

A photograph of a lighthouse on the sea at sunset. The sun is low on the horizon, creating a strong glow and reflecting on the water. The lighthouse is a tall, cylindrical structure with a lantern room at the top. The sky is filled with clouds, and the water is dark with some ripples.

➤ GERDAU CODE OF ETHICS FOR THIRD PARTIES

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MESSAGE TO THIRD PARTIES

Dear Supplier,

Ethics and integrity have always been the foundation of Gerdau in these more than 118 years of history. Reassuring our commitment, we announce this Code of Ethics for Third Parties, which assembles the main directions for our partners regarding the handling of business with Gerdau.

For Gerdau, establishing partnerships with honesty and reliance is fundamental for the success of our business and for the sustainable development of communities where we make business. Thus, we believe the principles, values, and practices presented in this Code may be incorporated to the daily activities carried out by our partners, including suppliers, representatives, third parties, service providers in general and external consultants.

This document reflects the ethical and moral standards that support the construction of a healthy, transparent, and lasting relationship, and Gerdau and all of its partners must ensure that the Code of Ethics is always complied with and spread out. As part of our agreement, we hope that each party is committed to inform their employees and subcontracted parties about the full content of this Code, regardless of their position or function. Non-compliance will not be accepted, leading to immediate termination of the contractual relationship.

We hope that all of our third parties act in compliance with the text of this Code and Gerdau values. May this guide be useful as a beacon that guides sailors, directing all in the search for mutual success, based on transparency, ethics, and respect.

We reassure our commitment towards the best practice of corporate governance, ensuring channels to report suspected violations, preserving anonymity, confidentiality, and non-retaliation. Should you have any doubts or suggestions, please write to compliance@gerdau.com.br.

Cordially,

Gustavo Werneck da Cunha
Chief Executive Officer - CEO

➤ MAKING ETHICAL DECISIONS

Before deciding whether a conduct or activity is proper or not, check if:

- 1 It is against law or regulations**
- 2 It is contrary to this Code or to Gerdau policies and practices;**
- 3 It is inconsistent with your Company or Gerdau's Values.**

If the answer to any of the questions above is “yes”, the behavior or activity in question is improper.

Additionally, ask yourself whether you would be proud of telling your friends and family about your action or seeing it published on the newspapers.

If the answer is “no”, there is an issue.

Whenever you are in doubt, use our advisory channels, available under topic “Compliance” of this Code.



➤ BE THE CUSTOMER'S CHOICE

Customers are the reason Gerdau exists and having their preference is our goal. One cannot gain customers without adopting an ethical behavior in every moment of this relationship.

From Gerdau third parties who have professional contact with our customers, we expect:

• HONEST RELATIONSHIP WITH GERDAU CUSTOMERS

Honesty and transparency are essential in dealing with customers.

Third parties representing Gerdau shall never offer or announce something that they know cannot be delivered.

Both our external and internal customers are important and must be treated with respect and integrity.

➤ PEOPLE'S SAFETY ABOVE ALL

We wish to have a work environment where everyone feels safe to work. Health and safety are themes of utmost importance to Gerdau. This is why we adopted a Policy that states that people's life and integrity are priorities above any other goal.

You must help Gerdau to live this Value, by acting as follows:

• HEALTH AND SAFETY

Health and safety are everyone's responsibilities. Although Gerdau invests in equipment, resources, standard development and training courses, THIRD PARTIES must follow all laws, policies, practices, and procedures related to this theme.

Third parties must provide the necessary resources to safeguard their employees' integrity and safety, according to the nature of their activities and the legislation.

All third parties' collaborators must show personal commitment towards safety when providing services for the Company, in Gerdau facilities or during their route to them. Third parties must immediately report any unsafe situation they identify.

➤ RESPECTED, ENGAGED, AND FULFILLED PEOPLE

Respect towards those that make part of our environment and those we interact with is indispensable, in any situation. Commitment and personal fulfillment are equally important.

These values are met with a pleasant and positive work environment, built with the participation of everyone. Attitudes that help Gerdau live this Value are:

• RESPECTFUL WORK ENVIRONMENT

Each one of us must treat others with respect and dignity. We want our work environment and the relation with our partners to be free of any sort of abuse or harassment, be it moral, sexual or discriminatory. Gerdau repudiates verbal insults and physical assaults, humiliating treatment, threats, discriminatory comments and jokes, sexual advances or requests for sexual favors, improper material exhibition, and any other inappropriate attitude.

