

GerdaU achieves B Corp™ Certification for North American operations, strengthening its leadership in the steel industry

The company's special steel and long steel divisions in the United States and Canada join B Corps GerdaU Summit and Siderperu, a new milestone of its strategy to shape a more sustainable future

São Paulo, August 1st, 2024 – GerdaU, Brazil's largest steel producer, announces the certification of its special steel and long steel divisions in North America, including assets in the United States and Canada, as Certified B Corporations™. The North American divisions join GerdaU Summit, the company's joint venture with the Japanese companies Sumitomo Corporation and Japan Steel Works, dedicated to supplying parts for wind power generation, and Siderperu, the company's steel production division in Peru. The two companies were the world's first steel producers to become B Corporations.

Certification is an integral part of the company's sustainability agenda, as it recognizes GerdaU's initiatives and best practices in this field, effectively connecting the steel production business with the purpose of empowering people who build the future, leaving a positive legacy for society.

"The certification of GerdaU's operations in the United States and Canada reaffirms the company's centenary commitment to contributing to solving society's challenges and dilemmas, promoting a positive impact in the regions where it operates," said Gustavo Werneck, CEO of GerdaU. "Our assets in North America, whose production matrix is 100% based on the recycling of scrap metal, ensuring the production of steel with low carbon emissions, are a crucial part of the Company's strategic growth. This certification represents another step in our journey of sustainability and creation of value for our stakeholders."

"Becoming a Certified B Corporation means joining a global community of organizations creating meaningful impact. All Certified B Corps undergo a rigorous assessment verified by independent third parties, evaluating all aspects of the company to ensure contributions to society and the environment. The certification of GerdaU's operations in the U.S. and Canada is a major milestone, demonstrating that companies of all sizes can align with the B Corp Movement. We welcome GerdaU and hope their example inspires others," said João Campos, Growth Manager at B Lab U.S. & Canada.

GerdaU started operations in North America in 1989, when the company started producing long steels in Canada. GerdaU currently operates 11 long and special steel production units in the United States and Canada. In addition, its shares have been listed on the New York Stock Exchange (NYSE) for 25 years.

"GerdaU's long steel and special steel divisions in the United States and Canada have been working tirelessly to strengthen the company's sustainable growth strategy in the Americas. Being certified as a B Corporation is the result of our social, environmental, and governance initiatives, which serve as transparent guidelines to our business and decision-making," said Chia Yuan Wang, president of GerdaU Long Steel North America.

"We believe that this recognition for GerdaU reaffirms our commitment to seeking higher value-added solutions at every stage of our production process, delivering more sustainable products to our clients. "We also hope that this will be a milestone for the entire steel sector," said Rodrigo Belloc, president of GerdaU Special Steel North America.

Key Points:

1. **Sustainable Production:** Gerdau's process is entirely based on recycling metallic scrap, promoting the circular economy, and reducing the need to mine natural resources.
2. **Solar Plant in Midlothian, Texas:** It features 230,000 solar panels with an 80-megawatt capacity, enough to power 13,000 Texas households. The plant is expected to reduce annual carbon emissions by 65,000 tCO₂e (about 10% of its emissions).
3. **Hydrogen Research Investment:** \$10 million was invested in decarbonization studies, the largest U.S. government incentive for such research. Purdue University conducted the research, with support from Linde and steelmakers, testing at the Monroe unit in Michigan.

Gerdau's North American divisions join over 8,000 companies worldwide committed to high social and environmental responsibility and transparency standards. This certification, granted by B Lab™, an independent non-profit represented in Brazil by Sistema B™, evaluates Gerdau's progress in building a sustainable, diverse, and inclusive business environment. The B Impact Assessment™ (BIA), a digital tool, analyzes and monitors company performance based on high-impact standards in Governance, Workers, Community, Environment, and Customers.

Since 2020, Gerdau has engaged in the B Corp movement through the B Movement Builders program, a coalition of multinational corporations transforming the global economy to create long-term stakeholder value. The group, overseen by the Independent Advisory Board of B Lab, supports the B Movement and collaborates with companies and stakeholders investing in the Sustainable Development Goals (SDGs).

Key facts about Gerdau in the United States and Canada - B Corp Certification

B Corp Certification:

- Gerdau scored 101 points on the B Impact Assessment, surpassing the 80-point minimum required.

Solar Plant in Midlothian, Texas:

- Features 230,000 solar panels with an 80-megawatt capacity, enough to power 13,000 Texas households.
- Expected to reduce annual carbon emissions by 65,000 tCO₂e (about 10% of the plant's emissions).

