

ANNUAL REPORT 2024



Gerda volunteer
efforts during the
Rio Grande do Sul floods



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Employee
Carlos Eduardo Santos,
Divinópolis site (MG)

Towards 2030 and beyond GRI 2-6, 2-9, 2-22

2024 proved once again that Gerdau and its staff are more than prepared to overcome the challenges and progress forward. At the very

start of the year, we faced the biggest climate tragedy in the history of Rio Grande do Sul, the region of the country where our company was born and continues to prosper.

Every effort was made to support dozens of initiatives involving our employees, communities, customers and suppliers, repaying all the goodwill we have always received from them all and from the state authorities. We donated R\$ 51.4 million in reconstruction projects and works in the localities worst hit by the tragedy, with a focus on education, housing, infrastructure and entrepreneurship.

Worth highlighting also was the action of RegeneraRS, an aid fund set up by Gerdau, the Helda Gerdau Institute and other partners, aimed at harnessing resources from the private sector and engaging in the recovery of the localities devastated by the flooding. The fund received R\$ 10 million from Gerdau and R\$ 20 million from the Helda Gerdau Institute.

More than investments—still important to the region's recovery—we saw up close the power of mobilization and the care issuing from all our employees across Brazil and beyond its borders.

Many joined the local relief efforts, others raised funds for the state's recovery.

It is this collective energy that makes a difference both within and outside the organization. We overcame the climate tragedy and prospered in our business. We are proud of the results of 2024; they are testament to our discipline to accomplish what we have planned. We executed our strategy of sustainable growth, while at the same time maintaining our financial solidity.

Although under pressure from steel imports at prices subsidized by the Chinese Government, which generated unfair competition, we were able to reposition our structures and portfolios and guarantee greater efficiency and competitiveness in our operations. We closed the period with an Ebitda of R\$ 10.8 billion. In our 125th year, we remain firm and prepared to face the current situation in the sector in Brazil, the United States and the other markets where we are present.

Even in view of this recognized legacy and our positive results, the time has come to structure the company for a new global market threshold, in a much bolder strategic project, to strengthen and accelerate our capacity to transform business and society over the next five years. With Gerdau 2030, we want to be

one of the most secure, profitable and respected steel companies in the world and one of the most relevant in the Americas.

We will grow, while choosing the best investments. We will be competitive, while seeking to increase our operational excellence. We will broaden our use of cutting-edge technology. We will develop our professionals with a focus on a high-performance culture combined with well-being. We will generate positive impacts for people, communities, shareholders and the planet.

We will continue to grow while sharing value and operating sustainably, aligning our results with social, environmental and governance best practices. And one of the premises of modern corporate governance is the alternation of the chairmanship of Gerdau's Board of Directors.

Comprised of members of the fifth generation of the Gerdau Johannpeter family, together with independent members, the Board is responsible for drawing up the company's long-term strategies and overseeing the policies and targets set out for the business.

In April 2025, I left the role of chairman and took on that of vice-chairman of the Board of Directors. We elected as chairman André Bier Gerdau Johannpeter. One of the key challenges

of this new administration, supported by Gerdau's executives, will be to steer the implementation of our Journey 2030.

Much more than just looking optimistically to tomorrow, we want to shape today the future we dream of for 2030 and beyond.

Guilherme Chagas Gerdau Johannpeter
Chairman of the Board of Directors*
(from April 2020 to April 2025)



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GERDAU
Shape the future

The future is shaped **by people** ► GRI 2-6, 2-22

When we work with a purpose, with maximum collaboration and great capacity for adaptation, we achieve the expected results. This sums up 2024 for Gerdau. And even faced with the climate tragedy in Rio Grande do Sul and the aggressive competition from Chinese steel, we prospered.

We closed 2024 with an adjusted Ebitda of R\$ 10.8 billion. The company's adjusted net profits totalled R\$ 4.2 billion last year, generating value for all our stakeholders.

We accomplished our investment plan in its entirety. Gerdau earmarked R\$ 6.2 billion in CAPEX, 46% for maintenance and 54% on expansion projects and technological updating. Of the total invested in the period, R\$ 1.02 billion was earmarked for the expansion of forestry assets, updating and enhancing of environmental controls, and technological improvements resulting in energy efficiency and a reduction in greenhouse gas emissions.

Achieving these figures demanded austerity. As well as readjusting structures and portfolios, we

hibernated our Barão dos Cocais (MG), Sete Lagoas (MG) and Maracanaú (CE) facilities. Looking after people was one of our top priorities, in a process that considered the reintegration in the labor market of the highest possible number of professionals who could not be absorbed by other Gerdau facilities.