• PERSONAL DATA PRIVACY

Third parties who may have access to personal information of collaborators or other business partners may only use them according to Gerdau internal procedures. All third parties must ensure the confidentiality of this information, and they cannot disclose or share it without prior Gerdau authorization.

➤ PURSUING EXCELENCE WITH SIMPLICITY

The search for maximum efficiency is one of Gerdau's goals; this is why we only hire third parties who perform their service with excellence.

By acting with simplicity, Gerdau wishes to become increasingly better in what it does and understands its third parties must be partners in this search for efficiency and in the struggle against waste.



FOCUS ON RESULTS

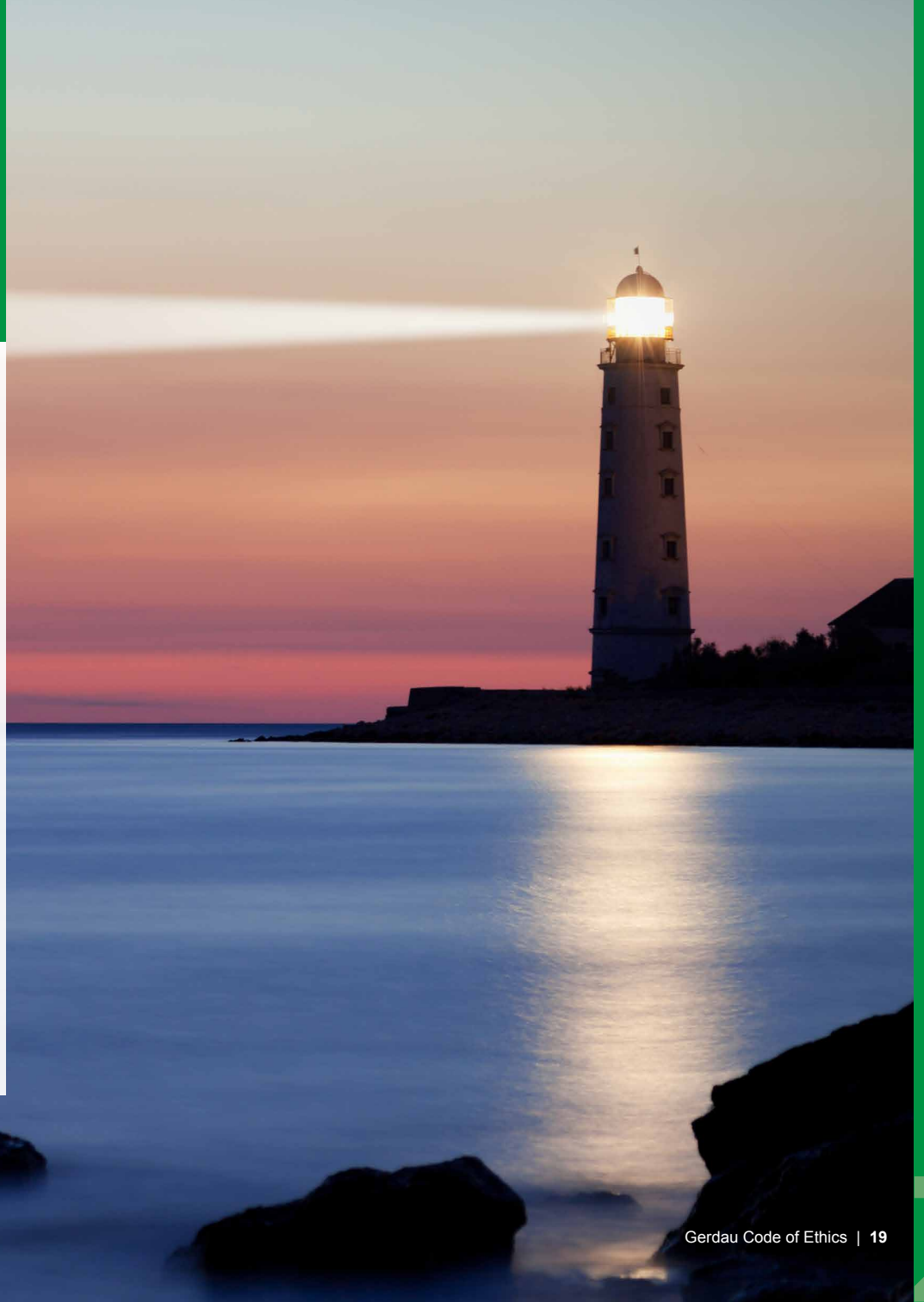
By seeking good results, Gerdau maintains and strengthens its ability to purchase more from good suppliers and hire more service providers, thus generating a chain of jobs, incomes, and progress.

