



GERDAU
Shape the future

2021

Social
Responsibility
Report

***Empower
people
who build
the future***





CONTENTS

1. Leadership Vision...04
2. Social Responsibility Strategy...06
3. Results...12
4. Fighting the COVID-19 Pandemic...16
5. Gerdau Volunteer Program...22
6. Community Initiatives...26
7. Society Transformation Projects...30
8. Shared Value Projects...44
9. Social Initiatives Supported by Tax Incentives...48
10. MM Gerdau – Museum of Mines and Metal...58
11. Main Commitments...64

A year that marks our history of dedication to a social legacy

Transforming realities. We started 2021 amid the uncertainties that persisted as the COVID-19 pandemic continued, while focusing on our social action strategy and our commitment to being an agent of transformation in the communities where we operate. We ended the year with the largest social investment in Gerdau's 120-year history - R\$128 million geared toward social development - and we remain certain that our guiding principle of respecting people is the essence that shapes Gerdau's formula for success.

The pandemic crisis moved into a new phase in 2021, but it still affected thousands of people, and we continued to allocate resources from the COVID-19 Fund to meet the urgent demand for ventilators and vaccine. Between 2020 and 2021, a total of R\$30 million was invested in constructing and renovating hospitals; donating personal protective equipment (PPE), food baskets, hygiene kits, purchasing oxygen concentrators and equipment to support vaccinations for the public health system.

Additionally, we worked diligently on projects aligned with the pillars of our social strategy,

encouraging entrepreneurship through education, recycling and housing projects. One of them is *Gerdau Transforma* (Gerdau Transforms), an entrepreneurial training project that had the participation of more than 8,000 people.

However, the year's highlight was the launch of *Reforma Que Transforma* (Reform that Transforms), our commitment to transforming the housing reality in Brazil. We are investing R\$40 million to renovate 13,000 homes, benefiting countless families in vulnerable situations. It's our largest social project ever, and we're excited about all the possibilities for social development that it will bring in the coming years.

We also continued our volunteer work and our MM Gerdau museum reopened in the second half of the year. In this new phase, the public could attend exhibitions in person. And due to our record results in 2021, we also made proportional contributions to tax incentive projects in the areas of culture, sports and elderly and children funds, with more than 70 initiatives supported.

It was an intense year that underscored the consistency of our values, showing that it is possible to combine business success with social impact and legacy, as well as respond to society's demands with an eye on the transformations that can lead to a better future for all. On the following pages, you will learn a little more about how we have been dedicating ourselves to this.

Enjoy your reading!

André Bier Gerdau Johannpeter
Chairman of the Board of the
Gerdau Institute

The year's highlight was the launch of Reforma Que Transforma (Reform that Transforms), our commitment to transforming the housing reality in Brazil.





2 Social Responsibility Strategy



Students of the technical school in Chimbote (Peru)

The year 2021 will go down in Gerdau's history as the period when the company celebrated 120 years, and at the same time, achieved record financial results and made the largest social investment ever: R\$128 million.

For more than a century, the company's operations have been marked by its commitment to the social development of the regions where it operates. Thus, to concentrate the company's social responsibility policies and guidelines, the Gerdau Institute was created in 2005, and its Board defines the paths to be followed and monitors the results of these actions.

Since 2018, Gerdau's social actions have followed the strategy of transforming realities through ENTREPRENEURSHIP in three pillars: EDUCATION, HOUSING, and RECYCLING. It is our belief that with decent

housing, knowledge for personal and professional development, and care for the environment, we will achieve a more just and sustainable society.

And why entrepreneurship? Because it awakens, guides, and boosts the capacity of people committed to building a better future. It is a force that leads to empowerment.

That is why Gerdau encourages, trains, and enhances entrepreneurship in these three areas, providing technical, financial, and volunteer support to people and organizations that are capable of transforming themselves and their surroundings and supporting entrepreneurs who generate positive changes in the communities where they are located.

COMMUNITY LISTENING

In order to carry out social responsibility and volunteering actions in line with the strategic pillars, Gerdau values the local autonomy of Gerdau Social Responsibility Committees in place at the units.

The Social Responsibility Committees are structures responsible for the local implementation of the social strategy, respecting the needs of each region, often in partnership with entities in these regions. Annual meetings are held along with the community, aiming to bring the population, social

organizations, and the government closer together in order to establish a channel for dialogue, greater transparency, and commitment to local development.

Our relationship with communities is guided by the Sustainability Policy and the Corporate Guidelines on Social Responsibility. The work is evaluated through annual indicators that measure the number of people benefited, businesses developed, active volunteers, and investments made.

OUR THREE STRATEGIC PILLARS OF ACTION

Education

Support for projects aimed at encouraging and training current and future entrepreneurs, as well as preparing them for the job market. The topic of education has always been present in Gerdau's social projects and is currently responsible for the high level of volunteer engagement of the company's employees.

Housing

Development of social impact initiatives in housing to minimize the housing problems of the low-income population. Gerdau believes that working as part

of a network strengthens positive impacts. This is why the company partners with companies and social organizations that work on this issue.

Recycling

Participation in projects aimed at entrepreneurship to encourage recycling, reuse of materials, and conscious consumption. The company supports initiatives with the aim of fostering the reuse of products and promoting a circular economy, while also improving the quality of life of the people who work with recycling.



CIG volunteers from the office in Jackson, Michigan (USA)

SUSTAINABLE GERDAU

- ▶ We are members of the **B Movement Builders**, composed of large publicly traded companies that support the movement of B Corporations worldwide. Our purpose is to transform the global economy to contribute to the appreciation of all its stakeholders and long-term actions seeking to generate a positive impact on society.
- ▶ In 2021, we continued our preparation for the **B Corp Certification** process – a recognition that the company is committed to the continuous improvement of its social and environmental practices and that it considers the impact of its decisions on its workers, customers, suppliers, communities, and the environment.
- ▶ Gerdau is a signatory company of the United Nations (UN) Global Compact, and our social actions are aligned with the **Sustainable Development Goals (SDG)**.

Vocational Guidance Project (Peru)



THE STRATEGY IN PRACTICE IN 2021

Our record social investment in 2021 was divided between initiatives with our own resources and initiatives with tax incentives across nine countries, highlighting the launch of the **Reforma Que Transforma** project, our largest social project in 120 years. Over a period of ten years, this project will renovate 13,000 underprivileged homes in 12 regions where we have operations in Brazil, with expected benefits to 50,000 people.