That attitude reflects one of the most significant principles for our organization—to show respect for the people who work for the company, guaranteeing them security in a wide variety of contexts. We are also proud of what we were able to achieve safely during the year. Our indicators registered the best historical results in 124 years, achieving a zero fatality index in 24 months, as a result of the concerted efforts of everyone, day after day, and a culture of safety that always puts people first.

We remain optimistic for 2025, despite the uncertain macroeconomic situation globally and the persistent challenges at home. In Brazil, unfair imports of Chinese steel will continue to be the biggest sectoral handicap, if there is no improvement to commercial defense mechanisms to ensure conditions of competitive equality. As regards our operations in the United States, where Gerdau supplies the local market, we continue to monitor the effects that the tariffs imposed by the new government will have on the US economy.

We will concentrate on the growth and competitiveness of assets with the greatest potential for long-term value generation for our customers and other stakeholders. We will maintain an investment plan worth R\$ 6 billion, comprising CAPEX projects centered on the maintenance, expansion and technological updating of our operations.

We have good reason to remain confident about our goals in the global steel chain and the role we play for the countries where we operate. We know the future is happening now, rapidly, dynamically and influenced by a range of factors. For that reason, in 2024, we consolidated our Journey 2030, a long-term business strategy that began to be drawn up several years ago and has now come into being. A wide-reaching, in-depth commitment that unites us still further around achieving our business goals and overcoming the challenges for the planet.

Together, we will create a secure, profitable, respected and relevant future. A sustainable future built of steel and shaped by people.

Gustavo Werneck
CEO

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About this report

Gerdau's 2024 Annual Report sets out the company's key practices, achievements and challenges from January 01 to December 31, 2024—a time frame that coincides with our financial reporting. This document stays true to our commitment to transparency with our stakeholders and society at large. In addition to sharing our financial and business performance, the report highlights our environmental, social and governance (ESG) initiatives over the year. Its publication date is June 13, 2025. [► GRI 2-3](#)

The content has been prepared 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. The report also references disclosures adhering to the Sustainability Accounting Standards Board (SASB) standards for Iron & Steel Producers and Metals & Mining. When it comes to material topics (see "Materiality"), Gerdau's disclosures are guided by the United Nations Sustainable Development Goals (SDGs).

Our materiality is reflected across the chapters "Human and intellectual capital," "Social and relationship capital," "Financial

and manufactured capital" and "Natural capital." This structure 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."

After being reviewed by the Executive Board, this report was analyzed and approved by the Board of Directors. The Board also took part in defining the materiality matrix, supported by the Strategy and Sustainability Committee. The reported information has been independently assured by Bureau Veritas.

[► GRI 2-5, 2-14](#)

We emphasize that no restatement, correction and/or revision of information was necessary in this report concerning reports published prior to 2024. [► GRI 2-4](#)

Queries and suggestions related to this document can be sent to the email cpg-comunicacaoemarca@gerdau.com.br – Corporate Communication and Brand Team.

[► GRI 2-3](#)



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Materiality GRI 3-1

Materiality refers to the topics that can significantly impact a company and its stakeholders—shaping decisions and influencing outcomes. In simpler terms, it's about identifying what really matters for the business. This includes not just risks but also opportunities that could affect financial or operational results in a big way. Gerdau's stakeholders include employees, customers, shareholders, suppliers, government agencies and neighboring communities. Our stakeholders also include unions, civil society, investors, the capital markets, the third sector and the media.

Gerdau's materiality matrix embraces eight material topics, deemed the most relevant for the business, in addition to five topics that are part of Gerdau's sustainability strategy until 2025 and have the same priority and transparency as the others. We consulted our key stakeholders to define these terms, 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.

Gerdau's materiality matrix embraces
8 material and 5 strategic topics.



