



ANNUAL REPORT 2023

Favela do Haiti, São Paulo (SP), renovated in 2023 by the Favela 3D project

Contents



Employee Leticia Beatriz Soto Riva, Pindamonhangaba mill (SP)

MESSAGES 3

- 3 Chairman of the Board of Directors
- 4 Chief Executive Officer (CEO)

ABOUT THIS REPORT 6

- 6 About this report
- 7 Rio Grande do Sul
- 8 Materiality assessment

SOCIAL AND RELATIONSHIP CAPITAL 55

- 56 Stakeholder engagement
- 60 Community presence
- 65 Our customers
- 67 Our suppliers

FINANCIAL AND MANUFACTURED CAPITAL 69

- 70 Our operations

VALUE CREATION MODEL 11

- 11 Business model and impacts

HUMAN AND INTELLECTUAL CAPITAL 32

- 33 Our people
- 38 Commitment to personal safety
- 43 An increasingly inclusive company
- 48 Innovation and technology
- 52 Gerdau Next

NATURAL CAPITAL 80

- 81 Environmental management
- 82 Environmental compliance
- 83 Energy
- 86 Water stewardship
- 88 Waste management and the circular economy
- 89 Scrap recycling
- 91 Waste and byproducts
- 93 Climate change
- 98 Biodiversity

ABOUT US 13

- 14 Profile
- 16 Gerdau by the numbers
- 19 Sustainability management
- 21 ESG Scorecard
- 22 Corporate governance
- 28 Ethics and compliance
- 30 Risks management

AWARDS AND RECOGNITION 106

EXTERNAL ASSURANCE LETTER 110

APPENDICES 113

- 114 Supplementary disclosures
- 130 GRI & SASB Content Index

CREDITS 146

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

Believing in a promising future for all

GRI 2-22

Empowering the people who build the future.

This maxim has underpinned our operations in Brazil and the Americas on what is a prosperous path. We closed 2023 with results to be proud of that confirm our disciplined delivery of planning.

As a century-old company, we have strong governance foundations, are efficient in operations and are striving to embed sustainability in our processes. We also leverage flexibility and innovation – like Gerdau Next, our new business division – because we understand that the best practices that brought Gerdau where it is today might not be enough to get us through the next 100 years.

Our ability to reinvent ourselves and respond to global changes shows us that the company's story still has chapters aplenty to be written. We are attentive to the demands of modern times to ensure that we meet the needs of our customers, society

"As a century-old company, we have strong governance foundations, are efficient in operations and are striving to embed sustainability in our processes."

and the environment. Within 10 years, we aspire to become one of the safest, most profitable and admired steel companies in the world, and one of the most relevant in the Americas.

We know that one way to achieve this ambition is to invest in process decarbonization. This is why using scrap metal as our main input is strategic for the Gerdau of the present and future.

We are proud to be the largest scrap recyclers in Latin America, with 70% of our steel being produced from this source.

2023 was a year of solid results. I highlight the excellent results we achieved in North America, vindicating our decision to internationalize the company in mature and prosperous markets.

Our outlook for the future is positive, despite having faced significant challenges in 2023 and having suffered the loss of our great leader and executive Germano Gerdau Johannpeter.



R\$ 12 billion
invested in Brazilian operations,
with R\$ 5 billion in Minas Gerais.

Alongside his brothers – the fourth generation of the family – Germano transformed the Brazilian steel industry and expanded Gerdau.

Complex global geopolitics and rising steel imports from China, without measures that make Brazilian industry more competitive, have demanded even more efficiency in managing our assets and an even keener eye from management in conducting business. Nevertheless, we remain confident in Brazil's potential.

We continue with a strategic global CAPEX of R\$ 12 billion for the period 2021 to 2026, with R\$ 5 billion allocated for Minas Gerais, in the coming years, creating even more value for our stakeholders through increasingly technological, innovative and sustainable solutions. We believe in the industry's growth, better results in the region, and that our United States operations will grow. By striving to give the best of ourselves every day, we will continue to build a better future for all.

Guilherme Chagas Gerdau Johannpeter
Chairman of the Board of Directors



On the right path of progress GRI 2-22



Gerdau remains steadfast in its cultural transformation journey and strengthening of its business strategy.

A path initiated in 2018 has proven to be assured and prosperous, yielding positive results for the company and employees, the communities where we operate and society as a whole. 2023 was the third-best year in Gerdau's 123-year history.

During this period, however, we had to be more resilient and flexible to adapt to new times and address challenges from multiple directions. On the home front, steel imports from Asia, mainly China, caused us problems. Millions of tons of subsidized steel flowed into Brazil priced

at less than production costs, encountering an unprotected market, undermining fair competition and impacting domestic sales.

Despite these obstacles, our ability to adapt to diverse developments yielded net revenue of R\$ 68.9 billion. Physical steel sales reached 11.3 million tons. This achievement is mainly due to the work of the approximately 30,000 employees in our operations worldwide.

Our team is our greatest asset. Every day they deliver on our purpose and mission to generate positive results, buying into our cultural transition that inspires each person to give the best of themselves: for them, for others, for the organization and for the planet.

CARING FOR OUR PEOPLE AND ENSURING THEY RETURN HOME SAFELY IS MORE THAN A PRIORITY; IT IS A VALUE.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

We are actively improving our diversity and representation, creating an increasingly inclusive workplace. Our commitment is to have 30% women and 30% black people (including brown and black individuals) in leadership positions in Brazil by 2025. In 2023, such positions were held by 26% women and 27.6% black people.

Caring for our people and ensuring they return home safely is more than a priority; it is a value. Despite achieving a frequency rate of 0.70 in 2023 – the lowest level in our history. Seeking constant improvement in our safety practices and internal programs, we created Safety Calling, a strong movement focused on safe behavior. Needless to say, life is a non-negotiable value for Gerdau, and we will continue pursuing zero accidents.

It was also a year to reflect on the well-being and happiness of our employees. Personally, I went to Bhutan to study and delve into the topic of Gross National Happiness, also seeking personal growth and transformation. We began a process of reflecting on our processes and guidelines, also focusing on the psychological health of our employees.

The same attention we give to our employees also extends to our customers, suppliers and society. Our relationship with the communities



Gustavo Werneck during a visit to Bhutan

in our geographies is part of our material topics. More than maintaining an open dialog with these people, we truly understand the importance of building a fairer and more sustainable society.

Last year, we invested R\$ 59.6 million in social initiatives. A leading project was *Reforma que Transforma* [Transformative refurbishments], launched in 2021 under an initial investment of R\$ 40 million, with the mission of renovating 13,000 precarious homes over 10 years. In 2023, we operated in 12 geographies, benefiting more than 2,200 families.

Gustavo Werneck with Tshering Tobgay, former Prime Minister of Bhutan and Gross National Happiness ambassador

"Our relationship with the communities in our geographies is part of our material topics."



We see out this period with the pride of having received the leading awards and rankings in Brazil, such as the title of Company of the Year and champion in the Metal and Steel category at the Valor 1000 Awards, and the best company in Brazil in ESG/Social and Environmental, recognized as a leader in the Mining and Steel category by the Época Negócios 360° Annual List.

We remain confident that we are on the right track for advancing our business and enhancing our practices, confident that we will continue to grow sustainably in Brazil and the Americas, being a benchmark in our market, in best practices, innovation and respect for all our groups and the environment.

Gustavo Werneck
Chief Executive Officer (CEO)

About this report

Following the principle of transparency with our stakeholders and society, we hereby present Gerdau's 2023 Annual Report, in which we report our financial and business performance and our environmental, social and governance activities for the period from January 01, 2023, to December 31, 2023. This report will be published on July 31, 2024. **GRI 2-3**

The content is based on the Global Reporting Initiative (GRI), version 2021 and the Metals and Mining Sector standards, encompassing globally adopted rules for preparing this type of publication. We have also included disclosures adhering to the Sustainability Accounting Standards Board (SASB) standards for Iron & Steel Producers and Metals & Mining.

Reviewed in 2022 (see more in Materiality), our material topics derive from the United Nations Sustainable Development Goals (SDGs) and inform the actions reported in the chapters on Human and Intellectual Capital, Social and Relationship Capital, Financial and Manufactured Capital, and Natural Capital. This division denotes the capitals of our business model (learn more in Value Creation Model), following the framework of the International Integrated Reporting Council (IIRC)

and reinforces values, goals, and results for sustainable development toward our purpose of “empowering the people who build the future”.

The report has been reviewed by the Executive Board and approved by the Board of Directors, responsible for analyzing and approving its content and participating in the process of defining the materiality matrix with the assistance of the Strategy and Sustainability Committee. The information was externally assured by Bureau Veritas. **GRI 2-5, 2-14**

We emphasize that no restatement and/or revision of information was necessary in this report concerning reports published prior to 2023. **GRI 2-4**

Queries related to the annual report and its contents can be sent to the email cpg-comunicacaoemarca@gerdau.com.br – Corporate Communication and Brand Team. **GRI 2-3**

Employee Gleiciane Sanches Pereira da Silva and employee Victor Apolinario Brito, from the Pindamonhangaba mill (SP)



Contents

Messages

➔ About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Gerdau and Rio Grande do Sul

Gerdau's century-old history began 123 years ago in Porto Alegre, Rio Grande do Sul state. The company has been actively working on multiple support fronts in response to the floods that occurred between April and May 2024¹, which resulted in the largest natural disaster ever experienced by the state. The company maintains open and constant dialog with local authorities and organizations, working together to overcome the impacts and plan the state's recovery and reconstruction.

As of June 2024, the company had already allocated more than R\$ 25 million towards various initiatives, including:

- Creation of a business coalition fund in partnership with the NGO Gerando Falcões, to raise funds from various companies focused on rebuilding housing. Gerdau initially contributed R\$ 5 million.
- A contribution of R\$ 10 million to the emergency philanthropic fund Regenera RS, added to the R\$ 20 million from the Johannpeter family. The fund was conceived by Helda Gerdau Institute (IHG) in partnership with Din4mo Lab, a consultancy firm focused on social impact businesses, which will manage the fund. The fund's goal is to sponsor

projects in four thematic areas: Education, Housing, Urban Solutions and Business Support.

- R\$ 5 million donated to reform schools, with the support and technological expertise of Brasil ao Cubo, a construtech that is part of Gerdau Nexta, and in partnership with Ambev.
- The donation of steel for infrastructure reconstruction, providing over R\$ 3 million in funds and materials to build metal bridges in partnership with Randoncorp, as well as the Agudo municipality bridge. Gerdau also assigned R\$ 300,000 to the renovation of Hospital Filantrópico de São Jerônimo.
- A partnership was established with Companhia Riograndense de Saneamento to allocate land at the steelworks for the temporary installation of a Mobile Water Treatment Plant. This plant has a flow capacity of 20 liters of water per second, or 1.7 million liters per day, sourced from a nearby river. The partnership also included providing the necessary energy for the entire process of water collection, treatment and distribution to the pipelines that supply parts of the cities.

Besides these reconstruction initiatives, Gerdau directed extensive efforts towards various support fronts for the population of Rio Grande do Sul.



Gerdau volunteers mobilized to help the people of Rio Grande do Sul

More than R\$ 1.2 million worth of essential items were donated, including over 58 tons of food, 50,000 liters of water, 42,000 personal hygiene items, 26,000 cleaning items, as well as more than 330 blankets and 1,000 mattresses. All these items were collected and transported to Rio Grande do Sul. Efforts also included the mobilization of potable water shipments and helicopters to support logistics in these regions and the delivery of supplies. A group of employees from our corporate volunteering program contributed to local efforts.

For the employees, measures such as financial support were adopted. We made the 'More Care' program available which offers psychological and social assistance 24 hours a day and telemedicine services from the Albert Einstein Hospital.

¹ Period when this report was being produced.

Employees Denis Eduardo Paim and Niuza Soares Gonçalves, São Paulo office (SP)



Materiality GRI 3-1

Gerdau revised its material topics in 2022 to improve the relationship strategy and align the methodology with GRI 2021 criteria.

According to GRI standards, an organization's material topics are relevant issues from the perspective of the impacts generated by the company on its stakeholders' perceptions, being factors for their decision-making and opinion of the company.

In this process, the eight most relevant material topics were defined, in addition to five topics that are part of Gerdau's ESG (environmental, social, and governance) strategy until 2025 and have the same priority and transparency as the others.

The revision, regrouping, exclusion and inclusion of new topics followed a methodology involving consultation with key stakeholders, including planning stages, analysis of external and internal documents, media research, sector benchmarking, interviews with internal leaders and stakeholders, online surveys, and validation with the organization's management.



Three hundred questionnaires were sent to Gerdau's priority stakeholders – including trade associations, customers, local communities, suppliers and environmental agencies – with versions in Portuguese (68%), English (29%) and Spanish (3%). The responses received were fed into the materiality analysis, expanding the process's scope to collect opinions on the company's impacts and to redefine the topics consistently.

Gerdau's stakeholders include employees, customers, shareholders, suppliers, government agencies and neighboring communities. Our stakeholders also include unions, civil society, investors, the capital market, the third sector and the media.

Our material topics GRI 3-2

Material topics are those that reached the threshold defined by the materiality methodology; in this report, they should be presented according to GRI standards.



WATER AND WASTEWATER MANAGEMENT

Focus on reducing consumption and proper disposal of water and wastewater.

6 CLEAN WATER AND SANITATION





WASTE MANAGEMENT AND THE CIRCULAR ECONOMY

Engagement in global steel and mining sector coalitions focused on decarbonizing the entire value chain, aiming for net-zero carbon emissions by 2050, and positioning the company in terms of related risks, challenges and opportunities.

11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION





PROCESS AND PRODUCT INNOVATION

Digital transformation, using alternative materials, innovative products and solutions, and diversifying the business model.*

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES





COMMUNITY RELATIONS

Developing actions to exert positive impacts and reduce negative impacts on neighboring communities, such as traffic, noise and dust.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS





ENERGY MANAGEMENT

Actions to increase process efficiency and use alternative energy sources.

7 AFFORDABLE AND CLEAN ENERGY





CLIMATE CHANGE MANAGEMENT

Engagement in global steel and mining sector coalitions focused on decarbonizing the entire value chain, aiming for net-zero carbon emissions by 2050, and positioning the company in terms of related risks, challenges and opportunities.

11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION





DIVERSITY, EQUITY AND INCLUSION (DEI)

Fostering diversity and inclusion, providing equal access to participation, rights and opportunities for all people at different levels within Gerdau.

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



16 PEACE, JUSTICE AND STRONG INSTITUTIONS





OCCUPATIONAL HEALTH AND SAFETY

Focusing on safety culture, investments in infrastructure and personal protective equipment, and awareness of risky activities and behaviors.**

8 DECENT WORK AND ECONOMIC GROWTH



* Includes the topic "Business model diversification," elected as material in 2022.

**Includes the topic "Infectious diseases and other adversities," elected as material in 2022.

Our strategic topics

Strategic topics are those with significant impact and relevance to Gerdau that were not listed as material topics. These topics are part of the ESG strategy and are given the same visibility and monitoring by company management as material topics.



Contents

Messages

➤ About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

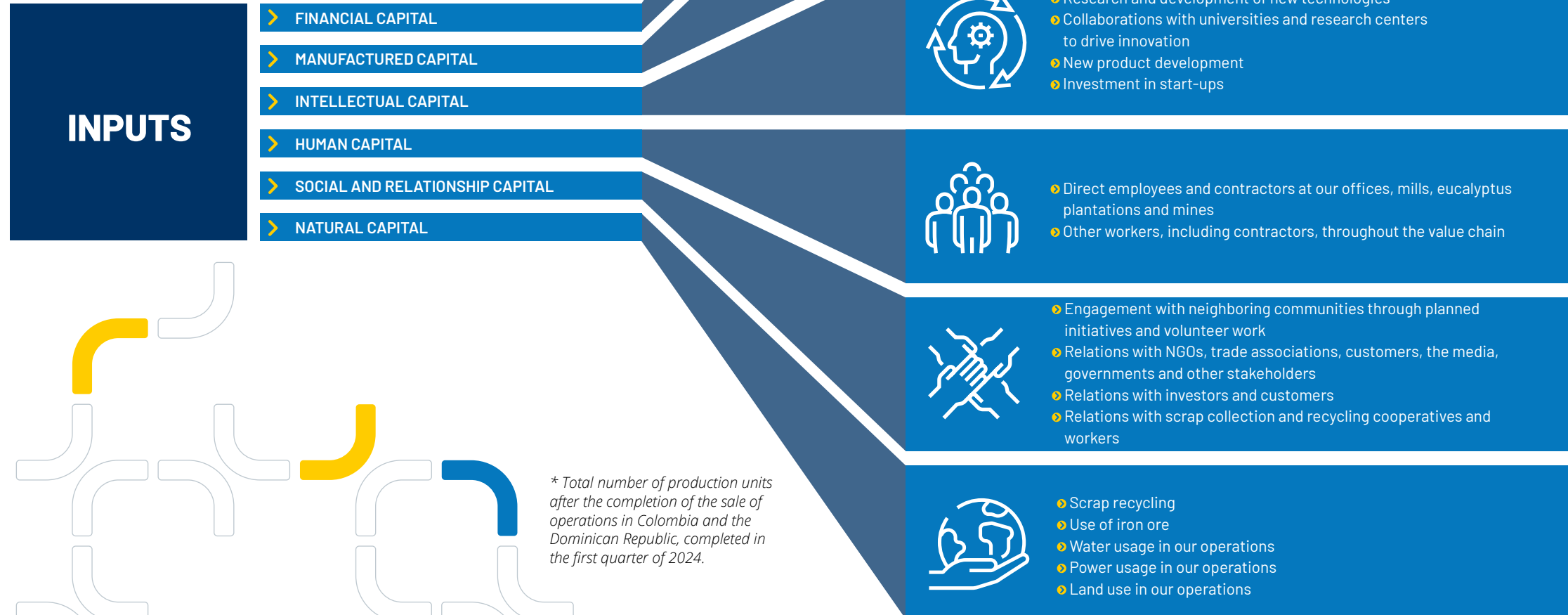
External Assurance Letter

Appendices

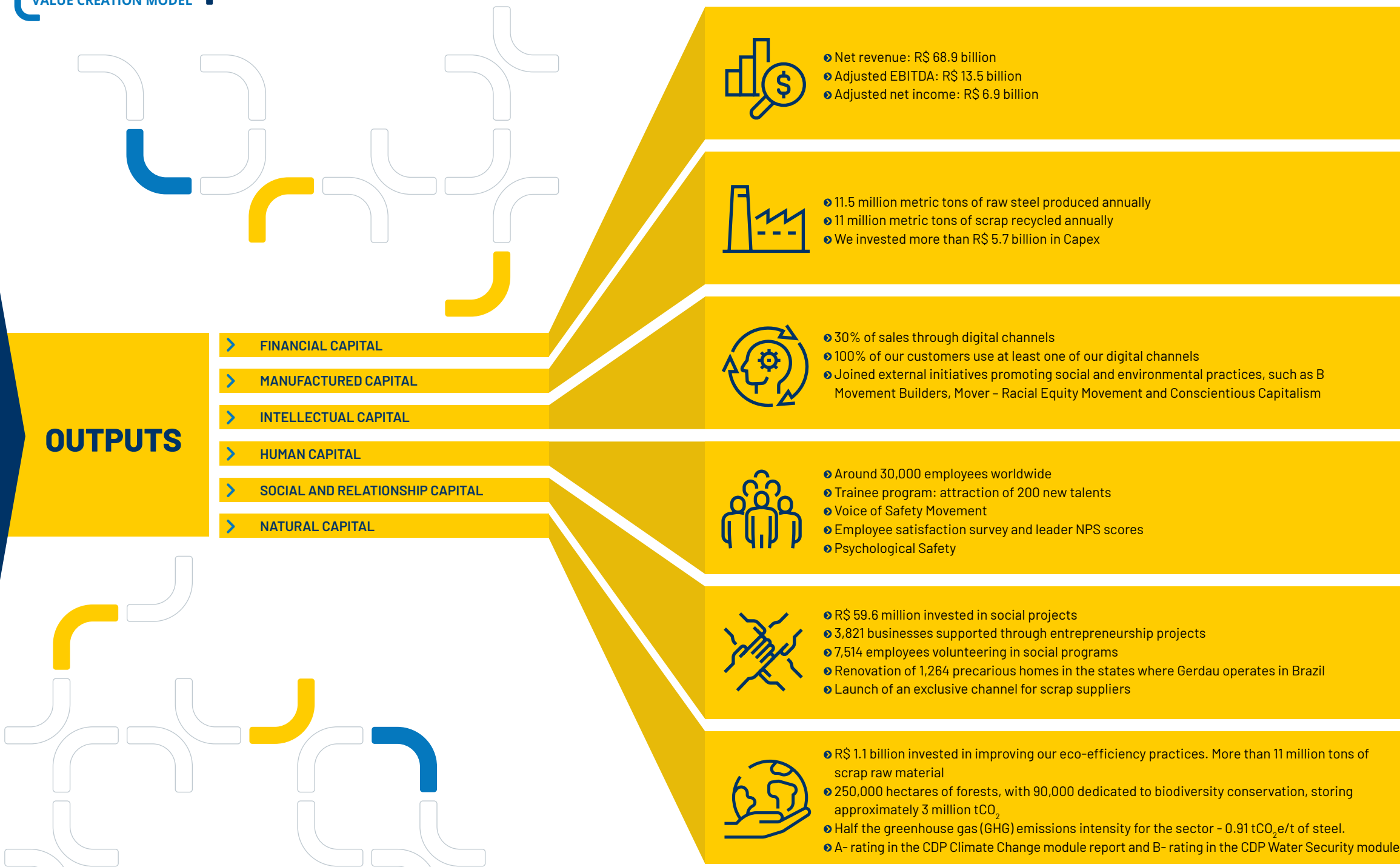
Credits

Business model & impacts

We demonstrate the value created by our operations according to the framework of the International Integrated Reporting Council (IIRC). In this framework, capitals – value factors that increase, decrease or transform through the organization’s activities and products – are classified into: financial, manufactured, intellectual, human, social and relationship, and natural. To follow the IIRC guidelines, we present the resources (inputs) used and the impacts (outputs) caused by the company on society.



* Total number of production units after the completion of the sale of operations in Colombia and the Dominican Republic, completed in the first quarter of 2024.



Contents

Messages

About this report

Value creation model

➤ About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

About us

- 14 Profile
- 16 Gerdau by the numbers
- 19 Sustainability management
- 21 ESG Scorecard
- 22 Corporate governance
- 28 Ethics and compliance
- 30 Risks management

Employees Leslye Layla Coelho dos Santos and Maria Gabriela da Silva Donizete, Pindamonhangaba mill (SP)

Corporate profile GRI 2-1, 2-2, 2-6

We are currently the largest Brazilian steel producer and one of the global steel producers with the lowest greenhouse gas (GHG) emissions in its production process. We are also one of the largest producers of long steel in the Americas and special steels in the world, as well as significant producers of flat steel in Brazil. Using scrap metal as our main input, we are proud to be the largest scrap recyclers in Latin America, with 70% of our steel being produced from this source. Our 29 active mills in 2023 produced 11.5 million tons of crude steel.

In addition to producing iron ore for internal consumption in certain Brazilian operations, we are leaders in the global production of charcoal for internal use. We have 250,000 hectares of forests for this purpose and for the conservation of native forest, preserving local biodiversity. This production model results in less than half the GHG emissions of the global steel industry average.

With 123 years of market presence, Gerdau focuses its presence in the Americas, in the following countries: Brazil, Argentina, Uruguay, Peru, United States, Canada and Mexico.

Founded in 1901 as Fábrica de Pregos Ponta de Paris in Porto Alegre (RS), Gerdau has become

a global, publicly traded company headquartered in São Paulo (SP), with shares traded on the São Paulo Stock Exchange (B3) and the New York Stock Exchange (NYSE).

Gerdau Next is also our branch dedicated to new businesses in segments adjacent to steel, with participation or control of companies focused on strategic areas such as construtech, mobility and sustainability, alongside a start-up accelerator with high growth potential connected to our strategy through Gerdau Next Ventures, our corporate venture capital fund.

Our commitment to sustainable development goes beyond business, reaching into neighboring communities through investments in social projects totaling R\$ 59,6 million in 2023, which benefited over 2 million people and mobilized more than 7,000 volunteer employees.

- **Gerdau S.A. is a public limited company (S.A.) with publicly traded shares, headquartered at Rua Doutora Ruth Cardoso, 8501 – Conjunto 2 – 8o andar – CEP 05425-070 – São Paulo – SP – Brazil. GRI 2-1**
- **We publish financial statements for Gerdau S.A. and Metalúrgica Gerdau. The data in this report is for Gerdau S.A. GRI 2-2**
- **We also present information about the operations of Gerdau Summit and Gerdau Next.**

Ouro Branco mill (MG)



Contents

Messages

About this report

Value creation model

➤ About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits



Our purpose

Empowering the people who build the future.



Our principles



WE PUT SAFETY FIRST

Business results are never more important than people's lives.



DOING WHAT'S RIGHT

Ethics and respect are central to everything we do.



EVERY CUSTOMER IS UNIQUE

We strive to help our customers thrive, achieving success together.



WE COMMUNICATE HONESTLY AND RESPECTFULLY

We believe that speaking our minds openly is a way of showing respect for our colleagues. We don't know everything, and that's why we believe in the importance of respectful and meaningful discussion with a genuine interest in supporting each other's growth.



DIVERSE AND INCLUSIVE ENVIRONMENT

We respect and embrace diversity, creating an environment in which everyone is given a voice, is respected and has equal opportunity.



OWNER MINDSET

We are responsible for making decisions in the best interests of the business, with our purpose and our principles as a compass.



WE ARE ALL LEADERS

We are engaged around and committed to our own and others' development.



WE CREATE VALUE FOR ALL

We fulfill our purpose by creating value for all stakeholders, sustainably.



SIMPLICITY

We focus on things that create value; this makes us more agile, efficient and productive.



WE EXCEED OUR OWN LIMITS EACH DAY

We are constantly looking for ways to do things better and to be the best we can be. We dream big and adapt to the circumstances, and search for new and better ways of doing things.



Our objective

Within 10 years, we aspire to become one of the safest, most profitable and admired steel companies in the world, and one of the most relevant in the Americas.

🔍 About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Gerdaу in numbers

SASB-EM-IS-000.A, IS-000.B, IS-000.C, MM-000.A



7

countries with industrial operations



71

Gerdaу stores in Brazil



11.5 million

metric tons of raw steel produced



29

steel mills



11

million metric tons of scrap steel recycled every year



5.4 million

metric tons of iron ore produced



250,000

hectares of forest base (eucalyptus plantations and preservation areas)



2

iron ore mines



1.4 million

metric tons of coal produced



Around 30,000

employees worldwide

Gerdaу's presence



As part of a capital allocation strategy, in January 2024 we announced the sale of Gerdaу's long steel operations in Colombia and the Dominican Republic. We are determined to concentrate our efforts on assets with greater growth potential and competitiveness to ensure value creation for the company and its stakeholders in the long term.



R\$ 59.6 billion

in social investments in 2023



R\$ 68.9 billion

in net revenue in 2023



R\$ 13.5 billion

in adjusted EBITDA in 2023

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Gerdau steel production and global decarbonization

THROUGH THE CIRCULAR ECONOMY, THE STEEL PRODUCTION CHAIN PRESENTS REAL OPPORTUNITIES TO EASE GREENHOUSE GAS (GHG) EMISSIONS AND EFFECTIVELY CONTRIBUTE TO THE PLANET'S DECARBONIZATION.

IN THIS JOURNEY, WE RELY ON IMPORTANT FACTORS:



1 Recycled ferrous scrap is used in 70% of the steel Gerdau makes. 11 million tons are recycled annually.

2 250,000 hectares of forest base, with 90,000 for conservation and the remainder for charcoal production.

3 We adopt sustainable mining practices, such as dry stacking since February 2023.

4 98% of the water used in production is reused.

5 66% of electricity from renewable and low CO₂ emission sources (I-RECs + Grid). At our Ouro Branco mill in Minas Gerais (MG), about 90% of the thermal demand in stationary equipment is met by gases resulting from the steelmaking process.

6 Our products can be found in wind towers, solar panels, electric vehicles and countless other products that contribute not only to the advancement of humanity but also to a low-carbon economy.

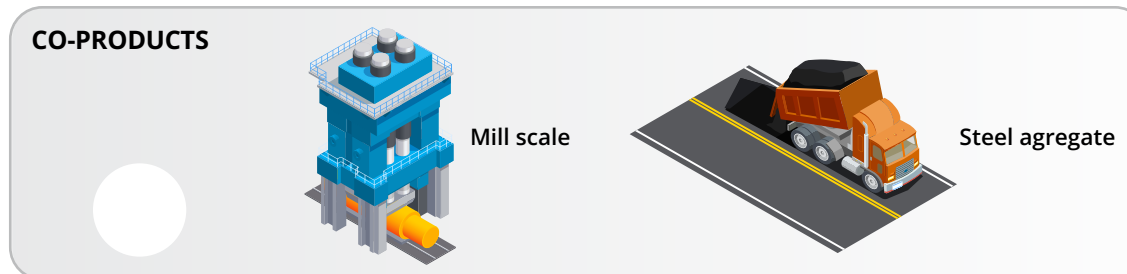
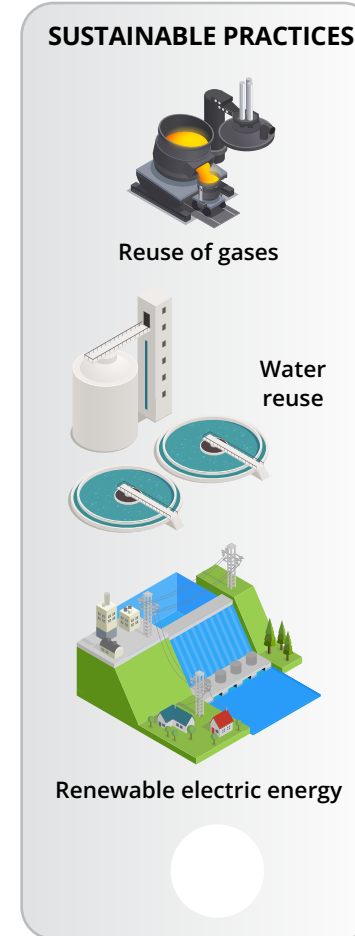
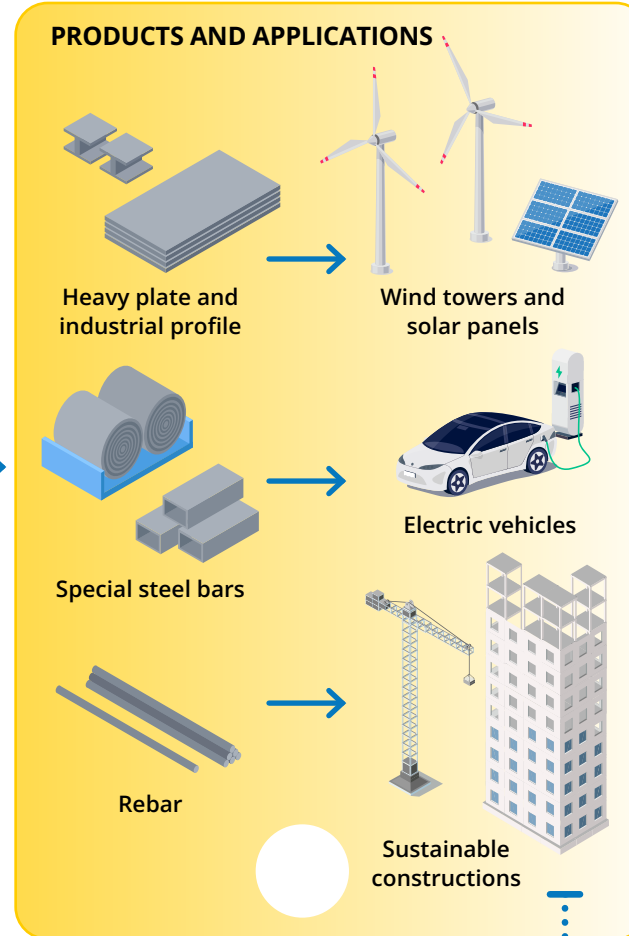
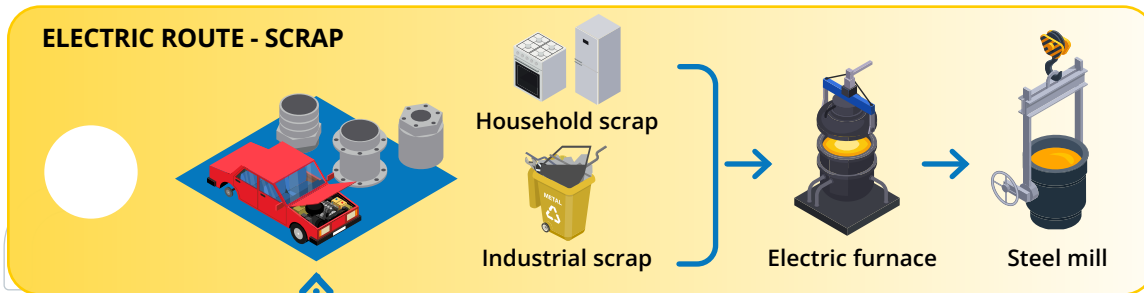
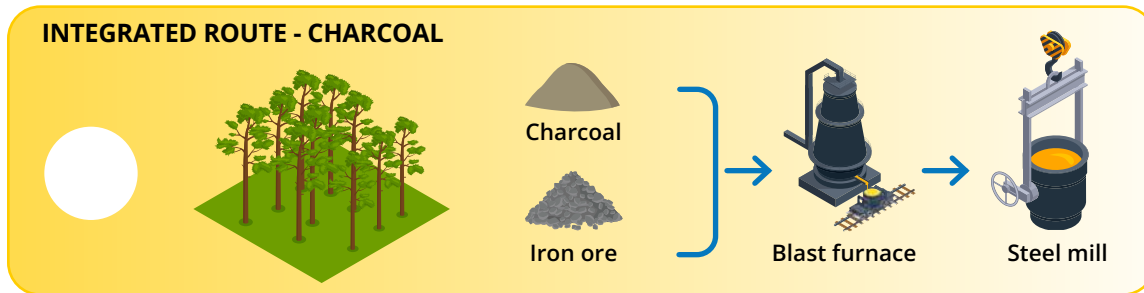
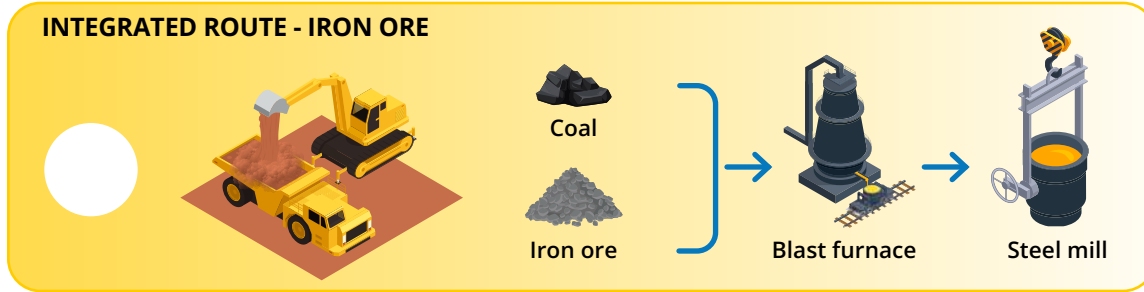
7 93% reuse of co-products for use in other production chains.

- Contents
- Messages
- About this report
- Value creation model
- About us
- Human and intellectual capital
- Social and relationship capital
- Financial and manufactured capital
- Natural capital
- Awards and recognition
- External Assurance Letter
- Appendices
- Credits

ABOUT US

Steel production

CHECK OUT THE STAGES OF OUR PRODUCTION PROCESS AND HOW WE CONTRIBUTE TO PLANETARY DECARBONIZATION.



Click on the icon to learn more about each stage of production.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Sustainability management GRI 2-23

Our commitment to sustainable development

is part of our business strategy, and we have practices and tools that support our ESG journey. To implement this strategy soundly, we have robust governance for sustainability topics. The Strategy and Sustainability Committee has the requisite knowledge and experience as the advisory body to the Board of Directors. It assists the latter in decision-making and formulating general sustainability guidelines to be followed, aligning the company's interests with environmental, social and governance topics. The

committee also analyzes Gerdau's investments from a social and environmental perspective.

Project monitoring and efficiency are analyzed by the Executive Board and Board of Directors members in quarterly meetings of the Strategy and Sustainability Committee and the ESG Squad. Executives are tasked with making strategic investment decisions based on the data presented at these meetings. **GRI 2-12**

Our Sustainability Policy is another instrument that establishes guidelines for conducting the company's activities sustainably and for assessing related risks and opportunities. It also reinforces our commitment to creating value for the company and society. The document's guidelines align with priorities established in an institutional governance agenda, which includes integrity, value chain management, efficient use of natural resources, social responsibility, and the quality and safety of production processes. **GRI 2-17**

Ouro Branco mill (MG)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Addressed further in this chapter, our ESG Scorecard provides visibility to the ESG indicators prioritized by our materiality matrix. More than part of a transparency process, factoring these indicators into our executives' variable compensation (see more in Management Compensation) bolsters our commitment to sustainability, showing that it is a priority for Gerdau. The connected ESG goals address the presence of women in leadership positions and the reduction of greenhouse gas emissions.