Another highlight was the **Gerdau Transforma** project, an entrepreneurship training project in Brazil and in Latin America that incubated 1,971 entrepreneurs who completed the course and were monitored for three months. Among the classes, exclusive groups were formed for women and black people, reinforcing our commitment to diversity and inclusion.

We also continued with our initiatives under the COVID-19 Fund to cope with the pandemic, which is not within the scope of the social action strategy but is in line with our emergency response to society's demands. On the following pages, you will learn about our projects in greater detail.



Gerdau Transforma



3 Results

Reading Marathon
Project in
Montevideo
(Uruguay)

THE LARGEST SOCIAL INVESTMENT IN GERDAU'S HISTORY

R\$ 128 million
in social investments

- ▶ **R\$ 31.1 million** in company resources
- ▶ **R\$ 96.9 million** in tax incentive resources

4,221,811
people benefited in
nine countries

1,318
businesses supported

1,969
volunteers

CONSOLIDATED NUMBERS OF THE COVID-19 FUND (2020-2021):

R\$ 30 million
invested

200,000+
personal protective
equipment (PPE)
items donated

3 hospitals
built

9 hospitals
renovated

More than
48,000
food baskets and
hygiene kits donated

3 social funds
supported



4 Fighting the COVID-19 pandemic

“The pandemic was devastating, especially for residents of the shanty towns and city outskirts who, in addition to the difficulty of accessing healthcare, were the most affected by unemployment, rising inflation, and reduced income. During this period, we created a food campaign to combat food insecurity. Thanks to this initiative, we managed to feed more than 1.5 million people at a very critical time. Support from Gerdau was vital for the winning outcome of the initiative, which not only provided food, but also promoted local trade, since the families received a food card with the benefit.”



Edu Lyra
Founder and CEO of Gerando Falcões

ANOTHER YEAR OF EMERGENCY ACTIONS

In 2021, we endured another year of the COVID-19 pandemic. Much like in 2020, Gerdau remained attentive to society's demands for actions that were focused on public health and social assistance, and we responded to address this emergency situation, investing more

than R\$11 million during the year to give continuity to projects that combat COVID-19.

The COVID-19 Fund was created in 2020, and in 2021, projects continued for the construction and renovation of hospitals, donations of equipment and supplies needed to fight the disease, and donations of food baskets for the population.

Delivery of food stamps with Gerando Falcões (Brazil)



Construction and renovation of hospitals

In 2021, we built Santa Catarina Hospital in São Paulo (Brazil) in partnership with Albert Einstein Israeli Hospital, BTG Pactual, Suzano, and Península.

The 40-bed Intensive Care Unit (ICU) structure was built in 37 days, in addition to the Dr. Moysés Deutsch Municipal Hospital in São Paulo (Brazil), which added 100 more beds in 33 days, and Independência Hospital in Porto Alegre (Brazil), which added 60 more beds to local facilities in 30 days, the fastest hospital development in the country. Both were built in 2020.

For these three hospitals, the technology used involved pre-built modules assembled on site, which reduces execution time compared with conventional methods, in addition to reducing waste, being cost-effective, and providing greater safety. This innovative off-site technique is developed by Brasil ao Cubo, a construction company that participated in Gerdau Builders' Startups Acceleration Program.

In 2021, we also supported the renovation of Ouro Branco Foundation and Municipal Waldemar das Dores hospitals in Brazil and the donation of hospital equipment to the cities of Sapucaia do Sul, Araçariçama, Pindamonhangaba and Porto Alegre, all in Brazil.

Vila Santa Catarina
Municipal Hospital
(Brazil)



Load of
oxygen
concentrators
donated to
the Brazilian
health system

Support for vaccinations

Through the *Unidos pela Vacina* (United for the Vaccine) movement, we distributed equipment to assist in the vaccination of the population, such as refrigerators to accommodate the COVID-19 vaccines and accelerated the vaccination process for public health systems.

Oxygen concentrators

If in 2020 the urgency was to increase the number of hospital beds available in the public health systems to care for patients affected by COVID-19, in 2021 the pressing demand was for ventilators to continue care. Together with a group of 12 companies, we helped in the purchase and distribution of 5,133 oxygen concentrators for public health systems.

5 Gerdau Volunteer Program



House renovated through the Reforma que Transforma project, in Barão de Cocais (Minas Gerais, Brazil)

“

Last year I mentored two young people during the ‘Coding For a Change’ project. It was fun and encouraging to talk to them about their interests in programming and their goals in life. It was also insightful when they asked me about where I worked, why I chose my career, and if I enjoyed working at Gerdau. I was proud to represent Gerdau and share words of encouragement and motivational tips for them to use in their future careers.”

Donna Moore
Environmental Specialist at the Midlothian mill (GLN)



“

As part of the Gerdau Volunteer Program, I can be of service and help different institutions and people. This is very important because you have a chance to contribute with your time and knowledge to people in the community who really need it and, in return, always learn something that fulfills you.”

Cecilia Souza
Operational Excellence Specialist at Gerdau Argentina



“

Working as a volunteer and supporting young adults and women, whether by mentoring them to get their first job or by coaching them in formalizing their business, is a hugely gratifying experience and gives us the certainty that we are on the right path to shape a better and sustainable future for our country.”

Carlos Andre Rios Esteves
Business Development Manager at Gerdau Next



PEOPLE MAKE A DIFFERENCE

A company is made up of people, and they are the ones who engage to create a positive impact on society. And because we believe in the strength of our employees, we continue to invest in volunteering, seeking to mobilize people to generate social transformation and foster citizenship based on four principles:

- ▶ People as the basis for the sustainable development of communities.
- ▶ Knowledge transfer as the main contribution of volunteer work.
- ▶ Volunteer work as an expression of citizenship.

Through the Gerdau Volunteer Program, our employees contribute with their time and skills to social development. In 2021, we improved virtual volunteering, especially in mentoring actions. This was a strategy adopted in the previous year, with the interruption of face-to-face actions due to social distancing. It has proven to be a good way to engage participation at a distance, ensuring people’s safety and generating a social impact.



VOLUNTEERING IN 2021

231 actions
6,791 hours donated

1,969 employees engaged

Commitment to the SDG

In the different initiatives promoted, the volunteers worked on causes associated with the United Nations (UN) Sustainable Development Goals (SDG), such as Quality Education (74 initiatives), Good Health and Well-Being (55 initiatives), No Poverty (72 initiatives), and Zero Hunger and Sustainable Agriculture (21 initiatives). Gerdau is a signatory to the Global Compact and is committed to promoting actions in line with the 17 SDGs.