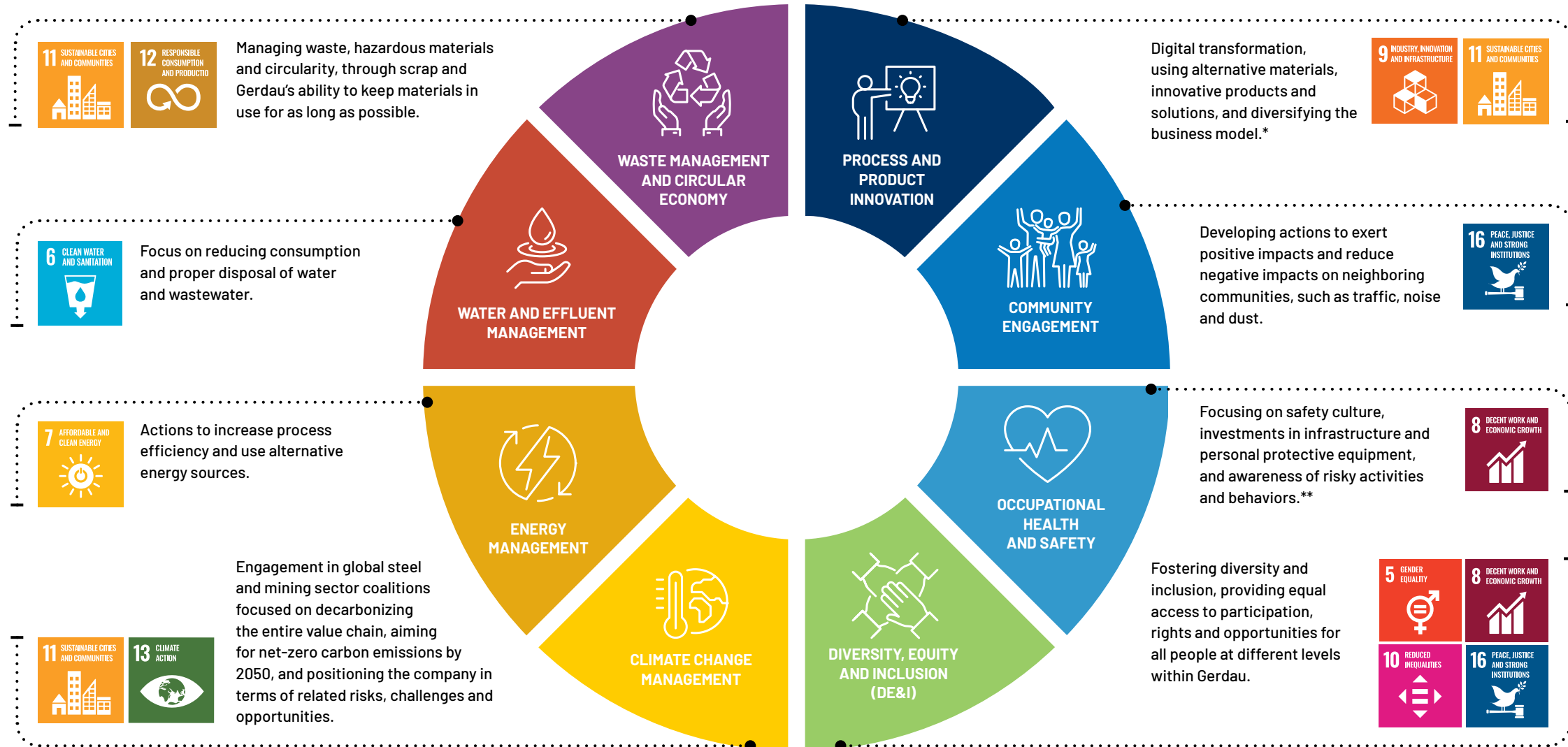
Employee
Niuza Soares
Gonçalves,
São Paulo
Office (SP)



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Our material topics ► GRI 3-2

Material topics are those that meet the threshold defined by our materiality methodology. In this report, they are presented according to GRI standards.