Sustainable Production:

- Gerdau's process is entirely based on recycling metallic scrap, which promotes the circular economy and reduces the need for mining natural resources.

Hydrogen Research Investment:

- \$10 million invested in decarbonization studies, the largest U.S. government incentive for such research.
- Purdue University conducted research with Linde and steelmakers' support, testing at the Monroe unit in Michigan.

Electric Arc Furnace at Monroe Unit:

- Improved production capacity and efficiency, with over 30% reduction in natural gas consumption.
- Significant decreases in electricity, oxygen, electrode, and carbon use, leading to a 25% reduction in greenhouse gas emission intensity (Scopes 1 and 2).

Carbon Credits in Canada:

- Manitoba and Whitby units generated over CA\$1 million in carbon credits in 2022 through effective greenhouse gas reduction.

Landfill Gas Usage at Cambridge Unit:

- Since 1999, landfill gas has been used as a substitute for natural gas, providing 6.5% of the energy used in 2022.
- The project has supplied 1.9 million GJ of energy, avoiding over 27,000 tCO_{2e} emissions.

Zero Effluents and Rainwater Collection:

- Units in Midlothian, Cartersville, Petersburg, Charlotte, and Jackson maintain zero effluents and collect rainwater.

ESG Targets:

- Goals for women in leadership and greenhouse gas reduction tied to long-term leader compensation.

B Clauses in Bylaws:

- Gerdau's Bylaws include clauses to consider economic, social, environmental, and legal impacts on stakeholders.

Transparency and Standards:

- Gerdau North America's B Corp scores are publicly available at bcorporation.net. The company meets high standards in Governance, Workers, Community, Environment, and Customers.

About Gerdau

With a history spanning 123 years, Gerdau is Brazil's largest steel producer and one of the leading producers of long steel in the Americas and special steel in the world. In Brazil, Gerdau also produces flat steel and iron ore for its own use. It also has a new business division, Gerdau Next, which fosters entrepreneurship in segments adjacent to the steel industry. Guided by its purpose of empowering people who build the future, the company operates in various countries and has over 30,000 direct and indirect employees. Gerdau is the largest recycling company in Latin America and uses scrap as an important input: 71% of its steel is produced from scrap. Every year, Gerdau transforms 11 million tonnes of scrap into a variety of steel products. The Company is also the world's largest charcoal producer, with over 250,000 hectares of planted forests in the state of Minas Gerais. As a result of its sustainable production matrix, Gerdau currently has one of the industry's lowest average greenhouse gas emissions (CO_{2e}) of 0.86 t/CO_{2e} per tonne of steel, which is about half the global industry average of 1.91 t/CO_{2e} per tonne of steel (worldsteel). Gerdau's target is to reduce its carbon emissions to 0.82 t/CO_{2e} per tonne of steel by 2031. Gerdau's shares are listed on the São Paulo (B3) and New York (NYSE) stock exchanges.

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About B Lab

B Lab is transforming the global economy to benefit all people, communities, and the planet. A leader in economic systems change, our global network creates standards, policies, tools, and programs for business, and we certify companies—known as B Corps—who are leading the way. To date, our community includes more than 700,000 workers in over 7,800 B Corps across 92 countries and 161 industries, and more than 200,000 companies manage their impact with the B Impact Assessment and the SDG Action Manager.

About B Lab U.S. & Canada

B Lab U.S. & Canada is a partner in the B Global Network, a unified group of global, regional, and national organizations that power a business movement as a force for good. A historic global culture shift is underway to harness the power of business to help address society's greatest challenges. Our global network creates B standards, policies, tools, and programs that shift the

behavior, culture, and structure of capitalism. B Lab certifies companies — known as B Corps who are leading the way. Our vision is an inclusive, equitable, and regenerative economic system for all people and the planet.

For more information, visit usca.bcorporation.net, www.bcorporation.net, www.bimpactassessment.net, www.b-analytics.net and www.benefitcorp.net.

About B Corp Certification

B Corp Certification assesses the overall social and environmental impact of a company. To achieve B Corp Certification, a company must meet a score of at least 80 points in the B Impact Assessment, an evaluation of a company's positive impact, and pass a risk review, an evaluation of a company's negative impact.

It must change its corporate governance structure to be accountable to all stakeholders, not just shareholders, and exhibit transparency by allowing information about their B Corp Certification performance to be publicly available on their B Corp profile on B Lab's website. B Corps recertify every three years and, once certified, are expected to increase their score over time as they progress towards becoming more equitable, inclusive, and regenerative businesses.