6 *Initiatives in the communities*

VOLUNTEERING COVERS ALL REGIONS WHERE GERDAU OPERATES

Efforts to ensure that social projects and initiatives can have a positive impact on society reaching all the countries where it is present. Check out some of the highlights:

Argentina

► Nursery Project

In 2021, we opened a nursery at the Escola Especial Heróis de Malvinas in the city of Pérez, province of Santa Fe. The purpose of the project is to provide the institution's children and young adults with the possibility of training and developing different skills in the nursery activities by working with the land, promoting entrepreneurship and social integration in partnership with the School of Agronomy at the National University of Rosario. A 100 sqm-structure was installed at the school with all the furniture, materials, and tools necessary for teachers and students to use this new space.

Beneficiaries: 48 students

Volunteers: 25



Uruguay

► Reading Marathon

The purpose of the project is to enhance education by promoting reading habits among elementary school students, contributing to the development of avid readers.

Teacher training provides tools for a model of daily intervention that helps promote reading and writing among students. Through the Reading Marathon, volunteers create a shared literary space that centers on reading empowerment as a playful, learning, and knowledge tool. The project is carried out in two elementary schools in Montevideo.

Beneficiaries: 680 students

Volunteers: 14

Mexico

► STEM Movement

STEM is a social organization that is leading a regional movement to promote education and talent in STEM (Science, Technology, Engineering, and Mathematics), future jobs, and innovation with a social and inclusive vision. This partnership contributes to the development of young people's skills such as critical thinking, problem solving, creativity, and communication. The idea is to train mentors to offer vocational guidance lectures to high school students, where volunteers share their career or professional experiences.

Beneficiaries: 300 students

Volunteers: 42

United States

► Coding for a Change

In partnership with the Women Ambassadors Forum, Gerdau has a program in place to train young people in computer programming. The purpose of Coding for a Change is to provide high school students from low-income families with a free opportunity to learn computer science skills. Through a combination of guest speakers, classes, mentoring, and professional development internships, young people can explore careers in STEM. Classes are divided into two courses: one on web development and the other on the Python tool.

Beneficiaries: 25 students

Volunteers: 6

VOLUNTEERS WORKING ON 456 PROJECTS IN THE REGIONS WHERE WE OPERATE IN 2021

Argentina

54 volunteers

Brazil

1,197 volunteers

Canada

97 volunteers

Colombia

48 volunteers

United States

286 volunteers

Mexico

98 volunteers

Peru

114 volunteers

Dominican Republic

50 volunteers

Uruguay

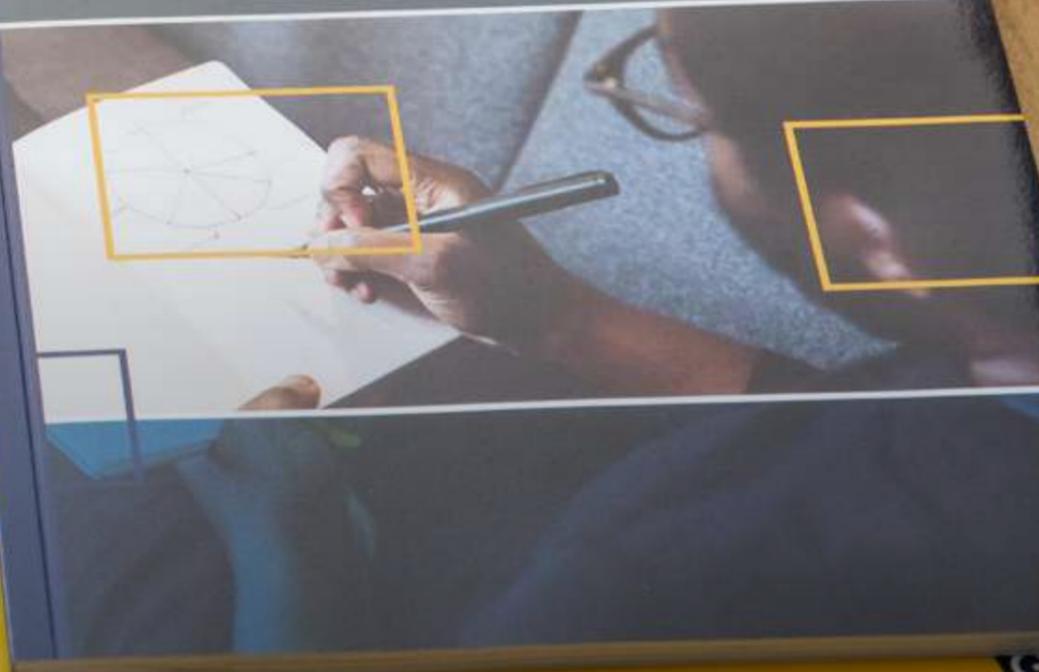
25 volunteers



OKEY, OKEY, você já entendeu que esta tal de By Necessity é responsável pela abertura de mais de 2800 negócios em periferias. Mas, agora, tá achando que implantá-la na sua comunidade, município ou estado é uma realidade difícil e demorada.
Ops, enganou-se! Do dia pra noite, a By Necessity chega A QUALQUER LUGAR, EM QUALQUER TEMPO!


**GERDAU
TRANSFORMA**
Você Empreendendo


**GERDAU
TRANSFORMA**
Você Empreendendo



Molde o ano da sua
maneira. Faça seus
sonhos acontecerem.

7 Society transformation projects

MATRIZ DE LOCALIZAÇÃO

ONDE SE LOCALIZA O PROJETO

ANÁLISE DE IMPACTO

ANÁLISE DE RISCO

ACTION FOR MAJOR IMPACT CHANGES IN THE FUTURE

For Gerdau, being committed to society means understanding the social transformation needs in the regions where it is present and giving back what it has received with the growth of its business over the last 120 years. Thus, we support high-impact projects with a

mission to bring about long-term changes in Brazil, the country where we began our operations and which generated the energy we needed to drive global expansion.

These are initiatives that contribute to programs that promote housing and entrepreneurial training, with an emphasis on diversity and inclusion, technology, and income generation. They drive transformation chains with the power to change people's realities. See some of the highlights:

Reforma que Transforma

The year 2021 marked the conception of the largest social project in Gerdau's 120-year history, with an investment of R\$40 million from company resources. The goal is to create an entire ecosystem of players—suppliers of construction material, local contractors, public and private organizations, social entities, and civil society—making the project efficient, autonomous, and seamless to promote local development, generate income for the population, and allow more low-income people to hire renovation services for their homes.

The project strategy was supported by the Theory of Change methodology, which reveals the necessary path, from the short and medium terms, to achieve true change in the long term.