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

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

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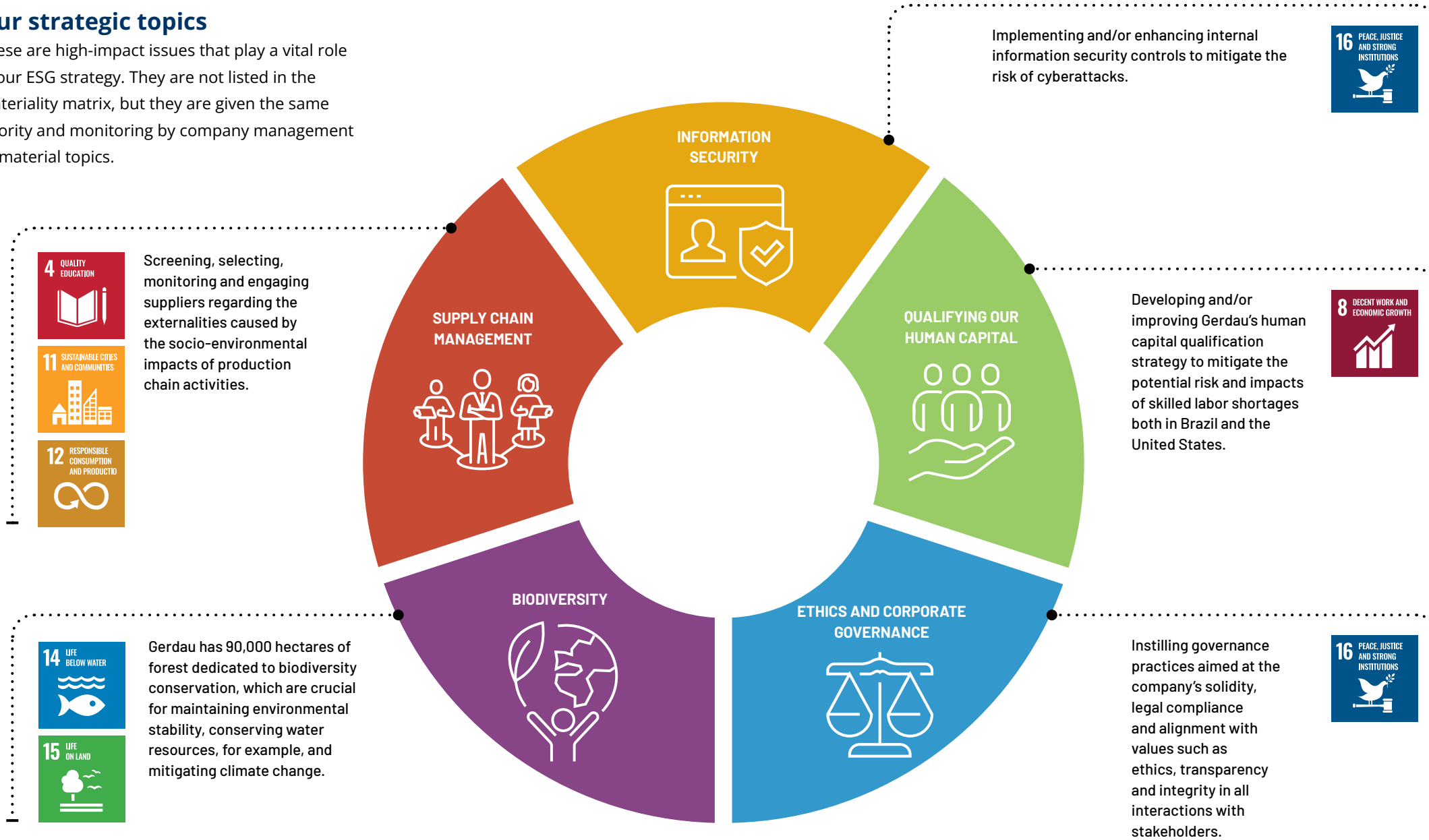
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Our strategic topics

These are high-impact issues that play a vital role in our ESG strategy. They are not listed in the materiality matrix, but they are given the same priority and monitoring by company management as material topics.



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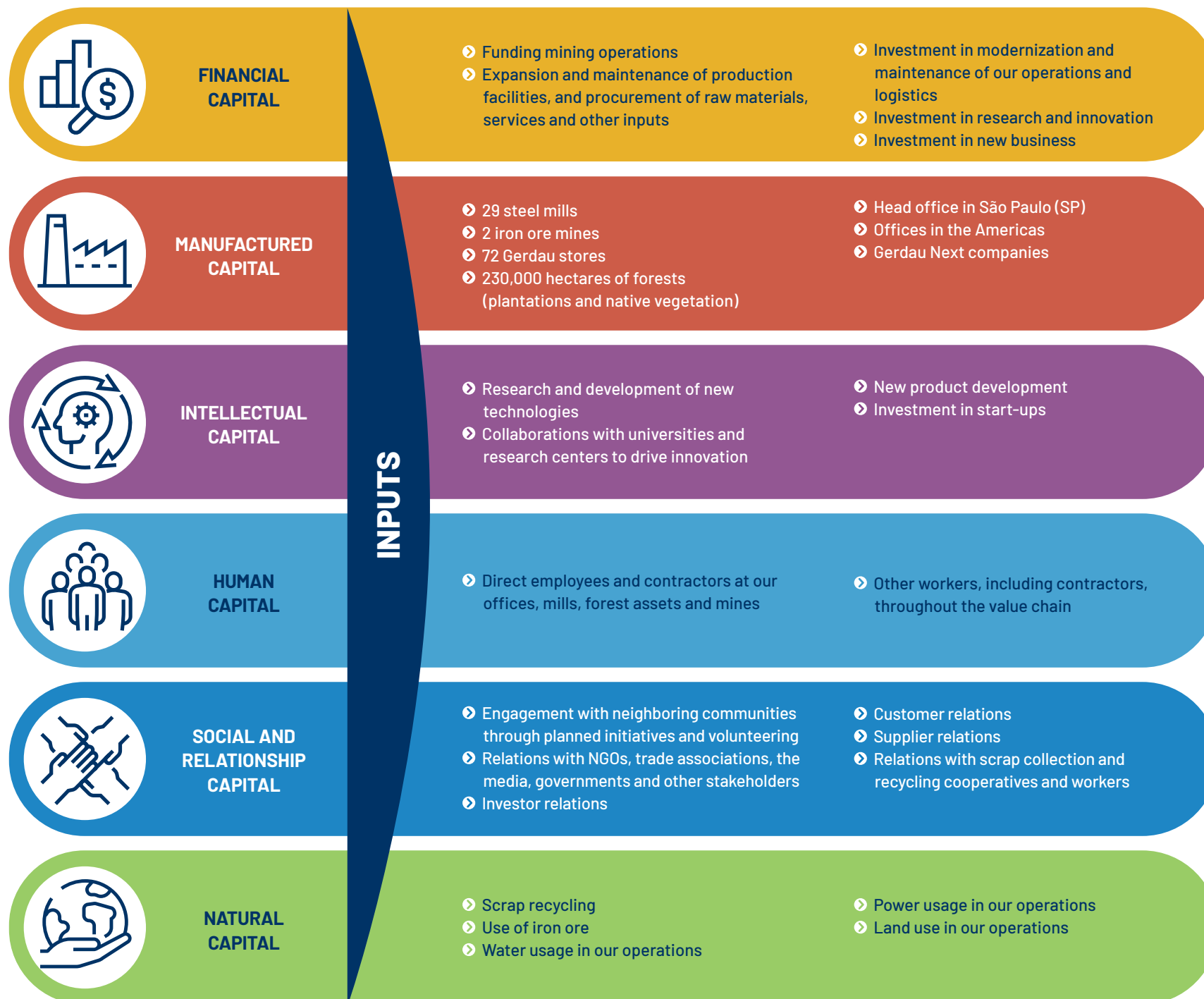
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Business model & impacts