The search for results goes through focusing on professional activities and protecting Gerdau assets. You can help us by adopting the following actions:

• CARE AND PROPER USE OF GERDAU ASSETS AND RESOURCES

It is important that every third party that has access to and need to use any company asset make use of them for work-related purposes.

Outsourced parties must pay special attention when using IT resources offered by Gerdau, such as e-mail and access to the Internet. Transmission or access to inappropriate content is not allowed, that is, content that does not comply with Gerdau policy or the legislation, such as pornography, games, chain letters, terrorism, etc.



• PROTECTING GERDAU CONFIDENTIAL INFORMATION

Information is an important Gerdau asset. Improper disclosure of information, even if accidental, is not acceptable.

Disclosure of Gerdau confidential or proprietary information is always subject to prior Company authorization. Such obligation must be maintained by third parties even after the working relationship no longer exists.

When interacting on social media, third parties must respect Gerdau's values and image, as well as this code, whenever mentioning or referring to the company.

• SAFETY AND ACCESS TO GERDAU FACILITIES

All third parties must follow the security norms and respect identification and company's facilities access controls.

Third parties cannot use, sell or carry liquor or illicit drugs.

Concerned about the security of all and each one, Gerdau does not allow carrying any kind of firearms, except if it is part of the third party's work activity and in this case with prior authorization from the Company.

Any identified unsafe behavior must be reported immediately.



➤ INTEGRITY WITH ALL STAKEHOLDERS

Acting with integrity means doing business honestly. It means doing the right thing. It means complying with the law. The practices below reflect the attitude of integrity that Gerdau expects:

• HONEST AND TRANSPARENT RELATIONSHIP

Gerdau believes that having an honest and transparent relationship with customers and third parties is critically important for our long-term success. We must treat all parties with whom we interact with the same integrity, honesty and respect with which we expect to be treated.

It is crucial that Gerdau relationship with its third parties be based on integrity. Price, quality, expertise, and reputation are the factors that come into play when Gerdau hires third parties. Consequently, the exchange of favors, advantages or personal benefits between a Gerdau collaborator and a third party is prohibited.

• FAIR COMPETITION AND ANTITRUST

We believe that everyone benefits from free, fair and open markets. Besides, protecting competition among competitors and prohibiting unreasonable constraints to trade are the objectives of many competition laws around the world, many of which are applicable to Gerdau.

Business espionage will not be tolerated, as well as any practice other than fair competition.

Third parties must be aware of the competition law obligations. Below are some examples of anti-competitive practices which Gerdau disavows:

- Price fixing;
- Customers and markets allocation;
- Refusal to sell.

• CORRUPTION AND FRAUD

Corruption erodes society in many ways, causing damage in political, economic and social areas.

Gerdau does not tolerate corruption in its business sphere and does not accept the use of any fraudulent practice. Therefore, the following behaviors are unacceptable among our third parties:

- Active, passive, direct or indirect acts of corruption;
- Document, brand or product falsification;
- Taking part in illegal activities such as tax evasion, smuggling, trafficking, etc.;

- Taking part in frauds, theft, stealing of materials and products and other crimes;
- Incident cover-up.

It is strictly prohibited for third parties contracted by Gerdau to accept or perform payments or any value transfer (such as donations), illegal or improper with influence features, real or apparent, in order to obtain any trade or other advantage from public or private authorities.

Accepting payments or any value is illegal or improper when such action is done with the purpose of wrongfully providing some sort of commercial benefit.

This ban applies to promises, transfers, authorizations, offers or direct and indirect financial transfer (made through third parties) or any other benefit to any individual or corporation on behalf of any authority, public or private entity, political party or candidate for public office. Such prohibition aims to prevent any bribery, kickback or any other form of benefit in exchange for an undue advantage.

• INSIDER TRADING

Gerdau encompasses various companies in many countries; some of these companies own shares negotiated in stock exchanges.

We respect the applicable law and regulations in all markets where we operate. That's why our third parties with access to any privileged or still not publicly disclosed information are strictly prohibited to negotiate shares affected by such information.

Such information must not be communicated to other individuals or corporations that may use such a knowledge to negotiate those shares.