We are also committed to managing sustainable practices through the guidelines formed by the following voluntary commitments, conventions and partnerships:

- Universal Declaration of Human Rights
- UN Global Compact
- Conscientious Capitalism Brazil
- International Labor Organization (ILO)
- Statute on Children and Adolescents (ECA)
- National Registry of Companies Committed to Ethics and Integrity (Cadastro Empresa Pró-ética)
- Child-Friendly Company
- B System*
- Instituto Ethos
- Business and LGBTI+ Rights Forum
- Movimento Mulher 360
- Racial Equity Pact

- Pledge on Addressing Sexual Violence against Children and Adolescents, with the Human Rights Office of the Presidency of the Republic
- Childhood Brasil (Na Mão Certa Program)
- CDP
- Move

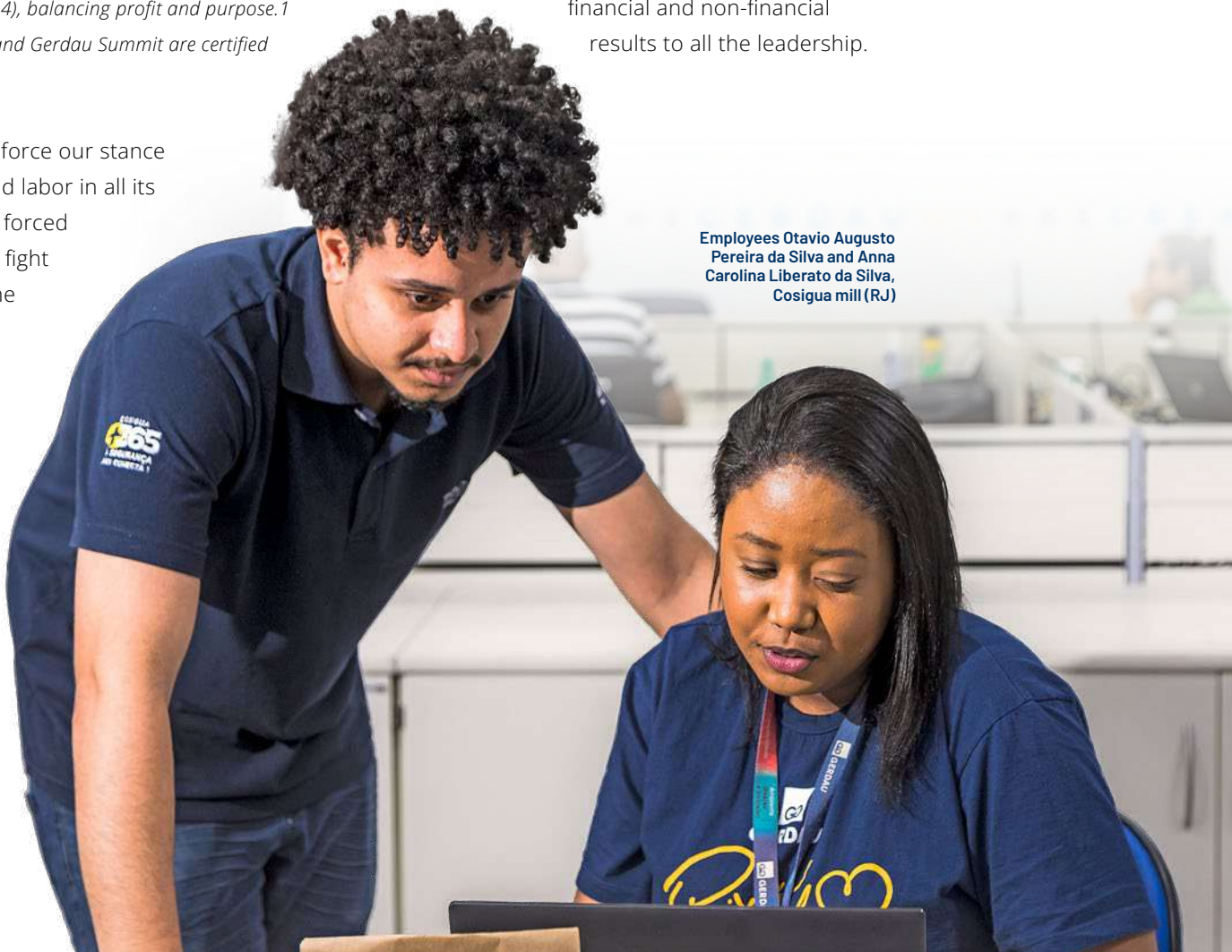
* *B System: a global movement comprised of companies committed to continuous improvement and generating positive social impacts (B System, 2024), balancing profit and purpose.¹ Gerdau's operations in Peru and Gerdau Summit are certified to B System.*

These commitments reinforce our stance on the eradication of child labor in all its forms, the elimination of forced or compulsory labor, the fight against discrimination, the appreciation of diversity, the prevention of moral

¹ Source: B System site. Page: About o the B Movement – B Brasil System. Accessed on: Apr 28. 2024.

and sexual harassment, and the management of issues related to workplace safety for employees and contractors, along with respect for unrestricted union membership and the right to collective bargaining.

The commitments and policies are communicated by direct leadership at routine periodic meetings and quarterly meetings where the CEO and business leaders present the priorities and the financial and non-financial results to all the leadership.



Employees Otavio Augusto Pereira da Silva and Anna Carolina Liberato da Silva, Cosigua mill (RJ)

Contents

Messages

About this report

Value creation model

➤ About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

ESG Scorecard

Dimension	Indicators	2020	2021	2022	2023	Related material topics	Related SDGs
Environment	Greenhouse Gases by volume of steel (tCO ₂ e/t of steel)*	0.93	0.89	0.86	0.91	Climate change and energy management	7 13
	Water consumption (m ³ / t of steel)	3.91	3.68	3.54	4.7	Management of water and effluents and community relations	6 14
	% of coproducts recycled	78	89.6	88.9	93.1	Waste management and the circular economy, energy management and innovation in processes and products	12
Social	% of active volunteers	5.7	6.3	14.6	20.5	Community relations	
	Number of people benefited	665,866	4,221,811	2,700,000	2,456,386	Community relations	1 4 11
	% of social investment made in relation to gross income	0.56	0.61	1.23	0.86	Community relations	
People	% of women in leadership positions*	22	23.6	25.0	27	Diversity, equality and inclusion	
	% of women at the company (BO Brazil)	13	17.1	25.7	27.4	Diversity, equality and inclusion	5 10
	% of Black people in leadership positions (BO Brazil)	25	26.3	26.6	29	Diversity, equality and inclusion	
	% of disabled persons at the company (BO Brazil)	2.90	3.20	4.0	5	Diversity, equality and inclusion	
	Health and safety index (rate of severity)	244	243	93	89.5	Health and safety at work	3
Governance	ICVM 586 - Brazilian Code of Corporate Governance	67%	67%	67%	67%		
	ISS Score Note	10	10	10	8		
	EVA* - Economic value added (managerial information)	0%	22.6%	22.6%	2.8%		16
	Personnel (R\$ millions)	5,216,144	6,455,468	6,533,048	6,776,481		
	Taxes, charges and contributions (R\$ millions)	3,720,556	10,046,474	8,873,020	5,290,282		
	Debt capital remuneration (R\$ millions)	1,917,421	1,821,095	8,338,121	2,316,517		

* Variable connected to the long-term remuneration program (ILP)

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Corporate governance

GRI 3-3. Strategic topic management

One of our strategic topics is “Ethics and corporate governance,” as we believe that adhering to such practices is a way to create value for society and, consequently, ensure business longevity. We establish ethical and transparent relationships with all our stakeholders, formalized in documents that stipulate guiding principles for the operations of our employees and business partners, such as the [Conduct](#) and the [Code of Ethics and Conduct for Third Parties](#).

In governance, we follow trends and adhere to international standards, incorporating best practices into our processes, policies and standards to ensure transparency, equity, accountability and corporate responsibility in everything we do. The Gerdau Integrity Program helps disseminate ethics and governance, reflecting the principle of Doing the Right Thing.

Our policies, Corporate Guidelines (CGs), and Operational Guidelines (OGs) are reviewed and updated periodically. They are communicated to employees, business partners and other stakeholders through mandatory training and public documents.

We abide by the Level 1 corporate governance standards of the São Paulo Stock Exchange (B3). Doing business in the North American market since 1999, Gerdau S.A. trades shares on the New York Stock

Exchange (NYSE) through the issuance of Level II ADRs (American Depositary Receipts), which requires compliance with all the regulations provided by the Securities Act of 1933 and the disclosure requirements of the Securities Exchange Act of 1934.

GERDAU'S SHARES ARE TRADED ON B3, IN SÃO PAULO (SP), AND ON NYSE, IN NEW YORK (USA).

Employees Henrique Porzia Capella, Thaminne Alves de Brucker and Emilio Aparecido Dias, São Paulo office (SP)



Contents

Messages

About this report

Value creation model

➤ About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Governance Structure GRI 2-9


Board of Directors

Responsible for the overall guidance of Gerdau's business, the Board of Directors (BoD) currently has seven directors, three of whom are independent, elected by shareholders at the General Meeting with a unified term of one year. Notably, the chairman of the BoD does not hold an executive position in the company.

GRI 2-10, 2-11

Information about BoD candidates and the criteria for selecting members of the company's highest governance body can be seen in the Management Proposal, in the Reference Form and in the Policy for the Nomination of Directors and Committee Members of the company.

The Board of Directors conducts an annual self-assessment, assisted by the Corporate Governance Committee, which presents the consolidated results and defines action plans for the BoD. It also reports progress on the improvement points suggested in the last assessment, where we ascertain how effectively we are delivering the actions proposed in the plan. **GRI 2-18**

 **SEE the qualifications and experience of the Board of Directors members on our [Investor Relations](#) website.**

OUR BOARD



Guilherme Chagas Gerdau Johannpeter
Chairman of the Board of Directors



André Bier Gerdau Johannpeter
Deputy Chairman of the Board of Directors



Claudio Johannpeter
Deputy Chairman of the Board of Directors



Gustavo Werneck da Cunha
Director



Claudia Sender Ramirez
Independent director



Claudio Antonio Gonçalves *
Independent member



Alberto Fernandes
Independent member

** At the Annual General Meeting (AGM) held on April 16, 2024, Márcio Hamilton Ferreira was replaced by Claudio Antonio Gonçalves.*

WE HAVE FOUR ADVISORY COMMITTEES

The Board of Directors has four Advisory Committees, which do not have an executive role. They are:

- Sustainability Strategy
- Compensation and Succession
- Corporate Governance
- Finances

Most of these committee members are not independent, and are members of the Board of Directors (BoD) and the company's Executive Board. The term of office is one year. The composition is described below and in the Reference Form.

•Strategy & Sustainability Committee

Tasked with supporting the Board of Directors in coordinating and guiding the company's strategic and sustainability topics. The topics it analyzes include: providing opinions on merger and acquisition (M&A) proposals and divestments; dynamizing and monitoring industry trends in steel that may impact business in the short-, medium- and long term; evaluating the impacts of the company's business development on environmental, social and governance issues, including but not limited to climate change. This committee meets at least six times a year. **GRI 2-17**

•Remuneration and Succession Committee

Responsible for evaluating and supporting the CEO's recommendations regarding the remuneration and performance of key executives, proposing them to the Board of Directors. It evaluates strategies, policies and budgets for fixed remuneration, short- and long-term incentives, and other information related to the global remuneration of employees. The committee is also responsible for approving the promotion of statutory and non-statutory officer positions. This committee meets at least three times a year. **GRI 2-20**

•Corporate Governance Committee

Responsible for staying updated on corporate governance trends and benchmarks, among other duties. It evaluates the recommendations of capital and financial market agents and specialized bodies, and annually assesses the BoD's performance as a whole. This committee meets at least once a year.

•Finance Committee

Responsible for supporting the Board of Directors on financial matters, including monitoring the company's financial results, debt levels and targets, leverage, liquidity position, cash flow, capital structure, capital allocation, stock price, financial market trends, and reviewing the company's financial and derivatives policies. This committee meets at least four times a year.

LEARN about the composition of the Advisory Committees on our [Investor Relations](#) webpage.

Our leadership

Responsible for the company's executive management, the leadership consists of 16 individuals in charge of business operations and corporate areas. **GRI 2-10**

Gerdau provides training to cultivate a humanized and conscientious leadership that exemplifies our culture and principles and engages its team to put them into practice in everyday situations. It is a universal responsibility at Gerdau to exercise a broader vision that goes beyond tangible and short-term factors and considers the needs, expectations and impacts on each of our stakeholders. **GRI 2-24**

OUR LEADERSHIP



Gustavo Werneck da Cunha
Chief Executive Officer (CEO)



Marcos Eduardo Faraco
Wahrhaftig
Strategy



Rafael Dorneles Japur
Investor Relations and
Finances



Maurício Metz
Brazil Operations – Long
Steel, Flat Steel and Mining



Aldo Tapia Castillo
Brazil Operation, Special
Steel



Carlos Baginski
Internal Auditing



Chia Wang
North America Operation,
Long Steels



Flavia Nardon
People & Social
Responsibility



Flávia Souza
Procurements



Gustavo França
Digital, TI & SSG



Luis Guereca
Mexico Operations



Marcos Mattiello
Peru Operations



Rafael Gamboa
Industrial & Engineering



Pedro Torres
Communications and
Institutional Relations



Rodrigo Belloc
North America Operations,
Special Steel



Thales Baleeiro
Legal



Guillermo Pedro Maglieri
Argentina Operations



Eider Rapachi
Gerdau Next

Contents

Messages

About this report

Value creation
model

About us

Human and
intellectual capital

Social and
relationship capital

Financial and
manufactured
capital

Natural capital

Awards and
recognition

External
Assurance Letter

Appendices

Credits

ESG Squad

Responsible for monitoring, evaluating and correcting any deviations in action plans related to ESG practices, and for tracking the ESG Scorecard on a quarterly basis. This group also monitors market trends and assesses their impacts on the business, providing technical support to Business Operations and supporting strategic discussions in the Strategy and Sustainability Committee. It is composed of representatives from the following functions: Environment, Social Responsibility, Investor Relations, Diversity, Equity and Inclusion, Procurement, Communication and Institutional Relations, Legal and Industrial, reporting to the CEO. **GRI 2-24**

Oversight Board

The Oversight Board is charged with monitoring the activities of Management, reviewing financial statements, and reporting its findings to shareholders at regular meetings every two months. According to Brazilian Corporation Law, Oversight Board members are elected by shareholders and operate independently from the Board of Directors, Executive Board and independent auditors.

The board is composed of three full members and an equal number of alternates (up to a maximum of five), elected at the Annual General Shareholders Meeting, with a renewable term until the next meeting.

Holders of preferred shares have the right to elect one member to represent their interests. Noncontrolling shareholders holding voting shares also have the right to elect one member of the Oversight Board through a separate vote. The additional shareholders with common shares (voting shares) have the right to elect the majority of the members.

By complying with the rules of the Brazilian Securities Commission (SEC), the Oversight Board follows these standards: it is separate from the Board of Directors; its members cannot be elected by Management; no executive officer can be a member of the Oversight Board; and independence standards are established for its members. The board operates in accordance with internal regulations that cover a series of activities up to the limit allowed by Brazilian law and complies with the requirements of the Sarbanes-Oxley Act (SOx) and the New York Stock Exchange (NYSE).

LEARN about the composition of the Oversight Board on our [Investor Relations](#) webpage.

Employees Melina Tomimoto, Ramon Maciel dos Santos and Eduardo Silvestre Gatto, São Paulo office (SP)



Remuneration GRI 2-19

The annual Remuneration Proposal for Gerdau Management is put together based on the assumptions outlined in the Remuneration Policy and market practices. It is indexed to the organization's impacts on the economy, the environment, and people. We also rely on the support of global remuneration consultancy firms specialized in both defining the relative value of positions and in seeking benchmark values from our Brazilian or global peers operating in the steel industry and related fields, or potential competitors for the same professionals, in order to maintain parity with good market practices.

The remuneration of the Statutory and non-Statutory Officers and eligible executives is divided into three main components: a fixed part and two variable parts, corresponding respectively to short-term and long-term incentives. The remuneration of the Board of Directors' members is divided into two main components: a fixed part, which corresponds to the monthly fees, and a variable part, which corresponds to the long-term incentive.

Employee Marciel Laurinda da Silva, Pindamonhangaba mill (SP)

THE VARIABLE COMPENSATION OF ALL GERDAU LEADERSHIP IS INDEXED TO ESG PERFORMANCE.

The short-term variable portion is triggered by meeting annual goals, which are measured by clearly defined standards that help encourage their achievement in individual and team results. This is the Short-Term Incentive (STI). The long-term variable portion, the Long-Term Incentive (LTI), seeks to align interests through the structuring of restricted shares and/or performance-based shares and/or a combination of both, which can result in long-term gains as our stock appreciates in the market.

Gerdau's remuneration goals in relation to Management are to:

- Nurture a culture of achievement and meeting challenging targets
- Attract and engage elite executives via competitive remuneration practices.
- Achieve short- and long-term results consistently and sustainably

The ESG Scorecard (see [page 21](#)) provides greater visibility to the ESG indicators prioritized by senior management. Factoring these indicators into our executives' long-term compensation is a part of our efforts to disclose environmental, social and governance information to the market and the general public, enhancing transparency around Gerdau's sustainability commitments.



[CLICK HERE](#) to learn about the proportion of Gerdau's total annual remuneration available in the appendix of this report.

Conflicts of interest

All of Gerdau's policies and guidelines and its Code of Ethics & Conduct emphasize the requirement for all employees to comply with laws, conduct themselves ethically, establish internal controls, follow solid governance and observe escalation levels. Compliance's documents include the compliance and anti-corruption policies and guidelines on dealings with government officials, donations and sponsorships, contracts with compliance risks, free gifts, conflicts of interest, antitrust compliance and disciplinary measures.

Regarding the Code of Ethics and Conduct, 99.4% of employees in all Gerdau geographies, including executives and board members, received training on the topic, and 98.2% participated in anti-corruption training. Employees can peruse these policies on our intranet, and everyone is informed of any updates, through the semi-annual distribution of the list of current policies. Business partners are also notified through contractual clauses and commitments. Furthermore, information regarding the participation of executives in other companies, related-party transactions, and other matters is provided in the company's Reference Form. **GRI 2-15, 205-2**

Contents

Messages

About this report

Value creation model

📍 About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Investor transparency

We have participated in the capital market for over seven decades, and our shares are listed on the São Paulo Stock Exchange (B3) and the New York Stock Exchange (NYSE).

In the Brazilian market, we are a part of B3 Level 1 Corporate Governance, but we adopted practices beyond those required by law, such as awarding a tag along for all of our shares and paying a minimum dividend of 30% of adjusted net income. We were also selected for the third time to comprise the B3 Carbon Efficient Index (ICO2) portfolio. The index includes publicly traded companies committed to the efficient and transparent management of greenhouse gases. The index is updated every four months and considers participation in the IBrX 1001. To be a part of it, companies have to publish an annual report on their emissions, providing a high level of transparency in GHG emissions management.

We have over 260,000 investors and endeavor to maintain a transparent relationship with all of them through virtual interaction and various communication and disclosure channels such as podcasts, videos, digital media and newsletters.

¹ IBrX 100 is an index that tracks the performance of 100 of the top traded assets in Brazil's stock market. The IBrX 100 is a total return index (see the B3 Index Definitions and Procedures Manual). Source: B3 site. Accessed on: May 06, 2024.

MARKET RECOGNITION

In the certification by the Brazilian Association of Capital Market Analysts and Investment Professionals, we have held Emerald level status for 28 consecutive years of open meetings.

In 2023, we held the Stakeholder Day for the first time, expanding our communication model with the market and embracing other stakeholders. About 400 people, including 180 in-person attendees, attended the event at MM Gerdau – Museum of Mines and Metal in Minas Gerais. These participants included investors, analysts, employees, customers, suppliers, authorities and partners, who learned about how our mission to be part of the solutions to society's dilemmas and challenges has progressed.



Officer Rafael Japur at Stakeholder Day 2023

At the beginning of 2024, Gerdau shares ceases trading on the Latin American Market of Securities (Latibex).



NEW PAGE FOR INVESTORS

In 2023, we launched a new website for investors, improving access to and the quality of information available to this group under a more modern approach that facilitates communication. See ri.gerdau.com/en/.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits


Ethics and compliance GRI 2-23

“Doing the right thing” is one of our principles, as is the strategic topic “Ethics and corporate governance,”. We operate under commitments, guidelines and policies that ensure socioeconomic compliance, integrity and transparency in business and stakeholder relationships.

Ethical behavior and compliance with laws are the cornerstone and core of Gerdau’s corporate culture, as formalized in the Code of Ethics and Conduct and the Compliance, Risk Management, Sustainability and Anti-Corruption policies. In total, we have 15 policies that guide conduct in different situations, in addition to Gerdau’s Code of Ethics and Conduct and Code of Ethics and Conduct for Third Parties.

- Securities Trading Policy
- Related-party Transactions Policy
- Disclosures Policy
- Risk Management Policy
- Compliance Policy
- Sustainability Policy
- Anti-corruption Policy
- Human Rights Policy
- Tax Policy
- Integrated Policy
- Diversity & Inclusion Policy
- Clawback Policy
- Independent Auditors Engagement Policy
- Committee Member Nominating Policy
- Dividend Policy

All Gerdau policies are approved by the organization's highest level of governance, the Board of Directors, every two years or as required, and are revised by the Board.

 **LEARN** about the content of Gerdau’s policies on the [Investor Relations](#) webpage.

Employees Isabela Volponi Moraes Barrera and Aryadne Meira Fernandes, São Paulo office (SP)

In addition to the Policies available for external access, there are over 140 Business Guidelines, with those related to Gerdau’s Integrity Program being: Guidelines on Dealings with Government Officials; Gifts; Donations and Sponsorship; Disciplinary Proceedings; Compliance Risk Hiring; Conflicts of Interest; Competitive Practices.



Consigua mill (RJ)

To prevent internal corruption and bribery, we have established and continuously revised a control system focused on risk mitigation and accountability in committees and governance structures.

In third-party relationships, the Third-party Code of Ethics and Conduct sets guidelines for interactions with Gerdau, outlining key ethics and legal compliance commitments. The document also guides third parties on their role in ensuring these commitments are met and highlights unacceptable situations that may lead to contract reviews and even termination.



Moreover the Third-party Code of Ethics and Conduct, contracts and purchase orders include anti-corruption clauses and ethical principles. Compliance has the business partner approval process which involves reputational assessments and due diligence to identify potential compliance risks. Our integrity program is reviewed and audited by control areas (Internal Audit, Internal Controls and Compliance), as required by Sox and in accordance with governance laws and good practices. Additionally, any non-compliant situation can be reported through the Whistleblower Channel (called the Ethics Hotline at Gerdau), which is available to all stakeholders, both internal and external. **SASB EM-MM-510a.1**

Controls are managed to permanently assess best practices and enhance the automation of detection controls focusing on risk mitigation. Even so, there are risks inherent to the nature of our business which might lead to violations of our Code of Ethics and Conduct. Non-compliance with any applicable laws or regulations may subject the company to fines, loss of operating licenses or damage to its reputation. All Gerdau operations were assessed for risks related to corruption. **GRI 205-1**

THE ETHICS CHANNEL IS AVAILABLE 24/7, FOR ALL STAKEHOLDERS, INTERNAL AND EXTERNAL. SEE MORE ON [THE NEXT PAGE](#).



Integrity Program

Our Integrity Program is based on the principle of Doing the Right Thing and reinforces the obligation to comply with all laws and follow all established ethics and compliance practices. It uses prevention and detection by fostering an ethical culture through the Whistleblowing Channel, Policies and Guidelines, monitoring transactions, compliance risk assessments, and reputational assessments of business partners. It also instills our corporate culture and commits to leading by the example set by senior management.

Compliance advises employees and contractors on routines and controls for compliance risks, as Gerdau does not tolerate any unethical practices, acts of corruption, bribery, or legal non-compliance in the countries where it operates. Any non-compliance triggers disciplinary actions, including contract termination and accountability.

All operations or processes that impact cash flow are continuously evaluated on a revolving basis by the Internal Audit and Internal Controls departments. Policies and Guidelines are available to all employees on the intranet and are notified of any updates. To reinforce the content for employees, the Integrity

Program topics are communicated monthly, including accountability and encouragement to use the Whistleblowing Channel, working against corruption in all its forms, complying with anti-trust legislation, reinforcing guidelines and policies, and in-person or remote training conducted by Compliance.

Our employees are trained on the Code of Ethics and Conduct and formally pledge to comply with it. Every two years, there are campaigns to renew the training, and for certain positions, anti-corruption and competitive practices training is required. In 2023, 98.2%* of employees received training on anti-corruption and 99.4%* of employees received training on the code of ethics. Furthermore, 100% of the company's business partners were informed about the anti-corruption procedures and policies adopted by the organization, in all types of business and regions. **GRI 205-2**

** The employees who have not yet completed the training refer to new employees, employees on leave or employees transferred to the Union.*

Conformities

During the reporting period, there were no confirmed cases of corruption or legal proceedings related to corruption. **GRI 205-3**

Regarding unfair competition and violations of antitrust and anti-monopoly laws involving Gerdau, pending and closed cases during the reporting period can be seen in the reference form available at <https://ri.gerdau.com/en/>. The company has not engaged in any type of anti-competitive conduct. **GRI 206-1**

In 2023, there were no significant instances of noncompliance with laws and regulations involving Gerdau. Regarding other (non-significant) cases, there were 12 fines for non-compliance with laws and regulations, totaling R\$ 1,723,875.69. In previous reporting periods, there were 5 fines, totaling R\$ 53,549.27. **GRI 2-27**

Ethics Hotline GRI 2-26

The hotline is available 24/7 for all internal and external stakeholders to report incidents or concerns involving the company and/or the conduct of its professionals. Anonymity and non-reprisal are guaranteed, as is whistleblower confidentiality. Compliance periodically reports the status of grievances reported to the Oversight Board, Risk Committee, Board of Directors and Statutory Executive Board, detailing the volume and the facts behind the reports received, answered and addressed. The operation of the whistleblowing hotline is independently reviewed once a year by an external audit and the Internal Controls department, ensuring adherence to best practices, compliance with SOx requirements, and proper handling of complaints.

IN 2023, THERE WERE:

1,083 submissions, 6% more than in the previous year

.57% related to behavioral issues, 14% to procedural non-compliance, 18% to deviations/favors (with no impact on the Financial Statements), 5.5% to occupational safety, and 5.5% to miscellaneous topics.

.51% were deemed partly or fully substantiated



PHONE:
+55 51 3323 1901 (Brazil and Latin America)
0800 3004488 (Brazil)



WEBSITE:
<http://www.canaldaetica.gerdau.com.br/>
Incident reports can be submitted directly on the portal or on Gerdau's websites, on the Ethics and Compliance page.

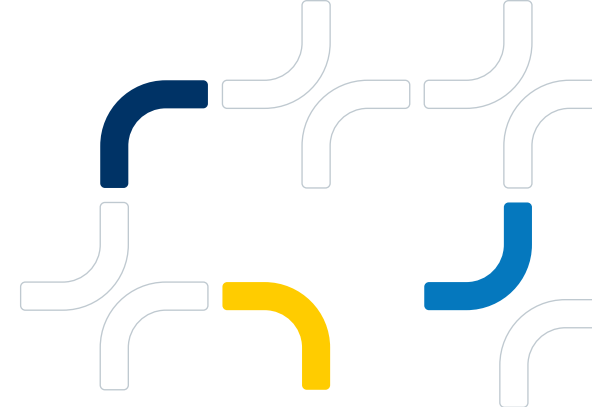
Risks management

Our controls practice and Business Operations Committee monitor operational and business risks which could impact our activities, with the assistance of the Risk Committee. We monitor business, compliance and operational, safety, occupational, environmental, financial, tax, labor, image and reputation and regulatory risks. Our risk management process is decentralized, and is conducted by Business Operations and Corporate Processes. However, critical risk results are consolidated and reports are submitted to the Board of Directors and the Executive Board whenever there is a relevant update on the topic, without a predefined frequency for this to occur.

GRI 2-13

The Three Lines Model should be established for operational risks, taking into account cost analysis versus risk exposure:

- **Line 1:** system of controls with routine and control activities, procedures, approval limits, systemic blocks, access restrictions and reconciliations.
- **Line 2:** management activities, monitoring, process analysis, financial reporting, internal controls management.



THE CONTROL STRUCTURE AND THE BUSINESS OPERATIONS AND CORPORATE PROCESS COMMITTEES MONITOR OPERATIONAL AND BUSINESS RISKS.



Employee Suellen Barbosa Mares, São Paulo office (SP)

- **Line 3:** conducting internal and/or external audits on all processes.

Operational and business risks are monitored by the control structure and the Business Operations and Corporate Processes committees, overseen by the Risk Committee, which reports to Gerdaу's Executive Board. We monitor business, compliance and operational, safety, occupational, environmental, financial, tax, labor, image and regulatory risks. These risks are also assessed by the Remuneration, Strategy and Sustainability, Corporate Governance, and Finance committees, and are presented to the Board of Directors and the company's Executive Committee. **GRI 2-16**

Climate risks GRI 201-2

Gerdaу's risk management guidelines and procedures are designed based on an assessment of the business, including matters related to climate change and our ESG Scorecard indicators.

One of the possible effects of the increasing requirements related to the reduction of greenhouse gas emissions is the increase in costs, mainly due to the demand to reduce the consumption of fossil fuels and the implementation of new technologies in the production chain. The consequences, probabilities and responses to the impacts of climate change are formally analyzed for climate risks. The Task Force on Climate-Related Financial Disclosures (TCFD) is an initiative created in 2015 by the Financial Stability

Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders. According to the TCFD, risks can be classified as transition and physical risks. Gerdaу assessed climate-related risks considering these concepts, taking into account the probability

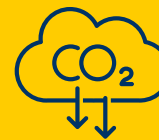
The primary climate change risk factors related to our operations include:



- Reduced availability of electricity arising from a period of water crisis
- Fires or severe weather conditions
- Water shortage resulting from a period of water crisis



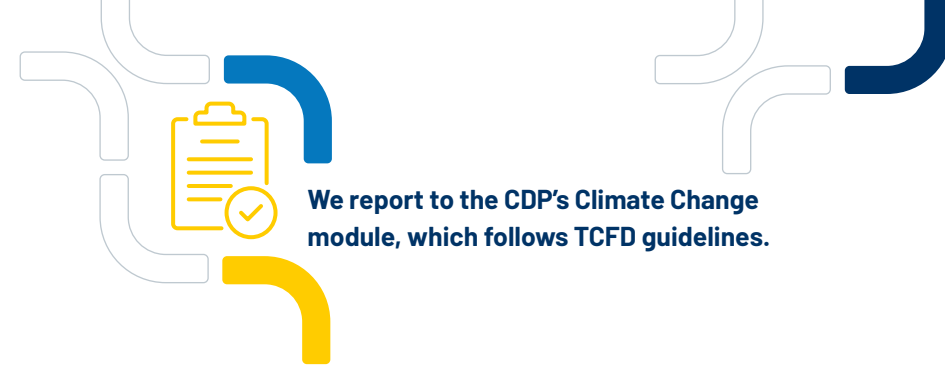
- Climate change – Physical risks**
- Water crisis: water shortages or unavailability
 - Failure to adapt to extreme weather events and incremental climate change



- Climate change – Risk of transition to a low-carbon economy**
- Failure to adapt to technology changes driven by the topic and product applications
 - Non-compliance with current or emerging mandatory GHG emissions regulations
 - Failure to adapt to market changes
 - Loss of reputation



- Opportunities**
- Using renewable electricity sources
 - Gerdaу has one of the lowest GHG emission intensities in the sector
 - Gerdaу Next: new businesses



We report to the CDP's Climate Change module, which follows TCFD guidelines.

of their occurrence and their impact, as well as dimensions and scale.

Digital audit

The Internal Audit department ensures adequate risk coverage, acting independently through periodic monitoring. A significant portion of the audit team is proficient in handling databases using programming languages, meaning that tasks that could take months to cover certain risks can be completed in minutes.

By way of algorithms, artificial intelligence and big data processing architecture, risk coverage was also expanded and it was possible to connect digital structures in traditional and industrial processes to process and interpret data generating alerts and actions to prevent digital losses.

Risk management applications support processes and monitor routines. The practice's independence also provides treatment with greater impartiality for grievances.

Internal audit reports are submitted to the Board of Directors and the Oversight Board is responsible for monitoring.

Contents

Messages

About this report

Value creation model

🔍 About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Human and intellectual capital

Cosigua mill (RJ) employees

- 33 Our people
- 38 Commitment to personal safety
- 43 An increasingly inclusive company
- 48 Innovation and technology
- 52 Gerdau Next

Contents

Messages

About this report

Value creation model

About us

🔗 **Human and intellectual capital**

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Our people

GRI 3-3. Strategic topic management

Workforce by region

GRI 2-7, SASB-EM-MM-000.B

Year after year, we have been driving our organizational culture forwards. Our cultural transformation journey, which has been ongoing since 2018, reached new heights of maturity in 2023. Gerdau has become more agile, innovative and less hierarchical, putting people first.

Our purpose is to “empower the people who build the future”. We therefore strive to ensure that our human capital has access to the resources they need to realize this purpose, generating positive results for the business and society. Our principles (read more in “About us”) inform all of Gerdau’s actions, ensuring that employees understand that the essence of who we are is fundamental in the journey of a company increasingly committed to sustainability.

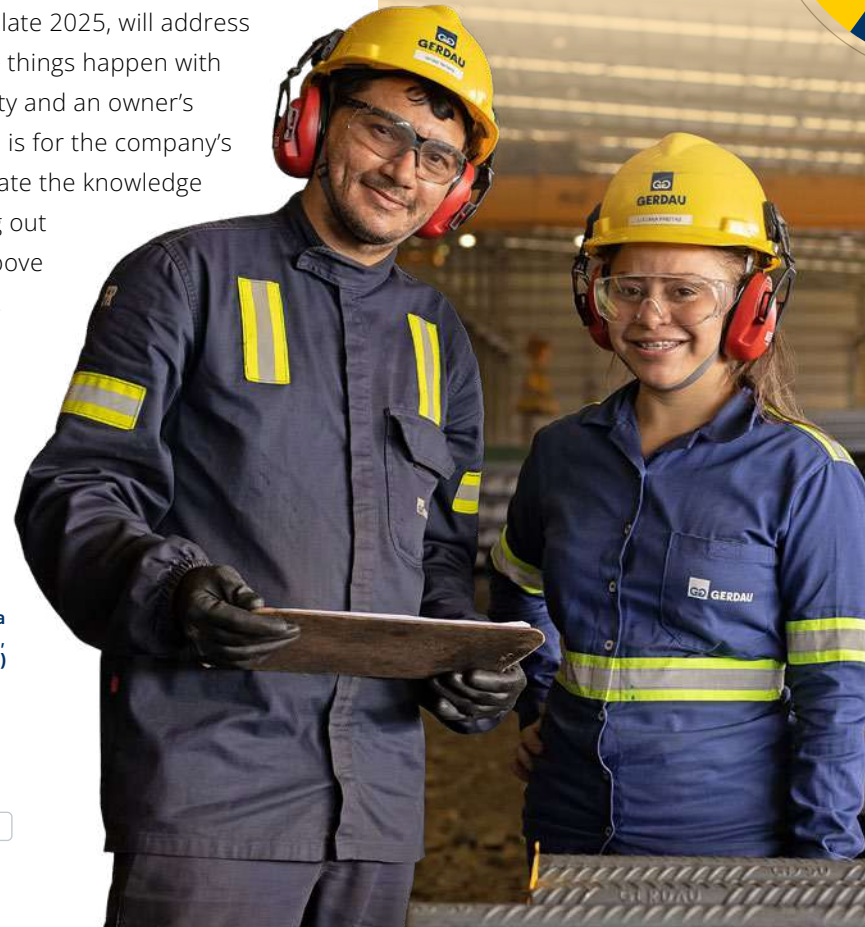
To continue the process of developing our organizational culture, we have selected three behaviors that integrate our principles, considered fundamental and guiding all our actions, to be worked on deeply.

In 2022, we began the plan to reinforce each of them. The first was “We communicate honestly and respectfully”. All company executives underwent

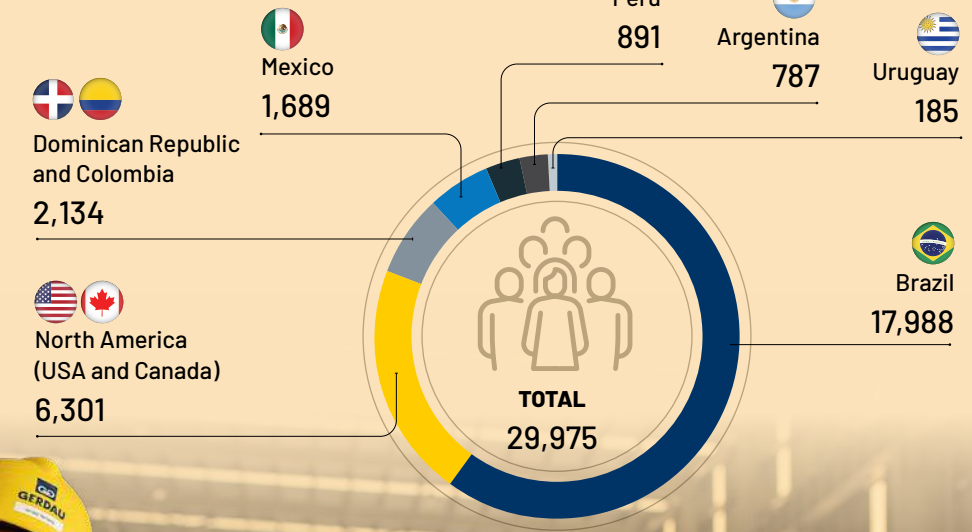
training on this topic globally. Initiated in 2024, the second module focused on the principle “We exceed our own limits each day,” and actions were taken to raise awareness about this topic.

