

# Climate Change Management



**GERDAU**  
Shape the future



## Shaping a sustainable future

Largest Brazilian steel producer company with **32 industrial units, 2 iron ore mines and 36 thousand employees.**



Steel is **100%** and infinitely recyclable and will help to shape a sustainable future.

Largest recycler in Latin America: **11 million tons of scrap recycled annually.** Equivalent to the volume of cars produced over a period of five years.



Largest producer of charcoal in the world with **250 thousand hectares of forestry base in Minas Gerais,** equivalent to twice the city of São Paulo.

## Climate change

The steel sector is responsible for **7 to 9%** of global CO<sub>2</sub> emissions (IEA), but will be part of the decarbonization of the planet.

According to the **Transition Pathway Initiative (TPI)**, GerdaU is aligned with the commitments of the **Paris Agreement**. GerdaU is better positioned than its peers.

Emissions reduction target linked to the Long-Term Incentive of senior leaders.

Greenhouse gas emissions (GHG) (tCO<sub>2</sub>e per ton of steel)



Carbon neutrality ambition by 2050.

## Decarbonization strategy (cases)

GerdaU established a strategy to be part of the solutions for a **low-carbon economy** and used the **Marginal Abatement Cost Curve (MACC)** to establish goals.



## 4 pillars of the decarbonization

- 1 Greater energy and operational efficiency
- 2 Expansion of the use of scrap in the production matrix
- 3 Expansion of the forestry base and investments in renewable
- 4 Investments in new technologies and open innovation



**Charcoal**, used as a **bioreducer**, is also used at the **Ouro Branco plant, Minas Gerais (Brazil)**, partially, replacing mineral coal, for the production of **Biocoke**, avoiding more than **64 thousand tCO<sub>2</sub>e** annually.



The **Midlothian solar park, in Texas (USA)**, has the capacity to produce 80 megawatts of energy and has **230 thousand photovoltaic panels.**



**Continuous casting at Pindamonhagaba, in São Paulo (Brazil)**, presents better performance, reducing around **7 thousand tCO<sub>2</sub>e** per year and can meet future perspectives of increasing the matrix of **electric and hybrid vehicles.**



Investment of **R\$3.2 billion** between 2023 and 2026 in a new **sustainable mining platform** in Minas Gerais (Brazil).

## GERDAU next

GerdaU Next, **GerdaU's new business arm**, works to develop an ecosystem of new solutions, products and services complementary to steel.

### Disruptive technologies



GerdaU expects a reduction of around **189 thousand tCO<sub>2</sub>e** per year or approximately **10%** of its **Scope 2** emissions with the investment in **Newave Energia.**



**Hydrogen** research, with tests at the GerdaU plant in **Monroe, Michigan (USA).**



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