The value created by our operations follows 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. Based on IIRC guidelines, we present the resources (inputs) used and the impacts (outputs) caused by the company on society.



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OUTPUTS



FINANCIAL CAPITAL

- Net revenue: R\$ 67 billion
- Adjusted EBITDA: R\$ 10.8 billion
- Adjusted net income: R\$ 4.2 billion



MANUFACTURED CAPITAL

- 11.7 million metric tons of raw steel produced annually
- Approximately 10 million metric tons of scrap recycled annually
- R\$ 6.2 billion invested in Capex



INTELLECTUAL CAPITAL

- 30% of sales through digital channels
- 100% of our customers use at least one of our digital channels
- Joined external initiatives promoting social and environmental practices, such as B Movement Builders, Mover – Racial Equity Movement and Conscientious Capitalism



HUMAN CAPITAL

- Roughly 28,000 employees worldwide
- Trainee program: attraction of approximately 400 new talents
- Voice of Safety movement
- Employee satisfaction survey and leader NPS scores
- Psychological safety



SOCIAL AND RELATIONSHIP CAPITAL

- R\$ 110.5 million invested in social projects
- 1,901 businesses supported through entrepreneurship projects
- 7,061 employees volunteering in social programs
- Renovation of 1,038 precarious homes in the states where Gerdau operates in Brazil
- 3,644,893 people positively impacted



NATURAL CAPITAL

- R\$ 1.02 billion invested in initiatives with environmental returns
- 230,000 hectares of forests, with 90,000 dedicated to biodiversity conservation, storing approximately 5 million tCO₂
- Greenhouse gas (GHG) emissions intensity approximately 50% lower than the industry average – 0.85 tCO₂e per ton of steel (scopes 1 and 2)
- A- rating in the CDP Climate Change module report and B rating in the CDP Water Security module

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Employees Ivo Rodrigues de Souza, Bruno Valadares Ribeiro and Luis Fernando Gonçalves, Divinópolis site (MG)

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Corporate profile ► GRI 2-1, 2-2, 2-6

We are Brazil's largest steel producer, with a proud history stretching back 124 years. Gerdau was founded in 1901 as Fábrica de Pregos Ponta de Paris in Porto Alegre (RS), and over the decades has grown into a global company, now operating across seven countries in the Americas: Brazil, Argentina, Uruguay, Peru, the United States, Canada and Mexico. We are among the leading suppliers of long steel in the Americas and special steel worldwide. In our Brazil operations, we also produce flat steel and iron ore for our own use. Our steel powers a wide range of industries, including construction, automotive, machinery, shipbuilding and energy.

In 2024, we produced approximately 11.7 million tons of crude steel across our 29 steel mills, where around 28,000 employees bring our purpose to life: “empowering people who build the future”. Scrap metal is our main raw material. We are therefore proud to be the largest scrap recyclers in Latin America, with 70% of our steel being produced from this source. We're also the world's largest charcoal producer, managing over 230,000 hectares of forestland in Minas Gerais. This includes eucalyptus plantations and 90,000 hectares preserved for native forest conservation, protecting local biodiversity.