In this leadership development process, the third module, scheduled for late 2025, will address the principle “We make things happen with autonomy, responsibility and an owner’s mindset”. The proposal is for the company’s leadership to disseminate the knowledge to their teams, carrying out cultural actions and, above all, leading by example.

Employees Ismael Ferreira and Luciana Freitas, Caucaia mill (CE)



Total employees by region in 2023



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Open communications

The Culture Walk Conversations with Gustavo Werneck, our CEO, is an initiative that is part of the plan to disseminate our principles and strengthen the organization’s culture. In 2023, he visited 12 units in Brazil, Latin America and Canada. In meetings with each unit’s leadership and the operations teams, the CEO addressed topics such as safety, culture and succession planning, and was open to answering various questions about the business. The visits aim to integrate, connect and practice our culture through dialogs with truth and respect.



Gustavo Werneck during a visit to the Cosigua mill (RJ)

Happiness at Gerdau

Since the COVID-19 pandemic, we have been talking about mental health more and more (see more in Commitment to Safety). We understand that sound health is fundamental to being our best selves. For Gerdau, people are the foundation and the reason for everything we build. We therefore work diligently to cultivate workplaces that are physically and psychologically safer, where people feel comfortable being their true selves and expressing their opinions, even when they disagree. This directly speaks to the concept of happiness for Gerdau, a topic we took our first steps on in 2023 by studying the theory of Gross National Happiness (GNH) more deeply.

Our interest in this concept led our CEO, Gustavo Werneck, to visit Bhutan, which is a GNH leader, to study this methodology, which aligns closely with our principles. Why Bhutan? The country introduced GNH as a public policy in 1972, a concept later adopted by other countries and monitored by the United Nations (UN). GNH assesses indicators such as psychological well-being, time use, and health, inspiring organizations to care for mental health in the corporate world. This visit produced the opportunity in 2023 to invite former Prime Minister Tshering Tobgay, a GNH ambassador, to make his first visit to Brazil. He followed an agenda of lecture and attended meetings at universities and public and private forums, including time with Gerdau leadership.

Since its inception, Gerdau has valued having a team of happy, respected and fulfilled people, aligning with the GNH concept and its nine dimensions: standard of living, education, health, cultural diversity and resilience, community vitality, time use and balance, emotional well-being, ecosystem vitality and diversity, and good governance. It made sense for the company to delve into this topic, now with a solid and recognized methodology, to practice its purpose of empowering the people who are building the future. Starting in 2024, the internal GNH survey will be conducted to identify opportunities for improving employee well-being and Gerdau’s cultural transformation.

Gustavo Werneck and Tshering Tobgay at an event in São Paulo (SP)



Employee satisfaction survey and leader NPS scores

In 2023, the Opinion Survey, Gerdau’s organizational climate survey, had a participation rate of 87.4% and an approval rating of 76.4. Employees from Brazil, Argentina, Canada, the United States, Mexico, Peru and Uruguay participated.

This survey is conducted annually to measure employee engagement with the company and fundamental business topics, such as safety, culture and leadership.

In addition to this survey, we invite employees to participate in the Gerdau eNPS. The Net Promoter Score has been applied at the company since 2018 and evaluates both the company and its leadership. In 2023, the Gerdau Global eNPS was 52.2 and the Developer Leadership eNPS was 32.2.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter


Appendices

Credits

Health and well-being

Employee care is reinforced by well-being and health programs, which in 2023 assisted 6,500 people.

- **+Care:** provides free support in resolving psychological, financial, legal and social issues. The program maintains a free, confidential number available 24/7, where employees and/or their legal dependents can call and speak with available specialists. The counseling process includes clarifying the context of the situation, jointly thinking of workable solutions, and creating an action plan, with up to six sessions per case/problem. In 2023, 4,573 sessions were conducted, with at least 12 lives saved (according to voluntary reports).
- **Respiro:** by offering a decompression process and nurturing self-awareness, this initiative fortifies employees' emotional health. In 2023, the program reached 1,475 participants.
- **Bebê & Cia.:** provides emotional support to employees returning from maternity and paternity leave. In 2023, the program reached 217 participants

 **LEARN** about the occupational health initiatives and health promotion campaigns in Commitment to Personal Safety.

- **Mental Health Coaching:** this is a structured coaching process for leaders with teams, supporting them in handling personal and team emotional issues. In 2023, the program reached 56 participants

- **Jornada da Vida:** supports employees in building their life projects, nurturing self-awareness as a mainstay and presenting post-Gerdau careers as a natural life process. In 2023, the program reached 53 participants

- **Well-Being Seeders:** trains employees in a culture of care, creating healthy and psychologically safe collective spaces, sustainably and positively impacting people's daily lives. In 2023, the program reached 50 participants.

- **Reforma que Transforma [Transformative refurbishments]:** the largest social project in Gerdau's history, transforming the reality of Brazilian families through home renovations (learn more on [page 61](#)). This initiative is also available to company employees. In 2023, 48 screenings and social interviews were conducted to identify potential beneficiaries of the project.

- **Eu me Importo [I care]:** 37 professionals, including psychologists and social workers, were instructed on how to act in shutdowns and renovations.



Cartersville unit employees (USA)

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Benefits

Gerdau maintains a benefits policy aligned with best market practices, focusing on the quality of life and well-being of employees and their families.

Gerdau Flex

In 2021, Gerdau implemented a new benefits policy concept. Under the previous model, all employees received the same benefits. Now, each employee can choose the basket of benefits that best suits their needs. Employees receive a certain number of points and can choose from various benefits based on their balance.

Benefits

Available benefits include:

- Supplementary pension
- Health plan
- Access to dental plans
- Life insurance
- Pharmacy assistance
- Flu vaccine
- Orthopedic assistance
- Telemedicine, with access to Digital Primary Health Care (family doctor) and Virtual Emergency Room (low-complexity emergencies) services with professionals from Hospital Albert Einstein (over 35,000 users in 2023, including employees and dependents)
- Pregnancy Program for prenatal care (94% of employees and family members who became pregnant joined the program in 2023)
- Daycare assistance up to 5 years and 11 months of age, after maternity leave ends; extended paternity leave to 20 days and maternity leave to 180 days
- Meal allowance
- Access to the Benefits Club, with discounts and perks
- Discounts on health plans for dependents, personal insurance, gyms, digital entertainment, loyalty programs, urban mobility and pet health plans

Remuneration GRI 2-20

The employee remuneration policy is based on two components: a fixed salary and a variable portion indexed to specific goals, similar to the remuneration of the Board of Directors and the company's Executive Board, as presented in the Corporate Governance section on [page 26](#).

We use various evaluation methods, including Performance Reviews and Succession Potential and Readiness Assessments. We also sponsor supplementary retirement plans in Brazil and North America, with approximately 5% of participants in defined-benefit plans and 95% in defined-contribution plans.

The listed benefits are for Brazil. Each country has a benefits package tailored to local realities.



Employee Romulo Jesuino, Ouro Branco mill (MG)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Collective bargaining agreements

98% of Gerdaу employees are covered by collective bargaining agreements. For employees not covered by a collective agreement (about 538 people), we apply internal rules/policies, always respecting the current labor legislation.

GRI 2-30, SASB-EM-MM-310a.1

During the reporting period, union actions (strikes and lockouts) amounted to less than one day in total hours. None lasted a full work shift or resulted in a full day of idle work. Delays caused by industrial action did not impact production, as the previous shift's workforce covered production while the next shift was prevented from entering the company premises. The main union demands were for (i) improved terms in the collective agreement and (ii) reversal of layoffs at the Pindamonhangaba (SP) plant. Regarding the claimed wage rise, we were still in negotiations, and the agreement was signed after the protest and a fresh round of negotiations. Layoffs, were made with additional severance pay and tenure for the remaining employees. **SASB-EM-MM-310a.2, EM-MM-210b.2**

People development GRI 404-2

One of our strategic topics is human capital qualification. In this regard, we conduct structured programs and actions to hone skills and drive professional growth. We developed more than 1,500 leaders in 2023.

Siga – Leaders Academy: Our academy prepares employees to perform at a high level in a more technological and inclusive workplace. The program offers tools and opportunities for each professional to lead their own learning journey. It includes practical and theoretical classes, hybrid models, webinars, podcasts, practice communities, experience reports, and projects that foster connections, dialog and creativity. Participants include employees from entry-level leadership positions, managers and above.

G.Start – Our internship program is one of the main gateways into the company. We have set a goal of 60% participation by women. Racial criteria is also considered. The focus is on understanding the applicant's essence, as the goal is to attract individuals who buy in to the company's principles and can become future leaders.

G.Future: For our trainee program, we set a goal of 50% participation by women, training professionals for the entry-level leadership. Only internal candidates were considered at first, but to reach the required number of women, we resorted to external recruitment. We hired 200 trainees in 2023, out of more than 20,000 applicants.

Employee Paloma Barcaro Correa de Paiva, Ouro Branco mill (MG)



G.Lead: This is our development program for professionals who have been in entry-level leadership positions in industrial or commercial areas for over two years and want to take on greater challenges. The development track is conducted over one year.

Gerdau Leadership Program (GLP) – Global Leaders Training:

The global program prepares the organization's future leadership with a focus on integrating performance and progress: business results and positive impacts on the world. It is overseen by the Executive Board and the Board of Directors.

30 people participated in Brazil, who have either assumed or are about to assume leadership positions. As part of the program, 33 Gerdaу executives from eight countries participated in an immersion week in France at the European Institute of Business Administration (Insead) in 2023, with over 50 hours of classes designed by Professor Subi Rangan, a renowned expert in strategy and leadership.

Deep Bench: Identifies the organization's potential talents for strategic positions and closely monitors each one monthly. Leaders are aware of the program, but the individuals in the mapping are not.



Gerdau team in immersion in France

To encourage global mobility and the promotion of employees to officer, general manager, manager and coordinator positions, 27 people were transferred between the countries where we operate in 2023.

Commitment to personal safety

GRI 3-3. Management of material topics

Business results are never more important than people's lives. We work tirelessly to ensure a safe workplace for our employees, both direct and contractors. Our main goal is to eliminate serious accidents and fatalities. "Safety First" tops our list of principles.

We have a Health and Safety Management System, which was implemented not only to meet legal requirements but also to reinforce Gerdau's Integrated Health, Safety, Environment and Quality (SSMAQ) Policy, values and principles. Initially based on the management system from DNV consultancy (ISRS), it later incorporated behavioral management practices and others from consultancy firms (DuPont, Wwin, etc.) and OSHAS 18001 and ISO 45001 systems. The system embraces all employees, contractors and other people (truck drivers, sales representatives, visitors etc.) who are on our premises. It also applies to Gerdau employees working outside our premises.

GRI 403-1

Our Health and Safety Management System includes practices and tools for receiving and handling complaints, such as Reports of Substandard Acts and Conditions and the Refusing Risky Assignments practice. In addition to these specific practices, the company maintains other channels for receiving complaints, such as team meetings and the Ethics Hotline. There is also an Integrated Health, Safety, Environment and Quality Policy. **GRI 403-2**

Employee Alice Alves Pereira, Pindamonhangaba mill (SP)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Our operations have formal health and safety committees composed of employees and managers. In countries where this is mandatory, some committee members are appointed by employees to represent them. Meetings are held on a monthly basis and any required decisions can be taken during the meetings themselves. Leadership participation in meetings ensures that the decisions made by the committee are implemented. Employees and contractors also attend these committee meetings by way of their appointed representatives. **GRI 403-4**

Despite all our safety efforts, we regrettably suffered a fatality in early 2023 involving a contractor in Barão de Cocais (MG) caused by an accident during the disassembling of a crane. This tragic situation engender several actions, including a review of our contractor qualification and hiring guidelines. We believe it is unacceptable for a person not to return home from work.

WE CONCLUDED 2023 WITH AN ACCIDENT FREQUENCY RATE OF 0.70 - THE LOWEST LEVEL IN OUR HISTORY.

Employee Glauber Alves Pereira, Cotia mill (SP)



We therefore continue to review our practices and internal controls, and identify and acknowledge areas for improvement. Based on a diagnosis that mapped 19 critical actions and analyzed recent serious accidents, we designed the program that guided our safety actions in 2023. The Zero Fatality program was replaced by the new *A Voz da Segurança* (Safety Calling) program, which is much broader and targets identified risks. The results have been positive, with the lowest historical level of accidents recorded in a year.

We are compelled to mention that all incidents are investigated, and control actions are established based on identified causes. Actions and measures adopted are prioritized based on their effectiveness, following the hierarchy of controls. In 2023, various Capex investments were made to eliminate safety risks. Examples include the implementation of robots, process automation and the use of cameras and drones for control and inspection, among others.

Additionally, the company has a Corporate Safety Directive with requirements and guidelines covering the main critical accident¹ risks posed by our activities. This directive is reviewed and updated after each accident or as needed to ensure it remains up-to-date. **GRI 403-9**

¹ The main critical risks identified are: Mobile Equipment; Overhead Cranes; Energy Control and Lockout; Confined Space; Working at Heights; Vehicle and Pedestrian Traffic; Railway Operations; Molten Steel Flows; Scrap Handling; Machine Protection; Building and Construction Asset Management; Gases; Rolled Product Flows; Radiological Protection

GRI 403-9, SASB IS-320a.1 | SASB MM-320a.1. WORK-RELATED INJURIES

Table 403-9 - Work-related injuries	2021		2022		2023	
	Employees	Workers	Employees	Workers	Employees	Workers
Number of fatalities as a result of work-related injuries	1	2	0	1	0	1
Rate of fatalities as a result of work-related injuries	0.02	0.05	0.00	0.02	0.00	0.02
Number of high-consequence work-related injuries (excluding fatalities)	5	2	2	2	1	1
Rate of high-consequence work-related injuries (excluding fatalities)	0.08	0.05	0.03	0.04	0.02	0.02
Number of recordable work-related injuries	365	161	339	161	346	174
Total recordable incident rate (TRIR)	5.93	3.88	5.3	3.22	5.42	3.37
Number of hours worked	61,600,052	41,520,647	64,009,189	50,041,962	63,888,642	51,678,727
Injury severity rate*	178.60	338.4	69	144	36	143
Lost-time injuries	55	27	60	26	51	29
Injury frequency rate - lost-time injuries + fatalities	0.91	0.70	0.94	0.54	0.80	0.58
Total recordable incident rate (TRIR)	5.13	0.00	5.30	3.20	5.42	3.39
Fatality rate	0.02	0.05	0	0.02	0	0.02
The near miss frequency rate (NMFR) for (a) direct employees and (b) contractors	264.37	107.99	265.04	62.87	204.92	25.19
Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	18	NAv	24	NAv	17	NAv

*The severity rate calculation used in all countries where we operate is days lost as a result of work-related injuries plus days deducted as a result of fatalities (6,000 days) and amputations (NBR 14280 Schedule). This calculation is based on Brazilian regulations (which are similar to those in other countries).

Note 1: The rates have been calculated based on 1,000,000 hours worked.

Note 2: The information was extracted from a corporate system called HSE-I, which records monthly safety information from each unit. The QL information is an estimate considering the number of hours worked. We consider an estimate of 200 hours worked per person per month.

Note 3: We deem accidents that caused serious consequences to be those that resulted in amputations or permanent functional losses in both direct employees and contractors.

Note 4: We consider all fatalities, lost-time injuries and non-lost-time injuries as reportable incidents.

Note 5: We classify high-consequence incidents as events internally categorized as accidents with material damage with potential severity A and near misses with potential severity A.

Note 6: The total incidence rate from the Mine Safety and Health Administration (MSHA) in the United States is not disclosed as the company does not have mining operations in the United States.

Note 7: The data for steelmaking and mining are presented jointly in the table above. SASB IS-320a.1 and SASB MM-320a.1

[Contents](#)
[Messages](#)
[About this report](#)
[Value creation model](#)
[About us](#)
[Human and intellectual capital](#)
[Social and relationship capital](#)
[Financial and manufactured capital](#)
[Natural capital](#)
[Awards and recognition](#)
[External Assurance Letter](#)
[Appendices](#)
[Credits](#)

Safety Calling

The Safety Calling program: Commitment to Life focuses on six main topics:

“A VOZ DA SEGURANÇA”

nosso compromisso com a vida



1. LEADERSHIP



2. PSYCHOLOGICAL SAFETY



3. RULES AND PROCEDURES



4. ASSET MANAGEMENT AND CRITICAL CONTROLS



5. CONTRACTOR MANAGEMENT



6. LEARNING AND SCOPE



Employee Marcos Gonçalves, Ouro Branco mill (MG)

In 2023, the corporate-level actions of the Safety Calling movement focused on three major issues identified as causes of serious and fatal accidents: learnings and event scope; culture; and service provider management. Actions were simultaneously developed within Business Operations and at each Gerdau unit, focusing on the leading causes for each of their realities.

The strategic vision of the Safety Calling movement is to instill a healthy and safe workplace, bereft of serious and fatal accidents, establishing ourselves as one of the safest companies in the steel industry worldwide.

The main push in 2023 was a thorough review of our corporate guidelines addressing “Health and Safety Management,” “Health and Safety Risk Management,” and “Health and Safety Management in Service Procurement”.

All Safety Management aims to prevent or mitigate the risks of the company’s operations and tasks. Besides focusing on our internal people, we also implement accident prevention actions with our suppliers by setting requirements for becoming a Gerdau service provider. For the scrap supply chain, the company maintains development programs through informative and guiding actions, reaching the involved communities. We also have policies addressing the transportation of our raw materials and products to ensure safety of all parties during each stage of the supply chain. **GRI 403-7**

The Safety Calling movement focused on three major issues identified as causes of serious and fatal accidents: learnings and event scope; culture; and service provider management.

The guidelines were revised with the support of an external consultancy firm with extensive experience in this area and now better connect health and safety management and risk control with Gerdau’s purpose, aspiration and cultural aspects.

We now speak in terms of culture, not just safety culture, because we understand that these are not separate concepts. Risk management has begun to structurally consider process risks, and service providers are part of our entire management system.

The triad concept was widely communicated and practiced in 2023. The triad is a concept that advocates for the Health and Safety, People, and Management departments to join forces and work together. However, the main change brought about by these revisions is not in documents or systems but in mindset, especially among leadership, to implement all the changes resulting from the document review. The challenge for 2024 is to implement these changes.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

World Safety Week 2023

The Safety Calling movement was launched during our World Safety Week, which was the theme of the 2023 program. Activities were conducted in nine countries, engaging over 25,000 direct employees and 7,000 contractors. Among the activities were lectures, case studies with leaders, and in-person actions at the units. A virtual webinar on psychological safety aligned with Gerdau's cultural behaviors gathered 2,300 connected participants.

Gerdau has established minimum requirements for managing and improving knowledge, mindsets and skills related to the fostering of health and safety, such as:

- Appropriate training and qualifications for health and safety-critical roles are a prerequisite for hiring, and workers' training certificates are inspected before they are assigned to perform critical activities.
- General health and safety induction training is provided to all direct employees and contractors before they begin work in our operations. Written tests are administered after the onboarding process (when the employee joins the company) with a minimum pass grade required for approval.
- Workstation-specific training is also provided and buddies are assigned to all employees who have been newly hired, transferred or are returning from more than 45 days of leave.

- A role-specific Occupational Health & Safety and Process Safety matrix outlines procedures for critical tasks, requirements for risk identification and analysis, legal requirements, and other company requirements.

All contractors receive induction training, as mentioned above, and training on Risk Analysis and the Permit to Work system, as applicable. Proof of this and other mandatory training for contractors must be provided before they are allowed on our premises. **GRI 403-5**

Occupational health

GRI 403-3, 403-6

In addition to the aforesaid well-being and health programs offered to employees, Gerdau conducts initiatives and campaigns for disease prevention and health promotion in the workplace. These services also help identify and eliminate hazards and risks:

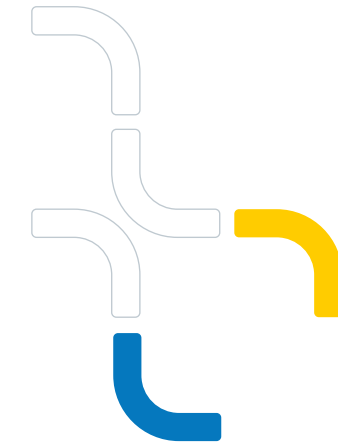
- Occupational Hygiene Program
- Occupational Medical Health Control
- Ergonomics Program
- Respiratory Protection Program
- Hearing Protection Program.
- Smoking prevention
- Prevention of alcohol and drug abuse
- Mental health
- Quality of life
- Prevention of heart risks, hypertension, diabetes, etc.



Employee Jefferson Benevides de Sousa, Cotia mill (SP)

All mills have a medical clinic staffed by qualified professionals in each specialty (doctors, nurses and nursing assistants). All health-related demands are handled directly by health professionals, and information is maintained in physical or electronic files which can only be viewed by authorized health professionals, as required by law. At Gerdau, 100% of employees and contractors are covered by the Health and Safety Management System, which is based on legal requirements and/or recognized standards/guidelines. Of these, 50% were audited internally, and 8% of employees and 4% of contractors were certified by an external party. **GRI 403-8**

In 2023, the company recorded no deaths and only one case of occupational illness due to heat stress. **GRI 403-10**



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

An increasingly inclusive company

GRI 3-3. Management of material topics

One of our strategic pillars is to improve ESG practices, with one focus being to progress in diversity, equity and inclusion (DE&I) and to strengthen the social fabric. In our DE&I efforts, we aim for Gerdau to:

- Be renowned as a company that fosters societal development aligned with the purpose of “empowering the people who build the future”.

- Reflect the diversity of its geographies within its internal team, thereby advancing sustainably as a company and individuals.
- Cultivate a workplace where everyone feels safe to be themselves, respecting individual differences. Provide a workplace and leadership that encourage and provide resources or accommodations that foster inclusion, along with training for leaders and teams to facilitate this integration.

Beyond complying with international human rights standards, Brazilian legislation, and best social responsibility practices, respect for diversity is a priority for Gerdau. By striving to transform our workplace, we help achieve UN Sustainable Development Goal (SDG) 10, which aims to reduce inequality, and empower and promote the social, economic and political inclusion of all. Gerdau aspires to be one of

Employee Priscilla dos Santos Chagas, São Paulo office (SP)



the most inclusive companies in the industrial sector, with a team that reflects the rich diversity of society.

The company works to ensure all its employees are committed to promoting equity, thus creating an inclusive culture of respect and appreciation for diversity. This commitment is reflected in practical inclusion initiatives that combat all forms of discrimination and prejudice, focusing on the following priority areas: gender, race and ethnicity, people with disabilities, 50+ people and LGBTI+.

Our DE&I strategy in 2023 accordingly followed three objectives:

Increase diversity and representation	Inclusive workplace and culture	Positively impacting society
Have the full diversity of society represented in our teams.	Forge a culture of respect and appreciation for diversity. Create a positive, collaborative and trusting workplace where everyone feels comfortable in expressing different opinions.	By fulfilling our purpose through actions that nurture diversity and with the desire to leave a legacy for society.



Our targets achieved in 2023

- 26.1%** women in leadership positions (global)
- 27.6%** black people in leadership positions (Brazil)
- 5%** people with disabilities (PwD) (in Brazil)



Our commitments through 2025

- 30%** women in leadership positions (global)
- 30%** black people in leadership (Brazil)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Sustainable Growth

	2019	2020	2021	2022	2023	2024 Targets
Women in our operations	2.3%	4.3%	7.9%	9.1%	9.6%	10%
Women in leadership positions	19%	20.6%	23.6%	25.7%	27.4%*	28%
Black people in leadership positions	16.5%	25.2%	26.3%	26.6%	27.6%	28%
People with disabilities	2.9%	3.1%	3.2%	4%	5%	5%

*This women in leadership result pertains to operations in Brazil. The global result was 26.1%.

The power of intentionality in our actions - from 2019 to 2023

-  **2,800+** women
We have nearly doubled the number of women at Gerdau globally.
-  The number of black people in leadership positions has risen by **60%**.
-  And the number of women in leadership roles has risen by **60%**.
-  The number of people with disabilities has grown by over **50%**, now standing at **5%**.
-  We have included over **1,110** women in our operations in Brazil.


We achieved our goal for women in leadership in Brazil and fell just short of our goal for black individuals in leadership in 2023. For the first time, we met the legal quota of 5% for people with disabilities in our workforce in Brazil. To continue advancing our objectives and commitments, we rely on guidelines, tools and programs such as the Diversity and Inclusion Policy, the Diversity Committee, and Affinity Groups.

- Diversity and Inclusion Policy: available to internal personnel on the intranet and to external stakeholders on the Investor Relations website. It provides guidelines for a “diverse and inclusive workplace” and “doing the right thing,” two of Gerdau’s DE&I principles, alongside leadership responsibilities, diversity governance, accessibility and things we do not tolerate.

- Diversity Committee: comprising about 70 people (one or more representatives from each unit in Brazil), it supports the DE&I function in executing actions locally, considering the specificities of each Gerdau mill. It is jointly responsible for monitoring demographic indicators and rolling out engagement and communication actions with leadership and teams.

- Affinity Groups: we have structured five affinity groups to map, design and execute actions focused on gender, people with disabilities (PwD), LGBTI+, race and ethnicity, and people 50+. Each group is composed of up to 30 members, a facilitating leader and a sponsor – a senior executive who oversees actions and strategies and acts as an ally for the topic. The responsible person receives mentoring and training in the pillar they will be working on, adding more knowledge to their contributions.



 **LEARN** about our Diversity and Inclusion Policy on the [Investor Relations](#) webpage.



Employee Bruna Bressanin, Pindamonhangaba mill (SP)


Contents

Messages

About this report

Value creation model

About us

 **Human and intellectual capital**

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

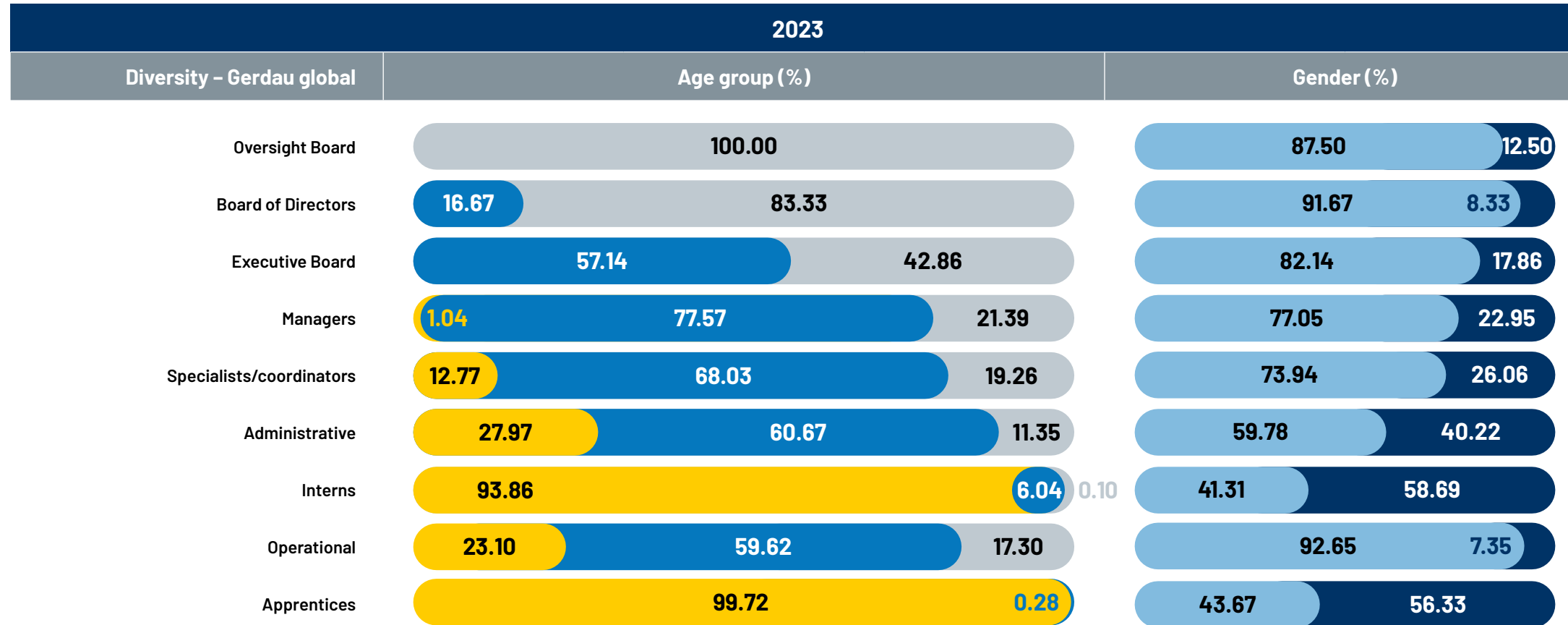
External Assurance Letter

Appendices

Credits

Employees by age group and gender

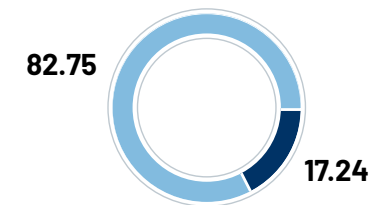
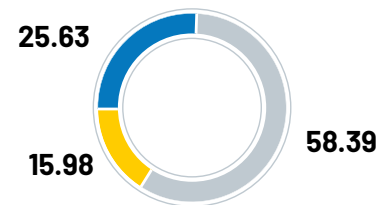
GRI 405-1



LEGENDS

- AGE GROUP**
 - <30 years
 - 30-50 years
 - >50 years
- GENDER**
 - Men
 - Women

% TOTAL



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Increase diversity and representation

Helda Gerdau Program: Fast-tracks the preparation of the female pipeline for managerial positions. It targets women in entry-level leadership roles (specialists and coordinators) with more than three years' experience in the position. Approved participants undergo 12 months of development in business, project management and female leadership. Since the program's inception in 2021 and until december 2023, 75% of participants have been promoted to positions with greater scope and responsibility. In 2023, we conducted the second cohort and the first with a global scope, covering all general management operations.



Graduation of the 2023 class of the Helda Program

Entrelaço: A program for creating and strengthening networking among Gerdau's female managers. More than 60 managers participate in this network and forge connections beyond the Program.

PwD Inclusion: A series of initiatives led us to achieve the goal and legal obligation in 2023 of having 5% of our employees as people with disabilities. Initiatives included training people with disabilities for operational roles, training the health team for better evaluation and support, and changing the mindset in defining job requirements, creating accessibility solutions. Improvements were also made to the internal travel policy, now allowing a companion if necessary, and offering the option of working from home three days a week to meet the specific needs of people with disabilities.



Potências Gerdau: A mentoring program that connects senior leadership with black individuals in coordination and specialist roles (entry-level positions) who want to enhance their potential. The goal is to hone leadership skills to advance racial equity. The mentorship is conducted by experienced internal professionals who share expertise, learnings and relevant information for the development of their colleagues.

50+ Actions: We are preparing for specific initiatives targeting people aged 50+, starting with a rule that lifts age limitations for any position. Although not an explicit rule previously, it is now reinforced that age does not define job eligibility, including for interns and trainees.



Inclusive workplace and culture

Diversity Survey: Conducted every two or three years, the next edition is scheduled for 2025. It considers social markers and diversity pillars (race, gender, LGBTI+, age and people with disabilities) along with employee journey analysis (eNPS) and approval ratings, which together form the perception of inclusion at Gerdau. The consolidated results of the 2022 survey showed an increase in the representation of LGBTI+ individuals in the company, reaching 5% of our workforce, spurring the creation of a more respectful and welcoming environment for them and everyone.

D&I Training Pathway: Gerdau provides training and opportunities for reflection and awareness, and fuels conversations around diversity, equity and inclusion. Leadership receives mandatory Inclusive Leadership training, equipping them to lead teams that respect individual differences and challenge biases. The Unconscious Bias training, which was previously in-person, is now available online and is mandatory for everyone, as is the Harassment training. There are also non-mandatory topics available, such as LGBTI+: How to Be an Ally.

Responsible Masculinity Pathway (PMR) and Harassment:



This training aims to teach men to become allies in gender equity and to discuss issues of responsible masculinity. This is a work front of the Gerdau with Elas gender affinity group, which also

has a platform with videos and training on the role of men in building a society with equal opportunities.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Positively impacting society

Inspire Gerdau: This program encourages partner companies to implement sound diversity and inclusion practices. In return, we offer a training track in management on this topic to support the development and implementation of actions, which includes legal services. In 2022, we established new ESG clauses for contracts made by the Procurement team in Brazil. Social Pillar: the diversity and inclusion clause aims to foster a diverse, inclusive and respectful workplace for people and to provide a means or channel for reporting. The social investment clause allows suppliers to voluntarily engage in actions that bequeath a positive legacy for society. Our environmental commitment includes encouraging the use of renewable energy or biofuels. In 2023, we began conducting workshops, training sessions and a census. A total of 230 companies participated in the initiative, with 80% responding to the census, and 65% of them progressing in the evaluated diversity KPIs. We believe this progress results from our approach of tutoring our partners in this area rather than merely demanding that they advance.

Lapidar project: An initiative by the Brazilian Institute of Mining Law (IBDM) and Gerdau Legal aimed at training self-declared black professionals who are studying or have graduated in Law. In its first edition in 2022, the project offered a 100% free specialization course in Mining Law, with the

Sponsorships that value women

Gerdau became the master sponsor of Cruzeiro's ladies soccer team, being the first sponsor of women's soccer in the club's history. In a sport that still faces challenges and prejudice, Gerdau is already seeing results on and off the field. Cruzeiro is becoming one of the leading teams in women's soccer in Brazil. The team is the Minas Gerais state champion and runner-up in the Brazil Super Cup, and has now returned to the top flight of the Brasileirão championship. We also sponsor the women's volleyball team of Minas Tênis Clube. Gerdau Minas aims to value the youth categories and schools in the municipalities of Ouro Branco and Itabirito. Gerdau Minas is the current champion of the Women's Superliga, the main competition in the sport in Brazil.



Cruzeiro Women's Football

goal of fast-tracking these professionals' careers in the legal market. In 2023, we invited legal sector professionals to mentor the participants, creating networking, opening doors, and recommending them for opportunities. In partnership with LinkedIn and Gerdau's Talent Acquisition team, workshops were held on how to position oneself on the platform and present to the market.

Diversity Week

In 2023, all employees were invited to participate in Gerdau's Diversity Week. The event's schedule included lectures, debates and film screenings to engage the audience in DE&I-related issues.

Our public commitments



Pride Month

Highlighting the importance of respect for diversity, during LGBTI+ Pride Month, we conducted institutional campaigns on social media to raise awareness of the cause among the general public.



[CLICK HERE](#) to learn about the information on the proportion between the base salary and the remuneration received by women compared to that received by men at Gerdau, available in the appendix to this report.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Innovation & technology

GRI 3-3. Management of material topics

For Gerdau, innovation and digital transformation in processes and products enable us to keep up with and anticipate customer needs, creating and enhancing value propositions that ensure their satisfaction and loyalty. It also helps improve production processes, cutting costs, increasing efficiency, gaining market competitiveness and advancing sustainability indicators. Innovation unlocks new business opportunities and keeps the company apace with key market trends and future opportunities.

Innovation and technology developed at Gerdau in 2023 at breakneck speed, enabling business transformation guided by major pillars that direct business strategy: customer, integrated supply chain, Industry 4.0, raw material optimization, and next-generation sales. These levers permeate the development of projects and products that support the company's growth while keeping up with the trends of a hyperconnected and sustainable society.