The Reforma que Transforma project was structured after we identified that the greatest social demand is not for the construction of new housing, but rather for the improvement of existing housing, where three problems were identified: construction work without technical assistance, training of players involved in the reform, and lack of access to credit.

For us, making a home that's decent, safe, and in an environment that provides well-being and health has a transformative power that allows for a cross-cutting and positive impact on society, improving health, education, food security and physical safety, and social and family relationships.



“

Reforma que Transforma is a project that involves many different stakeholders, from the bricklayer working in construction to the securitization company responsible for the financing mechanism. We at Vivenda are very happy to contribute to its planning and governance so that we can continue to reap great results.”

Fernando Assad
Co-founder of Vivenda



House renovated in Barão de Cocais (Minas Gerais, Brazil)

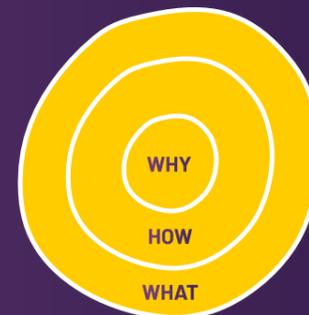
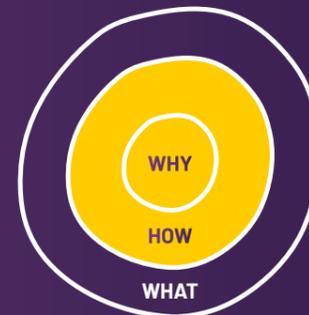
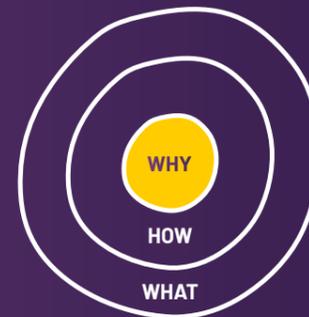
ABOUT REFORMA QUE TRANSFORMA

Transforming the lives of **50,000 people** by improving **13,000 homes** across Brazil by **2030**.

A **home** is where people feel safe. It is a place of rest, unity, and family life. Owning a healthy home has a direct impact on health, education, safety, and self-esteem.

Forming a network of **entrepreneurs** linked to **housing reform**, we are preparing and training an **ecosystem** that will carry out the reforms.

Renovation of homes is taking place for low-income populations, in the 12 cities selected through donations and support from Gerdau.



WHERE?

Selected municipalities:

PERNAMBUCO
Recife

CEARÁ
Maracanaú

MINAS GERAIS

Barão de Cocais
Divinópolis
Itabirito
Ouro Branco
Ouro Preto

SÃO PAULO

Araçariquama
Pindamonhangaba

RIO DE JANEIRO

Rio de Janeiro
(district of Santa Cruz)

RIO GRANDE DO SUL

Charqueadas
Sapucaia do Sul

“With the help of the course, I was able to improve my marketing. I increased my income, and I got two people to work with me. Today we work in uniforms. The training allowed me to learn key topics to improve company management, such as financial organization, advertising strategies, sales, and customer relations.”

Yuri Batista Lobo
Ilúminy company, Ouro Branco (Brazil)



Gerdau Transforma

Entrepreneurship gives people the autonomy to build their future independently and provides opportunities for talent, knowledge, and passions to flourish, generating income and social development. In 2021, *Gerdau Transforma*, our proprietary project for the development and training of entrepreneurs, featured 25 classes and trained 1,971 incubated entrepreneurs who completed the course and the three-month mentoring. The classes included groups exclusively for women and Black people, highlighting the need to prioritize diversity and inclusion in social transformation actions.

The purpose of *Gerdau Transforma* is to train people who become entrepreneurs out of necessity, developing entrepreneurs who already have businesses or ideas and who work informally or are self-employed.

Due to the pandemic, all the actions were conducted online, allowing for even greater reach. The one-week course is totally free of charge and encourages participants to reflect on their ideas and teaches them brand creation, product development, sales projections, market research, costing, advertising the business, financial concepts, and action plans.

After the course, the entrepreneurs are mentored by a specialist for 90 days. A total of 1,971 people participated in this stage. The project received students from 466 municipalities in Latin American countries.



2021
25 classes held
8,459 applications
1,971 students incubated
887 students entrepreneurs
466 municipalities served

Gerdau Transforma

Nova Escola

The project trains teachers in their careers and assists in the daily classroom planning by providing quality products and services (lesson plans in partnership with Google, courses, and training). In 2021, we focused on training educators in Minas Gerais through online mentoring, based on self-instructional courses on Entrepreneurship Education already produced.

BENEFICIARIES: 97,640 people accessed the content, and **38 teachers** participated in the mentoring

Gerando Falcões

Gerando Falcões is a social development ecosystem that operates through a network strategy in the outskirts of cities and in shanty towns throughout Brazil. With diversified professional talent and investments in technology and innovation, the institution develops the most powerful mechanisms to break the cycle of poverty in the country so that the misery of the shanty towns will someday exist only in museums. See below the projects supported by Gerdaud:



Favela 3D Project

► Acceleration of Social Organizations (Falcons University)

We invested in the process to accelerate the organization Associação Cultural de Educação Social e Artística (ACESA) in the city of Divinópolis (MG) and the Instituto Miguel Fernandes Torres in the city of Ouro Branco (MG). In both cases, the entity's leadership was trained, efficiency management was monitored, and goals were set for a four-year period. In 2022, the social organization Ser Cidadão in Rio de Janeiro will be accelerated by the program.

BENEFICIARIES:
Acesa:
675 children and young adults
Instituto Miguel Fernandes Torres:
311 children and young adults

► Favela 3D

The project to urbanize Favela Marte in the state of São Paulo is progressing according to schedule. The Gerando Falcões team, together with the Government of São Paulo and the city government, is already developing and implementing social impact actions related to the set of solutions established for the project: decent housing, access to healthcare, citizenship and a culture of peace, the right to education, early childhood, women's autonomy, culture, sports and leisure, and income generation.

BENEFICIARIES: 240 families

Robotics project

A robotics project in the classroom, conducted with the Mais Unidos Group and with the support of other partners, was implemented in schools in the state of São Paulo in 2021, when preparations were also begun for expanding

the project to the state of Minas Gerais, which should take place in 2022. In Minas Gerais, the initial goal will be to implement the Technology and Innovation curriculum, with an expected impact on 2,500 schools and 550,000 students.