Thanks to this sustainable production model, Gerdau is among the lowest greenhouse gas (GHG) emitters in the global steel industry, with an average intensity of 0.85 tCO₂e/t per ton of steel (Scopes 1 and 2)—about half the global industry average of 1.92 tCO₂/t of steel

(worldsteel, 2023). Our commitment to sustainable development goes far beyond our facilities. In 2024, we invested R\$ 110.5 million in social projects, benefiting over 3.6 million people and engaging more than 7,000 employee volunteers. Since 2021, We also dedicated R\$ 15 million to local revitalization and maintenance initiatives in the community of Miguel Burnier, a district of Ouro Preto (MG), including R\$ 800,000 to restore the Monsenhor Rafael municipal school, in partnership with the local Department of Education. ► [GRI 203-1](#)

The long-term sustainability of our company—bringing value to all of society—is also reflected in our new business division: Gerdau Next. Through partnerships or controlling interests in other companies, we are investing in strategic sectors adjacent to steel, such as value-added solutions, logistics, energy, industrial technology and advanced materials.

► **Gerdau S.A. is a publicly traded corporation, with shares listed on B3 S.A. (São Paulo Stock Exchange) and the New York Stock Exchange (NYSE). It is headquartered at Rua Doutora Ruth Cardoso, 8501 – conjunto 2 – 8º andar – CEP 05425-070 – São Paulo – SP – Brazil. ► [GRI 2-1, 2-2](#)**

► **We publish financial statements for Gerdau S.A. and Metalúrgica Gerdau. The data in this report covers Gerdau S.A., Gerdau Summit and Gerdau Next. ► [GRI 2-2](#)**

Riograndense
mill (RS)

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Our purpose

Empowering the people who build the future.



Our objective

By 2030, we aspire to become one of the safest, most profitable, important and admired steel companies in the Americas.



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.



HONESTY AND RESPECT

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.



A DIVERSE AND INCLUSIVE WORKPLACE

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.

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Gerdau in numbers

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



7 countries
with industrial
operations



72 Gerdau
stores in
Brazil



29 steel
mills



11.7 million
metric tons of raw steel
produced in 2024



Approximately
10 million
metric tons
of scrap steel
recycled in 2024



4,5
metric tons of iron ore
produced in 2024



230,000
hectares of forestland
(eucalyptus plantations
and preservation areas)