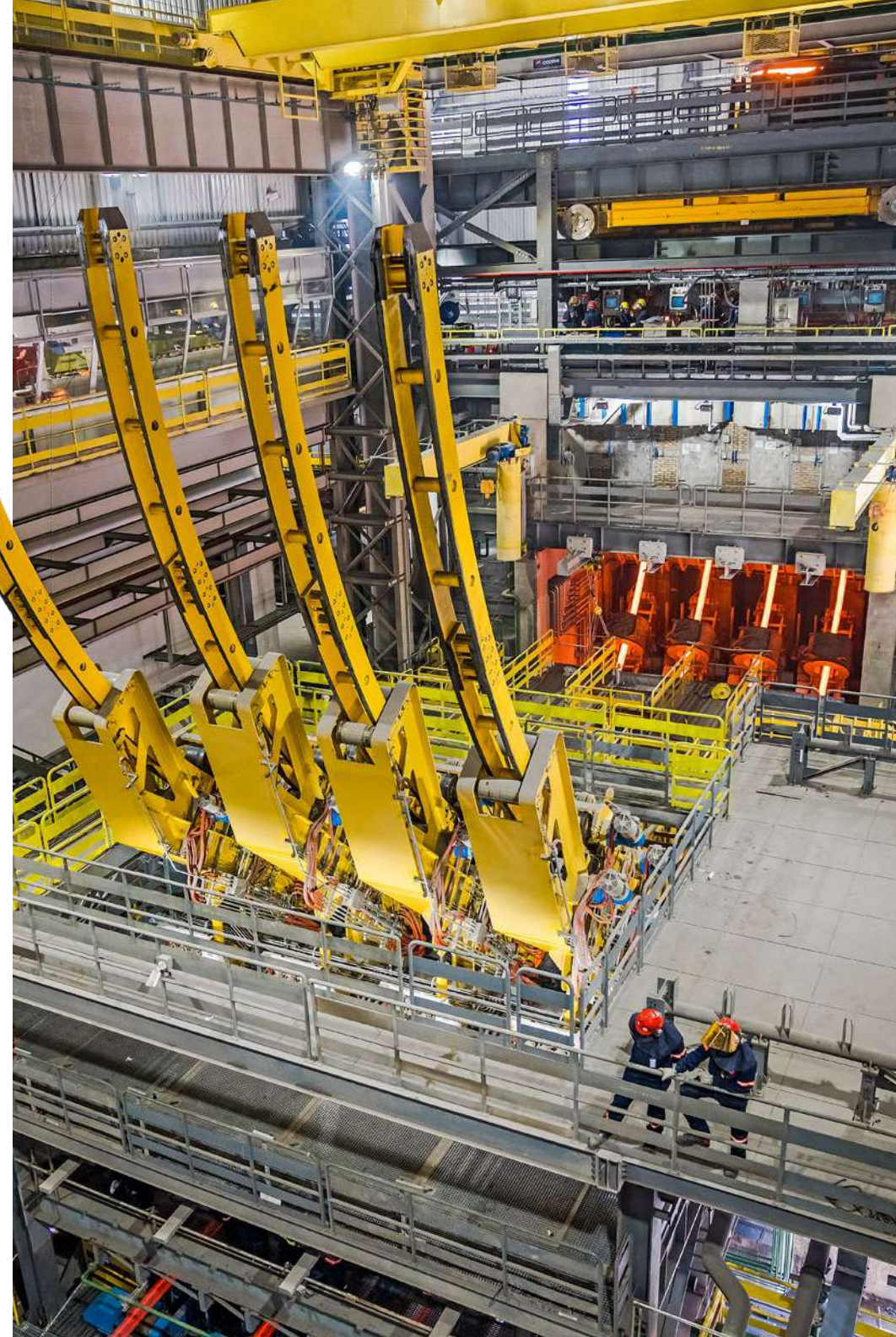
Artificial intelligence

Amid all this, we have undertaken actions aimed at creating value through generative, artificial intelligence, used to create digital content, like ChatGPT, and administered training in data capabilities. Our corporate education tracks, Siga Digital and Siga Data, trained 1,000 employees in 2023.

To disseminate information and develop people prepared to meet new technology demands and the next-generation sales, we created two open projects for society: Data4All and the AI Innovation Center.

Artificial intelligence is also present in our Industry 4.0 pillar projects, which advanced last year. One of the Innovation and Technology perspectives for 2024 is to create a multidisciplinary group to exchange ideas on how the company can leverage innovation more.

New continuous caster at the Pindamonhangaba mill (SP), inaugurated in 2023



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits



Employee Miguel Lazzari, Argentina mill

Discover some of our digital and innovation initiatives:

Data 4 All

Gerdaу's free technology education platform offers courses in data technology. The platform offers 200 available classes, with over 5,000 members of the general public and 1,500 Gerdaу employees enrolled in 2023. The Free Diversity and Inclusion Data Training Program – a pilot project for self-declared brown and black individuals – was swamped with over 10,000 applications in 13 days. The project's content, funded by Gerdaу and Randstad, includes programming logic, programming techniques, databases, statistics, machine learning, and cloud computing with AWS.

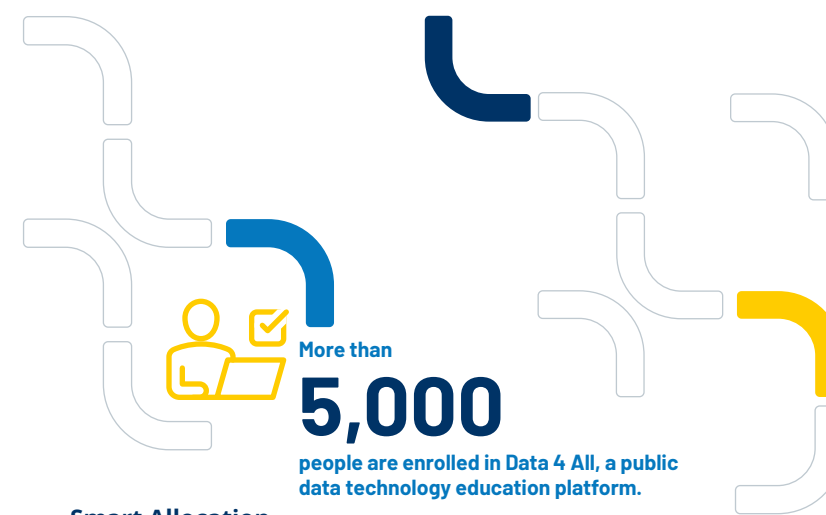
AI Innovation Center

The center is the unit responsible for intensive innovation in artificial intelligence. It evaluates and enables AI techniques, capabilities, partners and solutions.

Digital twins

Digital twins are virtual representations of existing processes at our industrial facilities; real-time data is used to model different manufacturing and production sequencing scenarios, helping to quickly and securely identify trade offs, and to interpret real-world behavior in a digital environment, and making processes more efficient, leading to gains in the consumption of raw materials, for example. This technology is deployed in our three main production lines (planning, control and scheduling): Integrated mill process (Ouro Branco), Bio-reducer mill process (Divinópolis, Barão de Cocais and Sete Lagoas) and Electric arc furnace process (scrap).

Employees Italo Iuri and Leandro Leones, Caucaia mill (CE)



Smart Allocation

This solution identifies the best order allocations based on predefined parameters such as cost to serve, inventory and production, aggregated demand, constraints, and rules. The tool reduces delays and provides a more seamless customer experience, allowing customers to work with lower inventory levels.

Both the Digital Twins project and Smart Allocation yield environmental benefits, such as lower emissions and better energy efficiency.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Gerdau Mais

The customer is at the center of Gerdau Mais, a solution that is in its second phase of implementation, transitioning from project to product. Launched in 2022, this business platform features self-service functionalities, development of the product and service purchase journey, and strategic definition of digital versus offline transactions. In 2023, we worked to provide more autonomy, predictability and transparency to customers, introducing new services that enable more efficient management of their business with Gerdau. More than 50% of our customers are now using the platform. New functionalities include a cut and fold verification app, a new BIM library, and Voice of the Customer (a direct post-sale channel).

GERDAU mais



The first industry with 5G in Brazil

Connectivity is undoubtedly an essential resource for business, and investing in fast and secure support networks is one of our goals. We accordingly implemented the first dedicated private 5G and LTE 4G network at the Ouro Branco (MG) industrial mill, creating an IT backbone (transport network) to drive business digitalization. This is the first project to use fifth-generation mobile internet in the steel sector in Latin America. The goal is to advance the Industry 4.0 concept to leverage automation, productivity, flexibility, visibility, traceability, data usage, and safety in processes, including planning, production and logistics.

Digital Factory

The Digital Factory's mission is to transform people's lives and open up business opportunities through technological innovation and agility as an organizational strategy. This area reviews behaviors, processes, methods, new digital careers, and the evolution of our products, services and processes. The Digital Factory team encourages collaborative work with specialties such as Agile Coach and Scrum Master, to upgrade our work methods; UX – Design, focusing on putting the customer at the center of decisions to create impeccable experiences; Change Management, which supports and assesses the impact on people and processes for project success; and Digital Products, which creates an evolving routine of experimentation, focusing on our market and the future we seek. One of our pillars is enhancing the customer experience strategy, analyzing financial viability, technological progress and scale, enabling transformation, and evaluating human impact, organizational design, connection with technologies, and agile methods.

USA employees



Information security

GRI 3-3. Strategic topic management

Information security is deeply rooted in our digital transformation process. We understand the importance of protecting the company's and our customers' internal information and data. We therefore adopt and revere best practices that safeguard the integrity and confidentiality of this information.

We have a specialized Digital Security team that covers all security and data privacy disciplines. Our specialists constantly monitor potential threats and implement proactive security solutions. Moreover, we conduct regular audits to ensure compliance with best practices and the latest security standards.

Gerdau also has a structured personal data protection and privacy program – in compliance with regulations in all countries where it operates, including Brazil's General Data Protection Law (LGPD/Law No. 13.709/2018) – which is certified by an independent body.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Product innovation

High-strength rebar

Gerdau GG 70 rebar, the first high-strength rebar on the market, is a CA-50 category steel that meets clients' needs for a high-performance solution with significant productivity and sustainability gains. The product targets the construction segment and especially infrastructure and industrial and retail construction. This solution will improve the utilization of direct and indirect inputs, meaning increased job productivity and sustainability on the worksite, and can be fully welded at all gages. It combines high performance and low cost with a smaller environmental impact. Produced on demand at our Divinópolis (MG) mill, the new rebar has upgraded Gerdau's product portfolio for the construction industry.

Technological packaging

The new packaging for Gerdau's nail line uses 1% Poly-G, the first masterbatch with graphene dispersed in polymers, developed by Gerdau Graphene. Benefits include improved mechanical properties of the packaging, allowing a 25% reduction in thickness; increased resistance, resulting in a 39% reduction in packaging process losses; and reduced consumption of raw materials, electricity and greenhouse gas emissions for production (read more in Gerdau Next).



Special steel

We launched two new products featuring Gerdau Tech Ecomachining technology:

- 1141 Steel, for application in the diesel injection system, enabling us to nationalize the component through better machining performance in precision machines.
- 4142 Steel, which can achieve a 40% to 90% longer tool life than the 4142 Gerdau Custom for rough turning operations.

Long and flat steel

We launched the following products in 2023:

- Gerdau 10" Rolled U Profile, used in the construction of metal structures, machinery and general equipment. Along with the 8" U Profile, Gerdau is now the only steel company in Brazil to manufacture these options. Due to its dimensions and sloped flanges, the 10" U Profile provides robustness and excellent mechanical properties for projects, plus productivity gains compared to welded and folded solutions.

- A and W Spacers, used as rebar spacers, replacing less productive positioning solutions like crabs and trusses, which are heavier than necessary. These spacers allow us to decrease material use.

- Gerdau High-Strength Flat Bars (AR600 and AR700): suitable for use in beam and strap elements for the flanges of heavy-duty vehicle chassis. Its high mechanical strength allows us to reduce the structure's weight and increase the payload of truck trailers and bodies. The new Flat Bars are produced with microalloyed steel and are hot-rolled. The material contains grain refiners, providing high mechanical strength, elongation and excellent weldability without the need for heat treatment. DNV GL 485 FDU thick steel plates are offshore piping used in oil and gas extraction operations in the ocean. With this innovation, Gerdau has become part of a select group of steel mills worldwide capable of supplying heavy plates for highly complex oil & gas pipeline projects in large volumes.

- Environmental Declarations for Products: Gerdau products now have EPD (Environmental Product Declaration) certification, ensuring transparency and commitment to the environment. Learn more on [page 82](#).



G70 rebar

Gerdau Best of the Earth Award

In a drive to encourage innovation even outside the company, the 35th edition of the Gerdau Best of the Earth Award, held during the 46th edition of Expoiner, Latin America's leading agricultural fair, recognized the best projects at the event entered into the award, among manufacturers of agricultural machinery and equipment and software companies focused on the agricultural segment. This action reaffirms Gerdau's commitment to the sector's development.



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

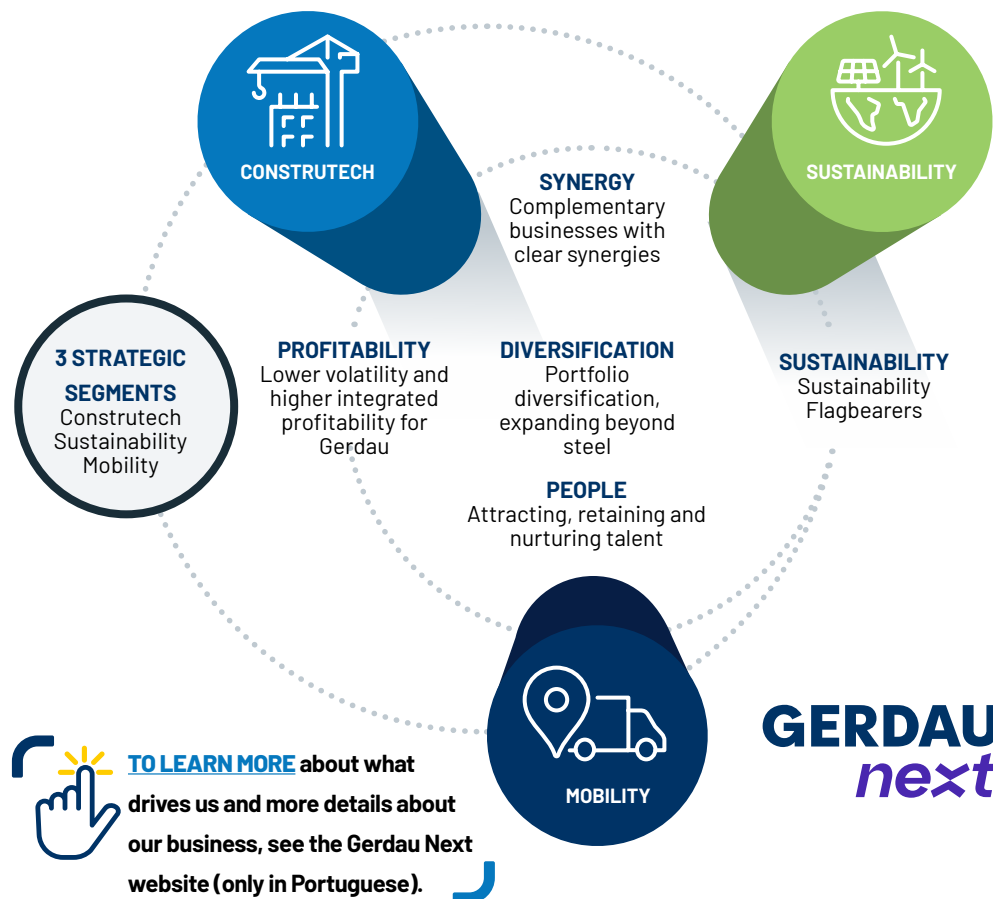
Appendices

Credits

Gerdau Next

Launched in 2020, the Gerdau Next division has completed three years with learnings and a positive outlook for the years ahead in the segments of construtech, mobility, and sustainability.

Gerdau Next aims to manage and develop a portfolio of new businesses, diversifying it globally by forming new companies in strategic segments:



TO LEARN MORE about what drives us and more details about our business, see the Gerdau Next website (only in Portuguese).

Gerdau Next Companies

In line with the Gerdau Culture and driven by entrepreneurship and innovation, the companies within the Gerdau Next portfolio are aligned with the company's strategy, especially ESG, as they contribute to various environmental issues such as clean energy, more sustainable construction and efficient mobility.

CONSTRUTECH

Brasil ao Cubo (BR3)

A construtech that serves the entire country with a focus on speed, delivering completed projects four times faster than a standard project while ensuring construction excellence. This remarkable speed in delivery is made possible by BR3's construction model: off-site modular construction, meaning outside the construction site. This means that almost 100% of the building is made in the Brasil ao Cubo factory, transported in "sections" to the destination, where these parts (modules) are then assembled on the foundations. It operates in four market segments: industrial, residential, hospital, and multi-story buildings, offering agile construction solutions. It was responsible for constructing several hospitals during the pandemic and



Edifício Level building, constructed using modular construction in Santa Catarina

industrial projects such as the Suzano Logistics Terminal at Port of Itaquí (MA), the expansion of Hospital Albert Einstein (SP), and the expansion of Ambev's Training Center in Jacaréí (SP), among other projects.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits



G2Base

A construtech focused on increasing safety and productivity across the entire chain of works foundations, G2Base offer clients a new experience through innovative processes and cutting-edge technology, reducing lead times, increasing efficiency and minimizing waste. G2Base presents itself in the foundations market as a robust, reliable and competitive alternative for those needing safety, speed and efficiency to deliver medium and large-scale civil construction projects. It was responsible for projects like the Suzano Logistics Terminal at Port of Itaqui (MA), the São Francisco River Bridge (MG), and the IGESP Hospital in Praia Grande (SP).



MOBILITY

Addiante

Addiante specializes in renting Trucks, Trailers and Bodies, and Machinery from the Yellow and Green lines. It provides innovative and disruptive solutions that accompany the entire customer journey. We have a Control Tower that monitors the main fleet indicators in real-time, including fuel management, tires, tolls, preventive and corrective maintenance, as well as tracking and monitoring solutions. With this diversified approach, Addiante tailors its services to meet each client's specific needs.



G2L

G2L is the digital logistics operator of Gerdau, the largest Brazilian steel producer. With 25 branches strategically distributed across Brazil, G2L serves more than 4,000 Brazilian cities, offering seamless logistics solutions such as highway transportation, multimodal transport, yard management, distribution center management, intralogistics, and freight management, to more than 80 clients from various sectors, such as chemicals, steel, construction, retail, paper and pulp, and agriculture.



Vector IND

Vector is Gerdau's Logtech. It offers seamless, dynamic and scalable digital solutions for Industry logistics. Besides cargo matching, its value proposition includes fintech and digital transport functionalities, providing operational synergy and collaborative processes throughout the logistics chain, increasing productivity for shippers, and improving time and life quality for carriers (fleet owners and independent drivers).



Juntos Somos+ [Together we are More+]

The largest construction materials marketplace and loyalty program in Brazil, a joint venture between Gerdau, Votorantim Cimentos and Grupo Tigre, moves a total gross merchandise volume of R\$ 9 billion per year. In 2023, the sales platform transacted R\$ 10 billion. Revenue grew by 30%. In 2024, Together we are More+ left the Gerdau Next structure and became part of ON Brasil de Aços Longos e Planos.



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

SUSTAINABILITY



Newave Energia GRI 201-2

With the goal of expediting the country's energy transition, Newave provides end-to-end solutions, from clean energy generation to marketing, providing significant cost savings for customers. Newave completed the acquisition of the Arinos Solar Farm in Minas Gerais from Voltalia group. This future project represents a strategic step in reducing greenhouse gas (GHG) emissions and is expected to be completed by the end of 2024, under a total investment of around R\$ 1.4 billion. The new solar energy cluster will have an installed generation capacity of approximately 420 MWp and will include an energy substation. The plant's installed photovoltaic capacity is equivalent to 7% of Gerdau's annual energy consumption in Brazil, based on 2022 production, and is estimated to reduce emissions by up to 22,000 tons of CO₂ per year.



Gerdau Graphene

Graphene combines strength, lightness and flexibility, and is an excellent conductor of heat and electricity. Gerdau Graphene transforms graphene into solutions to compose mineral chemical additives and masterbatches for the paint, cement (concrete and mortar), plastics, rubber and lubricants industries. The use of graphene also affords sustainability to the materials it is combined with.



Gerdau Graphene launched its first products in 2023. One of them is Poly-G, a masterbatch with graphene dispersed in polymers, which transforms the production of films, profiles and sheet through extrusion, resulting in lighter and more durable products, with up to 40% reduction in plastic use. It also improves mechanical and thermal properties, allowing for more robust and efficient final products. Gerdau's Long Steel line is already using Poly-G: the company's new nail packaging uses 1% of the product in its composition.



This is our corporate venture capital unit and startup accelerator. Gerdau Next Ventures aims to prepare Brazil's largest steel producer for the future. It achieves this by identifying disruptive market trends and transforming this information into strategic intelligence and insights for the company, and by fostering entrepreneurship focused on the future of our business. Ventures accelerates and invests in startups with high growth potential and strategic alignment with Gerdau.

In 2023, we acquired an interest in Ai Fleet, a technology-based logistics startup.



Ai Fleet is the first full-stack carrier driven by artificial intelligence, employing proprietary technology to operate more efficiently and provide a radically superior experience for its drivers.

Ai Fleet joins the portfolio of technology companies in mobility within Gerdau Next Ventures, alongside Cubbo,



a logistics and fulfillment startup aiming to become a sector leader in Latin America.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Social and relationship capital

- 56 Stakeholder engagement
- 60 Community presence
- 65 Our customers
- 67 Our suppliers

Employees Reginaldo Silva Souza and Luciana Cristina Tamburu Marques, São Paulo office (SP)

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

➤ **Social and relationship capital**

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Stakeholder relations

GRI 2-29



Stakeholder engagement is strategic to our business. As the largest Brazilian steel producer, with operations elsewhere in the Americas and around 30,000 employees, we are aware of our operations' social impact. For us, investing in rewarding and enduring relationships underpinned by transparency and dialog is fundamental. We approach this topic with strategy and seriousness.

We have created a stakeholder relationship map that defines the role of each function responsible for stakeholder relations, such as analysts, investors, communities, customers, suppliers, governments, the third sector, the press, and society, to identify and manage the impacts of our operations on the economy, the environment and people. The results of this process and the efficiency of the projects are analyzed by the

AT GERDAU, 100% OF THE OPERATIONS HAVE IMPLEMENTED ENGAGEMENT PROCESSES, IMPACT ASSESSMENTS, AND/OR DEVELOPMENT PROGRAMS FOCUSED ON THE LOCAL COMMUNITY.

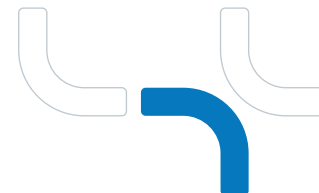
GRI 413-1

Divinópolis mill (MG)

C-level executives and the Board of Directors members in quarterly meetings of the Strategy and Sustainability Committee.

We actively listen to the opinions, perceptions and requests of our stakeholders to identify opportunities to improve our practices. To ensure engagement and dialog with Brazilian society, quarterly meetings are held with investors, market analysts and the press to present our results, and annual public meetings are held with communities neighboring our operations. We participate in trade associations and public meetings with authorities and other public bodies. And we always align the demands with the business strategy.

In the dialog maintained with internal and external stakeholders, we preempt possible demands associated with relevant environmental aspects, aiding sustainable development and the maintenance of the company's image and good reputation. The findings of the environmental and social impact assessments we conduct are disclosed in this annual report and the minutes of the Board of Directors' meetings and general meetings.



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Identifying impacts

GRI 413-2, GRI 2-25

All our operations, whether mining or industrial, exert some degree of impact on Gerdau's local communities. One way to identify these impacts is through direct relationships with stakeholders, who report perceived and/or caused negative impacts by our operations. Each reported impact is evaluated, seeking to map the motivating factor. Whenever necessary, remediation actions are taken. Gerdau is transparent with the data sent to stakeholders about operational risks and makes itself available in periodic meetings with the communities in its geographies.

To detect and address complaints, we have relationship and whistleblowing channels available for local communities and other stakeholders, where issues and facts involving the company or its professionals can be reported. The contact methods are via phone, email and website (see Ethics Hotline), in addition to messaging apps.

We involve our stakeholders in the design, review, operation and improvement of these instruments through accountability, based on reports made through the company's contact channels. To track the effectiveness of the complaint mechanisms and other remediation processes, Gerdau internally calculates the response rate and the period in which the response is sent to the person who registered the complaint.

Sahagún mill, Mexico



Prosa de Vizinhos

Prosa de Vizinhos is our relationship channel that brings us closer to community representatives and was implemented to foster greater cooperation and active listening. We thus seek to establish a more fluid and healthy relationship with the communities near our operations, using technology to organize data and ensure accuracy when managing social risks.

This tool contributes to:

- Achieving social legitimacy
- Crisis prevention, managing critical social concerns
- Promoting the management of the business's social risks
- Forging positive relationships with stakeholders.

The platform is implemented in Gerdau's operations in Minas Gerais, as it is the Brazilian state with the greatest complexity with operations spanning all the company's fronts: forestry, mining and steelmaking. We are considering expanding the program to other units in the country.

CONSOLIDATED Barão de Cocais, Divinópolis and Ouro Branco sites, Mining and Gerdau Forestry – all in Minas Gerais state	Total in 2023		
	Recorded	Outstanding	Closed
Submissions in Prosa de vizinhos	1363	88	1275
Complaints	366	41	325
Neutral/Favorable (request, suggestion, compliment)	949	42	907
Reports	48	5	43

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Interacting with organizations

Gerdau maintains policies and regulations related to its interactions with organizations representing the sector, public entities, and other institutional stakeholders relevant to the business. Our specific corporate guidelines for relationships with government agents guides these contracts, whether they are direct or through a representative.

All our businesses and productive activities must comply with various tax, environmental, legal and regulatory obligations. Our Code of Ethics and Conduct states that our employees must rigorously abide by anticorruption and anti-money laundering activities in all geographies. Directly or indirectly (via third parties) offering, promising, making, authorizing, or providing undue advantages, payments, gifts, or the transfer of any valuable to any person, whether a government agent or not, to illegally influence or reward any official action or possible decision in the company's favor is strictly prohibited. The applicable rules and regulations that govern our relationship with government agents are reviewed from time to time, and encourage ethics, honesty, and transparency in business.

We actively participate in the leading national and international associations of importance in

the sector. This practice enables the company to stay connected with new experiences, debates and strategic decisions in the business world in harmony with sustainable development.

At Gerdau, all operations with implemented local community engagement, impact assessments, and/or development programs for the local community.

GRI 413-1

Associations of which we are members GRI 2-28

- **Asociación Latinoamericana del Acero (Alacero)**
- **Brazilian Association of Wholesale and Free-Market Power Consumers (ABRACE)**
- **Brazilian Association of Self Generators (Abiape)**
- **Brazilian Association of Listed Companies (Abrasca)**
- **Brazilian Association for Business Communications (ABERJE)**
- **Minas Gerais Forestry Industry Association (Amif)**
- **National Association of Transportation Users (Anut)**
- **American Chamber of Commerce for Brazil (AmCham)**
- **Conscientious Capitalism**
- **National Confederation of Industries (CNI)**
- **Court**
- **Minas Gerais State Industry Federation (FIEMG)**
- **Rio de Janeiro State Industry Federation (FIRJAN)**
- **São Paulo State Industry Federation (FIESP)**
- **Rio Grande do Sul State Federation of Industry (Fiergs)**
- **Instituto Aço Brasil (IABr)**
- **Brazilian Mining Institute (IBRAM)**
- **Brazilian Investor Relations Institute (IBRI)**
- **Brazilian Institute for Corporate Governance (IBGC)**
- **Business Research Institute (IEE)**
- **Industrial Development Research Institute (IEDI)**
- **Instituto Millenium**
- **Brazilian Forestry Association (IBÁ)**
- **Lide - Business Leaders Group**
- **Competitive Brazil Movement (MBC)**
- **The United Nations (UN) Global Compact**
- **World Steel Association**
- **World Economic Forum (WEF)**



Events to celebrate sports sponsorships in Belo Horizonte (MG)

SPORTS AS A PLATFORM FOR SOCIAL TRANSFORMATION

In 2023, Gerdau officially sponsored the youth teams (U-17 and U-20) of the Rio Grande do Sul clubs Grêmio Foot-Ball Porto Alegrense and Sport Club Internacional. In Minas Gerais, our sponsorship of the professional and youth categories of Clube Atlético Mineiro was renewed, as was the master sponsorship of the women’s volleyball team of Minas Tênis Clube. The company is also the master sponsor of the women’s football team of Cruzeiro Esporte Clube.

Gerdau believes in sport as a platform for social transformation and thus seeks to

support teams and initiatives that contribute to this goal, such as Galo Social. We were the first company to support the initiative, which embraces 240 boys and girls aged 6 to 18, who live near Cidade do Galo, the club’s training center in Vespasiano (MG). The project provides educational support from a multidisciplinary team to the young people within the training center and access to sports practice, following the club’s methodology. The children also benefit from transportation from school to Cidade do Galo, supported by the municipal government, and are given snacks at the

activity location. The young athletes residing at Cidade do Galo also benefit from the partnership between the company and the club, having access to complete infrastructure, including a gym, restaurant, pedagogy room, library, games room, computer room, and medical, physiotherapy and dental departments, among other facilities.

Bia Orlando Bento, an athlete trained by the social project of Minas Tênis Clube



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

➤ Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Presence in communities

Human rights

SASB-MM-210a.3

Gerdau has a Human Rights Policy and a Diversity and Inclusion Policy, applicable to all company operations and aligned with the UN Universal Declaration of Human Rights.

The company has a structured process to assess risks/impacts related to human rights. Our operational units have a local risk committee, composed of leadership, which meets monthly to proactively discuss risks related to our activities. All mining areas have focal points that instill risk management into the routine, identifying and addressing risks in their processes. All discussed and addressed risks are reported monthly to the corporate risk team (Gerdau Brazil).

The identified risks include occupational health and safety, failure in corporate responsibility management, community relations and air emissions, among others. The company has also assessed social and environmental risks in the supply chain.

Community relations

GRI 3-3 - Management of material topics, 413-1

Our relationship with the communities in our geographies is part of our material topics and a principle the company invests in, aware of its role in society and the communities it serves. Beyond maintaining an open dialog with this group to ease the potential negative impacts of our operations, we recognize the importance of initiatives that positively contribute to building a better society.

We therefore aim to catalyze transformation by making social investments, allocating resources and supporting initiatives in three priority areas: housing, entrepreneurial education and recycling.

We seek to engage communities in this transformation journey by listening to their demands through regular meetings. We also ramp up social engagement by participating in social agenda forums in Brazil, Latin America, North America and globally.

Our relationship with the communities is guided by our Sustainability Policy and the Corporate Social Responsibility Guidelines. We have targets for the number of people benefited, businesses developed, active volunteers, and investment.

In 2023, we strengthened the major projects we have been dedicated to in recent years with an investment of R\$ 59.6 million, following the strategy of building a legacy capable of transforming social situations.

Our social work



R\$ 59.6 million
in social investments



3,821
businesses supported

R\$ 30.9 million
of company funds

9.6% increase
on 2022

R\$ 28.7 million
of tax-deducted funds



2,456,386
people benefited



7,514 volunteers

43% increase
on 2022

Favela do Haiti, São Paulo (SP)





Work of Changes that Transform program in Minas Gerais

SOCIAL ACTION HIGHLIGHTS

■ **Reforma que Transforma Project** - Launched in 2021, with an initial investment of R\$ 40 million of Gerdau's own funds, the project covers 12 geographies, with the goal of delivering 13,000 renovations over 10 years, providing dignified, healthy and safe housing for more than 50,000 low-income people living in substandard conditions. It is the largest social project in Gerdau's history and responds to the demand for better housing throughout Brazil. Families can participate through special financing with below-market interest rates or by receiving the complete renovation as a donation. The impact of *Reforma que Transforma* goes beyond the families that receive the renovation, as it entails training the partners carrying out the renovations and stimulates the local economy, since all the labor and materials used are sourced from the territory where the work will be carried out, generating continuous economic impact in each city where it is implemented.

In 2023, there were:



■ **Gerando Falcões Partnership** - The NGO operates in a network to boost the impact of leaders in Brazilian favelas through social development. We partner with Gerando Falcões in various projects, such as the Falcons University, which fast-tracks social leaders, instructing them in topics like management, innovation, finance, communication and self-awareness. We finance the graduation of one leader per year. We have already had leaders graduate in Divinópolis (MG), Ouro Branco (MG), Rio de Janeiro (RJ) and in 2023, Recife (PE). In 2024, a leader from Rio Grande do Sul will graduate.

Another partnership is with the Favela 3D (Digital, Dignified and Developed) project, which restructures favelas to make a complete transformation, focusing on improving residents' quality of life. In 2023, we supported the Favela Marte restructuring project in São José do Rio Preto (SP), and partnered with the Favela Haiti project in the eastern zone of São Paulo (SP), together with the festival The Town, Volkswagen Group Foundation and the city government. The initiative impacted 290 families, equivalent to about a thousand people in total. The actions engender community strengthening, employability, entrepreneurship, professional training and individualized family support until December 2024. We bring our experience in community housing renovation to the table, which is a part of the housing axis of our social strategy.

■ **Gerdau Transforms Program** - Aimed at placing socially vulnerable people into the job market through entrepreneurship. The course offered has a proprietary methodology for deepening business knowledge, and latterly provides three months of follow-up through specialized mentoring and consulting, to ensure each business develops sustainably. In 2023, the program received 3,705 registrations, conducted in-person and via online classes and supported over 1,545 people with individual consulting. 77% of the students are now entrepreneurs.

 [LEARN MORE](#) about the Gerdau Transforms program (only in Portuguese).

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

We also run income-generating initiatives in the communities where we operate, observing and respecting the vocation of each locality. An example is the Cerâmica Santana project in Ouro Preto (MG), which gives a platform to artisanal ceramic production. For three months, participants receive technical and theoretical training in this craft, which is considered a cultural heritage of the state. At the end, the students present their creations in an exhibition organized specifically to showcase their work and highlight the beginning of a new professional journey.

Another example of an income-generating initiative is ELLAS Cultura e Transformação, a project that trains women in the fashion industry, providing tools for generating their own income. The participants are from Ouro Branco (MG) and Miguel Burnier, a district of Ouro Preto (MG). The goal is that by the end of the course, the students can generate their own income by producing and selling the garments they create in partnering digital and high-street stores. In November 2023, the e-commerce site was launched for selling the original pieces made by the women trained in the initiative. Those participating in the project are instructed on garment production, sewing methods, fabrics and color palettes, formalization of labor and the possibilities of formal commerce, and accounting and legal consultancy. **SASB MM-210b.1**



Corporate Social Volunteering Gerdau

Donating time and talent through volunteering is something that motivates Gerdau employees. The desire to engender transformation is genuine and spurs on thousands of our employees every year. In 2023, we saw an increase in volunteering compared to the previous year, to more than 7,500 participations, 43% above the previous year. One of the initiatives we resumed last year was the Gerdau's Volunteer Games.

The initiative mobilizes employees to participate in volunteering for institutions in their city at a specific time of the year. The action takes place in all the countries where we operate. In 2023, the chosen topics were "Transforming spaces" and "Safety awareness". We managed to engage 107 teams in 480 completed actions, with 3,587 active volunteers volunteering



for 25,259 hours, with 113,678 people benefited. The benefited institutions (NGOs, cooperatives and public schools) are chosen by employees. Our mills in Divinópolis, Barão de Cocais and Ouro Branco achieved the top three rankings in the games. The event has been held annually since 2022, and there will be a 3rd edition in 2024.



MM Gerdau Museum

The Mines and Metals Museum – MM Gerdau in Belo Horizonte (MG) runs initiatives focused on art, culture and heritage. Open since 2010, it has been funded by Gerdau since 2013. The partnership with the Minas state government completed 10 years last year, and more than 1.5 million visitors have attended free exhibitions, workshops and training sessions at the venue. The concession was renewed for another five years.



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Expanding communication with society

Branding work is also a form of relationship and engagement with the community, consumers and the general public. Continuing the strategy of expanding communication and relationships with society, in 2023 were attended important events and initiatives to bring the brand closer to the strategic public and raise awareness about the importance of steel in daily life and how it is a fundamental ally in the energy transition, being 100% recyclable.

Even as a B2B (business to business) company, the focus has been on humanizing communication and the brand for multiple creative fronts, connecting the company with innovative communication and engagement experiences, aiming to become an admired industry. Stepping up engagement with society resulting from these B2P (business to people) initiatives, Gerdau reinforces

its commitment to deconstructing the steel industry as a commodity and to position the brand before the target groups.

Much of this effort was initiated to seek greater social license amid a sector still stinging from public criticism, to modernize and rejuvenate the brand, to attract new talents and to differentiate Gerdau's image from its peers in the steel sector, valuing the production model and making our steel even more attractive to consumer markets.

■ **The Town Festival:** Gerdau sponsored The Town, a music, art and culture festival organized by Rock World, at the Interlagos Speedway (SP), featuring numerous national and international artists. The company leveraged the event's communication power, which brought together more than 500,000 people over five days and was broadcast nationally, to communicate its sustainable production model and connect with new generations. More than 300

tons of 100% recyclable Gerdau steel were used to form the festival's fixed and temporary structures, including entertainment equipment and building foundations. This partnership served as a metaphor to humanize and demystify the company's steel production model. We also built recreational spaces to interact with the public and reinforce recycling concepts. This branding initiative was a continuation of the successful partnership with Rock in Rio in 2022, as the organizers of both festivals are the same. This time, Gerdau also sponsored the Favela 3D social project, along with The Town and Gerando Falcões, for the renovation of Favela Haiti (read more in Presence in Communities).

■ **13th Sustainable Turnaround:** Gerdau presented the project "Futuristic Robots - the technological squad of the sustainable future" to the public, an initiative led by Coletivo Respect, OHSE and artist Alexandre Bergami. The three installations with the robot squad Equitron, Vitalis and Aquatron addressed sustainability and recycling concepts from a creative and educational approach, aligning with Sustainable Development Goal (SDG) 12 - Responsible Consumption and Production.