BENEFICIARIES: 2,520,000 students and 3,808 schools in the state of São Paulo

Launch of the Robotics project in Minas Gerais (Brazil)



Lenir Castro (ACESA) - Falcons University Program, by Gerando Falcões

Junior Achievement (JA)

It is one of the largest social organizations of entrepreneurial education for young people in the world. It is present in 100 countries and is one of the first to provide entrepreneurship programs for this audience in Latin America. The purpose of the partnership between JA and Gerdau is to contribute to the development of entrepreneurship in young people and make them better prepared for the job market. Company volunteers act as program instructors, dedicating hours of their time to collaborate on the education and future of young people.

The following projects were conducted in 2021: JA Startup, Women Entrepreneurs, Connected with Tomorrow and Online Mentoring, totaling 22 classes in the regions where Gerdau operates, 2 of which included family members of employees. In addition, Gerdau joined JA in two online events with nationwide impact: Future of Work and Protagonists of Today Festival.

BENEFICIARIES: 627 young people (online classes); **114 young people** (Future of Work) and **11 mil young people** signed up (Protagonists of Today Festival)

VOLUNTEERS: 232 (online classes); **4** (online events)

Start Project

In partnership with Instituto Ser+, the goal is to train young people who are interested in Information Technology and are seeking preparation for the job market. In addition to technology, the course provides knowledge in complementary areas such as citizenship, behavioral skills, communication, administration, and financial literacy. In 2021, five online classes were held in Brazil.

BENEFICIARIES: 200 young adults

VOLUNTEERS: 138



“Gerdau has always been a great supporter of Junior Achievement and over the last two years has believed in our power to impact the lives of young people, even remotely. Partners like you—who believe that it is through education that we are going to change the reality of our country—are our greatest gift. We innovated our work format with the tools we had available and impacted thousands of young people in this partnership.”

Brenda Santos
Director of Operations,
Junior Achievement Brazil

START

One of the participants of the Start project in Rio de Janeiro was mentored by a Gerdau volunteer and encouraged to take the college entrance exam. He was approved to study Literature at the University of the State of Rio de Janeiro.



“Thank you to my mentor and to the course, because it was through the course that I received the mentorship. I have finished the course, but I still get advice from my mentor to this day, when I need guidance.”

Hudson Nascimento Silva,
22 years old



Conscious Capitalism

Since 2019, in line with business trends focused on sustainability, we have partnered with Instituto Capitalismo Consciente Brasil, an entity that works to help transform investments and businesses in Brazil by inspiring and guiding leaders to generate more positive impacts and lead actions to reduce inequalities in the country.

In 2021, this partnership generated new projects, such as the creation of the Conscious Capitalism Educational Platform and the project called *Líderes do Futuro Primeiros Passos* (Leaders of the Future: First Steps), an initiative focused on young adults between the ages of 18 and 24 who are beginning their careers, and which provides essential knowledge about Conscious Capitalism, financial literacy, and citizenship. The project



is socially oriented: for each student included by the company, five others in vulnerable situations are given the chance to take the same course. The project's first students were 186 interns at Gerdau.

Also in 2021, Gerdau was a sponsor of the 2nd Brazilian Forum of Conscious Capitalism, whose social reach enabled the inclusion of another 5,200 young adults in the Leaders of the Future education platform. The forum is held every two years and is intended to strengthen and prepare leaders for more conscious practices in their daily management.



Lab Habitação

This is a program for accelerating early-stage businesses. Its agenda is to provide improvements and innovations for low-income housing. The goal is to strengthen impactful solutions that help make Brazilian housing better, healthier, and more comfortable. The 4th edition was held in 2021, with 19 startups supported. This initiative relies on the partnership of Instituto Vedacit, Tigre, Votorantim Cimentos, and Leroy Merlin, and on the support of Nova Vivenda and Habitat for Humanity Brazil.

BENEFICIARIES: 19 businesses,
58% of which are led by women



Gerdau is a very important partner. Every day it demonstrates the importance and value it builds into its relationships with stakeholders, showcasing the alignment of its purpose with strategic decisions. With utmost transparency, it demonstrates its leading role and vibrant engagement in the most relevant issues of today's society."

Daniela Garcia,
CEO of Conscious Capitalism Brazil

METÁLICOS



8

Shared value projects



JOINING FORCES TO BUILD A BETTER FUTURE

Participation in shared value projects is a way of joining forces to create the changes we want to see in the world. Working in partnership with companies and social institutions promotes initiatives that benefit people and groups while reinforcing mutual values of social development. Check out some of the highlights in this segment:

Habitat for Humanity

We support the Latin American Housing and Habitat Forum. In 2021, the online event was attended by government officials, international agencies, academics, entrepreneurs, investors, community leaders, and members of civil society to discuss inequalities in Latin America and the Caribbean, especially after the escalation of social and economic problems generated by the COVID-19 pandemic. Because of the pandemic, we did not have any volunteer activities last year.

BENEFICIARIES: 1,639 visitors to the platform

Teto

Teto works in the construction of emergency housing and in activities to support the structuring of communities. In 2021, with funds donated by Gerdau, Teto purchased materials for housing and community projects. This helped with the purchase of nails and other materials used in the construction of 111 houses and 42 community projects. We also made a donation to FunTeto, a fund that channels contributions for the construction of high-impact community projects and that, in the context of COVID-19, was based on three premises: access to water and sanitation, food security and the fight against hunger, and infrastructure.

BENEFICIARIES: 385 people

Prolata

A joint initiative with the Associação Brasileira de Embalagem de Aço (ABEAÇO - Brazilian Association of Steel Packaging) to benefit recycling cooperatives that work with ferrous scrap throughout Brazil, fostering recycling in the country. We support the program by donating personal protective equipment (PPE) kits containing 15 items, such as protective boots, caps, bags, T-shirts, ear protectors, gloves, socks, and cloth face masks. We also contribute by purchasing scrap metal from all the participating cooperatives.

BENEFICIARIES: 1,348 people



Prolata Project (Brazil)

Na Mão Certa Program

This Childhood Brasil foundation program brings together companies that, by signing the Business Pact, make a commitment to work for the protection of children and adolescents against sexual exploitation. The main strategy is to raise the awareness of truck drivers so that they can act as agents for the protection of the rights of children and adolescents. We contribute to actions involving training and conversations focused on raising awareness with truck drivers and trucking companies, covering Gerdau's units in Brazil.

BENEFICIARIES: 2,705 people
VOLUNTEERS: 97



Néctar do Futuro

The *Néctar do Futuro* (Nectar of the Future) program was created to support the development of rural entrepreneurs who work with beekeeping in order to generate income and local development in the areas where Gerdau's forests are located. The program worked together with two associations and is expected to expand its reach in Minas Gerais in 2022.