90,000
hectares of
protected areas



2 iron ore
mines



1,4
metric tons of coal
produced in 2024



Roughly
28,000
employees
worldwide



R\$ 110.5
million
in social investments
in 2024



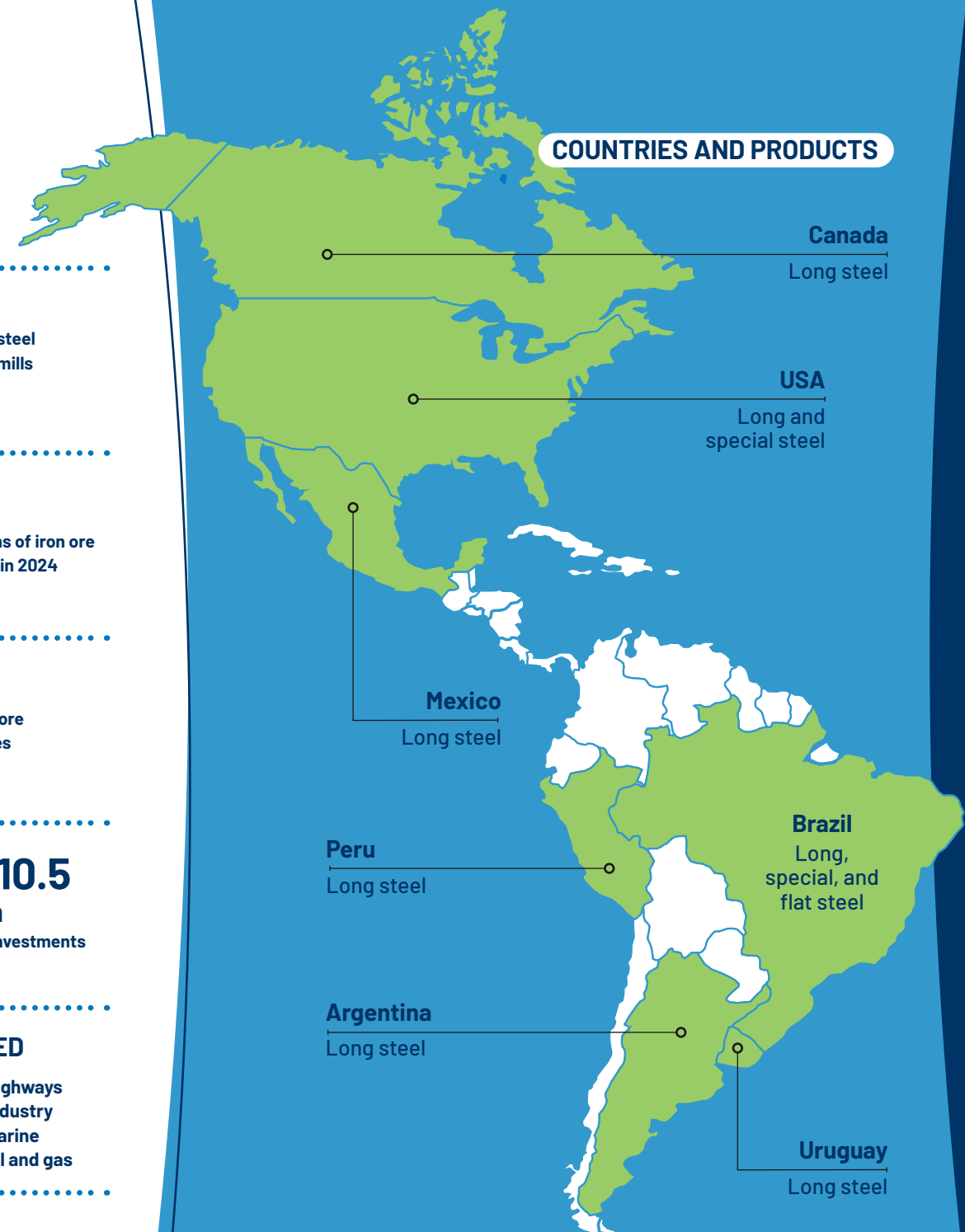
R\$ 67
billion
in net revenue in
2024



R\$ 10.8
billion
in adjusted EBITDA
in 2024

MARKETS SERVED

Agriculture
Automotive
Civil construction
Energy
Highways
Industry
Marine
Oil and gas



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GERDAU
Shape the future

2030 Gerdau strategy

When we defined our aspiration back in 2021 – to be one of the safest, most profitable and most admired companies in the steel value chain worldwide, and one of the most important in the Americas – we didn't imagine Gerdau would evolve so much, so quickly, nor that the market would transform at the same pace.

In just three years, we delivered record-breaking financial results, became a B Corporation in several regions, completed 24 consecutive months without any fatal accidents, received some of Brazil's most prestigious business awards, approved and launched the largest investments in our history, expanded into new markets through Gerdau Next and made a meaningful impact on our customers and communities.

We've long been recognized as a global benchmark, ahead of many competitors in key areas. But the market has changed dramatically in recent years. New players have entered all our geographies, Chinese steel has become a growing presence, and competition across the board is fiercer than ever.

Our journey into a new era

In response to this more competitive landscape, and driven by our constant pursuit of improvement, we found ourselves asking an important question: what kind of legacy are we leaving for future generations? That question gave rise to Gerdau 2030—a bold new strategic journey launched in November 2024 during our Global Leaders Meeting in São Paulo (SP). More than just a strategy update, Gerdau 2030 is a

deep transformation that aims to take the company to a new level in the global market, expanding our ability to reshape both our business and our broader social impact over the next five years.

We are in an ideal position to take this leap forward, as Gerdau is built on a solid foundation, with financial stability and a strong internal culture that we've been nurturing for years. By leveraging our talent and creativity, we aim to secure decisive competitive advantages and continue to be a relevant force in the steel industry, in the lives of our clients, people and the planet. What makes this strategy unique is how it's being built: collaboratively, across all functions and operations. It's a collective and integrated vision.

Global
Leadership
Summit 2024



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Our 2030 targets

We've translated our aspiration into even clearer ambitions:



SAFE = we will eliminate serious and fatal accidents.



PROFITABLE = we aim to become one of the leading benchmarks in cost efficiency and competitiveness in the steel industry.



RESPECTED = our employees, their families and surrounding communities recognize Gerdau as a company that cares for people—a place where personal and professional fulfillment go hand in hand with elite performance.



RELEVANT = we will be our customers' first choice, transforming business relationships into successful partnerships.

Putting this strategy into action will require discipline and collaboration. We believe Gerdau is a unified team, regardless of business operation, unit, department or process. We will stay focused on what truly drives the business forward. The company is ready to make the best decisions—even when it means forfeiting certain things to concentrate fully on what is crucial for long-term success.

Guiding pillars for Gerdau 2030

➤ Growth |

Focuses on our expansion, with an emphasis on capital allocation excellence (Gerdau invests over USD 1 billion annually in projects) and on generating revenue through businesses adjacent to steel.

➤ Competitiveness | and differentiation

Reflects our commitment to improving customer performance and our maturity in operational excellence.

➤ Impact |

Covers our work in government relations and our ability to make a positive impact on communities and the environment.

➤ Cyber-powered organization

Driven by our belief that technology is essential, this pillar highlights how we use it as a strategic ally to boost efficiency, deliver better services to our customers and ensure an even safer environment for our people.