Privileged information is any information not publicly disclosed about Gerdau's business that, if disclosed, may influence the decisions of an investor about buying or selling shares.

Gerdau defines "periods of transactions lock-up", during which collaborators and third parties with access to such relevant information are prohibited to buy or sell the Company's shares.

• ACCURACY OF COMPANY BOOKS AND RECORDS

Every third party must commit himself/herself to the truthfulness of any information provided to Gerdau.

Quality records allow Gerdau to make informed decisions, as well as comply with its legal obligations. It also helps the company to keep its good reputation with the government and other stakeholders.

Gerdau will not allow distortions of numbers that may reflect in its records, provisioning, payment or financial statement.

The records must be complete, accurate and reliable, as well as supported by proper documentation.

• CONFLICTS OF INTEREST

It is important that we prevent conflicts of interest, while at the same time respecting the personal affairs of employees and third parties. A potential conflict of interest arises when we become involved, directly or indirectly, in a situation that could have influence or seem to have influence on professional decisions.

Third parties cannot offer or accept any payment or benefit from/to any individual or corporation aiming at keeping any business or advantage for themselves or others that may give way to a conflict between the third party's interests and those of Gerdau.

Any form of private relationship on a regular basis between third parties and Gerdau's employees must be reported.

Examples of possible conflicts of interest include:

- You are a supplier and have an intimate or personal relationship with the Gerdau collaborator who hired you or who is in charge of making hiring decisions;
- You are a Company supplier and also provides personal services to the Gerdau collaborator who hired you or who is in responsible for deciding on your hiring;
- You are a third party working at Gerdau and you also perform external activities involving the use of information or knowledge about Gerdau that must not be disclosed;
- You are a third party working at Gerdau and you do have another job that affects your performance or implies using Gerdau's resources.

