risks, and opportunities		22
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GRI 102: Disclosures Gerais 2016	102-16 - Values, principles, standards, and norms of behavior		17
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GRI 102: General Disclosures 2016	102-22 - Composition of the highest governance body and its committees		18
	102-23 - Chair of the highest governance body		18
	102-24 - Nominating and selecting the highest governance body		18
	102-25 - Conflicts of Interest		18
	102-26 - Role of highest governance body in setting purpose, values, and strategy		18
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	102-41 - Collective bargaining agreements		35
	102-42 - The basis for identifying and selecting stakeholders with whom to engage		7
	102-43 - Approach to stakeholder engagement		7
	102-44 - Key topics and concerns raised		7
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GRI 102: General Disclosures 2016	102-45 - Entities included in the consolidated financial statements		7

GRI standard	Disclosure	Comment	Page
GRI 102: General Disclosures 2016	102-46 - Defining report content and topic Boundaries		7
	102-47 - List of material topics		7
	102-48 - Restatements of information	None.	6
	102-49 - Changes in reporting	None.	6
	102-50 - Reporting period		6
	102-51 - Date of most recent report	07.12.2017	6
	102-52 - Reporting cycle		6
	102-53 - Contact point for questions regarding the report	fernanda.rosa@rumolog.com and silvia.azuma@rumolog.com	82
	102-54 - Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with GRI Standards: Core option.	6
	102-55 - GRI content index		68
	102-56 - External assurance	None.	6
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	205-2 - Communication and training about anti-corruption policies and procedures		21
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GRI 103: Management Approach 2016	103-1 - Explanation of the material topic and its boundary		22
	103-2 - The management approach and its components		22
	103-3 - Evaluation of the management approach		22

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GRI 206: Anti-competitive Practices 2016	206-1 - Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		22
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	304-2 - Significant impacts of activities, products, and services on biodiversity		58
	304-3 - Habitats protected or restored		58
	304-4 - IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations		58

GRI standard	Disclosure	Comment	Page
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	305-5 -Reduction of GHG emissions		62
	305-6 - Emissions of ozone-depleting substances (ODS)	Not performed.	64
	305-7 - Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		64
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GRI 306: Effluents and Waste 2016	306-1 - Water discharge by quality and destination		64
	306-2 - Waste by type and disposal method		64
	306-3 - Significant spills	13: Valparaíso, Castilho and Paratinga (SP), Passo Fundo, Veranópolis, Rio Grande and Cacequi (RS), Lages and Mafra (SC), Jataizinho (PR), Itiquira (MT). Diesel and lubricant with impacts on water and soil.	
	306-4 - Transport of hazardous waste	The Company does not transport hazardous waste.	
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	401-2 - Benefits provided to full-time employees that are not provided to temporary or part-time employees		35

GRI standard	Disclosure	Comment	Page
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GRI standard	Disclosure	Comment	Page
GRI 403: Occupational Health and Safety 2016	403-3 - Workers with high incidence or high risk of diseases related to their occupation	We do not conduct operations that are deleterious to the health of workers. In addition, advancement in mechanized operations ensures proper ergonomics.	
	403-4 - Health and safety topics covered in formal agreements with trade unions		50
SASB	TR0401-07 - (1) Total recordable injury rate, (2) fatality rate, and (3) near miss frequency rate		58
LOCAL COMMUNITIES			
GRI 103: Management Approach 2016	103-1 - Explanation of the material topic and its Boundary		43
	103-2 - The management approach and its components		43
	103-3 - Evaluation of the management approach		43
GRI 413: Local Communities 2016	413-1 - Operations with local community engagement, impact assessments, and development programs		43
	413-2 - Operations with significant actual and potential negative impacts on local communities		43
CUSTOMER PRIVACY			
GRI 103: Management Approach 2016	103-1 - Explanation of the material topic and its boundary		40

GRI standard	Disclosure	Comment	Page
GRI 103: Management Approach 2016	103-2 - The management approach and its components		40
	103-3 - Evaluation of the management approach		40
GRI 400: Customer privacy 2016	418-1 - Substantiated complaints concerning breaches of customer privacy and losses of customer data		40
SOCIOECONOMIC COMPLIANCE			
GRI 103: Management Approach 2016	103-1 - Explanation of the material topic and its Boundary		--
	103-2 - The management approach and its components		--
	103-3 - Evaluation of the management approach		--
GRI 400: Socioeconomic Compliance 2016	419-1 - Non-compliance with laws and regulations in the social and economic area	Total monetary value of significant fines for non-compliance with laws and / or regulations in the social and economic areas in 2017: R \$ 391,966,441.00.	
		In 2017, there was no non-monetary sanction for non-compliance with laws and / or regulations in the social and economic areas. Rumo carries out all its activities in compliance with Brazilian law and in accordance with the norms of its regulatory body.	

CREDITS AND CORPORATE INFORMATION
[GRI 102-53]

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COORDINATION, EDITING, SUPERVISION,
EDITORIAL REVISION AND CONSOLIDATION

Loures Consultoria

ANALYSIS OF INDICATORS, PROJECT DEVELOPMENT
AND CONTENT PRODUCTION

Keyassociados

TRANSLATION

Gotcha! Idiomas

GRAPHIC DESIGN

MagentaLab

LAYOUT

Edison Diniz Filho

PHOTOGRAPHS

Rumo collection

The logo for 'rumo' is centered on a blue background. It features the word 'rumo' in a lowercase, white, sans-serif font. The letter 'o' is replaced by a white circular icon containing a stylized, curved arrow that points from the top-right towards the bottom-left, suggesting a path or a cycle.

rumo