BENEFICIARIES: 25 people

“The 2021 partnership between Gerdau and Prolata was once again a partnership of collaboration and cooperation with the program. It was much more than a solution for the environmentally proper disposal of post-consumer steel cans. It included everything from providing support to waste picker cooperatives to expanding warehouses.”



Thais Fagury
Executive Director of Prolata and Executive President of ABEAÇO

Aprimorar

The *Aprimorar* (Improve) Program, a Gerdau initiative in partnership with the National Service for Industrial Training (SENAI) in Brazil, was resumed. This program aims to expand the technical training opportunities for the residents of the cities where Gerdau operates. Courses were offered to train electricians, welders, and overhead crane operators, at no cost to the students. In 2022, courses will be extended to various regions in Brazil.

BENEFICIARIES: 51 people

9

Social initiatives supported by tax incentives



SOCIAL TRANSFORMATION THROUGH INVESTMENT IN TAX INCENTIVE PROJECTS

In Brazil, tax incentive laws allow companies and individuals to extend their social engagement to projects that have been pre-approved by governments, in Brazil. Gerdau seeks to use the opportunities that are in line with its social responsibility values and premises. In 2021, we made incentive investments in the areas of culture, sports, funds for the elderly, and funds for children and adolescents.

Investments in 2021 totaled R\$96.9 million, matching the company's record financial result. This made it possible to support more than 70 projects – from supporting organizations and initiatives that use music as a source of social transformation, to basketball as a tool for social development, to professional training courses that help people over 60 re-enter the job market.

One example was the R\$7 million investment to restart the construction of the Multipalco Cultural Complex, in Porto Alegre (RS), which consists of theaters, arts classrooms, and other cultural material that will benefit the population. The project, which was on hold, includes a theater that is more than 100 years old, which will be renovated and restored. See other outstanding projects:

CULTURE INCENTIVE ACT

Ouro Branco Music Hall

Gerdau is sponsoring the construction of the headquarters of the *Casa de Música* (Music House) of Ouro Branco in Minas Gerais. The space will be used for music education activities, concert series, classical music festivals, and the children's orchestra and choir rehearsals. Construction will include a multipurpose structure, rehearsal rooms, and classrooms. In 2021, the project had 220 students attending the Casa de Música musical instrument and orchestra practice workshops, 100 students attending the Cello Festival, 100 students attending Music Week, and more than 10,000 people attending concerts and recitals online.

Porto Alegre Symphony Orchestra (OSPA)

OSPA performs artistic presentations and teaches concert music to the public of Porto Alegre (RS). During the pandemic, the orchestra had to adapt and held livestreaming and festivals online. In 2020, OSPA Live was launched (a first in Brazilian concert programming), in addition to the continuation of the Music School. Gerdau sponsors a project that includes concerts as part of the Porto Alegre Symphony Orchestra season and other social and educational activities developed by OSPA, seeking to promote the appreciation and democratization of concert music by forming new audiences.



Construction of the new headquarters of the Ouro Branco Music Hall (Brazil)

Ouro Preto Symphony Orchestra

Singer, composer, and guitarist João Bosco and the Symphony Orchestra of Ouro Preto (MG) toured in 2021 in celebration of Gerdau's 120th anniversary. A CD and DVD were recorded and produced during one of the performances.



João Bosco

“

Being side by side with Gerdau, working for the culture of Minas Gerais and Brazil, is a source of pride for the Ouro Preto Orchestra. Together, we have been able to accomplish the mission of democratizing access to concert music, inspiring and transforming realities everywhere we go.”

Rodrigo Toffolo
Conductor of the Ouro Preto Symphony Orchestra



Fundação Tênis (Brazil)

SPORTS INCENTIVE ACT

Fundação Tênis

This is an educational sports program that uses tennis as a tool for the social inclusion of socially vulnerable adolescents and young adults. In 2021, due to social distancing, activities began to be developed and sent through WhatsApp groups, such as physical exercises and brain games. As of June,

in-person classes were resumed, following return protocols including a reduced number of students, use of masks, and sanitation of materials. A total of 18 centers are served, with 1,388 beneficiaries in São Paulo and Rio Grande do Sul.



Gerdau's support has been instrumental for us to develop our work and contributes in a decisive way to the social transformation that we want! Gerdau has taken to the court with us and, together, we are promoting the personal growth of children and adolescents, developing social-emotional skills by integrating education and sports for thousands of children and adolescents in the public school system."

Joana Miraglia
Director General of Instituto Superação



Instituto Superação

The institute provides access to healthy and positive sports practices that foster, in an integrated way, the students' sports and social-emotional development through basketball. Because we were still overcoming the challenges posed by the pandemic, practices in the first half of the year were held online. In the second half of the year, 23 in-person sports festivals were held in partner schools in São Paulo and Minas Gerais. In all, 747 students benefited from the program, with 21 being nominated to the Competitive Pillar.