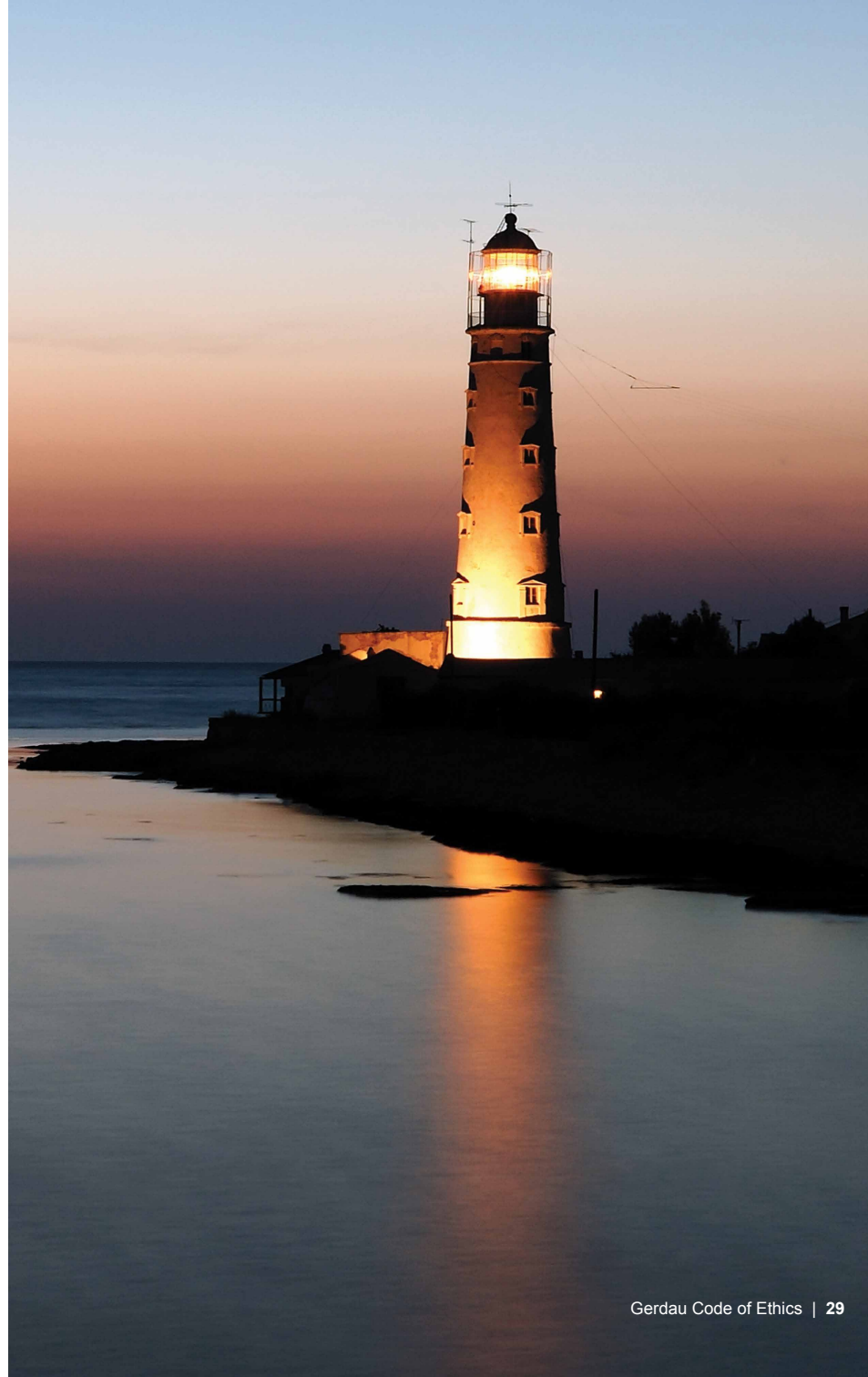
• GIFTS AND ENTERTAINMENT

Gerdau allows giving or receiving gifts and entertainment provided they are appropriate, that is, as long as they do not create a feeling in the receiving person that they should do something in exchange. In other words, they should not generate a trend towards favoritism as a form of retribution.

Inappropriate gifts or entertainment may cause negative consequences for the company, such as unduly influencing business decisions (or creating the appearance of influence) or creating conflicts of interest.

Appropriate gifts are those of nominal value, often containing the corporate logo, and which are widely distributed to all stakeholders.

Should you receive any gift during the performance of your activities, discuss the situation with your supervisor at Gerdau to determine the best course of action.