Festival The Town, São Paulo (SP)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

■ **South by Southwest (SXSW) 2023:** At the debut of the world’s largest innovation and creativity festival, held in the United States, Gerdau was an official partner and hosted a panel on affordable housing innovation and solutions. By participating in SXSW, the company brings the brand closer to the innovation ecosystem, debating solutions for a more sustainable future for the planet. The panel called Housing Innovation for the Base of the Pyramid, was in the Housing section of the festival and discussed housing solutions for low-income populations that include social inclusion and positive impacts on communities. Edu Lyra, the founder of Gerando Falcões, accompanied Gerdau at the event as a guest on the panel.

■ **Brazilian Surf Circuit:** Along with sponsoring the Dream Tour 2023, a championship organized by the Brazilian Surf Confederation (CBSurf), Gerdau provided the trophy for the champion and runner-ups of the Brazilian Surf Circuit.

Crafted by artist Manfra and made from 100% recyclable Gerdau steel with a low-carbon footprint, the idea was to convey the message of sustainability and environmental awareness to the tournament and highlight the positive impacts of material circularity and Brazil’s metal scrap recycling chain.

■ **São Paulo Formula 1 Grand Prix:** The Brazilian stage of the world’s largest motor racing competition was given steel from Gerdau, the event’s official supplier, to modernize interventions at the Interlagos Speedway, following sustainability parameters aligned with GP guidelines. New equipment and even recreational facilities were installed, such as new masts and a fixed system of structures for the audiovisual transmission of the race, covering the entire circuit, which will remain in place as a legacy for the city of São Paulo. Our steel was also in the trophy that honored the 30 years in F1 of Brazilian driver Rubens Barrichello and in the medals awarded to the volunteer signaling team.

São Paulo Formula 1 Grand Prix



WITH INITIATIVES FOCUSED ON THE BUSINESS TO PEOPLE CONCEPT, GERDAU IS EXPANDING DIALOGUE WITH SOCIETY AND POSITIONING THE BRAND IN RELATION TO STAKEHOLDERS.

Other actions and programs

Aprimorar [Improve] Program: In partnership with Senai, the free program fosters professional qualification in industry, training participants to perform roles such as welders, mechanical turners and electricians, among others. Some 800 people were trained in 2023.

B Company

Advancing our commitment under the B Movement Builders program and good sustainability practices, Gerdau announced the second operation classified as a B Company. Siderperu, a steel production operation in Peru, joined Gerdau Summit, a joint venture focused on supplying parts for wind energy generation, as the first two steel producers in the world to be B Companies.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

➤ **Social and relationship capital**

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

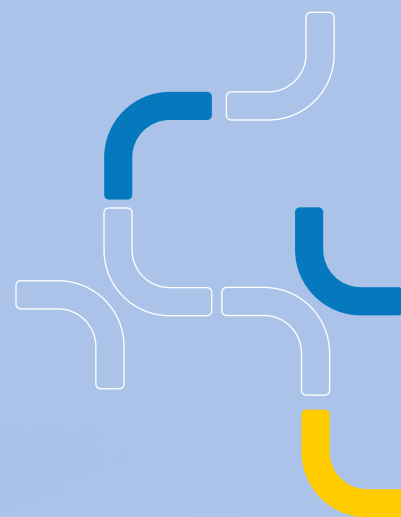
Our customers

For us, every customer is unique. From this principle, we place customers at the center of our business decisions and relationships. Our Passion for the Customer program involves the Sales, Marketing and Supply Chain departments to elevate our standards in terms of customer centricity and customer experience concepts.

The program's approach includes team behavioral issues, projects and the sharing of methodologies and concepts related to the topic, among other aspects. In 2022, we launched an innovative and technological business platform dedicated to providing the best customer experience. Currently in phase 2, Gerda Mais features self-service, development of the product and service purchase journey and

strategic definition of digital versus offline transactions (read more in Innovation and Technology).

Our customers have a team focused on connecting and offering Gerda's best solutions to the market, aiding them in developing products and solutions for the most diverse of industrial segments (wind, oil and gas, naval, railway, sugar and alcohol) in Brazil. Our exclusive consulting service for evaluating the best construction solution for each project's structure, Gerda Design analyzed more than 120 projects in 2023. With this support, we can offer our customers our complete construction portfolio and help them improve productivity, shorten project times and make sustainability gains.



We evaluate customer satisfaction and loyalty using the Net Promoter Score (NPS) metric, a strategic indicator for decision-making. We have trained over 500 employees from the Commercial, Marketing and Supply Chain department in customer centricity and NPS. Marketing also has a structure entirely dedicated to markets and customers, and Agile methodology squads to understand and meet their needs.



Expoiner 2023, in Esteio (RS)

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits



Gerdau at Concrete Show in São Paulo (SP)



We want to engage our customers in the sustainable journey. An example of how we do this is the launch of Environmental Product Declarations (EPDs) in Brazil, internationally recognized certificates that provide information on the environmental impacts of steel throughout its life cycle, reinforcing Gerdau's sustainability work, treating the topic transparently and creating value for customers. Steel is an essential material for the energy transition society needs, as it is used widely in products intended for renewable energy segments, electric cars and mass transportation. Gerdau steel ensures our customers stay on the right track offer society and consumers sustainable alternatives to navigate the current paradigms imposed by climate challenges (read more in Natural Capital).

Gerdau attended several events such as Agrishow, Concrete Show and Expointer. The company also held Gerdau Construtech Day, an exclusive event for customers that explores the latest trends in civil construction with lectures from various start-ups.

We celebrated the 20th anniversary of the Talento Engenharia Estrutural Award, considered the most important event in the sector, which aims to galvanize professionals who develop outstanding structural engineering projects in the country,



Presentation of the 20th Structural Engineering Talent Trophy

highlighting the importance of structural design in the construction market.

Every two years, we hold the Gerdau Best of the Earth Award, which recognizes and highlights advancements in agricultural machinery and equipment, identifying the main innovations in the field. The goal is to stoke excellence and operational efficiency among participants and foster academic and agro-industrial research, thereby spurring technological innovation and refinement of agricultural equipment. As in every edition, in 2023, the winners were selected by a highly qualified Jury Commission, composed of academics and researchers from the most renowned agronomic teaching and research institutions in Brazil and Argentina.

IN 2023, GERDAU ATTENDED AGRISHOW, CONCRETE SHOW AND EXPOINTER.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Our suppliers

GRI 3-3. Strategic topic management

Our relationship with suppliers is strategic for our commitment to ensuring that all our products and services derive from a reliable, quality, ethical and sustainable origin. We presently have 12,000 suppliers in Brazil and 18,000 elsewhere.

These business partners support the production chain and the operation of our facilities, enabling quality deliveries and efficient use of our industrial assets. From chemical components, natural gas and energy to alloys and materials of all kinds, suppliers are responsible for essential services and products to keep our operations running.

We adopt supply chain management policies that include guidelines for respecting human rights, safety, and compliance with ethical standards, anti-corruption, and compliance, through contractual

clauses, which also engage suppliers in seeking environmental practices and social impact. In 2023, 100% of suppliers, including new ones, were contracted and/or assessed based on socio-environmental criteria and were required to comply with the Code of Ethics and Conduct for Third Parties.

70% of our steel production today comes from scrap metal. Aligned with the material topic of “Waste management and the circular economy,” it is essential to realize the business potential of recycling. For this reason, we maintain specific initiatives for the development of scrap dealers. Present through small businesses and cooperatives, they are fundamental professionals for Gerdau’s partnership with the chain in favor of sustainability, directly engaging the reverse logistics chain – and are included in events like Scrap Dealer’s Day.

Gerdau is today the largest recycler of scrap waste in Latin America, and each year transforms 11 million tons of scrap into steel. In addition to seeking suppliers suited to our business model, the company supports them through a series of ESG development, entrepreneurship and awareness-raising actions. Inspire Gerdau (read more in Human and Intellectual Capital), for example, provides training to suppliers in best diversity and inclusion practices.

Selecting and assessing suppliers GRI 414-2

We strive to be ESG flagbearers in our sector, and this directly influences our interaction with our supply chain, as seen in the Inspire program presented on [page 47](#), the Ecoar program and ESG investment clauses.

All purchase orders already include the ESG clause, engaging suppliers in the topic and encouraging them to invest 0.09% of the amount stipulated in the contracts in social projects. In 2023, 87 suppliers formalized their commitment through legal contracts, resulting in approximately R\$ 1 million being invested by the end of 2023. We intend to extend the engagement of more suppliers and to fully understand what has been captured and invested.

Our practices include screening our suppliers against social and environmental criteria. In the registration process, we require the presentation of ISO 14001 to critical suppliers and collect a series of environmental information sets. We evaluate 100% of our critical suppliers concerning environmental and social impacts too. Our assessments request information on

Araçariçuama site (SP)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

greenhouse gas (GHG) emissions, natural resource consumption, waste and pollution management, and water and electricity consumption.

GRI 308-1, 308-2

We have a classification procedure for critical suppliers based on Health, Safety, and Environmental (HSE) criteria. We carry out an approval process for these suppliers, requesting evidence that they are in compliance with laws and regulations, etc. For example, a metal alloys supplier needs to present iron ore permits and environmental licenses, etc. We annually audit certain selected suppliers against quality and environmental safety criteria.

We provide materials to help them continuously improve their social operations, engendering lasting positive impact on their communities and the environment, which is available on our website.

Our commitment to sustainability is reflected in the selection, evaluation and approval of suppliers, as we use socio-environmental criteria in these stages. We ensure that 100% of our suppliers sign the commitment that sets out our social and environmental requirements and that related to the Brazilian General Data Protection Regulation (BR GDPR).

¹ The ABC curve works as a quantitative assessment of values, in which the suppliers that have the highest representation of payments are in column A, the intermediaries in column B and in column C are those that make up the lowest values.

In 2023, 59% of our new suppliers were selected based on environmental criteria, and 80% of the new suppliers were selected based on social criteria.

Supplier Assessment Process

- **During accreditation, suppliers are informed about the necessary documents and information required to become eligible as Gerdau suppliers. At this point, we also request the formalization of their commitment to the current legislation in each country where we operate through the signing of a responsibility agreement. For critical suppliers, we require the presentation of certifications, legal documents, and other relevant environmental information.**
- **Internal service providers are evaluated based on health and safety conditions, working conditions and compliance with labor documentation.**
- **External service providers and material suppliers undergo monthly evaluations that monitor their performance and compliance with environmental requirements.**
- **We conduct an annual socio-environmental compliance audit on some of these suppliers.**
- **Through the Ecoar project, implemented in 2023, 44 suppliers impacting Gerdau's Scope 3 reported their greenhouse gas emissions to the CDP (see more information about this project in the box). GRI 408-1, 409-1, 414-1**

Project Ecoar

Gerdau initiated a project to engage suppliers in the climate agenda, encouraging them to measure, disclose and manage information on climate management, including GHG emissions data. Created in partnership with the CDP, a global organization that has the world's largest self-reported environmental database, the initiative urges the value chain to evaluate its climate action. The pilot project, called Ecoar, involved 44 suppliers who were afforded access to the CDP platform to report on climate management. The program offered training to expand knowledge on the topic so that these partners can develop or improve their management.



Gerdau is the first company in the Latin American steel sector to urge its supply chain to measure, disclose and manage climate management information, including GHG emissions data, through the CDP Supply Chain.

Regarding the right to freedom of association and collective bargaining, we take measures to uphold these rights, conducting periodic monitoring with suppliers and service providers. Compliance with standards, clauses related to ethics, the Code of Conduct, and occupational safety are all stipulated in the contract, and evidence of compliance with documentation and labor regulations is required, both during registration and mobilization of professionals.

GRI 407-1

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Financial and manufactured capital



70 Our operations

Employee Diego Bertoldo
Francisco, Ouro Branco
mill (MG)

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Our Operations

2023 was the third-best year in Gerdau's history.

We ended FY 2023 with an adjusted EBITDA of R\$ 13.5 billion, with an EBITDA margin of 19.6%. The company's adjusted net income totaled R\$ 6.9 billion, while net revenue was R\$ 68.9 billion. Physical steel sales reached 11.3 million tons.

Our bottom line is healthy mainly due to our performance in North America. We are now focused on the new cycle of sustainable development, concentrating on the growth and competitiveness of assets with greater long-term value creation potential for customers and other stakeholders.

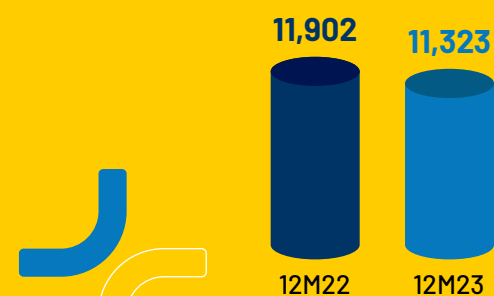


Tultitlán mill, Mexico

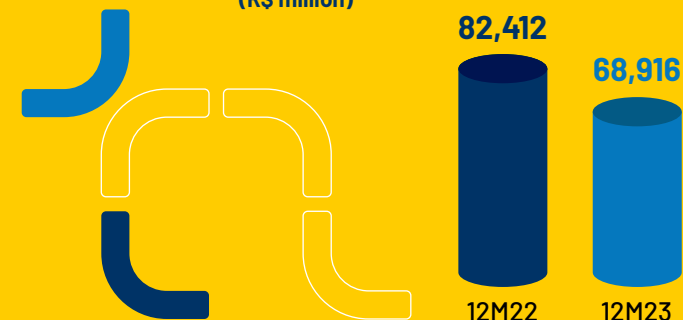
In 2023, we invested R\$ 5.7 billion, with R\$ 3.2 billion in maintenance and R\$ 2.5 billion in expansion and technological upgrade projects. Of the total invested, R\$ 1.1 billion was allocated to expanding forest

assets, updating and improving environmental controls, and technological enhancements resulting in energy efficiency and lower greenhouse gas (GHG) emissions.

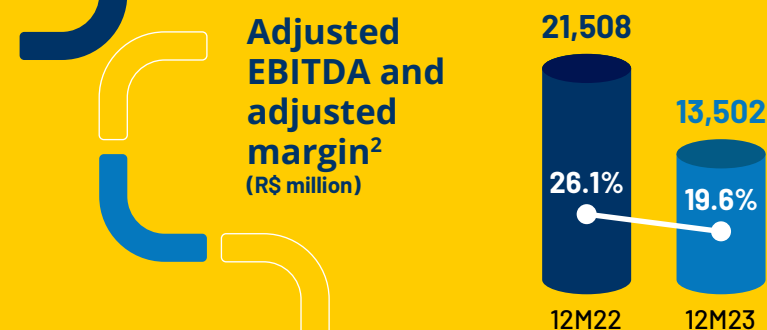
Sales volume (1,000 tons)



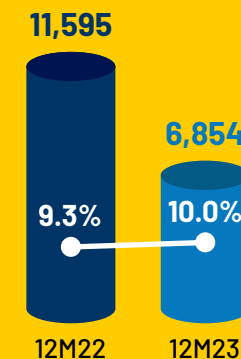
Net revenue¹ (R\$ million)



Adjusted EBITDA and adjusted margin² (R\$ million)



Adjusted net income and adjusted net margin² (R\$ million)



¹ Includes revenue from iron ore sales.

² Non-accounting measurement prepared by the company. Gerdau presents adjusted EBITDA to provide additional information on cash generation for the period.

BUSINESS OPERATIONS

Brazil



Gerdau's Long and Flat Steel operations in Brazil comprise:

- Mills in Ceará, Minas Gerais, Pernambuco, Rio de Janeiro, Rio Grande do Sul and São Paulo
- 71 Gerdau steel distribution stores
- Vertically integrated mines in Minas Gerais
- A port terminal in Espírito Santo
- Eucalyptus forest assets in Minas Gerais



Açonorte mill, Recife (PE)



Miguel Burnier mill (MG)



Eucalyptus cultivation, Três Marias (MG)



Port terminal, Vitória (ES)



Gerdau retail store, Campinas (SP)

BRAZIL ACCOUNTS FOR A SIGNIFICANT PORTION OF GERDAU'S STEEL PRODUCTION IN THE LONG AND FLAT SEGMENTS. THE COMPANY HAS A DIVERSIFIED PRODUCTION MATRIX, OFFERING STEEL TO VARIOUS SECTORS SUCH AS CONSTRUCTION, AUTOMOTIVE, ENERGY, NAVAL, MACHINERY AND UTILITIES AND AGRIBUSINESS.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits



Araçariquama site (SP)



The **R\$ 200 million** was invested to modernize the steel mill facilities, implement improvements in the digital transformation journey and Industry 4.0

LONG AND FLAT STEEL

In 2023 at our long and flat steel units in Brazil, we inaugurated major investments to modernize and refurbish the steel mill at the Riograndense long steel unit, in Sapucaia do Sul (RS), ushering in a new cycle of sustainable growth for the company. The R\$ 200 million was invested to modernize the steel mill facilities, implement improvements in the digital transformation journey and Industry 4.0, and enhance environmental and safety conditions in the steel production process, such as modernizing the dedusting system.

We also inaugurated the Comercial Gerdau (CG) unit, our very own steel distributor, in Campinas (SP). This sales unit has transformed the way

the company sells steel, aiming to deliver a more modern and innovative experience for customers. The new CG branch's strategy is to offer improvements in the customer experience journey, greater proximity to customers, specialized technical services and faster deliveries. The unit serves as a meeting point in the Metropolitan Region of Campinas between customers, sellers, representatives and trained technicians who make suggestions and clarify queries. The space features an innovative design, highlighting Gerdau's colors - blue and yellow - in a spacious, comfortable and pleasant setting. The store does not hold stock on-site, digitizing the purchase stage and facilitating professional and scheduled delivery.

HOT COIL EXPANSION

The company's largest unit in the world, our plant in Ouro Branco (MG) completed 10 years of operations in flat steel. Gerdau's history in this segment began in 2013 with the production of hot coils, which are used to manufacture parts for cars, buses, trucks, tractors, metal constructions and other purposes. They are also used in the production of pipes and steel guardrails and in manufacturing gas cylinders and wheels for the automotive industry. In 2023, investments continued to expand the unit's hot strip rolling mill capacity, adding 250,000 tons/year, with operations set to begin in 2024.



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

FORESTRY

Gerdau's forests in Minas Gerais state are located in the Cerrado and Atlantic Forest biomes, with more than 250,000 hectares of forests, 90,000 of which contain native forest set aside for biodiversity conservation. These conservation areas play an important role in supporting the environmental stability of the properties, and also help the natural control of pests and diseases.

We are now the world's largest producer of charcoal. Our forest base guarantees renewable raw material for our bioreducer, an important competitive and environmental edge in the

production of pig iron compared to other producers dependent on coal as raw material. The practice is also helping to reduce the company's net greenhouse gas emissions.

Regarding impacts and biodiversity management practices, Gerdau works to conserve natural resources through sustainable management techniques, maintaining planted forests and conserving native vegetation forests. These practices include mosaic planting, maintaining wildlife corridors, and various wildlife and flora monitoring programs. This type of management protects and conserves water resources (springs, watercourses,

and floodplains) and connects populations of wild animals and native plant species.

We use biological control techniques to reduce pests and have our genetic improvement program, which aims to develop new clones and even more productive, sustainable, and pest and drought-resistant forests.

Gerdau's forestry practice follows the Sustainability Policy and internal guidelines, such as the Corporate Environmental Standard, and devises specific procedures to limit the clearance of native vegetation, steering and reinforcing the company's commitment to combating illegal deforestation.

We are members of associations such as the Brazilian Forestry Industry (Ibá), responsible for the institutional representation of the planted-tree production chain at the national level, the Minas Gerais Forestry Industry Association (Amif), the Forest Research and Studies Institute (Ipef), and the Forestry Research Society (SIF) to foster research and development in the forestry sector.

Eucalyptus cultivation, Três Marias (MG)



This sustainable management protects and conserves water resources and connects populations of wild animals and native plant species.



FURTHER INFORMATION is available in the "Biomass" section of the Natural Capital chapter, under "Energy".

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

MINES

Our strategic guideline is to produce iron ore to supply our units, an important competitive advantage for the steel produced. We have two mines in operation in Minas Gerais, one in Várzea do Lopes, in the city of Itabirito, and another in Miguel Burnier, in the municipality of Ouro Preto.

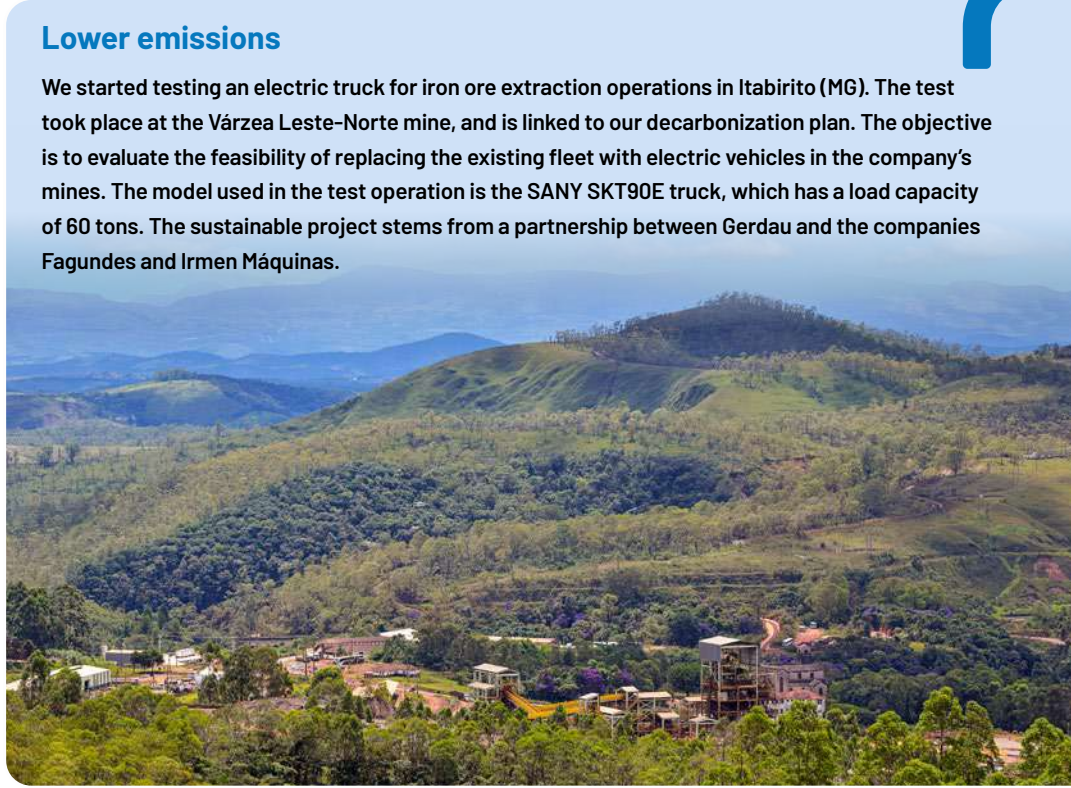
Our R\$ 3.2 billion investment between 2023 and 2026 in a new sustainable mining platform in Minas Gerais will create more than 5,000 jobs in the region during implementation.

The investment cycle carried out in the state in recent years focuses on modernization and technological updates, improving environmental practices and expanding local operations.

The new annual iron ore production capacity at the Miguel Burnier mine, in the district of Ouro

Preto, is 5.5 million tons, with operations set to begin at the end of 2025. The mineral reserves total 476 million tons of iron ore, ensuring production for 40 years, with a grade of 65%. The higher the ore grade, the more greenhouse gas (GHG) emissions fall. The project will increase the competitiveness and potentially expand steel production in Minas Gerais in the future.

The investment includes equipment and processes with the latest technologies available, which will follow the best mining practices and will use the dry stacking method for disposing of 100% of the mining tailings, eliminating the need for dams. The use of the ore pipeline for transporting iron ore also reinforces our commitment to sustainable mining and positively contributes to reducing GHG emissions.



Miguel Burnier mine, Ouro Preto (MG)

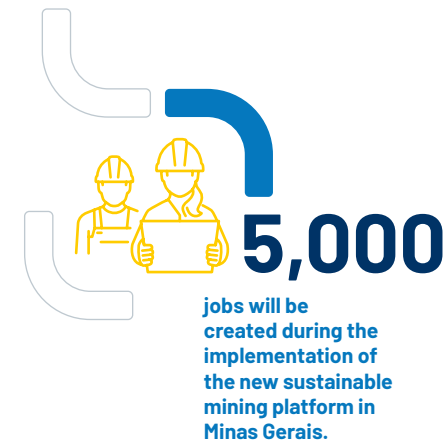
Lower emissions

We started testing an electric truck for iron ore extraction operations in Itabirito (MG). The test took place at the Várzea Leste-Norte mine, and is linked to our decarbonization plan. The objective is to evaluate the feasibility of replacing the existing fleet with electric vehicles in the company's mines. The model used in the test operation is the SANY SKT90E truck, which has a load capacity of 60 tons. The sustainable project stems from a partnership between Gerdau and the companies Fagundes and Irmen Máquinas.



New investments in mining

We believe that continuous engagement and transparency with our stakeholders are essential to shaping the future. In September 2023, we gathered at MM Gerdau (Museum of Mines and Metal) in Belo Horizonte (MG) to welcome the Governor of Minas Gerais, Romeu Zema, for the launch of a new investment cycle in mining. This R\$ 3.2 billion investment will go towards a sustainable mining platform in Miguel Burnier, a district of Ouro Preto (MG).



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Dam management GRI 413-2

The Barragem dos Alemães dam located in the district of Miguel Burnier, in Ouro Preto (MG), underwent construction work to change it from upstream to downstream. Construction work ended in July 2023. Gerdau complies with the legislation of Minas Gerais – Law No. 23.291/2019 – which no longer allows dams to be built using the upstream method. The restructuring ensures greater stability, reinforcing community safety and easing potential environmental risks. The dam is safe and has a stability declaration signed by an external auditor. Gerdau has robust dam management, maintaining its safety in accordance with the latest regulations and standards issued by the National Mining Agency (ANM). It is important to note that the company no longer has any upstream dams.

Thanks to best sustainable mining practices and the adoption of the most modern technologies available, since February 2023 Gerdau has only been using the dry stacking method to dispose of 100% of the tailings from its iron ore production process in Minas Gerais.

The company has a complex monitoring system for its two dams, which is operated 24 hours a day by the team at the Geotechnical Monitoring Center (CMG), ensuring safety in accordance with the latest regulations and standards issued by



Gerdau has robust dam management, maintaining its safety in accordance with the latest regulations and standards

the ANM and the State Environmental Foundation (Feam). **SASB-EM-MM-540a.2**

- Video monitoring system
- Piezometers (pressure monitoring)
- Inclinometers (deformation monitoring)
- Flow meters
- Prisms (displacement monitoring)
- Water level indicators (monitoring water levels within the dam)
- Automated siren activation system (alert system for evacuation)

In addition, routine inspections are carried out by the Geotechnics team, ensuring the structures' physical stability and hydraulic safety.

Safe and responsible mining with SASB

SASB EM-MM-540a.3

In a joint and unprecedented initiative in Brazil, Gerdau, CSN Mineração and Vale supported the municipal government of Congonhas (MG) in putting together its Municipal Dam Safety Plan (PMSB). The community-focused action is managed by the Economic and Social Development Agency of Inconfidentes and Alto Paraopeba (Adesiap), with oversight from the Minas Gerais State Public Prosecutor's Office (MPMG).

As part of this plan, the Integrated Emergency Dam Drill for the Self-Rescue Zone (ZAS) is periodically conducted for the 17 structures currently registered at PMSB. Of this total, 16 are intended for tailings or sediment containment, and 1 functions as a water reservoir. The practical drill exercise verifies the functionality of the integrated evacuation plan and the siren alert system, bolstering the culture of prevention, and guiding residents, visitors, public agencies and companies on how to act in a possible real emergency situation.

The 2023 drill was accompanied and validated by the state and municipal Civil Defense department. Last year's practical training involved 698 people, a number considered satisfactory by the organizers. Residents' observations were taken into account when updating the integrated evacuation plan and were used to improve muster points, escape routes and the siren alert system, also defining the locations for this year's orientation seminars.

In total, 32 neighborhoods, 1 district and 1 seaside town will be invited to the drill exercise. Approximately 10,600 inhabitants live in the ZAS region, which has 16 health clinics, 10 educational establishments, and 1 prison.



CLICK HERE to learn more about Gerdau's dam information available in the appendix to this report.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

SPECIAL STEEL

Our special steel mills in Brazil are located in the states of São Paulo and Rio Grande do Sul. In 2023, we inaugurated the new continuous caster for billets and blooms at the Pindamonhangaba (SP) plant as part of a new cycle of sustainable growth for the company. In an investment of around R\$ 700 million, the new continuous caster takes the unit to a whole new level of technology and modernity, offering tangible quality gains. Continuous casting allows to produce clean steel, whose applied process improves cleanliness and ensures greater resistance and longer product lives.

R\$ 700 million
was invested in the new continuous caster at the Pindamonhangaba mill (SP).

The plant produces special steels with a renewable electrical matrix, using scrap metal as raw material. This results in a much lower carbon footprint for the steel produced than the global industry average. The new modernization investments have improved energy efficiency in operations, making Pindamonhangaba a paragon in the field.



Pindamonhangaba mill (SP)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

BUSINESS OPERATIONS

North America

The North America ON comprises:

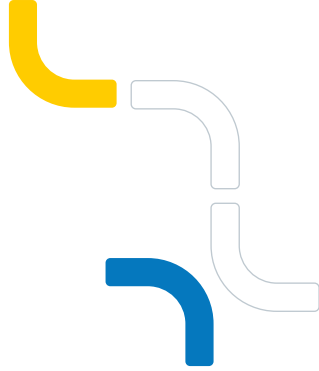
Mills in Canada, the United States and Mexico



Gerdau's North American operations include 13 mills in Canada, the United States and Mexico. Gerdau maintains a network of long and special steel mills, as well as scrap recycling facilities and downstream operations in these three North American countries (United States, Canada and Mexico). Note that a renewable electric matrix powers our production process in all these countries, using scrap metal as raw material, producing products with a smaller carbon footprint. In recent years, North American operations have become the most important for Gerdau in terms of consolidated earnings.

LONG STEEL PRODUCTS

In our long steel production in North America, the commissioning of the new steel mill at our Whitby unit in Canada was excellent news, helping deliver even more value to our customers with an additional annual output of 200,000 tons of steel. Also noteworthy is the commencement of activities at the solar plant adjacent to our Midlothian unit in Texas. With 230,000 solar panels, the park has a capacity of 80 megawatts (MW). This initiative materializes



Gerdau's plans to increase the use of renewable energy in its mills across all the countries it operates in the Americas, as part of its commitment to reducing greenhouse gas emissions. The solar plant will help reduce Midlothian's carbon emissions by 65,000 tCO₂e annually, equivalent to more than 10% of its emissions.

Among the markets served in the region is the production of profiles for the North American solar energy segment, highlighting the importance of Gerdau steel for the energy transition.



Cambridge mill, Canada



Midlothian mill, USA



Midlothian solar farm, USA

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

SPECIAL STEEL

We also produce special steels in North America. By using scrap metal as raw material, we are aligned with the growing demand in the automotive sector for more sustainable steels. We made significant investments at our Monroe plant in Michigan, USA. The unit currently has one of the most technologically advanced Special Bar Quality (SBQ) steel production capabilities in the Americas—SBQ steel has a superior surface finish for component manufacturing. This reinforces our commitment to meet the future needs of our customers and to continue seeking solutions for the potential demand of the electric and hybrid car segment.

Monroe mill, USA

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

BUSINESS OPERATIONS

South America

Our South America operation comprises*:

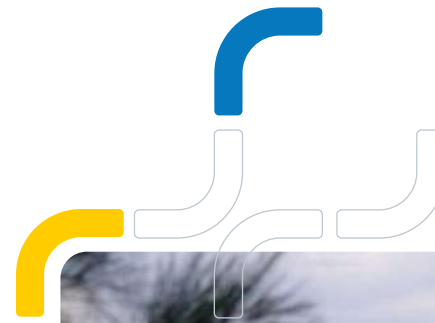
Mills in Argentina, Peru and Uruguay



The countries in the South America Business Operation are Argentina, Peru and Uruguay. All mills are geared towards the production of long steel. In Argentina, the mill is located in Santa Fe, and in Uruguay, in Montevideo. Our Peru mill, in turn, is located in Chimbote. Our headlines in Peru include our participation with Ferralia Group in executing stage three of the new Jorge Chávez Airport City, which includes the access overpass, part of the auxiliary buildings, the three docks, and the Promenade area, which will connect the city to the passenger terminal. The total steel delivered for the projected works will be approximately 16,000 tons, of which 13,500 tons have already been delivered.



Peru mill



Argentina mill



Uruguay mill

USD 15 million

was the cost of renewing the certification for the import credit facility of Sinderperu by BBVA.

In 2024, more than 3,000 tons of steel are also expected to be delivered for the completion of the docks, auxiliary buildings and hotel.

Furthermore, BBVA renewed the sustainable certification of Siderperu's import letter of credit facility for USD 15 million. This credit facility denotes a greater commitment between both institutions by allocating more funds to foster the circular economy in the steel sector through the import, fabrication and recycling of scrap. Siderperu is thus reinforcing its sustainable business strategy and its commitment to creating value for society.

** Operations in Colombia and the Dominican Republic were sold in early 2024.*

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

📍 Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Natural capital

- 81 Environmental management
- 82 Environmental compliance
- 83 Energy
- 86 Water stewardship
- 88 Waste management and the circular economy
- 89 Scrap recycling
- 91 Waste and byproducts
- 93 Climate change
- 98 Biodiversity

Employee Adrieli Pereira
Malaquias, Três Marias unit (MG)





Eucalyptus cultivation, Trés Marias (MG)

Environmental management

The environment is a strategic and relevant topic for the present and future of Gerdau. We are aligned with global best practices in environmental management, which are implemented across all the company's operations. Our Corporate Environmental Standard, revised in 2023, details all responsibilities and procedures to be followed. Indicators such as greenhouse gas (GHG) emissions, energy consumption, water consumption and recirculation, and the generation of wastewater, waste and co-products are monitored by our management system. It does not address failures should the parameters not be in

compliance with internal standards and/or applicable legislation. This stage is managed by unit leaders who analyze the root causes of the problems and come up with correction and improvement plans.

Increasingly, the ESG agenda – with the environmental component carrying significant weight in its application to industrial activities – is seen as a crucial factor to be considered in the debate, planning, and decision-making in the company's daily operations. It is no longer viewed as separate from core production or merely a concern for environmental departments.

R\$ 1.1 BILLION WAS INVESTED IN 2023 TO IMPROVE GERDAU'S ENVIRONMENTAL PERFORMANCE.

Topics of the Corporate Environmental Standard

- Biodiversity
- Compliance
- Air emissions and air quality
- Suppliers
- Contaminated site remediation
- Environmental management
- Water and wastewater management
- Risk management
- Stakeholder management
- Governance
- Radioactive protection
- Waste and byproducts
- Noise

The units conduct an annual assessment to ensure compliance with the standard's requirements, forming the basis for planning the following year. Leadership periodically monitors the indicators, with GHG emissions reduction indexed to senior leadership bonuses, reinforcing our commitment to this issue.

Additionally, 21 of our 29 steel-making mills, including those in Brazil, are certified to ISO 14001 and undergo annual internal audits. In 2023, we invested R\$ 1.1 billion in improving eco-efficiency practices, technologies and projects that enhanced our environmental performance, including air, water and soil protection, with a significant portion of the investment directed towards mining.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Environmental compliance

Environmental compliance is one component of corporate governance, and consists of the system of policies and actions whereby the company relates internally to its internal and external stakeholders. It must be efficient, reliable, and transparent. In addition to its Integrated Health, Safety and Environmental Policy, Gerdau has several corporate procedures and guidelines that establish minimum environmental management requirements and objectives. We have our Corporate Environmental Standard and Sustainability Policy.

Environmental issues are also addressed in Board of Directors and Strategy and Sustainability Committee meetings. We aim for complete compliance with legal or voluntary environmental requirements, adopting practices that meet stakeholders' demands, including society, and favoring competitive market integration with minimal risks and impacts and sustainable natural resource consumption.

We manage environmental aspects and impacts, and our operating permits and authorizations to meet the specificities of each operation and geography. This aims to prevent risks and environmental accidents, while increasing its credibility with society.

Operations must be aware of their potential risks and have elimination or reduction plans in place, involving the Operational Risk Committee in decision-making and, when necessary, the Corporate Risk Committee, following the guidelines of the Risk Policy.

Supplier contracts contain environmental requirements, as do our Code of Ethics and Conduct and the Third-party Code of Ethics and Conduct, in addition to internal purchasing procedures.

In Brazil, Gerdau introduced new ESG clauses for contracts in 2022, urging the supply chain to use renewable energy and biofuels, compile GHG emission inventories and adopt water consumption and waste generation management. **SASB EM-MM-140a.2**

¹There were no incidents of or significant fines in 2021, 2022 and 2023 for non-compliance associated with water quality permits, standards, and regulations. The sanctions were one-off, with defenses and appeals presented and/or Terms of Adjustment of Conduct (TACs) or commitments signed.