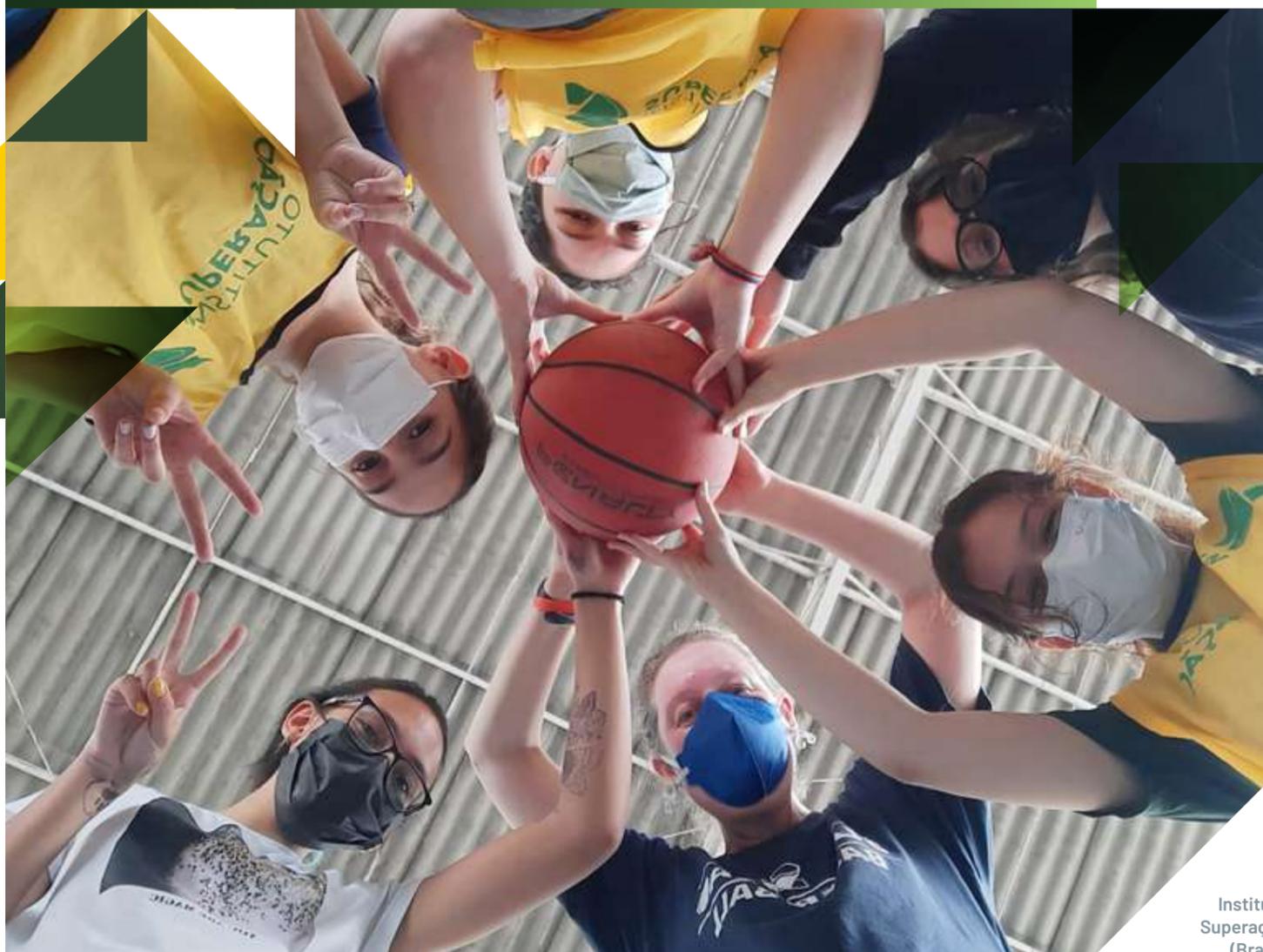
INCENTIVE ACT FOR THE ELDERLY FUND

Instituto Tecnológico e Vocacional Avançado (Iteva)

The Construcom project, from ITEVA, offers training programs for the elderly focused on Sustainable Building and Construction Processes in the state of Ceará. The purpose is to train skilled labor in producing and working with ecological bricks (made from soil-cement) throughout the production process, electrical, water and sewer installations, and finishing. The Construcom project had 120 courses for seniors.

Instituto Ânima

Developed in 2011, the Universidade Aberta à Pessoa Idosa (UAPI) program, supported by Instituto Ânima, aims to offer educational strategies and support for the elderly population in Minas Gerais. Since then, thousands of seniors have benefited from the university's initiatives. In addition to courses and workshops, the program develops other actions for the elderly population, such as consulting and advisory services for long-term care institutions, diagnostics for senior community groups, and research on the profile of the elderly population. All these actions are performed in partnership with the higher education institutions of the Ânima Educação group.



Instituto Superação (Brazil)



Instituto Solidare (Brazil)

INCENTIVE ACT FOR THE CHILD AND ADOLESCENT FUND

Associação Sol Maior

This entity was created in 2007 with the mission of offering socially vulnerable children and adolescents a new perspective on life through art, music, and dance. Sol Maior currently serves 450 students who participate in its workshops in Porto Alegre (RS). Nearly 94% of former Sol Maior students from the last two years are now in the job market, stimulated by the institution through the Vida Sol Maior project. Gerdau has been a supporter of Sol Maior since its foundation.

Instituto Solidare

The organization, in the social assistance segment, was created in 2006. Headquartered in the city of Recife (PE), it promotes actions throughout the state, directly benefiting 20 municipalities. Its mission is to promote the social, political, and educational development of children and adolescents, starting with their families, through citizen education, income generation, self-esteem and resilience, and institutional and community development programs. Today, these programs benefit 2,400 adolescents.



Associação Sol Maior (Brazil)

Fundo Pró-infância

Gerdau *Fundo Pró-infância* (Pro-childhood Fund) is an initiative that has become a reference in the area of social responsibility. It was created in 1999 to encourage company employees to donate resources to organizations that help children and adolescents. They are invited to donate part of their income tax due to social organizations and can choose the organization to be benefited among the NGOs participating in the fund. In 2021, Gerdau pledged to contribute R\$5 for every R\$1 donated by an employee. Last year, there were 219 individual donations, a record for this action, totaling R\$13.6 million raised (employees + Gerdau).

10

**MM Gerdau –
Museum of
Mines and
Metal**



HYBRID WORK FORMAT: VIRTUAL AND IN PERSON

Due to the COVID-19 pandemic, in 2020 the MM Gerdau Museum - Museum of Mines and Metal had to be adapted to the virtual world. In 2021, the challenges continued and the space remained closed to visitors in the first half of the year, reopening partially in July and fully in October. Even so, the total number of in-person visitors exceeded 67,000 and was increased by the digital actions, which reached more than 6.5 million visitors.

With the reopening to in-person visitors, the scientific and cultural programming was resumed, as well as visits to the fixed science and technology collection installed in the *Prédio Rosa* (Pink Building), which is the name of the three-story building opened in Belo Horizonte (Brazil) in 1897 and located in the traditional *Praça da Liberdade* (Liberty Square). In addition, temporary exhibitions were held. See more:

► **Vetor Vivo (Live Vector)**

6,676 visitors

Exhibition of architectural projects and sculptures that composed a set of spatial, habitable, and artistic ideas created by architect João Diniz in an experimental and gestural way using Gerdau steel. A digital version of the exhibition is also available on Google Arts & Culture.

► **A Ecologia das Imagens (The Ecology of Images)**

3,547 visitors

An exhibit in partnership with the Alliance Française, conceived by the Georges Pompidou Center in France, addressed environmental protection, the consumption of images and screens, and other observations.

► **Jardim Mineral (Mineral Garden)**

7,001 in-person visitors and
2,007 visits to the digital artwork

As a result of the CoMciência open call for artistic projects and inspired by the geological collection, artists and researchers exhibited 10 pieces of artwork for the public and engaged in dialogues on art, science, and technology with the museum's staff and specialized mentors.



Active programming

Throughout the year, MM Gerdau promoted digital activities to its public, remaining active as a cultural institution and managing to work around the restrictions imposed by the pandemic until its gradual reopening in the second half of the year.