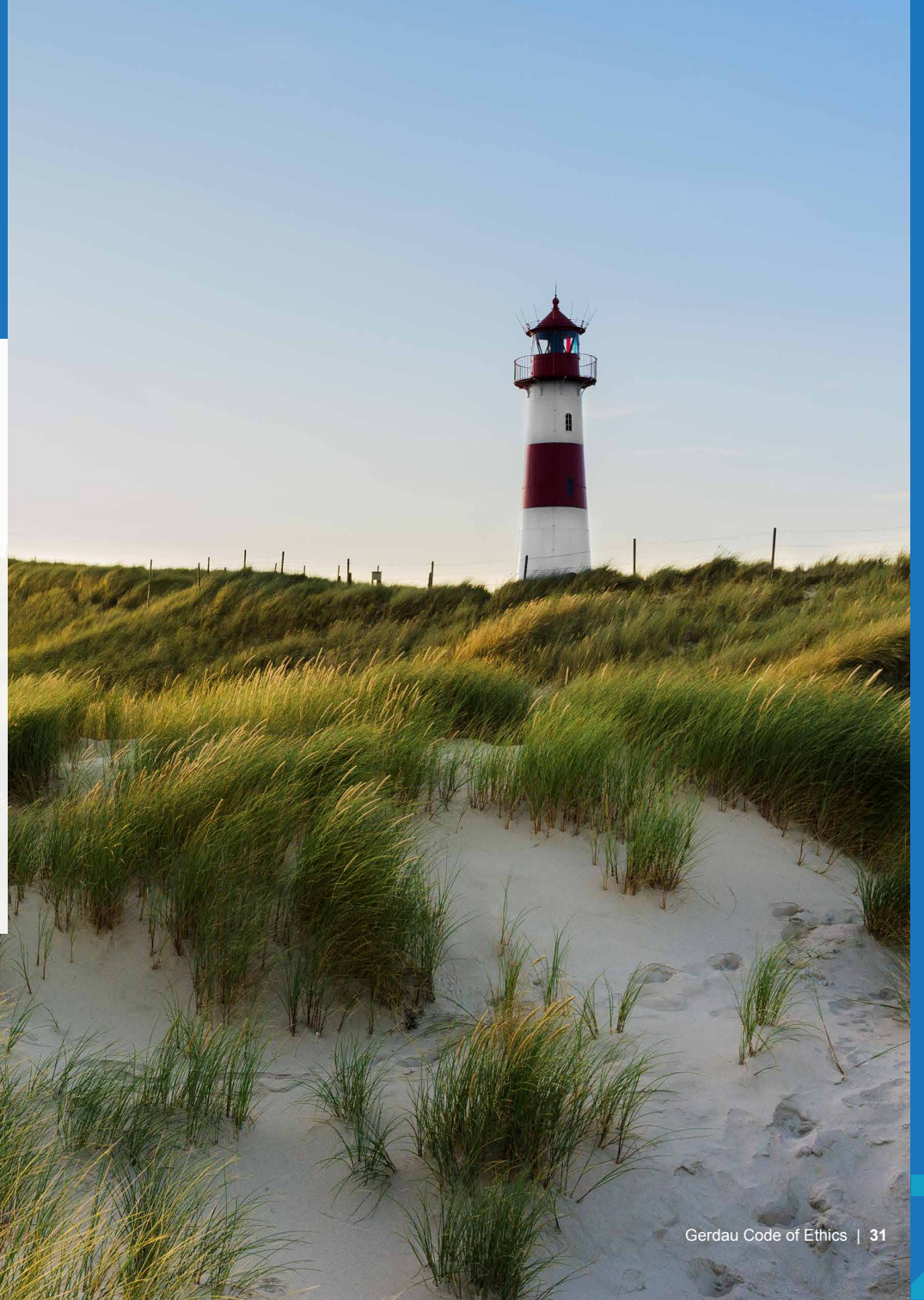
➤ ECONOMIC, SOCIAL, AND ENVIRONMENTAL SUSTAINABILITY

Gerdau is committed to being a responsible company.
That means considering the interests of all stakeholders, promoting sustainability in all areas: economic, social and environmental.

Support our search for sustainability, by respecting the following:

• HUMANE WORKING CONDITIONS

Gerdau, as a world class company, respects fundamental human rights. This is one of the ways in which we contribute to a better world. Inhuman or degrading work conditions are never acceptable, nor are violations of fundamental rights, such as child labor and forced/ slave labor. We do not accept that third parties violate labor rights and humane working conditions.



• ENVIRONMENTAL SUSTAINABILITY

The Company's commitment to the environment is to not only comply with legal requirements, but also to promote sustainable development. This is achieved through our Environmental Management System, which comprises investment in equipment, research, training, policies and procedures.

However, this commitment does not apply to the company only.

Third parties must know and comply with the sustainability internal standards, as well as immediately report suspected irregularities in this area.

• COMPLIANCE WITH LAWS AND REGULATIONS

Gerdau strives to comply with all laws, rules and regulations that apply to our businesses. All third parties must know and act according to the obligations established in the contract and to the internal and external regulations applicable to the professional activities performed for Gerdau and in its name.

They must comply with the applicable law of the countries in which they operate, avoiding any behavior that may affect the company's reputation and produce negative consequences for both sides.

The company's third parties must act in strict compliance with anti-bribery and anti-corruption global reaching laws as well as those applicable to Gerdau's operations.



➤ REPORTING CONCERNS

It is important that Gerdau be aware of questions and possible violations related to this Code, so that guidance can be provided and improper behavior corrected.

That is the reason we expect third parties to deal with their concerns internally, solving doubts and informing Gerdau about suspected deviations or acts that do not comply with this Code or the legislation.

The best tool to report suspected violations to this Code, the legislation in force or any other irregularities is the Ethics Helpline.

The Ethics Helpline may be accessed through the Gerdau website. It is a confidential tool, available 24 hours a day all year long. The contact may be anonymous and all efforts will be undertaken to keep the report's confidentiality. It is important to mention that the company will not tolerate retaliation and will seek all means for preventing such kind of behavior.



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Alternatives to report an ethical incident:

- Through Ethics Helpline at Gerdau's web page (www.gerdau.com);
- By phone: (+55 51) 3323.1901;
- By e-mail: canal.etica@gerdau.com.br; or
- By post, to be addressed to Gerdau's Conselho Fiscal (Audit Committee): Av. Farrapos, n.º 1811. Porto Alegre/RS. Brazil. CEP 90220-005.



➤ COMPLIANCE

Compliance with this Code of Ethics is mandatory. This is why it is important for everyone to know that noncompliance can lead to disciplinary action, which may include the termination of contracts, blocking third parties from future business opportunities, in addition to applicable legal liabilities.

This Code of Ethics does not cover all possible ethical issues related to third parties and as such does not restrict Gerdau from taking disciplinary action, which shall be always guided by common sense and the applicable legislation.

Full compliance with this code is a basic condition for remaining in the company and in its roll of suppliers.