¹ Gerdau believes that the concept of significant fines/sanctions is based on two criteria: (a) materiality: the monetary amount of significant fines, or those involving amounts of US\$ 8 million or more, and/or (b) relevance: sanctions applied as a result of failure to comply with environmental laws and regulations that could impede or limit activities, or impact Gerdau's image.

Environmental Declarations for Products

We seek to listen to all our stakeholders, including customers, investors and communities, learning of their needs in environmental topics such as GHG inventory, Life Cycle Analyses (LCA), and Environmental Product Declarations (EPD). The EPD provides relevant environmental information about the product. The LCA is an assessment and quantification of the environmental impacts associated with a product or process. The inventory includes GHG emissions from our direct operations (scope 1) and indirect operations (scopes 2 and 3). We hold meetings to align and disclose results, in line with our principle of transparency and continuous improvement in this regard. Our operations in the United States, Canada and Mexico have EPDs and LCAs assured by a third party for their products, following ISO 14025 and ISOs 14044 and 14071, respectively.

As part of our sustainability journey and environmental efficiency management, in 2023 we presented the first EPDs for our operations in Brazil for the product portfolio in the lines of Civil Construction, Wind Towers, Photovoltaic Panels, Naval Industry, Machinery and Equipment, Agricultural Implements and Truck Trailer and Bodies and Tubes.

Certifications were obtained for CA-50 and CA-60 rebars, including cut and folded rebar, meshes, trusses, hot-rolled coils, heavy plates, and structural profiles produced at the Açonorte (PE), Araçariquama (SP), Cearense (CE), Cosigua (RJ), Cumbica (SP), Divinópolis (MG), Ouro Branco (MG), Riograndense (RS), and São José dos Campos (SP) mills.

The statements issued by the EPD System and based on ISO 14025, also help construction companies use the information in the certification process to obtain specific labels such as LEED, AQUA, and GBC Brasil, which certify sustainable buildings.

ENVIRONMENTAL ISSUES ARE ALSO ADDRESSED IN BOARD OF DIRECTORS AND STRATEGY AND SUSTAINABILITY COMMITTEE MEETINGS

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Energy

GRI 3-3. Management of material topics

The relationship between energy use and climate change is direct. Energy consumption in the steel industry is intense, both thermal and electric. Gerdau is committed to researching and investing in alternatives that allow us to migrate our energy matrix to renewable sources such as wind, solar, biomass and biogas. Investing in renewable sources and/or with low CO₂e emissions is one of the fundamental pillars for the ongoing economic and sustainable growth of our business. These initiatives take place across all our mills. 9.5% of our global energy supply is renewable. In terms of electricity, 66% comes from renewable and low CO₂ emission sources, based not only on the certificates we acquire but also the grids of the locations where we operate.



9.5%

of our global energy supply is renewable.

FOR THE THIRD CONSECUTIVE YEAR, WE RECEIVED RECOGNITION FOR THE BEST TECHNICAL ENERGY WORK BY THE BRAZILIAN ASSOCIATION OF METALLURGY, MATERIALS AND MINING (ABM).

At our Ouro Branco mill in Minas Gerais (MG), about 90% of the thermal demand in stationary equipment such as furnaces, regenerators and boilers is met by gases resulting from the steelmaking process. These gases are generated in the blast furnace and coke plant, and their recirculation in our production system demonstrates our commitment to efficiently utilizing the co-products of the steel industry to meet our energy needs.

In Brazil we also have a stake in the concession of the hydropower plant Dona Francisca Energética S.A. (DFESA), in Rio Grande do Sul, with a nominal capacity of 125 MW. In December 2023, it was qualified to issue I-RECs (renewable energy

certificates) for its renewable electricity production. This enabled us to offset about 10,000 tCO₂e of our scope 2 emissions from the Pindamonhangaba (SP) and Charqueadas (RS) special steel mills, consuming over 265,000 MWh of renewable power.

We have also secured the purchase of an average of 78 MW to supply energy from 2024 to 2028, with a guarantee of zero emissions in Brazil. In 2023, we also retired and used I-RECs, which offset more than 9,700 tCO₂e of our scope 2 emissions at the Ouro Branco (MG), Cosigua (RJ), and Araçariquama (SP) mills, all located in Brazil, accounting for approximately 253,000 MWh of renewable power consumption.

Ouro Branco mill (MG)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

 Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Energy consumption within the organization GRI 302-1

Energy consumption within the organization (GJ)	2021	2022	2023
Non-renewable fuels*	101,064,890.70	93,110,247.52	96,529,265.12
Renewable fuels**	18,429,702.21	15,847,694.00	13,427,494.28
Electricity consumption	32,516,819.29	32,759,344.20	30,640,090.61
Total Energy Consumption	152,011,412.20	141,717,286.72	140,596,850.00

* Non-renewable: fuels derived from crude oil, such as gasoline, diesel, aviation fuel and heating oil

** Renewable: Landfill biogas, charcoal and hydrous ethanol. Non-renewable: acetylene, coal tar, anthracite, metallurgical coal, coking coal, petroleum coke, diesel, melt shop gas, blast furnace gas, coke furnace gas, liquefied petroleum gas (LPG), natural gas, gasoline, lubricants, fuel oil, propane and kerosene.

Note 1: During the reporting period, there was no sale of electricity, heating, cooling or steam.

Note 2: The report relies on data from Gerdau's operational control operations and joint venture data, reflecting their ownership percentages as of 12/31/2023.



Midlothian solar farm, USA

We are also investing in solar farms for renewable energy production (read more about the Midlothian and Arinos solar farms in the Financial and Manufactured Capital chapter).

We understand that the energy transition for the steel industry depends on mastering very low-emission production techniques, such as green hydrogen, which is still operating on a pilot scale worldwide. Natural gas is one of Brazil's main alternatives as a transition fuel, but the greatest challenge is developing public policies that foster

and incentivize the sector and competitive natural gas that makes this solution viable.


We believe that as the largest Brazilian steel producer and one of the leading global producers, we need to be involved in building innovative solutions for a low-carbon economy. In this sense, Industry 4.0 presents huge potential for opportunities, enabling advancements in energy and operational efficiency processes. We also actively collaborate with industry organizations, universities and research centers to develop

innovative technologies. Dialog and engagement with different players in society to implement public policies, new technology and improved industrial processes will be crucial along the way.

Biomass

In addition to newly developed renewable energy sources, our energy mix includes charcoal produced from planted forests. The charcoal comes from our planted forests. Unlike nonrenewable coal, charcoal is a renewable material produced by carbonizing biomass from planted eucalyptus trees. At three Gerdau mills in Minas Gerais – Barão de Cocais, Divinópolis and Sete Lagoas – we operate blast furnaces that produce pig iron using charcoal. We are the largest charcoal producers in the world and, because it is a renewable resource, our steel production CO₂ emissions are considered biogenic, helping to reduce our global emissions footprint.

In 2023, our forested land sequestered approximately 16 million tCO₂, and our native forest area sequestered approximately 3 million tCO₂, with these stocks maintained through the preservation of our forests. These stocks are not deducted from our greenhouse gas emissions, but demonstrate the important role our forests and land conservation play in providing environmental benefits through forest assets.

 [CLICK HERE](#) to learn about energy consumption information in Gerdau's operations available in the appendix of this report.

In the pursuit of alternatives to reduce coal consumption, we use eucalyptus biomass and sawdust bark at the Ouro Branco (MG) plant, Gerdau's largest facility. The renewable energy source biomass partially replaces the fossil fuels used in the blast furnaces. This experience will be improved through new research utilizing agricultural waste. In 2023, the unit achieved 2% biomass use in coke production, equivalent to about 30,000 tons of biomass, avoiding the emission of over 90,000 tCO₂e.

GRI 305-5

Gerdau participated in the development of an environmental technical study led by Asociación Latinoamericana del Acero (Alacero). The study's scope included the identification of the main biomass sources available in Latin America that are economically and operationally viable for our industry, capable of replacing fossil fuels used in the steel making process, thereby easing CO₂ emissions. To do this, Alacero contracted the Steelmaking Laboratory [Laboratório de Siderurgia] at the end of 2022, an institution affiliated with the Federal University of Rio Grande do Sul (UFRGS), in Brazil.

Eucalyptus cultivation for charcoal production, Três Marias unit (MG)



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

 **Natural capital**

Awards and recognition

External Assurance Letter

Appendices

Credits

Water stewardship

GRI 3-3. Management of material topics, 303-1

Water recirculation and treatment system at the Cosigua mill (RJ)



Water is essential in steel manufacturing, and is primarily used for cooling equipment and machinery. Mismanagement of this resource can impact not only the environment, through contamination of surface and groundwater, but also public health. Its excessive use can also accelerate water stress, which has been intensifying due to climate change, affecting populations and the economy. Water stewardship is accordingly part of Gerdau's strategy, and we constantly invest in recirculation programs, decreasing the intake of new water and reducing wastewater and the environmental impact of their disposal. Most of the water used in our operations comes from surface or groundwater sources, and in some cases, is purchased from utilities. In mining operations, water is used in iron ore beneficiation.

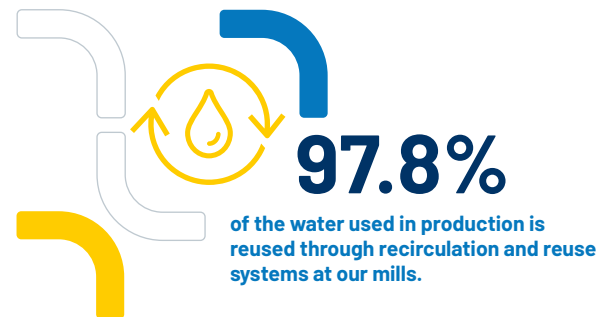
All units comply with legislation and meet applicable standards for water intake and effluent discharge. They also have appropriate installations and maintenance to ensure that recirculation and

treatment systems operate at the levels required by the regulations¹. **GRI 303-2**

The reuse and recirculation systems in the units allow for 97.8% of the water used in production to be reused. In 2023 a total 1.97 billion m³ of water were recirculated. Our units monitor all intake, use, and distribution points. At our largest plant in the United States, Midlothian, as well as in Cartersville and Petersburg, and in Sahagun, Mexico, there is zero wastewater. These units also have reservoirs to harvest rainwater for reuse in the process.

A crucial tool we use to manage our impacts and improve our processes is the water balance. The volume of water entering and leaving a system over time helps us gain deeper insights and enhance the flow of water through our operations.

The information involved in the balance allows us to fine-tune processes through actions such as loss reduction. Following the study, the Ouro Branco plant (MG) showed a decrease in water consumption intensity over the last four years. We logged a 30% reduction in consumption since 2020.



¹ The priority substances in Gerdau's operations are heavy metals, oil and grease, pH and chloride. A dedicated system is used to address deficiencies, avoid incidents and ensure the quality of the water we return to the environment.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

We monitor and manage the water intake, use and distribution points and consumption at the units. Indicators are tracked by leadership through the Industrial Performance Report. Additionally, the Aqueduct tool from the World Resources Institute (WRI) is used to map our direct operations in water-stressed areas. The units identified with high and extremely high levels of water stress in 2023 were:

- Chimbote, Peru
- Sahagun, Mexico
- La Presa, Mexico
- Tultitlán, Mexico
- Cartersville, USA
- Petersburg, USA
- Midlothian, USA
- Whitby, Canada

The volume of water used in these units accounts for 14% of the total volume drawn by Gerdau. Last year, our water intake target for Brazilian units was 4.5 m³/t of steel. However, due to operational issues, we ended the year with 4.8 m³/t of steel, 4% higher than planned. For 2024, we have established a specific water consumption target of 4.5 m³/t of steel.

Besides the goal, there is a roadmap based on process stability and business sustainability levers, with an inventory of all the necessary demands to mitigate existing gaps (both internal and external perspectives), measured by operational risk management and systematically added to our operational and investment plans to ensure continuous and progressive improvements.

We also participate in watershed committees, such as those for the Rio Piracicaba, Rio Paraopeba and Rio das Velhas rivers, and subcommittees for the Rio Itabirito and Águas de Moeda basins in Minas Gerais. In Rio de Janeiro, we participate in the Guandu Committee, and in Pernambuco, the Rio Ipojuca Committee. Meetings are held monthly, quarterly or semi-annually, and the discussions focus on water usage.

In 2023, we responded to the CDP Water Security questionnaire for the first time, providing information from all our operations. We received a B- rating, which reinforces our transparency and commitment to the issue.

Gerdau complies with the regulations on discharged water quality and volume applicable in each location. The priority substances are heavy metals, oil and grease, pH and chloride. Legal standards vary according to the location of our units.

There were no incidents of non-compliance triggering significant¹ fines associated with water quality permits, standards and regulations in 2023.

SASB EM-MM-140a.2

¹ Gerdau understands that the concept of significant fines/sanctions has two criteria: (a) materiality: the monetary value of significant fines, defined as those involving amounts equal to or greater than US\$ 8 million, and/or; (b) relevance: sanctions applied due to non-compliance with environmental laws and regulations, which have the potential to impede or limit the exercise of activities or impact Gerdau's image.

Employee Sheila Marlucy Pereira, Miguel Burnier unit (MG)



CLICK HERE to learn about water intake and consumption information for Gerdau's operations available in the appendix to this report.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Waste management and the **circular economy**

GRI 3-3. Management of material topics, 306-1

Due to the specific nature of operations in the steel industry, a significant volume of waste is generated, which must be properly managed to avoid negative impacts on the environment and human health, such as soil, surface water and groundwater contamination. Alongside this, there are also potentially positive impacts, such as the generation of co-products that offer high added value through recovery, reuse, remanufacturing and recycling of materials. For this reason, we implement effective waste management to protect the environment and public health and to add value to the company's business.



The circular economy is a major ally in minimizing waste impacts, creating commercial and economic opportunities while yielding environmental and social benefits. From an environmental standpoint, the application of the circular economy preserves natural resources and is based on three pillars: eliminating waste and pollution, circulating products and materials, and regenerating nature. Steel is the world's most recyclable and recycled material. This is therefore a material topic for Gerdau, presented in the following two subtopics: "Scrap recycling" and "Waste and co-products".

The circular economy at Gerdau goes beyond recycling: it is present in water recirculation and the reuse of gases and co-products. The waste generated in our operations serves as raw material for other industries. Through the Sustainability Policy and the Corporate Environmental Standard, we encourage responsible, efficient, and sustainable waste management, aiming to minimize impacts and maximize reuse by utilizing co-products and incorporating them into other production processes, thereby avoiding the use of landfills.

Midlothian mill, USA

The need for synergy between companies is one of the main challenges for implementing the circular economy, but it also presents an opportunity to create a more sustainable, resilient and efficient economic system. This synergy is crucial for the effectiveness of the circular economy, as it enables the creation of an seamless production and consumption system where waste is transformed into resources, and product life cycles are extended. It also generates new business opportunities and can cut production costs, improving the competitiveness and sustainability of the involved companies.

All measures taken to manage waste and co-products are detailed in the Waste and Co-products section on [page 91](#).

We seek to listen to all our stakeholders, including customers, investors, and communities, learning of their needs on environmental topics. To create value for them, we follow best international practices and are continuously improving our journey each year. This progress is reflected in the indicators and robust action plans we present to the market. Partnerships are fundamental for an effective circular economy. In Brazil, we accordingly partner with entities such as Senai and Prolata to strengthen recycling and generate socio-environmental benefits for all involved. Both are detailed below.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Scrap recycling

The largest recycler of ferrous scrap in Latin America, Gerdau produces 70% of its steel from recycled scrap, a raw material originating from domestic and industrial waste. The primary source is scrap discarded by society (stoves, refrigerators, old cars), collected by scrap dealers who partner with us in this process. The second source is industrial activity, from industries such as the metalworking, infrastructure, automotive, auto parts, machinery and equipment industries. All scrap-related operations are internally audited to ensure the origin of the source product can be reliably traced.

Largest ferrous scrap recycler in Latin America

11 million+ tons/year

1. RAW MATERIALS SOURCING

Household waste: discarded stoves, refrigerators, cars or bicycles

Industrial waste: waste from metalworking, automotive, machinery and equipment

ENVIRONMENTAL BENEFITS
Each ton prevents the emission of **1.5** tons of CO₂

4. FROM SCRAP TO STEEL
Gerdau produces **70%** of its steel from recycled scrap

2. COLLECTION

1 million people involved in the process, including waste pickers and cooperatives

3. OPERATION MANAGEMENT
Internal audit ensures the reliability of raw materials

New steel is produced from recycled steel, which can be transformed into automobiles, household appliances, packaging and construction components, and used in renewable energy generation.

Offshore scrap

In Brazil, Gerdau won a 2023 auction for the sustainable dismantling of Petrobras's P-33 platform and will use the scrap metal from the vessel to make steel at the Charqueadas (RS) mill. The P-32 platform, also decommissioned by Petrobras, was another auction Gerdau prevailed at, and the company will sustainably dismantle it in partnership with Ecovix. The scrap will be recycled at the Charqueadas (RS) and Sapucaia do Sul (RS) mills, confirming the circularity capacity of steel for transformation into new products.

Renewing the national fleet

In 2023, Gerdau, Vamos and Volkswagen Truck and Bus forged an unprecedented alliance to renew the Brazilian national fleet, covering all cycles for the acquisition, decommissioning and recycling of 140 old trucks on Brazilian roads for over 20 years. After decommissioning, Vamos will send the acquired vehicles to Gerdau, which will break them down into raw materials for steel production.

Prolata

In Brazil, Prolata, a project dedicated to sustainability and reverse logistics in the steel packaging sector, operates in 19 states and 170 municipalities. It supports waste picker cooperatives with management, regularization with public and environmental agencies, training, and initiatives to improve the well-being and safety of those working in this chain. Gerdau partners with Prolata, which in 2023 ensured the proper disposal of thousands of tons of post-consumer steel packaging.

Scrap in North America

More than 600,000 used vehicles were recycled in 2023 in our North American operations. Our operations use a renewable electrical matrix, with ferrous scrap as the sole raw material.



Renewing the national fleet

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Circular economy

Energy efficiency is a material topic for Gerdau. It creates commercial and economic opportunities while providing environmental and social benefits. From an environmental standpoint, the application of the circular economy preserves natural resources and is based on three pillars: eliminating waste and pollution, circulating products and materials, and regenerating nature.

The circular economy at Gerdau goes beyond recycling: it is present in water recirculation and the reuse of gases and co-products. The waste generated in our operations serves as raw material for other industries, just as the waste from other industries serves as raw material for our businesses.

The need for synergy between companies is one of the main challenges for implementing the circular economy, but it also presents an opportunity to create a more sustainable, resilient and efficient economic system. This synergy is crucial for the effectiveness of the circular economy, as it enables the creation of an seamless production and consumption system where waste is transformed into resources, and product life cycles are extended. It also generates new business opportunities and can cut production costs, improving the competitiveness and sustainability of the involved companies.



Riograndense mill (RS)

Circular partnership

A sustainability-focused initiative developed by Gerdau and Senai is directly impacting half a million young people in São Paulo state annually. In the partnership developed in 61 municipalities in São Paulo, Gerdau's Commercial department supplies part of the steel used in Senai São Paulo's practical classes and later collects the ferrous metal scraps generated in the educational processes. The input returns as raw material for a new cycle of steel production in our mills. The estimated volume generated is 600 tons per year of ferrous metal

scrap. The partnership aims to ensure the proper stewardship of the waste life cycle and to generate sustainability impacts.

Engagement labels

In 2023, we received the Circular Engagement label for our participation in the Brazil Circular Economy Hub (Hub-EC) along with 12 other companies of various sizes and sectors. This recognition highlights the importance of co-creating new projects and businesses for the circular transition.

LEARN MORE ABOUT GERDAU'S CIRCULARITY BY ACCESSING THE VALUE CHAIN INFOGRAPHIC ON [PAGE 17](#).



[CLICK HERE](#) to learn about the volume of raw materials or recycled materials used in Gerdau's operations available in the appendix of this report.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

[Natural capital](#)

Awards and recognition

External Assurance Letter

Appendices

Credits

Waste and byproducts GRI 306-2, SASB EM-MM-150a.10

We encourage responsible, efficient, and sustainable waste management, aiming to minimize impacts and maximize reuse by utilizing co-products and incorporating them into other production processes, thereby avoiding the use of landfills.

All Gerdau operations abide by the Sustainability Policy and the Corporate Environmental Standard, which, in addition to encouraging maximum reuse, require compliance with applicable laws, regulations and standards. These documents also mandate the specification of waste and co-products, which must be updated periodically according to Business Operations guidelines and current legislation.

In the handling of hazardous and non-hazardous waste, all operations comply with applicable regulations, including the preparation of safety data sheets and environmental specification sheets for waste, as well as physical-chemical specification sheets for co-products. Emissions and document checks are carried out by trained technical teams operating at the operational facilities using the instructions in our management procedures for each operation.

Gerdau carries out both internal audits on the environmental management of industrial

operations as well as external audits on the facilities receiving our waste materials and co-products, to ensure they are compliant with applicable environmental laws and regulations.

Waste and co-products are managed by Co-products and Environment teams, with support from our Research & Development department, which works to develop technologies and new applications for co-products based on circular economy and sustainability principles.

Co-products are not raw materials or products for use in another stage in the steel production industrial process, but they do have high added value through the recovery, reuse, remanufacturing and recycling of materials.

Gerdau has made a significant effort to develop technology routes for reusing these materials within our mills or in other applications, in place of traditional non-renewable raw materials, in order to minimize the need for landfilling and waste dumps. This creates not only environmental but also financial benefits, by allowing us to extract more value from our co-products while conserving natural resources, generating water savings, reducing or eliminating the need for landfilling, and generating new revenue streams from co-product applications.



"Sustainable House": house built with Gerdau's dam waste - Gerdau Germinar Biocenter, Ouro Branco (MG)

OUR OPERATIONS GENERATE: HAZARDOUS WASTE (CLASS I) AND NON-HAZARDOUS WASTE (CLASS II).

When collected, co-products are conditioned, processed when necessary, and monitored to ensure technical and environmental quality for internal or external reuse. Examples of significant co-products include blast furnace slag, primarily used by cement companies; mill scale, with various applications in metallurgical processes; and steel aggregate produced in electric arc furnaces and steelworks, which is used for base, sub-base, and primary surfacing of streets, highways, roads and parking lots.

Regarding the processes used to collect and monitor data related to this topic, the accounting of waste and co-products is classified as follows: upcycling, which includes reutilization, recycling, and recovery; and disposal, which includes incineration, on-site storage, and landfill.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

 Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Types of waste

Our operations generate:

- **Hazardous waste (class I):** iron chloride, types of lime waste, oil and grease, melt shop dust, lead-containing ash and sludge, and combustion chamber dust.
- **Non-hazardous-waste (class II):** blast-furnace clay, blast-furnace slag, ladle-furnace aggregate, steel aggregate, ore fines, melt shop and rolling ferrous oxide, bio-reducer millings and fines, non-ferrous scrap, scrapyard residue, off-gas dust, collector dust, blast furnace, sinter and LD steelworks dedusting ash, degraded material, industrial reduction co-product, 0-13 calcitic limestone, refractory scrap, mill scale, fine scale/mud from the shredder, zinc-containing sludge and ash.

Co-products were incorporated into our strategic planning in 2021, under our target to increase the percentage reuse and disposal of waste materials. The targets set for waste and co-products management measure the amounts recycled out of the total quantity generated. Indicators are also tracked by leadership through the Industrial Performance Report.

In 2023, the projected goal of directing 100% of co-product was met in Brazilian operations. For 2024 we plan to build on our efforts throughout 2023, with an increased focus on environmentally compliant reutilization of materials generated in Gerdau's operations, raising value creation in line with company standards and applicable laws and regulations.

Internal training was also conducted to enhance expertise about the co-products generated in each mill and their technical properties, engaging various teams in creating value through reuse. Key co-products were also mapped, and preliminary life cycle analysis studies were conducted to identify gains related to the use of co-products in processes and to support technical sales.

In 2023, no incidents of non-compliance with significant¹ fines were identified related to the handling, storage, transportation or disposal of hazardous materials used in mineral processing activities and generated hazardous waste.

SASB EM-MM-150a.9

¹ Gerdau believes that the concept of significant fines/sanctions is based on two criteria: (a) materiality: the monetary amount of significant fines, or those involving amounts of US\$ 8 million or more, and/or (b) relevance: sanctions applied as a result of failure to comply with environmental laws and regulations that could impede or limit activities, or impact the company's image.

Agregar Program

A socio-environmental collaboration between Gerdau and municipalities in Minas Gerais that aims to improve the quality of life for residents through investments in urban and rural mobility. By using GG Mais Pavimentação, Gerdau's steel aggregate co-product, we improve rural roads and save on natural resources, enabling sustainable regional development and enhancing access and mobility within communities.

Use of GG Mais Pavimentação on rural roads



[CLICK HERE](#) to learn about the volume of waste generated in Gerdau's operations available in the appendix to this report.

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

Climate change

GRI 3-3. Management of material topics

According to 2020 studies by the International Energy Agency (IEA), the iron and steel sector is responsible for direct emissions of 2.6 GtCO₂ annually, representing between 7% and 9% of global CO₂ emissions. However, steel is present in the new technologies for energy generation as an input for solar panels and wind towers, it is part of new infrastructure solutions, and is critical for planet decarbonization.

We understand the significance of climate change, driven primarily by greenhouse gas (GHG) emissions from the industrial sector. Climate change is linked to serious socio-environmental impacts due to extreme events such as water stress, heatwaves and floods, which occur more frequently and consequently also cause economic impacts worldwide. For this reason, we have structured a medium- and long-term strategy to be part of the solutions for a low-carbon economy.

To define our goals and guide our strategy towards the lowest effective carbon cost we rely on the support of consultants, who help us analyze changes in technology and production methods. The company adopted

the Marginal Cost Curve Abatement (MACC) and the Marginal Energy Abatement Cost Curve (MEAC). In 2022, it structured and published its goal to reduce scope 1 and 2 GHG emissions to 0.82 tCO₂e/t of steel by 2031. This target is included in the Long-Term Incentive Plan (ILP) for our senior leaders, and the indicator is monitored by leadership.

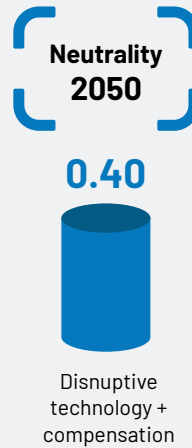
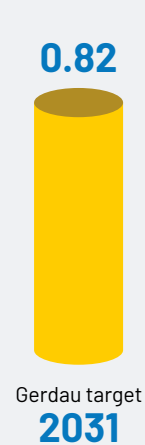
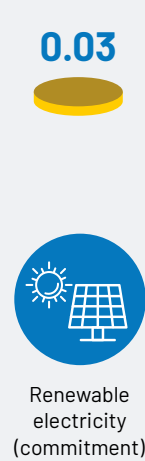
We prioritized:

- Increased energy and operational efficiency
- Increased scrap consumption
- Expanding our forestry base and renewable energy sources
- Investing in new technologies and open innovation

WE HAVE ONE OF THE LOWEST GHG EMISSION INTENSITIES IN THE STEEL INDUSTRY, APPROXIMATELY HALF THE GLOBAL SECTOR AVERAGE, WHICH CURRENTLY STANDS AT 1.91 TCO₂/T OF STEEL (ACCORDING TO WORLDSTEEL).

On track to meet our commitment and beyond...

tCO₂e per tonne of steel



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Our GHG emission levels position us head and shoulders above our peers. The global steel industry would need to reduce its current emissions by about 50% to reach our levels. Once we have reached our 2031 goal of 0.82 tCO₂e/t of steel we will be in an even better strategic positions vis-à-vis the more efficient peers when it comes to greenhouse gas emissions.

To achieve this, investments are planned for energy and operational efficiency, including initiatives for raw material improvement and vertical integration. These investments of approximately USD 1 billion were included in Gerdau's planning and identified in the marginal abatement cost curves as effective costs.

We also aim to be carbon neutral by 2050. For this, disruptive technologies are necessary in steel production, which are not yet economically and operationally feasible on an industrial scale.

To contribute to this, we continue to research and work with industry organizations and partners in the search for low-carbon solutions. This journey will also require public policies and measured focused on reducing GHG emissions from industrial processes.

All our operations monitor and manage their GHG emissions and related risks and opportunities. Operations are also responsible for driving down emissions by optimizing natural resource use, energy efficiency and technological innovation. This topic is

Gerdau and the low carbon economy: a differentiated position

According to the Transition Pathway Initiative (TPI), Gerdau is aligned with the Paris Agreement, and is better positioned than its peers.

tCO₂ per tonne of steel



Peers: Gerdau, Usiminas, CSN, Arcelor Mittal, Steel Dynamics, Comercial Metals Company Nucor, Cleveland-Cliffs and US Steel. Source: Transition Pathway Initiative (information disclosed to the market). Gerdau's GHG emissions intensity: Scope 1 and 2.

also addressed by the ESG Squad, the Strategy and Sustainability Committee, and the Board of Directors.

From 2022 to 2023, our GHG emissions intensity (scopes 1 and 2) increased from 0.86 tCO₂e/t of steel to 0.91 tCO₂e/t of steel, which is still less than half the global sector average of 1.91 tCO₂e/t of steel. This variation was partly due to a reduction in the proportion of production via electric arc furnace steelmaking, which uses scrap as raw material, primarily in Brazil, due to competitiveness factors and the impact of steel imports. Each ton of recycled scrap avoids approximately 1.5 tCO₂ per ton of steel produced. Another factor behind this variation was the higher emissions intensity of integrated steelmaking, which uses ore and coal as the main raw materials. This was due to the quality of carbonaceous materials, which led to

higher emissions from sintering and a higher coal injection rate in blast furnaces, and lower internal scrap consumption in steelmaking due to higher pig iron availability.

Externalities affecting competitiveness and GHG emissions are projected and monitored by operations and overseen by the Strategy and Sustainability Committee and the Board of Directors. This ensures that the organization's decarbonization plans are updated and aligned with our 2031 commitments.

SASB EM-MM-110a.2, IS-110a.2 GRI 305-4

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Inventory

Since 2020 we have been publishing assured data related to our GHG emissions based on ISO 14064, the GHG Protocol, and worldsteel methodologies, raising our management of this information to new levels each year. Since 2023, assurance has been conducted based on ISAE 3410. Since 2022, all Gerdau facilities have compiled inventories and managed their GHG emissions and energy using specialized software, increasing the reliability and traceability of the information and ensuring standardized data collection. The methodologies and emission factors used are those published by Worldsteel, the GHG Protocol and the Intergovernmental Panel on Climate Change (IPCC). We are working towards adopting increasingly specific data, and in some cases, we use unit-specific factors, reflecting a progressively more robust inventory management process.

Recognized efforts

We achieved an A- rating for the first time in the Climate Change module of the 2023 CDP cycle, a globally recognized entity for evaluating sustainable practices. This is the second highest rating on the scale. This progress raised the company to leadership level in this area, surpassing the global average and the metals and metallurgy sector average, reinforcing our commitment to transparency and reducing GHG emissions.



We were the first steel manufacturer to join the B3 ICO2 index. This index is made up of the shares of companies in the IBrX-100 willing to adopt transparent practices regarding their GHG emissions, reaffirming its concern with the impact of climate change.



The company was included in the 2023 Sustainability Charter. This Charter combines a group of leading steel manufacturers who signed the association's most recent Sustainable Development Letter, stating their commitment to the industry's nine sustainable principles.



Gold reporting status in the Brazilian GHG Protocol Program

We earned Gold Reporting Status from the Brazilian GHG Protocol Program for the first time, a recognition from the Getulio Vargas Foundation (FGV) awarded to organizations that achieve the highest level of qualification and transparency for the 2022 GHG emissions inventory through the Public Emissions Registry (RPE).



Team Gerdau at COP28

Gerdau in COP28

Reflecting our commitment to climate change and being part of the solutions to societal challenges, we participated in the Conference of the Parties, COP28, for the first time, held in Dubai, UAE, in 2023. At the event, we actively participated in panels discussing sustainable production matrices, low-carbon steel leadership and the energy transition. At the invitation of the federal government and the National Confederation of Industry, we also participated in climate-change panels.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits



Employee Paula Yoko Takanashi, Pindamonhangaba mill (SP)

Emissions management and governance

In 2023, we took further strides in managing emissions, particularly at the Ouro Branco (MG) and Cosigua (RJ) mills, through three pillars: Operational Excellence, Engineering and Environment.

By harnessing techniques and tools developed by these functions and working together with support from specialists in other operational areas, the units gained a better understanding and critical analysis of their GHG emission precursors. They now have advanced management systems, systematically monitor their information, and have

action plans to address failures and committees to address these issues. Worldsteel studies show that energy and operational efficiency initiatives like those we use in our operations help companies achieve direct and indirect CO₂ emission reductions of up to 20% in integrated mills and 50% in mini-mills.

In 2023, there was also progress in CO₂e monitoring at the Ouro Branco (MG) mill, which began online monitoring at the thermoelectric plant (CTE). Daily monitoring at the coking plant and carbo-chemicals also started at the same time. This same monitoring was later implemented in blast furnaces, a major leap for data management. We also forged a partnership with the National Confederation of Industry (CNI) to participate in the Aliança Program, aiming to improve energy efficiency and reduce GHG emissions.

In 2023, workshops were conducted in Brazil for Environment and Engineering specialists and the leadership of all our operations.

Another significant tool deployed is the GHG emissions calculator, applicable to investment projects above USD 1.5 million. It was embedded in the investment validation routine after training sessions for Engineering and Environment teams and the leadership of Gerdau's Business Operations worldwide. As part of the strategy, an internal carbon price was also set to aid the company's decision-making.

Continuous casting in Pindamonhangaba

As part of a new cycle of sustainable growth for Gerdau, we announced operations had started of the new continuous caster for billets and blooms at the Pindamonhangaba (SP) mill. This equipment will usher in a more automated process, resulting in the delivery of differentiated products with even higher quality for demanding markets. It will also operate with better yield, leading to a reduction of approximately 7,000 tCO₂e per year. The mill's technological upgrade is aligned with future prospects for increasing the fleet of electric and hybrid vehicles in Brazil.



Governor Tarcísio de Freitas at the inauguration event in Pindamonhangaba (SP) alongside Gustavo Werneck, Guilherme Johannpeter and André Johannpeter

THE NEW EQUIPMENT WILL REDUCE EMISSIONS BY 7,000 TCO₂E PER YEAR ACHIEVED AT THE PINDAMONHANGABA MILL.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Our operations in Canada are affected by the Federal Greenhouse Gas Pollution Pricing Act and the Provincial (Ontario) Emissions Performance Standards Regulation. In total, 2% of Gerdau's emissions (scope 1) derive from our operations in Canada. **SASB EM-MM-110a.2, IS-110a.2**

At our mill in Cambridge, we have used landfill gas in replacement of natural gas since 1999. This gas is conveyed to the mill where it is mixed with natural gas and used in the furnace to produce steel. In 2023, landfill gas supplied 6.5% of the mill's energy requirement. To date, the project has delivered around 1.9 million GJ of energy to the mill, thereby avoiding the emission of 27,000 tCO₂e.

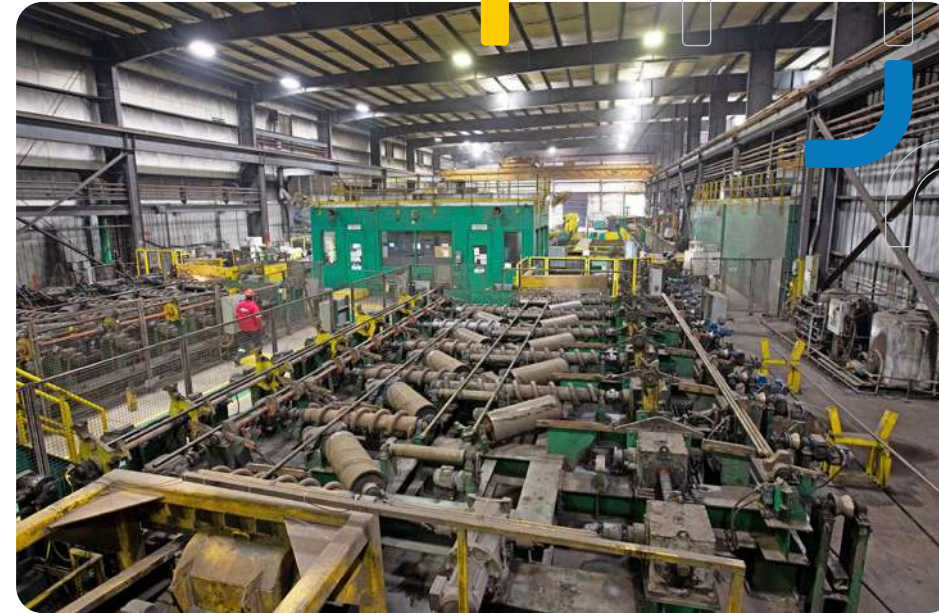


Cambridge mill, Canada

The U.S. Government invested **USD 10 million** in decarbonization studies

New technologies

There is no single solution for steel decarbonization. The most disruptive solutions are not yet scalable. The International Energy Agency (IEA) projects that the widespread implementation of innovative technology will accelerate between 2030 and 2050, but this implementation will depend on the availability of resources and local policy. One of the pillars of Gerdau's decarbonization strategy is investing in new technologies and open innovation. We interact with start-ups and are always on the lookout to alternatives for increasingly sustainable steel production. By actively collaborating with industry organizations, universities and research centers to develop disruptive technologies. Through Gerdau Next, we explore possibilities beyond steel and pursue high value-added solutions. A working group with specialists from various fields meets periodically to guide potential technologies aligned with the company's decarbonization strategy. Opportunities such as Carbon Capture and Carbon Capture and Storage (CCU and CCUS) and hydrogen are part of the group's analyses.