Throughout 2021, the programming included 99 activities and reached more than 24,000 people (in-person and online). The museum's Education Department also remained active, conducting 35 spontaneous digital actions and reaching more than 8,900 people. In 2021 alone, MM Gerdau's Education Department received 100 visits and reached 2,233 people in this way.

Digital presence

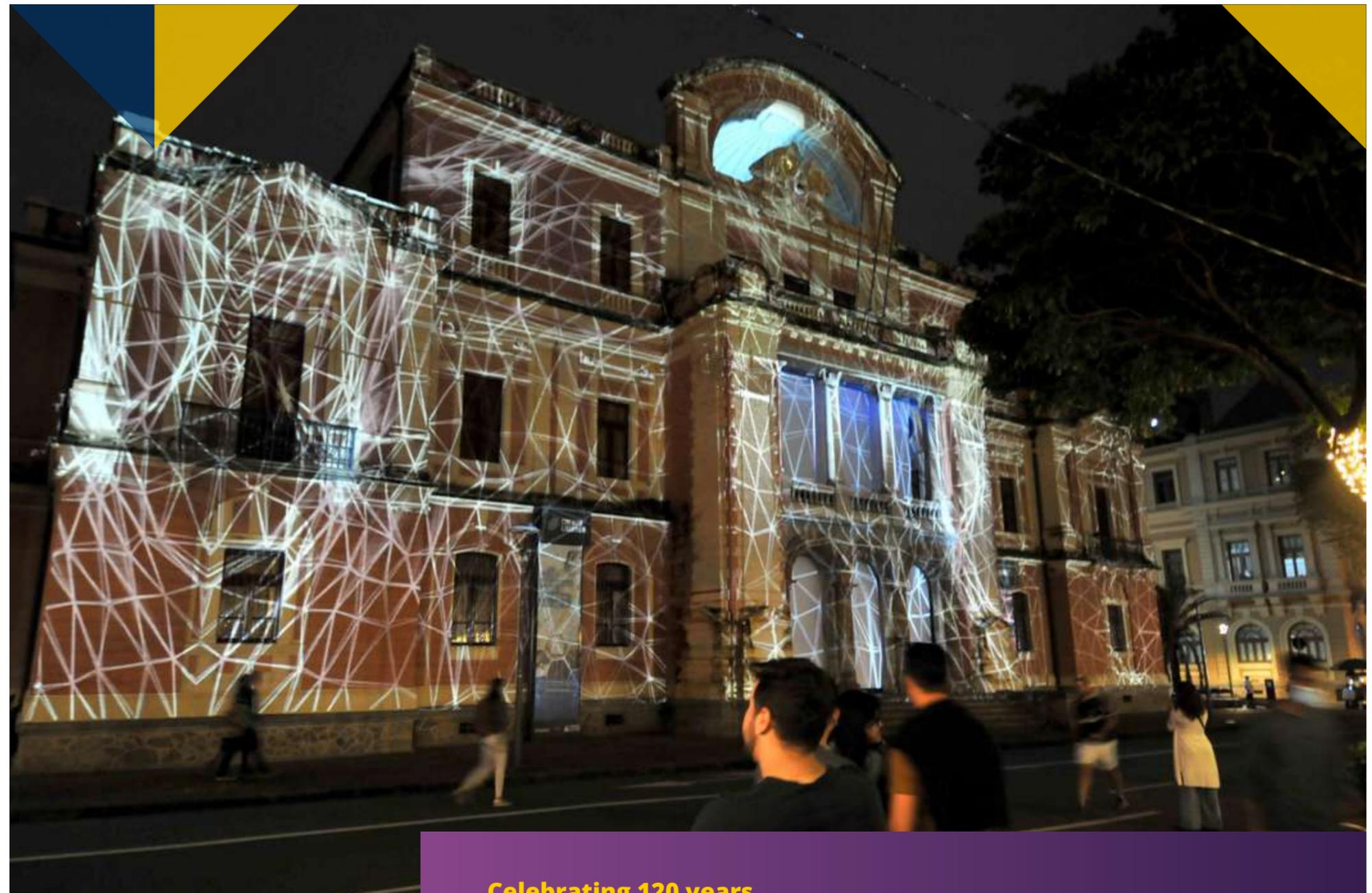
To promote digital educational and cultural activities, which continued even after reopening to the public, the museum continued to update its social media, reaching a virtual audience of more than 6.5 million people.

A new website was launched in June and had 93,400 views. The new platform features a first-ever virtual tour of the Pink Building, in which visitors can access MM Gerdau's digitized mineral collection.

A tour of the Wigg Mill – regarded as one of the most important and innovative steel mills in the country – has also been launched. The ruins of the steel mill are located in an archeological site in the Miguel Burnier district, in the region of Ouro Preto (MG), and the virtual tour had more than 1,700 views in 2021.

Virtual exhibitions

Taking advantage of the virtual resource—which allows visits and views from anywhere in the world—three new exhibitions were launched on MM Gerdau's profile on the Google Arts & Culture platform: *Brasil Precioso: a riqueza dos minerais-gemas* (Precious Brazil: the richness of mineral-gems), *Vetor Vivo* (Vivo Vector), and *Muito Prazer, Djalma* (Nice to meet you, Djalma). In all, they had more than 5,700 views.



120 

Celebrating 120 years

MM Gerdau took part in the program to celebrate Gerdau's 120th anniversary with an intervention signed by artists Rafael and Ricardo Cançado. In December 2021, people who passed by Liberty Square, where the museum is located, saw a mapping—a technique for projecting video onto irregular objects or surfaces—with the emergence of the galaxy, volcanoes, and minerals interacting with the formation of the Earth until the arrival of technology. The action was part of the 2021 Luzes da Liberdade (Lights of Liberty) Festival, an annual event held in Belo Horizonte (BH).

As part of the project, the museum also hosted musical performances by Manu Dias, Canarinhos de Itabirito Choir, Orquestra de Câmara de Ouro Branco, and Clube da Esquina with Telo Borges and Flávio Venturini. The building was also decorated with special scenic lighting.



11

Main commitments

As part of our involvement in society, we are members of associations and make commitments aimed at discussing and fostering the role of companies as agents of social transformation.





GERDAU ON SOCIAL MEDIA

-  www.facebook.com/Gerdau
-  www.instagram.com/gerdau/
-  www.twitter.com/gerdau
-  www.linkedin.com/company/gerdau
-  www.youtube.com/user/GerdauSA
-  www.tiktok.com/@gerdau