Monroe mill, USA

Hydrogen research

A project in the United States focuses on researching the use of hydrogen on an industrial scale for steel production. This research initiative received funding of USD 10 million, the largest amount ever allocated by the U.S. government to support decarbonization studies, and aims to provide more knowledge about the use of hydrogen at pilot and industrial scales. The research is being conducted by Purdue University, with the support of Linde (a global leader in industrial gases and engineering) and steel-making companies. The tests will be carried out at our Monroe plant in Michigan, United States.

SASB EM-MM-110a.2, IS-110a.2



CLICK HERE to learn about Gerdau's GHG emissions available in the appendix to this report.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Biodiversity

GRI 3-3. Strategic topic management

We follow sustainable practices, focusing on the preservation and conservation of natural resources and the biomes where we operate. Brazil is the country with the greatest biological diversity in the world, home to between 15% and 20% of the world's biodiversity, according to Centro Brasil no Clima (CBC).

Gerdau Florestal in Minas Gerais, Brazil establishes our presence in the Cerrado and Atlantic Forest biomes, with over 250,000 hectares of forests, of which 90,000 hectares are conservation areas. We manage these areas in accordance with internal policies, processes

and legal regulations, with practices ranging from mosaic eucalyptus plantations to biological control and Nature-Based Solutions (NBS). The same care extends to our mining business.

As part of our environmental permitting process we run environmental impact assessments that include studies on the use and occupancy of the soil. These include characterizing the biomes that are or could be impacted by the construction and operation of our ventures, and the measures required for environmental compensation. Before implementing offsetting measures, we also consider alternative locations for activities or projects to minimize potential impacts.



ADVANCEMENT IN DEGRADED area rehabilitation processes

Planting of **50,000 SEEDLINGS** in **200 HECTARES** in 2023.

WE HAVE 250,000 HECTARES OF FORESTS, OF WHICH 90,000 HECTARES ARE CONSERVATION AREAS.

Luis Carlos Jurovsky Tamassia Private Natural Heritage Reserve (PNHR), in Serra do Ouro Branco (MG)

Our mining operations have a Disturbed Land Rehabilitation Program. This is looped into other initiatives, such as erosion control processes and a water monitoring program. This array of measures aims to restore degraded areas, establishing a new dynamic balance suitable for future use.

As part of its biodiversity efforts, Gerdau has voluntarily designated 1,247 hectares for the creation of a Private Natural Heritage Reserve (RPPN) called Luis Carlos Jurovsky Tamassia in the municipality of Ouro Branco (MG). The RPPN aligns economic development with the conservation of the region's natural resources, creating space for recreational and educational tourism activities. These activities are integrated with the Biocentro Gerdau Germinar's environmental education project.

Business initiatives

In 2023, the Business Initiatives (iE) topic in which Gerdau participated in Brazil was "Embedding business strategies in climate and biodiversity". iE is a network coordinated by FGVces, of the Getulio Vargas Foundation (FGV), which for more than a decade has brought together companies from different sectors interested in accessing and producing know-how and exchanging experiences about the advances and challenges of business management for sustainability, in a blend of theory and practice. The Initiative provided online and in-person meetings, exchanges, and learning opportunities.



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Spring rehabilitation

Through its mining operations in Brazil, in 2023 Gerdau partnered with the Senai Innovation and Technology Center and the Itabirito municipal government to carry out actions to restore 14 springs in the Itabirito River Basin in the municipality. These actions focused on environmental education, research and planting seedlings.

Results



1,611 seedlings planted, contributing in the future to land stabilization, erosion prevention, maintaining the volume and quality of water in streams and springs, reducing temperature in the microclimate, creating habitats for wildlife, and protecting biodiversity.



4,031 meters of fencing to limit human and animal access, preventing soil compaction, degradation of native vegetation, pollution of water bodies, and favoring the natural regeneration of vegetation and the growth of planted seedlings.



3,869 meters of firebreaks, which play a fundamental role in preventing and controlling forest fires, serving as a barrier to prevent fires from spreading through sensitive areas and fragile ecosystems.



210 specimens of native vegetation evaluated



1,000 residences visited for awareness-raising actions



64 different species identified



35 students participated in environmental education activities

Forest fire fighting and prevention teams

Gerdau undertakes prevention and awareness actions to combat forest fires in Minas Gerais. Lack of knowledge and poor risk awareness are potential factors for forest fires, especially during the dry period, from June to October. To address this issue, the company has the Gerdau Forest Brigade, headquartered in the city of Três Marias, which has ramped up its preventive activities in over 30 surrounding municipalities in Minas Gerais. To prevent forest fires, the company has an intelligence center with surveillance cameras covering 60% of the area, and a communication channel with the community and other emergency resources, such as radios. The intelligence center is connected to forest observers and the security team, which protect eucalyptus plantations and native forests. The Gerdau brigade team has all the necessary resources, such as water trucks, motor graders, light vehicles adapted for rapid response, and even airplanes with flame-retardant foam. Gerdau has also joined the campaign by the Minas Gerais Forestry Industry Association (Amif) to carry out new prevention and firefighting actions. Entitled “Queimar te Queima” [Burning Burns You], the campaign aims to raise awareness among the general public about the dangers caused by uncontrolled fires, especially during the driest periods of the year.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Fauna Monitoring Programs

With an emphasis on threatened species and those of conservation interest, the Fauna Monitoring Program conducted in mining is part of the environmental licensing process for mining pits and operational structures with study areas in the municipalities of Moeda, Itabirito and Ouro Preto, all in Minas Gerais state.

The main objective is to present specific technical recommendations for the management, territory management and biodiversity conservation in the enterprise area and its surroundings. Monitoring covers five groups of fauna (reptiles and amphibians, birds and mastofauna: small non-flying mammals, medium and large mammals, and small flying mammals - bats).

Carnivore Monitoring Program Using Radiotelemetry

Through radiotelemetry, this Program has been implemented in mining and allows us to monitor species of interest. Mammals play a meaningful ecological role in ecosystems, whether as participants in different stages of the trophic chain or as seed dispersers, pollinators, herbivores and population regulators by predators, providing an excellent indicator of the conservation status of the environments in which they are present.

Studies in tropical environments have revealed that the disappearance of certain species from a given area can affect different trophic levels

(also known as food levels, representing the biotic set – animals and plants – that integrate the same ecosystem and share similar feeding habits) connected to them, causing profound changes in the dynamics of their ecosystems. Specifically within the group of medium- and large-sized animals, those considered apex predators in the food chain (carnivores) also act as prey regulators, capable of maintaining the balance of the community. As they require large areas to maintain viable populations, conserving enough areas for the carnivore population also preserves other species in the community. Many of these species are therefore keystone species for ecological processes, as their scarcity or absence can cause irreversible damage to the ecosystem where they occur.

However, little is known about the area requirements of large carnivores due to the difficulty in studying them in natural conditions. Study tools such as telemetry are thus of great importance for understanding the territorial behavior of these species, as they allow their movements to be monitored from afar. The program targets the species: Puma concolor (cougar), the second-largest terrestrial predator in Brazil, currently threatened with extinction, classified as “Vulnerable” at the state level (COPAM, 2010); Leopardus pardalis (ocelot), also threatened at the state level, classified as “Vulnerable”; Chrysocyon brachyurus (maned wolf), listed as “Vulnerable” on the national and state

lists of Minas Gerais and as “Near Threatened” at the global level (MMA, 2022; COPAM, 2010; IUCN, 2022); Lycalopex vetulus (hoary fox), also “Vulnerable” on the national list and “Near Threatened” on the global list (IUCN, 2022).

The program aims to elucidate the understanding of the territorial behavior of these species and their movement over distances (dispersion and distribution) in the areas of the Várzea do Lopes and Miguel Burnier mines, both in Minas Gerais, and to provide information on the possible ecological responses of these endangered species. After efforts to capture, tag and remotely track the animals, it was possible to consolidate a considerable volume of data. Of the three individuals of Chrysocyon brachyurus (maned wolf) being studied, two had their monitoring concluded in 2023, while the third is expected to be monitored until October 2024. Two other species targeted by the program, Puma concolor and Lycalopex vetulus, were successfully captured and tagged with radiotelemetry equipment for study.



From left to right: *Chrysocyon brachyurus* (maned wolfguará), *Oligogon luizotavioi* (Luiz Otávio's tree frog), *Dacnis cayana* (blue dacnis), and *Eptesicus diminutus* (small brown bat), species found in Gerdau's forests.

BRAZIL IS THE COUNTRY WITH THE GREATEST BIOLOGICAL DIVERSITY IN THE WORLD, HOME TO BETWEEN 15% AND 20% OF THE WORLD'S BIODIVERSITY, ACCORDING TO CENTRO BRASIL NO CLIMA (CBC).

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits



Photography contest

Under the topic “Natural Looks and Beauties,” the I Photography Contest of the Luis Carlos Jurovsky Tamassia Private Natural Heritage Reserve (RPPN), located in Minas Gerais, was organized by the unit’s management committee and included the participation of Friends of the RPPN and the support of the Gerdau Germinar program. This action is part of the RPPN’s event calendar and aims to portray, value, preserve and promote the natural assets of this heritage through different photographic perspectives.



Study of sensitive habitats

In 2023, our operations in North America conducted a study of potential sensitive habitats and mapped actions to improve these habitats and biodiversity, such as native landscaping and initiatives with birds and bats. The study will serve as the basis for a future conservation plan for Business Operations.

Motus

The Motus Wildlife Tracking System (Motus) is an international collaborative research network that uses automated coordinated radio telemetry to facilitate research and education on the ecology and conservation of migratory animals. It is a program of Birds Canada in partnership with collaborating researchers and organizations. Our Whitby unit in Ontario, Canada, is a partner in the project. The Gerdau mill provides an ideal location

Photography contest winners



for spotting migratory birds, and a monitoring station has therefore been installed on-site. Birds or animals fitted with radio tags can be spotted, and many of these species are at risk in Ontario, such as the loggerhead shrike and common nighthawk.

Biological corridor

In Uruguay, we began forming a biological corridor over the Ludueña Stream Basin, which crosses the productive areas of the cities of Pérez, Funes and Rosario. Over 190 Gerdau volunteers participated in planting 4,200 carob tree saplings, a native species ideal for regenerating the watershed and forming a native forest. The project was a partnership with Nativas, a tech company that engages in climate action through the conservation and regeneration of natural ecosystems.

Some participants of the I Photography Contest of the Luis Carlos Jurovsky Tamassia Private Natural Heritage Reserve (PNHR), under the theme “Natural Beauties and Perspectives”:

Wildlife: “Lightness and Beauty”, by Bruno Alvares

Flora: “Almost cotton candy”, by Wellington Dourado

Landscape: “Waterfalls of clouds”, by Roel Naer

ANNUAL REPORT 2023

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Gerdau Germinar Biocenter

Dedicated to environmental education since 1990, the program aims to build a more sustainable society. It develops participatory activities based on socio-environmental education, scientific research, fostering biodiversity conservation and prioritizing environmental content according to local realities.

The Gerdau Germinar Biocenter adopts methodologies based on active learning and is directed towards multiple audiences, benefiting school-aged children and young people, educators, neighboring communities and employees of Gerdau and partner companies.

Significant results to date include:

- Increased environmental awareness
- Enhancing understanding and awareness of environmental issues
- Strengthening bonds and relationships between the company and society
- Facilitating collaboration between communities, the company, and universities focuses on fostering research and educational actions that lead to sustainability-aligned decision-making



Gerdau Germinar Biocenter, Ouro Branco (MG)

Gerdau Germinar Biocenter Initiatives in 2023:

- **Environmental Education Program (PEA)** [In Compliance with Normative Resolution 238/2020]
Consists of a training plan for employees, featuring modules with socio-environmental topics and participation and learning indicators. In 2023, 23,667 employees trained at the Ouro Branco mills and mining operations.

Besides the internal participants, the PEA involves the communities in the company's areas of influence by conducting **environmental training workshops**. This process benefited 327 people in 2023, with more than 22 hours of training.

- **Environmental education for the school community and NGOs**

With the objective of involving schools and NGOs in the region, the program organizes the annual **Planning Workshop**, in which the results and proposed activities for the year are presented. This initiative plays an important participatory role in validating the planning of the program's actions. Activities then begin:



Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

🔗 **Natural capital**

Awards and recognition

External Assurance Letter

Appendices

Credits

- Environmental Laboratory – An annual program of courses and workshops on various socio-environmental topics offered to educators and community leaders with the aim of furthering their socio-environmental education and, consequently, stoking individual and collective actions aligned with sustainability in the region.
- Student visits to the Biocenter – Guided by socio-environmental topics commensurate with the school curriculum, the visits enable the use of interactive environments at the environmental education center (Biocenter), such as environmental interpretation trails, the Brazilian Biomes Square, Ovolândia, the Organic Garden, and the Sustainable House, as tools for practicing environmental education.

- Germinar Week Empowering Differences – Promotion of multi-sensory and informative environmental education activities aimed at students from the Association of Parents and Friends of Handicapped Persons (Apaes) and special education schools in the region.
- Gerdau Germinar Award – Conducted in partnership with the Gerdau Institute, the award was created to encourage schools and NGOs to develop environmental projects that can make a difference in people's perspectives and relationships with the environment. The 7th edition of the awards benefited 8,682 people in 2023.



Participatory water monitoring

Projects for biodiversity preservation and conservation

Participatory Water Monitoring – Developed in partnership with the Federal University of Minas Gerais (UFMG)/Bentos Ecology Laboratory, this initiative disseminates practices with the objective of training the community on how to monitor the physical, chemical and biological properties of the waters. After being trained by the UFMG team, educators and students use ecokits to evaluate the water quality of streams, rivers and lakes in the region. After this testing, time is taken to reflect on and observe the causes of impacts, and then pursue possible solutions to improve water quality.

Research and Innovation Unit in Ironstone Outcrops – A facility dedicated to the ex situ conservation of specimens retrieved from mining areas, the cultivation and propagation of endangered species, the development of species propagation protocols, and the preparation of scientific articles in partnership with the Federal University of Viçosa (UFV) and the Federal University of Lavras (UFLA).



Student visits to the Biocenter

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits



Luis Carlos Jurovsky Tamassia
PNHR, at the foot of Serra de Ouro
Branco (MG)



■ **Conservation Units**

Management of the RPPN Luis Carlos Jurovsky Tamassia, located at the foot of Serra de Ouro Branco (MG), and RPPN Luís Beethoven Piló, in Pains (MG).

□ Amigos da RPPN – This aims to meet the aspirations of the local community and is based on the management plan, which establishes a shared protection relationship for the RPPN Luis Carlos Jurovsky Tamassia. Training on the area's biodiversity and natural resources is conducted, expeditions and educational activities are organized, and infrastructure improvements are carried out.

In 2023, 276 people took part in the Participatory Water Monitoring project, 2,260 visitors in the Scientific Workshop (an interactive activity held at MM Gerdau), and 157 people in the Amigos da RPPN project.

■ **Expanding the Gerdau Germinar program to other Gerdau facilities**

Transfer of practices executed by the program that, after adaptation, can be replicated in other Gerdau units.

In 2022, the Gerdau Germinar Award was disseminated and replicated to the Florestal, Barão de Cocais and Divinópolis sites, in the cities of Barão de Cocais, Bom Sucesso, Corinto, Divinópolis, Ingaí, Lassance, São Bento Abade, Três Marias, and Várzea da Palma, all in Minas Gerais state. In total, 10 projects received a total investment of R\$ 141,000 and are being developed in schools and NGOs in the company's areas of influence.

The expectation is to gradually expand the implementation of other established environmental education practices from Gerdau Germinar to the company's units.

Gerdau Germinar by the numbers (1990 to December 2023)

Over these 33 years, the program has contributed to strengthening responsible socio-environmental activities in communities



160,254
People involved in socio-environmental projects



R\$ 467,000.00
Invested in the Gerdau Germinar Awards



160,534
Students benefited



62,928
Direct employees and contractors communicated



17,886
Teachers and community representatives trained

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

📍 **Natural capital**

Awards and recognition

External Assurance Letter

Appendices

Credits

Air emissions

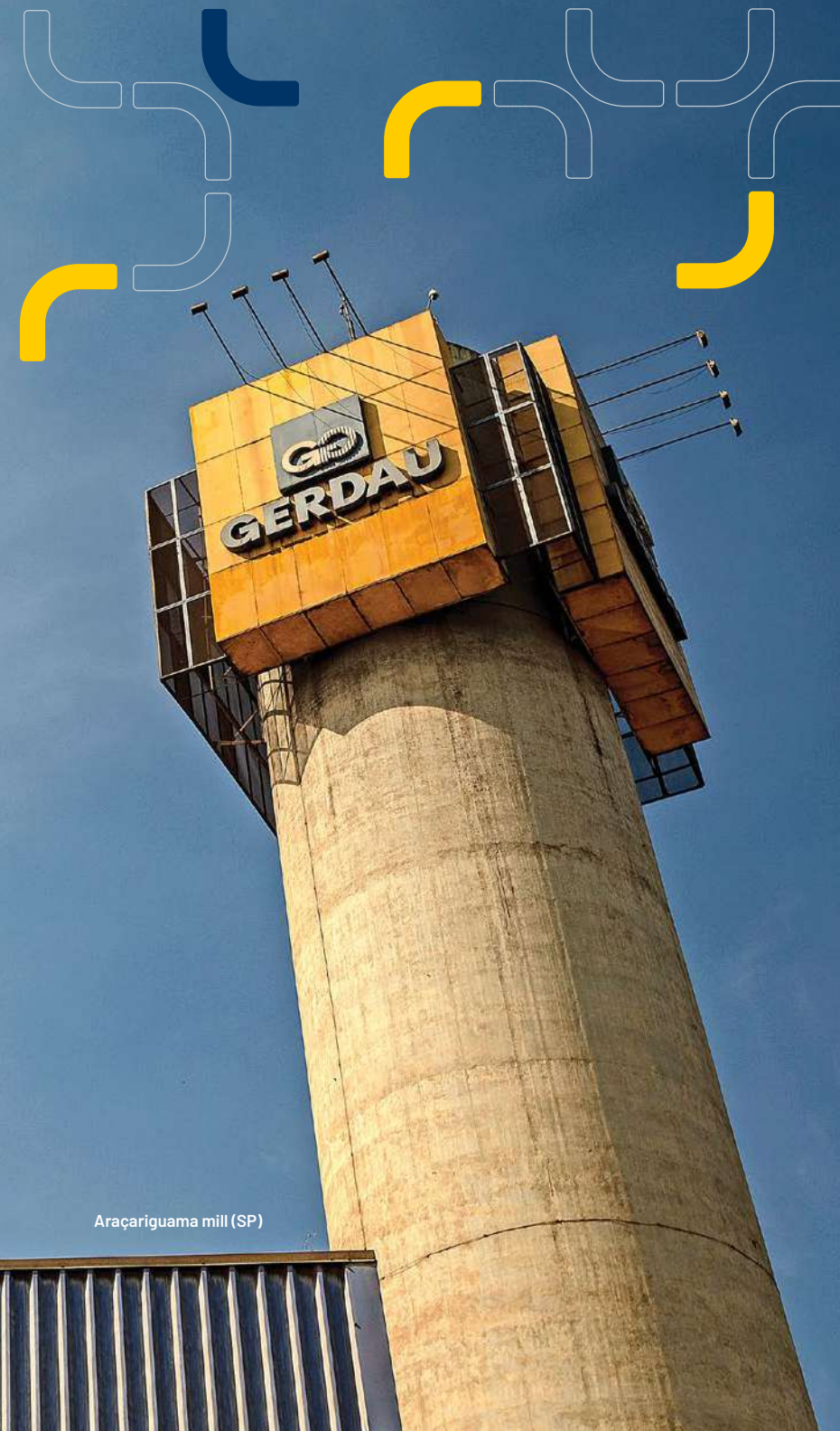
We follow the current legal and regulatory standards for air emissions and air quality. Managing this issue is essential for mitigating impacts on the communities where we operate.

We ensure proper operation, maintenance and calibration of the air emission control equipment, efficiently eliminating or reducing the emission of visible particulates. We manage emissions from fixed sources (chimneys), whose monitored parameters include particulate matter, NOx, and SOx, according to the specific process and legislation of each geography. Our targets are based on the legal conditions of the operations where we are located. We have emission control equipment such as electrostatic precipitators, exhaust systems, bag filters, and gas scrubbers.

To reduce diffuse or fugitive sources we moisturize, apply polymers, or use mechanized weeping in circulation areas and materials piles. The Ouro Branco (MG) mill has an automated network that monitors air quality around the plants. These stations

are constantly in use and the data is monitored and forwarded to the proper stakeholder. Additionally, the facility conducted a proactive dust control study, in which approximately 100 points were monitored. It also began monitoring its fugitive and diffuse emissions, following the recommendation of the Environmental Protection Agency (EPA), using actual data instead of literature data in its inventory. The measurements were lower than those from the literature and made the inventory more reliable. In 2023, an atmospheric dispersion study was carried out in agreement with the environmental agency, and the air quality monitoring station (Lobo Leite) was relocated for better regional coverage and to minimize local interference in the station's data.

Over the years, we have invested in processes, systems and projects to improve the environmental conditions of our mills and their surroundings, and in equipment to dedust air emissions, in line with our strategy and in compliance with applicable legislation and stakeholder demands.



Araçariçuama mill (SP)

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

🔗 **Natural capital**

Awards and recognition

External Assurance Letter

Appendices

Credits

Awards and recognition



Employee Melina Ballonza, Argentina mill

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

The result of the company's work in 2023 and the performance of our leaders and employees, the dedication to sustainability projects, and the relationship with our stakeholders, was recognized by prestigious awards, surveys, rankings and marks of excellence.

Our leadership and our business

Valor 1000

Elected Company of the Year and champion in the Metal and Steel category.

2023 Executivo de Valor [Executive of Value]

Gustavo Werneck, CEO, elected for the fourth time in as many years in the Mining, Metal and Steel category.

Exame Magazine Biggest & Best

Champion in the Steel, Mining and Metal category for the third consecutive year at the Exame magazine awards.

Brazilian Leaders Award 2023

Gustavo Werneck, CEO, recognized for the third time in as many years in the Steel category at the awards organized by Lide magazine.

Estadão Empresas Mais

Champion in the Metal and Steel category in the business ranking compiled by the newspaper O Estado de S. Paulo.

As Melhores da Dinheiro award

Winner in the Steel, Mining and Metal category of the award organized by IstoÉ Dinheiro magazine.

Valor Inovação Brasil

One of the 150 most innovative Brazilian organizations (24th overall) and a standout in the Mining, Metal and Steel category.



2023 Executive of Value Awards

ABERJE Award 2023

Winner in the Communicator of the Year category (Pedro Torres, Gerdaу's global officer of Corporate Communication and Branding) and regional winner in the Multipublics categories (for the Rock in Rio and Salvador Carnival projects).

Jatobá 2023 Award

Elected Company of the Year for the second consecutive year and winner in the Causa e Propósito category (for Gerdaу's recyclable steel project that shaped Rock in Rio) and Own Editorial Media and Case of the Year (for the steel project that shaped The Town).

Brasil 100 Report

The only steel producer making the ranking of the 50 organizations with the highest-rated brands in the country (42nd overall) in the report conducted by Brand Finance.



Gerdaу team at the Valor 1000 awards ceremony

Merco Ranking

The B2B industrial company with the best reputation in Brazil (34th overall) and leader in the Mining, Steel and Metal category, being the only steel producer among the 100 most admired companies.

MESC Awards 2023

One of the 100 Best Companies in Customer Satisfaction (21st overall) and champion in the Steel and Iron segments.

Biggest and Best in Transportation Awards 2023

Title of best among the best in the categories of Raw Materials and Inputs, Transport Sector Holding Co. and Financial Services.

PR Scope Brazil 2023/2024

Elected the most valued brand for its communication success in the Brazilian corporate communication and public relations market survey.

Top Companies for Communications with Journalists

One of the companies that best communicate with journalists for the 13th consecutive time in the award given by Plataforma Negócios da Comunicação and the Center for Communication Studies (Cecom).

Anamaco 2023 Award

Master in the categories of Nails, Mesh or Steel Screens for Concrete, and Steel Rebars in the award organized by the Brazilian Association of Construction Materials Retailers (Anamaco).

Open 100 Top Corps

One of the organizations that invest the most in open innovation and relationships with start-ups in the country (10th overall) in the ranking compiled by the 100 Open start-ups platform.

Steele Awards 2023

Winner in the category of Excellence in Communications Programs, with a success story that tells the story of the partnership with Rock in Rio, in the awards organized by the World Steel Association (worldsteel).



Gerdau team at the Steele Awards ceremony

ESG practices**Época Negócios 3600 Yearbook**

Elected the best company in Brazil in ESG/Socio-environmental and heralded as a leader in the Mining and Steel category.

HRC Equity BR Report

Score of 100 in the Global Workplace Equity Program survey conducted by the Human Rights Campaign Foundation, which evaluates the best practices for LGBTQIA+ inclusion.

Ethos/Época 2023 Inclusion Survey

The only company in the steel sector mentioned as the one that has made the most progress in diversity, equity and inclusion practices.

Women in Leadership Survey

Recognized in the Metal, Steel and Mining category in the survey conducted by the NGO Women in Leadership in Latin America (WILL)

DE&I+ Ranking

Among the top ten organizations in the diversity and inclusion GPTW ranking (Great Place to Work), excelling in the Ethnic-Racial and Early Childhood Care categories.

ESG Excellence Award, from Exame magazine

Stand-out in the Mining, Steel and Metal category in the award organized by Exame magazine.

Great Place to Work (GPTW)

Certification

The global corporate headquarters in São Paulo received the GPTW label for the second time. The company also took the plaudits in the Ethnic-Racial and Early Childhood Care categories for its initiatives.

Merco ESG Responsibility Ranking

The only company in the steel sector among the top 100 companies in the ranking (53rd overall) and leader in the Mining, Steel, and Metal category.

AB Diversity Award

Recognized as one of the most inclusive organizations among suppliers in the automotive industry for the fourth year, taking the spotlight in the categories People with Disabilities, PwD and Ethnicity Leadership, and More Black Women in Leadership.

Human Rights and Diversity Mark

Highlight in the Racial Equality category for the Potências Gerdau program, in the label awarded by the São Paulo municipal government, through the Office for Human Rights and Citizenship and the Human Rights Promotion and Defense Department.



Employee Joana Paula Rosa Monteiro, representing Gerdau at the Human Rights and Diversity Label awards

Uruguay

Energy Efficiency Certificate

Awarded by the Ministry of Industry, Energy and Mining of Uruguay for the modernization of our lighting system.

Peru

Empresas que Transforman el Perú

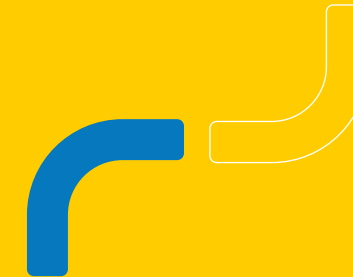
List by Radio Programas del Perú (RPP) and Ipae (Asociación Empresarial) that recognizes organizations adopting shared value strategies in the country.

ABE Award

In the Desarrollo del Entorno category, for our own free technical school for young people in Chimbote.

Mejor Gestión de Riesgos Laborales

Award from Rimac Seguros recognizing companies that encourage best practices in occupational health risk prevention.



Selo Empresa con Gestión Sostenible

We received this ESG label for the first time.

Azul Certificate

Awarded by the National Water Authority (ANA) for the Huella Hídrica project.

Acuerdo de Producción Limpia

Award given by the Ministry of Environment (Minam).

Clean Power Label

Recognized as a company committed to sustainable energy management.

Certificación Antisoborno de Empresarios por la Integridad

Validates our ethical practices and our anti-corruption and anti-bribery culture.

United States

Brazil-Florida Business Award for Sustainability & Innovation

Recognition in sustainability and innovation.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

External Assurance Letter



Midlothian mill employee, USA

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

Independent assurance claim – Bureau Veritas



INTRODUCTION

Bureau Veritas Certification Brasil (Bureau Veritas) was engaged by **GERDAU**, to conduct an independent assurance of the GERDAU 2023 Annual Report (hereinafter referred to as the Report).

The information published in the Report is the sole responsibility of the GERDAU management. Our responsibility is defined according to the scope below.

SCOPE OF WORK

The scope of this verification covered the standards and Principles¹ of the Global Reporting Initiative™ for Sustainability Reports and refers to the rendering of accounts for the period from January 1, 2023, to December 31, 2023.

RESPONSIBILITIES OF GERDAU AND BUREAU VERITAS

The preparation, presentation, and content of the Report are the sole responsibility of GERDAU management. Bureau Veritas is responsible for providing an independent opinion to the interested parties, in accordance with the scope of work defined in this statement.

The GERDAU Report was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI-Standards) version 2021 and Sectorial Metals and Mining, encompassing standards adopted worldwide for the preparation of this type of publication. We also consider indicators that adhere to the Sustainability Accounting Standards Board (SASB) Iron & Steel Producers and Metal & Mining standards.

METHODOLOGY

The assurance included the following activities:

1. Interviews with those responsible for the material topics and content of the Report;
2. Remote verification of corporate and operational processes (verification of material GRI indicators and information sampling);
3. Analysis of documentary evidence provided by GERDAU for the period covered by the Report (2023);
4. Analysis of engagement activities with interested parties (stakeholders) developed by GERDAU;
5. Evaluation of the system used to determine the material aspects included in the Report, considering the context of sustainability and scope of the published information.

The verification level adopted was Limited, per the requirements of the ISAE 3000² standard, incorporated into Bureau Veritas' internal verification protocols.

LIMITATIONS AND EXCLUSIONS

Excluded from this verification was any evaluation of information related to:

- Activities outside the reported period;
- Position claims (expressions of opinion, belief, objectives or future intentions) by GERDAU;
- Accuracy of economic and financial data contained in this Report, extracted from financial statements, verified by independent auditors;
- Greenhouse Gas (GHG) emissions inventory, including energy data.
- Data and information of affiliated companies or outsourced employees, over which there is no operational control by GERDAU.

The following limitations have been applied to this verification:

- The principles of Data Accuracy and Reliability were verified on a sample basis, exclusively in the light of the information and data related to the material themes presented in the Report;
- The economic information presented in the Report was specifically verified against the GRI Balance and Completeness principles.

OPINION ON THE REPORT AND THE ASSURANCE PROCESS

- Gerdaul revised its material themes in 2022, with the objective of improving the relationship strategy and aligning the methodology with the GRI 2021 criteria. In this process, eight more relevant material themes were defined, in addition to five themes that are part of Gerdaul's ESG strategy until 2025 and that have the same priority and transparency as

1. Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability.
2. International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information.

the others. The review, regrouping, exclusion, and inclusion of new topics followed a methodology with consultation with key stakeholders, including planning steps, analysis of external and internal documents, media research, industry benchmarking, interviews with internal leaders and stakeholders, online research, and validation with the organization's management.

- In our understanding, the GERDAU Sustainability Report presents the impacts of the company's activities in a balanced manner.
- GERDAU demonstrated an adequate data collection and compilation method concerning the GRI Reliability Principle.
- The inconsistencies found in the Report were adjusted during the process and were satisfactorily corrected.
- For environmental indicators, especially: water, effluents, solid waste, and climate risk, the positive recommendation regarding clarity, transparency, and the well-defined structure with which they were presented stands out, facilitating the understanding and analysis of the data.

RECOMMENDATIONS

- It is recommended that in the next reporting cycle, the organization report the total number of employees for indicators GRI 2-7 and SASB-EM-MM-000.B, discriminat-

ing by gender and reporting the total number of employees without a workload guarantee, total number of full-time employees, and total number of part-time employees.

- It is recommended to pay attention to the period considered when extracting a report from the system and the filters that were performed; keeping this information recorded for traceability of the reported data.
- It is always recommended to keep the calculations performed in Excel or other file, and not only present the absolute data.

CONCLUSION

As a result of our verification process, nothing has come to our attention that could indicate that:

- The information provided in the Report is not balanced, consistent, and reliable;
- GERDAU has not established appropriate systems for collecting, compiling, and analyzing quantitative and qualitative data used in the Report;
- The Report does not adhere to the Principles for defining content and quality of the GRI Sustainability Reporting Standard.

CLAIM OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services company specializing in Quality, Health, Safety, Social and Environmental management with over 195 years of experience in independent evaluation services.

Bureau Veritas has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their daily activities. We are particularly attentive to avoid conflicts of interest.

The verification team doesn't have any other link with GERDAU, other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and this verification carried out by our team.

The team that conducted this verification for GERDAU has extensive knowledge in verifying information and systems, which involve environmental, social, health, safety, and ethical issues, which combined with the experience in these areas, allows us a clear understanding of the presentation and verification of good corporate responsibility practices.

CONTACT

www.bureauveritas.com.br/pt-br/fale-com-gente

São Paulo, August, 2024.

Camila Chabar

Camila Pavão Chabar

Executive Sustainability Manager
Bureau Veritas Certification – Brazil

Nádia Zúca

Nádia Lúcia Zúca Simões

Lead Auditor – Assurance Sustainability Reports (ASR)
Bureau Veritas Certification – Brazil



Appendices

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

Monroe mill employees, USA

Supplementary disclosures

Human and intellectual capital OUR PEOPLE

WORKFORCE BY EMPLOYMENT TYPE GRI 2-7, SAB EM-MM-000.B

Region	2022	2023
Brazil	19,014	17,988
North America (USA and Canada)	6,222	6,301
Mexico	1,582	1,689
Dominican Republic	806	892
Colombia	1,274	1,242
Argentina	727	787
Peru	909	891
Uruguay	187	185
	30,721	29,975

Note 1: For this cycle, there was no tracking of the number of workers by type of employment by gender, nor of workers without a defined working schedule.

Note 2: The counting parameters from the previous year were reassessed, resulting in a revision of the total numbers.

WORKERS WHO ARE NOT EMPLOYEES GRI 2-8

Region	2022	2023
Brazil	6,269	5,336
North America (USA and Canada)	833	781
Mexico	419	365
Dominican Republic	121	60
Colombia	83	71
Argentina	183	190
Peru	60	60
Uruguay	52	63
	8,020	6,926

Note 1: Main tasks they perform: logistics, cleaning, and maintenance.

Note 2: The total number of workers who are not employees is not considered in the total number of permanent or temporary employees of GRI 2-7.

Note 3: Fluctuation compared to 2022 due to the readjustment of structures and productive capacities.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

AN INCREASINGLY INCLUSIVE COMPANY GRI 405-1. Diversity of governance bodies and employees

Diversity – Gerdau global	2021					2022					2023							
	Age group			Gender		Age group			Gender		Age group			Gender		Black people*	Persons with disabilities (PwDs)	
	< 30	30-50	> 50	Men	Women	< 30	30-50	> 50	Men	Women	< 30	30-50	> 50	Men	Women			
Oversight Board	0.00%	0.00%	100.00%	88.00%	12.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%	87.50%	12.50%	0.00%	0.00%
Board of Directors	0.00%	22.00%	78.00%	89.00%	11.00%	0.00%	71.00%	29.00%	86.00%	14.00%	0.00%	16.67%	83.33%	91.67%	8.33%	0.00%	0.00%	
Executive Board	0.00%	68.00%	32.00%	86.00%	14.00%	1.00%	42.00%	57.00%	89.00%	11.00%	0.00%	57.14%	42.86%	82.14%	17.86%	1.79%	0.00%	
Middle Management	0.00%	79.00%	21.00%	80.00%	20.00%	1.00%	74.00%	25.00%	79.00%	21.00%	1.04%	77.57%	21.39%	77.05%	22.95%	14.95%	1.14%	
Specialists/ coordinators	9.00%	20.00%	71.00%	75.00%	25.00%	8.00%	70.00%	22.00%	75.00%	25.00%	12.77%	68.03%	19.26%	73.94%	26.06%	17.39%	1.22%	
Administrative	26.00%	61.00%	13.00%	59.00%	41.00%	23.00%	64.00%	13.00%	61.00%	39.00%	27.97%	60.67%	11.35%	59.78%	40.22%	26.83%	3.64%	
Interns	22.00%	61.00%	17.00%	94.00%	6.00%	20.00%	61.00%	19.00%	93.00%	7.00%	93.86%	6.04%	0.10%	41.31%	58.69%	37.88%	0.52%	
Operation	95.00%	5.00%	0.00%	46.00%	54.00%	90.00%	9.00%	1.00%	45.00%	55.00%	23.10%	59.62%	17.30%	92.65%	7.35%	34.83%	3.40%	
Apprentices	99.00%	1.00%	0.00%	37.00%	63.00%	95.00%	5.00%	0.00%	39.00%	61.00%	99.72%	0.28%	0.00%	43.67%	56.33%	48.40%	1.67%	
Total (%)	-	-	-	-	-	-	-	-	-	-	25.63%	58.39%	15.98%	82.75%	17.24%	31.43%	3.00%	

* Considers operations in Brazil and North America. Considers the sum of black and brown individuals. The percentage of other races was not available for global operations.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES GRI 405-1

2023								
Diversity of race – Gerdau Brazil ¹	Asian	White	Indigenous	Brown	Black	Not reported	Absolute total	Total (%)
Oversight Board	0.00%	87.50%	0.00%	12.50%	0.00%	0.00%	8	0.04%
Board of Directors	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	9	0.04%
Executive Board	3.45%	93.10%	0.00%	3.45%	0.00%	0.00%	29	0.14%
Middle Management	2.41%	74.60%	0.00%	19.61%	3.38%	0.00%	622	2.93%
Specialists/ coordinators	2.07%	67.88%	0.10%	25.40%	4.34%	0.20%	1.980	9.32%
Administrative	3.17%	56.48%	0.28%	31.83%	8.14%	0.09%	3.217	15.15%
Interns	0.80%	57.32%	0.23%	31.24%	10.41%	0.00%	874	4.11%
Operational	2.93%	44.46%	0.35%	39.47%	12.69%	0.10%	13.865	65.27%
Apprentices	0.31%	44.90%	0.00%	37.99%	16.64%	0.16%	637	3.00%
Total (%)	2.70%	50.00%	0.29%	35.96%	10.95%	0.10%		

Note 1: Counts Brazilian operations only.

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN GRI 405-2

Pindamonhangaba Plant – Gerdau S.A.*	Men	Women
Executive Board**	-	-
Managers**	-	-
Technicians - specialists	46%	48%
Administrative	52%	54%
Production - Operators	65%	76%

* Considering the data from December 2023 for base salary and compensation of active employees at the largest special steel industrial unit associated with the Gerdau S.A. headquarters, located in Pindamonhangaba (SP).

** The number of employees in these positions is low, which could lead to exposure if the data is disclosed.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Financial and manufactured capital MINES

ORGANIZATION'S MINING DAM INVENTORY SASB-EM-MM-540a.1

Inventory of the organization's mining dams, classified under national and state dam safety policies	2021		2022				2023			
	Alemães Dam	Bocaina Dam	Alemães Dam	Bocaina Dam	Dique Norte da PDE 1 Dam	Baias da UTM II Dam	Alemães Dam	Bocaina Dam	Dique Norte da PDE 1 Dam	Baias da UTM II Dam
Facility name	Alemães Dam	Bocaina Dam	Alemães Dam	Bocaina Dam	Dique Norte da PDE 1 Dam	Baias da UTM II Dam	Alemães Dam	Bocaina Dam	Dique Norte da PDE 1 Dam	Baias da UTM II Dam
Location	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto	Brazil, Minas Gerais, Ouro Preto
Ownership status	Operated by Gerdau	Operated by Gerdau	Operated by Gerdau	Operated by Gerdau	Operated by Gerdau	Operated by Gerdau	Operated by Gerdau	Operated by Gerdau	Operated by Gerdau	Operated by Gerdau
Operational	Active	Decommissioned	Active	Decommissioned	Active	In operation	Decommissioned	Reclaimed	Active	In operation
Construction method	Upstream	Upstream	Upstream	Upstream	Single raise	Single raise	Downstream	Upstream	Single raise	Single raise
Maximum permitted storage capacity (t)	3,760,000 m ³ (volume)	1,435,000 m ³	3,760,000 m ³ (volume)	1,435,000 m ³	25,200 m ³	42,200 m ³	3,760,000 m ³	1,435,000 m ³	25,200 m ³	42,200 m ³
Current amount of tailings stored (t)	3,260,000 m ³ (this information is not available by weight, only by volume)	1,435,000 m ³	3,260,000 m ³ (this information is not available by weight, only by volume)	1,435,000 m ³	Not applicable	Not applicable	3,270,000 m ³	1,435,000 m ³	Not applicable	Not applicable
Consequence classification	High	Significant	High	Significant	Not applicable	Not applicable	High	Significant	Not applicable	Not applicable
Date of most recent independent technical review	Not applicable*	Not applicable*	September 2022	Not applicable*	September 2022	September 2022	September 2022	Not applicable*	September 2022	September 2022
Is a site-specific Emergency Preparedness and Response Plan in place?	Yes	Not applicable	Yes	Not applicable	Yes	Yes	Yes	Not applicable	Yes	Yes

* Applicable only to facilities with a consequence classification of "Very High" or "Extreme".

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

Natural capital

SASB EM-MM-130a.1, SASB EM-IS-130a.1, SASB EM-IS-130a.2

Power consumed	2021	2022	2023
Total energy consumed (GJ)	152,011,412.21	141,717,286.72	140,596,850.00
Percentage grid electricity	21%	23%	22%
Percentage renewable	1%	1%	1%
Percentage coal	32%	32%	31%
Percentage natural gas	17%	16%	17%
Percentage renewable fuel*	12%	11%	10%

* Data from 2021 and 2022 updated to meet the indicator.

Note 1: The conversion factor used to convert MWh to GJ is 3.6, a standard conversion based on the technical reference from Energy Star.

Note 2: The report considers data from Gerdau's operational controls and joint ventures, taking into account their ownership percentages as of 12/31/2023.

ENERGY INTENSITY GRI 302-3

Organization's energy intensity (in GJ/t of steel produced)	2021	2022	2023
Energy intensity	11.18	11.19	11.26

Types of energy included in emissions intensity data (in GJ)*	2021	2022	2023
Fuel	-	-	109,956,759.39
Electricity	-	-	30,640,090.61
Energy consumed within the organization	-	-	140,596,850.00

* Information not available in 2021 and 2022.

Note: The report relies on data from Gerdau's operational control operations and joint venture data, reflecting their ownership percentages as of 12/31/2023.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

Water stewardship

WATER WITHDRAWAL GRI 303-3

Water withdrawal (ML)	2021				2022				2023			
	Areas with water stress	Fresh water	Other types of water	TOTAL	Areas with water stress	Fresh water	Other types of water	TOTAL	Areas with water stress	Fresh water	Other types of water	TOTAL
Surface water	2,185.99	33,969.31	0	33,969.31	1,341.43	31,097.63	0	31,097.63	1,262.65	29,356.05	14.21	29,370.26
Groundwater	3,654.36	10,376.34	1,277.05	11,653.39	2,741.66	10,240.60	102.24	10,342.84	3,346.81	11,771.51	103.26	11,874.77
Seawater	0	0	0	0	0	0	0	0	0	0	0	0
Produced water	0	0	0	0	0	0	0	0	0	0	0	0
Utility water	646.56	2,906.09	48.37	2,954.46	698.03	3,010.09	40.97	3,051.06	1,555.41	3,194.52	0	3,194.52
Rainwater (harvested and stored directly by the organization)	0	338.08	0	338.08	136.28	301.13	0	301.13	170.18	356.69	0	356.69
Total water withdrawal	6,486.91	47,589.82	1,325.42	48,915.24	4,917.40	44,649.45	143.21	44,792.66	6,335.05*	44,678.77	117.47	44,796.24

* The difference is justified by the inclusion of the Whitby and Cartersville facilities (1,937 ML), which were not included in the previous year's calculation.

Note: Gerdau does not extract seawater or produced water

Water withdrawal intensity rate (in m ³ /t)	2021	2022	2023
Water intensity	3.68	3.54	3.59

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

WATER DISCHARGE GRI 303-4

Water discharge (ML)	2021		2022		2023	
	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress	All areas
Freshwater (total dissolved solids ≤ 1,000 mg/L)	2,839.50	29,281.95	1,264.25	29,954.21	1,421.89	27,523.85
Surface water	2,800.51	28,704.32	1,240.33	29,409.37	1,286.89	26,525.07
Groundwater	0.00	0.00	0.00	15.63	0.00	432.81
Seawater	0.00	90.04	0.00	0.00	0.00	0.00
Utility water	38.99	487.59	23.92	529.21	135.00	565.97
Other types of water (total dissolved solids >1,000 mg/L)	20.89	65.51	36.24	130.54	103.94	131.48
Surface water	0.00	24.46	0.00	2.60	0.00	0.00
Groundwater	0.00	0.00	0.00	0.00	0.00	12.14
Seawater	0.00	0.00	0.00	0.00	0.00	0.00
Utility water	20.89	41.05	36.24	127.94	103.94	119.34
Total water discharge	2,860.39	29,347.46	1,300.49	30,084.75	1,525.83	27,655.33

Note: Data compiled in a corporate data management system, including measured and estimated data.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

WATER RECIRCULATION GRI 303-3. SASB EM-IS-140A.1, SASB EM-MM-140A.1

		2021	2022	2023
Total fresh water withdrawn (in megaliters)		48,915.24	44,792.66	44,796.24
Percentage recycled	Water recycled (in megaliters)	1,977,780.00	1,980,108.57	1,967,969.88
	Percentage	97.59%	97.79%	97.77%
Percentage in regions with High or Extremely High Baseline Water Stress	Water withdrawn in regions with High or Extremely High Baseline Water Stress (in megaliters)	6,486.91	4,917.40	6,335.05
	Percentage	13.26%	10.98%	14.14%

Note: Only units with high and extremely high water stress were included in the calculation of the above percentage.

WATER CONSUMPTION GRI 303-5. SASB EM-MM-140a.1, SASB EM-IS-140a.1

	2021			2022			2023		
	Areas with water stress	All areas	%	Areas with water stress	All areas	%	Areas with water stress	All areas	%
Water withdrawal (303-3)	6,486.91	48,915.24	13.26%	4,917.40	44,792.66	10.98%	6,335.05	44,796.24	14.14%
Water discharge (303-4)	2,860.39	29,347.46	9.75%	1,300.49	30,084.75	4.32%	1,525.83	27,655.33	5.52%
Water consumption (303-5)*	3,626.53	19,567.77	18.50%	3,616.91	14,707.89	24.60%	4,809.22	17,140.91	28.10%

* There is no stored water identified as causing significant water-related impacts.

Note 1: Operations are analyzed for water risks using the Aqueduct Water Risk Atlas tool from the World Resources Institute (WRI). For 2023, areas considered to have water stress were those with classifications reaching "High" (40%-80%) and "Extremely High" (> 80%) levels in the business as usual scenario. The operations identified with water stress were therefore: Chimbote, Peru; Sahagun, Mexico; La Presa, Mexico; Tultitlán, Mexico; Cartersville, USA; Petersburg, USA; Midlothian, USA; and Whitby, Canada.

Note 2: Data compiled in a corporate data management system, including measured and estimated data.

Waste management and the circular economy

MATERIALS

MATERIALS USED BY WEIGHT OR VOLUME GRI 301-1

Total weight or volume of materials that are used to produce and package the organization's primary products and services	2023
Non-renewable materials used	8,915,956.64
Renewable materials used	804,133.14
Total weight or volume of materials that are used	9,720,089.78

Note: Among the non-renewable materials are coal, coke, and iron ore. The renewable materials include charcoal.

Scrap recycling

RECYCLED INPUT MATERIALS USED GRI 301-2

Raw materials or recycled materials used in the manufacture of main products – in tons	2021	2022	2023
Pig Iron	4,400,119.22	4,235,032.24	4,249,436.69
Alloy	211,128.08	240,866.40	209,426.13
Carburants	175,477.45	177,036.76	154,659.52
Scrap	11,733,571.20	11,240,380.20	10,673,899.74
Total	16,520,295.95	15,893,315.60	15,287,422.08
Total recycled inputs	11,733,571.20	11,240,380.20	10,673,899.74
% recycled	71.03%	70.72%	69.82%

Note: In 2021, Gerdau began following the ISO 14021 standard for calculating the percentage of scrap in steel, which excludes the value of internal return scrap (used until 2020).

Waste and byproducts

WASTE GENERATED GRI 306-3, SASB EM-MM-150a.4, SASB EM-MM-150a.7, SASB EM-IS-150a.1

Total weight of waste generated in metric tons, with a breakdown of this total by waste composition	2021	2022	2023
Hazardous waste	288,896.37	213,293.83	207,034.38
Nonhazardous waste	6,786,098.79	6,270,318.88	6,043,742.67
Total weight of waste generated	7,074,995.16	6,483,612.71	6,250,777.05

Waste recycled - 2023	Generation	Reuse	Percent
Non-hazardous	6,043,742.67	5,615,554.69	92.9%
Hazardous	207,034.38	202,914.93	98.0%
Total	6,250,777.05	5,818,469.61	93.1%

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

WASTE DIVERTED FROM DISPOSAL GRI 306-4.SASB EM-MM-150a.8

Total weight of waste not directed to disposal and breakdown by waste composition	2021	2022	2023
Total hazardous waste	225,924.84	199,019.00	202,914.93
Within the organization	101,358.73	22,055.55	15,685.67
Preparation for reuse	6,664.00	0	0
Recycling	94,694.73	22,055.55	15,685.67
Other recovery operations	0	0	0
Co-processing	0	0	0
Management	0	0	0
Outside the organization	124,566.11	176,963.45	187,229.26
Preparation for reuse	0	0	0
Recycling	96,401.54	164,627.29	174,256.43
Other recovery operations	9,611.11	0	0
Co-processing	17,215.40	8,814.53	7,224.59
Management	1,338.06	3,521.63	5,748.23
Nonhazardous waste - total	6,115,193.38	5,564,911.54	5,615,554.69
Within the organization	1,386,595.08	1,193,140.49	1,514,942.67
Preparation for reuse	1,333,187.42	1,193,140.49	1,514,942.67
Recycling	53,407.66	0	0
Other recovery operations	0	0	0
Co-processing	0	0	0
Management	0	0	0
Outside the organization	4,728,598.30	4,371,771.05	4,100,612.02
Preparation for reuse	0	0	0
Recycling	4,593,242.48	4,262,063.93	3,986,090.48
Other recovery operations	90,224.32	0	0
Co-processing	45,120.03	94,702.35	92,317.37
Management	11.47	15,004.77	22,204.17
Total weight of waste generated	6,341,118.22	5,763,930.54	5,818,469.61

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

WASTE DIRECTED TO DISPOSAL GRI 306-5.

Waste not directed to disposal and breakdown by waste composition	2021	2022	2023
Total hazardous waste	41,333.53	36,190.43	36,867.88
Within the organization	9,804.23	8,525.28	13,175.27
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	9,804.23	8,525.28	13,175.27
Other disposal operations	0	0	0
Outside the organization	31,529.30	27,665.15	23,692.61
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	303.76	210.09	290.32
Landfilling	25,537.25	24,668.38	21,274.19
Other disposal operations	5,688.29	2,786.68	2,128.11
Nonhazardous waste - total	1,123,307.59	1,009,566.55	925,080.33
Within the organization	432,980.51	429,513.27	359,133.96
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	432,980.51	429,513.27	359,133.96
Other disposal operations	0	0	0
Outside the organization	690,327.08	580,053.28	565,946.37
Incineration (with energy recovery)	6,786.66	145.06	29.83
Incineration (without energy recovery)	0	0	0
Landfilling	663,842.32	577,379.92	563,353.44
Other disposal operations	19,698.10	2,528.30	2,563.10
Total weight of waste generated	1,164,641.12	1,045,756.98	961,948.22

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

[Appendices](#)

Credits

TOTAL AMOUNTS OF OVERBURDEN, ROCK, TAILINGS, AND SLUDGES AND THEIR ASSOCIATED RISKS GRI Setorial MM3. SASB EM-MM-150a.5, SASB EM-MM-150a.6

Total waste rock, tailings and mud generated	2021	2022	2023
Dimension Stone	0	0	0
Tailings	273,349.30	618,734.91	1,115,861.00*
Slimes	0	0	0
Other – waste rock	8,551,101.19	10,062,361.00	4,697,134.00
Total amounts generated	8,824,450.49	10,681,095.91	5,812,995.00**

* Significant increase due to the increased volume processed.

** Significant reduction due to the reduction of waste due to operational downsizing.

Climate change

DIRECT (SCOPE 1) GHG EMISSIONS GRI 305-1. SASB EM-MM-110a.1, SASB EM-IS-110a.1

Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent	2020	2021	2022	2023
Overall total Gerdau – scope 1	9,621,850.10	10,003,673.71	9,636,231.73	9,339,382.59
Total joint ventures of Gerdau – scope 1	77,569.60	169,215.12	240,705.46	223,054.39
Total direct emissions – scope 1	9,699,419.70	10,172,888.83	9,876,937.19	9,562,436.98
Biogenic CO ₂ emissions Gerdau	1,738,242.72	3,364,928.79	2,149,044.16	1,729,903.27

Note 1: The calculation includes the gases: CO₂, CH₄, N₂O, HFCs and PFCs.

Note 2: Baseline of 2020, due to robust data collection. Since 2020, we have published assured data related to our GHG emissions, based on ISO 14064. Since 2023, assurance has been conducted based on ISAE 3410.

Note 3: The methodologies and emission factors used are those published by Worldsteel, the GHG Protocol and the Intergovernmental Panel on Climate Change (IPCC) and internal measurements.

Note 4: The global warming potential (GWP) rates used were from the IPCC Fifth Assessment Report (AR5).

Note 5: Emission sources included in scope 1: agriculture; stationary combustion; mobile combustion; fugitive emissions; land-use changes; industrial processes; solid waste; and liquid effluents.

Note 6: Biogenic emissions are related to the natural carbon cycle and are reported separately.

Note 7: Based on equity interest as of 12/31/2023.

Note 8: To compile the information, we use robust emissions management software.

Note 9: The percentage covered by emission limitation regulations amounts to approximately 2% of Gerdau's inventory.

Note 10: The Scope 1 emissions of Gerdau Next are not included in this amount but are equivalent to 4,952.92 tCO₂e, originating from G2L's own transportation.

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS GRI 305-2

Energy indirect (scope 2) GHG emissions (metric tons of Co2e2 equivalent)	2020	2021	2022	2023
Overall total Gerdau - scope 2	2,050,660.07	1,975,561.14	1,604,700.79	1,513,325.65
Total joint ventures of Gerdau - scope 2	185,407.90	207,285.78	285,913.11	279,220.59
Total indirect emissions - scope 2	2,236,067.97	2,182,846.92	1,890,613.90	1,792,546.24

Note 1: The calculation includes the gases: CO₂, CH₄, N₂O, HFCs and PFCs.

Note 2: Baseline of 2020, due to robust data collection. Since 2020, we have published assured data related to our GHG emissions, based on ISO 14064. Since 2023, assurance has been conducted based on ISAE 3410.

Note 3: The methodologies and emission factors used are those published by Worldsteel, the GHG Protocol and the Intergovernmental Panel on Climate Change (IPCC) and internal measurements.

Note 4: The global warming potential (GWP) rates used were from the IPCC Fifth Assessment Report (AR5).

Note 5: Based on equity interest as of 12/31/2023.

Note 6: To compile the information, we use robust emissions management software.

Note 7: Market-based approach.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS GRI 305-3

Gross indirect (scope 3) GHG emissions (metric tons of CO2 equivalent)	2021	2022	2023
Upstream			
Goods and services purchased	619,505.24	584,422.79	1,534,716.39
Upstream transportation and distribution	65,534.81	206,305.93	1,061,698.42
Waste generated in operations	398,897.96	384,039.25	246,483.26
Business travel	865.85	3,575.48	4,646.28
Employee transportation	4,765.85	8,789.89	8,196.54
Subtotal	1,089,569.71	1,187,133.34	2,855,740.89
Downstream			
Downstream transportation and distribution	NAv	294,266.85	33,285.29
Total	1,089,569.71	1,481,400.19	2,889,026.19
Biogenic CO₂ emissions	NAv	53,945.23	151,785.19

Note 1: The calculation includes the gases: CO₂, CH₄, N₂O, HFCs and PFCs.

Note 2: Baseline of 2020, due to robust data collection. Since 2020, we have published assured data related to our GHG emissions, based on ISO 14064. Since 2023, assurance has been conducted based on ISAE 3410.

Note 3: The methodologies and emission factors used are those published by Worldsteel, the GHG Protocol and the Intergovernmental Panel on Climate Change (IPCC) and internal measurements.

Note 4: The global warming potential (GWP) rates used were from the IPCC Fifth Assessment Report (AR5).

Note 5: Scope 3 calculated partially, considering reliable and traceable information.

Note 6: Based on equity interest as of 12/31/2023.

Note 7: The increase in the "Purchased goods and services" and "Transport and distribution" categories from 2022 to 2023 is due to improved data collection. There was also a concept adjustment in the "Transport and distribution" categories.

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

GHG EMISSIONS INTENSITY GRI 305-4

Rate	2020	2021	2022	2023
GHG emissions intensity	0.93	0.89	0.86	0.91
Volume of steel (t)	-	-	13,632,714	12,484,442
Total GHG emissions (tCO ₂ equivalent)	-	-	11,767,551	11,354,983

Note 1: Gases included in the calculation: CO₂, CH₄, N₂O, HFCs and PFCs.

Note 2: Emissions included: scope 1: 9,562,436.98 tCO₂e; scope 2: 1,792,546.24 tCO₂e.

Note 3: The methodologies and emission factors used are those published by Worldsteel, the GHG Protocol and the Intergovernmental Panel on Climate Change (IPCC) and internal measurements.

Note 4: The global warming potential (GWP) rates used were from the IPCC Fifth Assessment Report (AR5).

Note 5: Based on equity interest as of 12/31/2023.

Note 6: If we only count Gerdau's steel producers and their joint ventures (ownership percentage), the GHG emission intensity would be 0.85 tCO₂e/t of steel.

Note 7: Production volume also considering data from joint ventures (equity interest as of 12/31/2023).

NITROGEN OXIDES (NOX), SULFUR OXIDES (SOX), AND OTHER SIGNIFICANT AIR EMISSIONS GRI 305-7. SASB EM-MM-120a.1, IS-120a.1

Significant air emissions, in metric tons	2021	2022	2023
NOx	11,508	5,752	5,840
SOx	6,993	10,714	14,322
Particulate matter (PM)	3,347	3,342	3,204
Other standard categories of air emissions identified in relevant laws and regulations	0	0	0
Amount of air emissions, in metric tons	21,848	19,808	23,366

Note 1: Fixed sources are mapped.

Note 2: Values are monitored using methods outlined in local regulations.

Note 3: There is no consolidation for reporting other gases.

Note 4: The variation in SOx from 2022 to 2023 is due to the use of raw materials with a high sulfur content.

GRI content index

Declaration of use	Gerdau reported in accordance to GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 used	GRI 1: 2021 Foundations
Applicable GRI Sector Standards	GRI G4: Mining and Metals 2013

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
General content					
The organization and its reporting practices					
	2-1 Organizational details	14			
	2-2 Entities included in the organization's sustainability reporting	14			
	2-3 Reporting period, frequency and contact point	6			
	2-4 Restatements of information	6			
	2-5 External assurance	6			
Activities and workers					
	2-6 Activities, value chain and other business relationships	14			
	2-7 Employees	33, 111			8
	2-8 Workers who are not employees	111			8
Governance					
	2-9 Governance structure and composition	23			
	2-10 Nomination and selection of the highest governance body	23, 24			

GRI 2:
General Disclosures 2021

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
General content					
	2-11 Chairman of the highest governance body	23			
	2-12 Role of the highest governance body in overseeing the management of impacts	19			
	2-13 Delegation of responsibility for managing impacts	30			
	2-14 Highest governance body's role in sustainability reporting	6			
	2-15 Conflicts of interests	26			
	2-16 Communicating critical concerns	31	b	Information not available for this cycle.	
	2-17 Collective knowledge of highest governance body	19, 23			
	2-18 Evaluation of the performance of the highest governance body	23			
	2-19 Remuneration policies	26			
	2-20 Process for determining remuneration	23, 36			
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	In 2023, the cost of management remuneration, including salaries, variable remuneration, benefits and severance was R\$ 64.3 million. The total remuneration paid to Management and the Executive Board was R\$ 81.4 million. The variable remuneration for Management is determined based on Gerdau's financial results and individual performance reviews.	b	The ratio of the remuneration for the company's highest-paid individual to the median individual remuneration, as stated in the issuer's financial statements, is reported in item 10.3.D of the reference form, available on the company's investor relations website (https://ri.gerdau.com/en/).	

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
General content					
Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	3, 4			
	2-23 Policy commitments	19, 28			16
	2-24 Embedding policy commitments	24, 25			
	2-25 Processes to remediate negative impacts	57			16
	2-26 Mechanisms for seeking advice and raising concerns	30			
	2-27 Compliance with laws and regulations	29			
	2-28 Membership of associations	58			
	Stakeholder engagement				
	2-29 Approach to stakeholder engagement	56			
	2-30 Collective bargaining agreements	37			
Content on material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	8			
	3-2 List of material topics	9			
Strategic topic: Ethics and Corporate Governance (Non material topic)					
GRI 3: Material Topics 2021	3-3 Management of material topics	22			
	205-1 Operations assessed for risks related to corruption	29			16
	205-2 Communication and training about anti-corruption policies and procedures	26, 29			16
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	29			16

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Strategic topic: Ethics and Corporate Governance (Non material topic)					
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<u>29</u>			16
GRI 415: Public Policy 2016	415-1: Political contributions	Aligned with good corporate governance practices, Gerdau has procedures in place that prohibit the donation of funds to political parties and candidates for elected public office.			16
Material topic: Health and Safety at work					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>38</u>			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<u>38</u>			8
	403-2 Hazard identification, risk assessment, and incident investigation	<u>38</u>			8
	403-3 Occupational health services	<u>42</u>			8
	403-4 Worker participation, consultation, and communication on occupational health and safety	<u>39</u>			8, 16
	403-5 Worker training on occupational health and safety	<u>42</u>			8
	403-6 Promotion of worker health	<u>42</u>			3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>41</u>			8
	403-8 Workers covered by an occupational health and safety management system	<u>42</u>			8
	403-9 Work-related injuries	<u>39, 40</u>			3, 8, 16
	403-10 Work-related ill health	<u>42</u>	c	Information not available for this cycle.	3, 8, 16

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Material topic: Diversity, equality and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>43</u>			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<u>45, 112, 113</u>			5, 8
	405-2 Ratio of basic salary and remuneration of women to men	<u>113</u>			5, 8, 10
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken			Confidential information.	
Strategic topic: Training of humam capital (Non material topic)					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>33</u>			
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	<u>37</u>			4, 5, 8
Material topic: Innovation in processes and products					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>48</u>			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported			Information not available for this cycle.	5, 9, 11
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials			N.A. The main raw materials do not use packaging for transportation.	8, 12
Strategic topic: Information security (Non material topic)					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>50</u>			
Material topic: Community relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>60</u>			

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Material topic: Community relations					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	56, 58, 60			
	413-2 Operations with significant actual and potential negative impacts on local communities	57, 75 Gerdau operates mining activities in Minas Gerais state that have real and potential impacts on local communities, such as the mining dam for tailings disposal. The company's mining operations are subject to the conditions and limitations imposed by the Federal Constitution of Brazil, the Brazilian Mining Code, and related laws and regulations. These regulations include various requirements, such as the use of mineral deposits, occupational health and safety, environmental protection and restoration, pollution prevention and the health and safety of local communities where the mines are located.			1, 2
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts			Information not available for this cycle.	

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Material topic: Community relations					
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Gerdau outsources its security-related activities. In the mining operation, the surveillance service contracts include a human rights clause, ensuring that the company's operational procedures are consistent with the Voluntary Principles on Security and Human Rights.	a		Information not available for this cycle.
GRI Specific Standard Disclosures - Communities	MM6 - Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	This topic is not applicable to Gerdau Mining operating facilities. The corporate security team is responsible for managing the incident reporting system and monitors the severity of incidents that may be classified as high-risk conflicts.			
GRI Specific Standard Disclosures - Resettlement	MM9 - Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	Gerdau's mining rights are all located on surfaces owned and occupied by the company. The communities located near our operations receive full assistance from the company as an incentive for long-term residency. The company has no future projects for relocation or use of these private properties.			

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Material topic: Community relations					
GRI Setorial: Closure Planning	MM10 - Number and percentage of operations with closure plans	<p>Gerdaу's mines have a Mine Closure Plan (PAFEM) in accordance with current legislation. In Brazil, National Mining Agency (ANM) Resolution No. 68/2021 regulates the preparation and implementation of the Mine Closure Plan (PFM). According to this resolution, the PFM is a mandatory document when submitting mining permit applications. This document must also include the complete decommissioning plan for the mine structure, following a guideline that involves both environmental and sociocultural concerns. As a result, Gerdaу's mining sites have mine reclamation and closure plans that contain information aligned with the required standards.</p>			
Strategic topic: Management of the supply chain (Non material topic)					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>67</u>			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<u>68</u>			
	308-2 Negative environmental impacts in the supply chain and actions taken	<u>68</u>	b, d, e	Information not available for this cycle.	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	<u>68</u>			5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	<u>67</u>			5, 8, 16

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Strategic topic: Management of the supply chain (Non material topic)					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<u>68</u>	a	Information not available for this cycle.	8, 16
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<u>68</u>	a	Information not available for this cycle.	8, 16
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>68</u>	a, b	Information not available for this cycle.	8, 16
Material topic: Waste management and the circular economy					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>88</u>			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	<u>119</u>			8, 12
	301-2 Recycled input materials used	<u>119</u>			8, 12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<u>88</u>			3, 6, 12, 14, 15
	306-2 Management of significant waste-related impacts	<u>91</u>			3, 6, 12, 14, 15
	306-3 Waste generated	<u>120</u>			3, 6, 12, 14, 15
	306-4 Waste diverted from disposal	<u>121</u>			3, 6, 12, 14, 15
	306-5 Waste directed to disposal	<u>122</u>			3, 6, 12, 14, 15
GRI 306: Effluents and Waste 2016	306-3 Significant spills			In 2023, there were no significant spills (oil, fuel, chemicals, waste, or others) recorded in Gerdaу's Mining operations at the Miguel Burnier, Várzea do Lopes, and Várzea Leste Norte sites - all located in Minas Gerais.	3, 6, 12, 14, 15

Contents

Messages

About this report

Value creation model

About us

Human and intellectual capital

Social and relationship capital

Financial and manufactured capital

Natural capital

Awards and recognition

External Assurance Letter

Appendices

Credits

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Material topic: Waste management and the circular economy					
GRI Specific Standard Disclosures - Effluents and Waste	MM3: Quantidades totais de estéril, rejeitos e lamas e seus riscos associados	123			
Material topic: Management of water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	86			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	86			6
	303-2 Management of water discharge-related impacts	86	a.ii, a.iv	N.A.	6
	303-3 Water withdrawal	116, 118			6
	303-4 Water discharge	117, 118			3, 6, 12, 14
	303-5 Water consumption	118			6
Material topic: Energy management					
GRI 3: Material Topics 2021	3-3 Management of material topics	83			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	84			7, 8, 12, 13
	302-2 Energy consumption outside of the organization			The indicator is not reported by the company. The topic is being evaluated internally and should be published in future reports.	7, 8, 12, 13
	302-3 Energy intensity	115	d.ii.	Parameter not yet implemented in Gerdaу's report. The steel industry is energy-intensive, therefore, for the sector, this indicator is less relevant.	7, 8, 12, 13
	302-4 Reduction of energy consumption			The indicator is not reported by the company. The topic is being evaluated internally and should be published in future reports.	7, 8, 12, 13

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs	
			REQUIREMENT(S) OMITTED	EXPLANATION		
Material topic: Climate change management						
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>93</u>				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	<u>31, 54</u>	iii e v	Confidential information.		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<u>123</u>			3, 12, 13, 14, 15	
	305-2 Energy indirect (Scope 2) GHG emissions	<u>124</u>			3, 12, 13, 14, 15	
	305-3 Other indirect (Scope 3) GHG emissions	<u>125</u>			3, 12, 13, 14, 15	
	305-4 GHG emissions intensity	<u>94, 126</u>			14, 15	
	305-5 Reduction of GHG emissions	<u>85</u>		c, d, e	The topic is being evaluated internally and should be published in future reports.	14, 15
	305-6 Emissions of ozone-depleting substances (ODS)				The indicator is not reported by the company. The topic is being evaluated internally and should be published in future reports.	14, 15
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<u>126</u>				-

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Strategic topic: Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>98</u>			
GRI Specific Standard Disclosures - Biodiversity	MM1: Quantidade de terras (próprias, arrendadas ou administradas para atividades de produção ou extração) que sofreram alterações ou que já foram restauradas	Gerdau currently has 802 hectares of impacted and non-rehabilitated land. Full disclosure on this topic will be included in future reports as part of the progress in our management of these areas, aligned with our strategic commitment.			13, 15

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

SASB content index

SASB TOPIC	REPORTING METRIC	CODE	LOCATION	OMISSION
SASB Metals & Mining				
Business ethics and transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-MM-510a.1	<u>29</u>	
	EM-MM-510a.2. Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-MM-510a.2		Not applicable since the company does not have operations in such countries.
Labor relations	Percentage of active workforce employed under collective agreements	EM-MM-310a.1	<u>37</u>	
	Number and duration of strikes and lockouts	EM-MM-310a.2	<u>37</u>	
Workforce health and safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	EM-MM-320a.1	<u>40</u>	Items 3 and 5 - Information not available for this cycle.
Community relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-MM-210b.1	<u>62</u>	
	Number and duration of strikes and lockouts	EM-MM-210b.2	<u>37</u>	
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EM-MM-210a.1		This topic is not applicable to Gerdau Mining operating facilities. The corporate security team manages the incident reporting system, recording incidents with a severity that may be classified as high-risk conflicts.
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	EM-MM-210a.2		This topic is not relevant to Gerdau as there are no indigenous peoples in the areas influenced by the mining operations.
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-MM-210a.3	<u>60</u>	

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

SASB TOPIC	REPORTING METRIC	CODE	LOCATION	OMISSION
SASB Metals & Mining				
Waste & Hazardous Materials Management	Total weight of non-mineral waste generated	EM-MM-150a.4	120	
	Total weight of waste rock generated	EM-MM-150a.5	123	
	Total weight of waste rock generated	EM-MM-150a.6	123	
	Total weight of hazardous waste generated	EM-MM-150a.7	120	
	Total weight of hazardous waste recycled	EM-MM-150a.8	121	
	Number of significant incidents associated with hazardous materials and waste management	EM-MM-150a.9	92	
	Description of waste and hazardous materials management policies and procedures for active and inactive operations	EM-MM-150a.10	91	
Tailings storage facilities management	Tailings storage facility inventory table:(1) facility name, (2) location,(3) ownership status, (4) operational status, (5) construction method,(6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP	EM-MM-540a.1	114	
	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	EM-MM-540a.2	95	
	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	EM-MM-540a.3	95	

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

SASB TOPIC	REPORTING METRIC	CODE	LOCATION	OMISSION
SASB Metals & Mining				
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	EM-MM-140a.1	<u>118</u>	
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	EM-MM-140a.2	<u>82, 87</u>	
Energy Management	1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	EM-MM-130a.1	<u>115</u>	
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	EM-MM-110a.1	<u>123</u>	
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MM-110a.2	<u>94, 97</u>	
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	EM-MM-120a.1	<u>126</u>	Items 2, 6 and 7 omitted - information not available for this cycle.
Activity Metric				
Activity Metric	Production of (1) metal ores and (2) finished metal products	EM-MM-000.A	<u>16</u>	
	Total number of employees, percentage contractors	EM-MM-000.B	<u>33, 111</u>	% of hires not available for the cycle.

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

SASB TOPIC	REPORTING METRIC	CODE	LOCATION	OMISSION
SASB Iron & Steel Producers				
Workforce health and safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	EM-IS-320a.1	<u>40</u>	
Supply Chain Management	Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	EM-IS-430a.1		Information not available for this cycle.
Waste Management	(1) Amount of waste generated, (2) percentage hazardous, (3) percentage recycled	EM-IS-150a.1	<u>120</u>	
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	EM-IS-140a.1	<u>118</u>	
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	EM-IS-130a.1	<u>115</u>	
	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas and (4) percentage renewable	EM-IS-130a.2	<u>115</u>	
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissionslimiting regulations	EM-IS-110a.1	<u>123</u>	
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-IS-110a.2	<u>94, 97</u>	
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)	EM-IS-120a.1	<u>126</u>	Items 2, 6 and 7 omitted - information not available for this cycle.
Activity Metric				
Activity Metric	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	EM-IS-000.A	<u>16</u>	
	Total iron ore production	EM-IS-000.B	<u>16</u>	
	Total coking coal production	EM-IS-000.C	<u>16</u>	

[Contents](#)

[Messages](#)

[About this report](#)

[Value creation model](#)

[About us](#)

[Human and intellectual capital](#)

[Social and relationship capital](#)

[Financial and manufactured capital](#)

[Natural capital](#)

[Awards and recognition](#)

[External Assurance Letter](#)

[Appendices](#)

[Credits](#)

ANNUAL REPORT 2023

Credits

Coordination:

Brand and Communication area

Pedro Torres

Ana Paula Camargo

ESG Squad

Carla Fabiana Daniel

Cenira Nunes

Julia Jung

Mauricio Metz

Paulo Boneff

Rafael Lebensold

Technical and editorial coordination and graphic design

Quintal 22 Comunicação Corporativa

Technical disclosure consultancy

Ferso ESG

Photo credits

Gerdau image bank

Independent assurance

Bureau Veritas

Translation

LATAM – Latin American Translations