➤ High-performing and wellbeing people and culture

This is about building teams that challenge themselves, deliver high performance and are always striving to become better—while maintaining balance, wellbeing and caring for one another. We believe that performance and wellbeing go hand in hand—you can't have one without the other. Caring for people also includes everything we're doing around safety, which has been further strengthened by our Voice of Safety movement.

.....

In the first half of 2025, our leaders will share the details of Gerdau 2030 with their teams—explaining the goals, what's expected from each person and how everyone can contribute. This will mobilize the entire organization for this gigantic journey.

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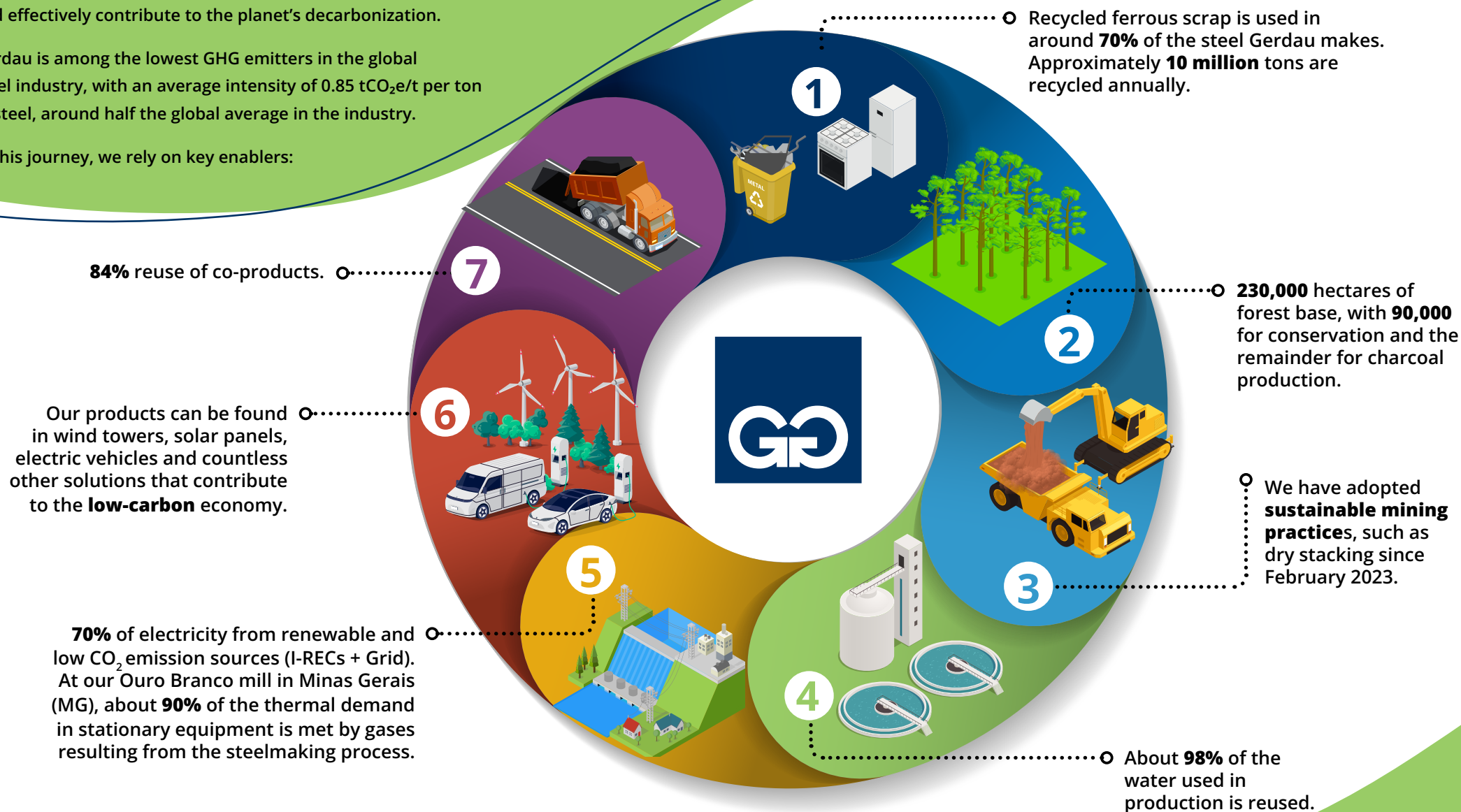
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Gerdau steel production and **circular economy**

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.

Gerdau is among the lowest GHG emitters in the global steel industry, with an average intensity of 0.85 tCO₂e/t per ton of steel, around half the global average in the industry.

In this journey, we rely on key enablers:



Steel production

Check out the stages of our production process and how we contribute to planetary decarbonization.

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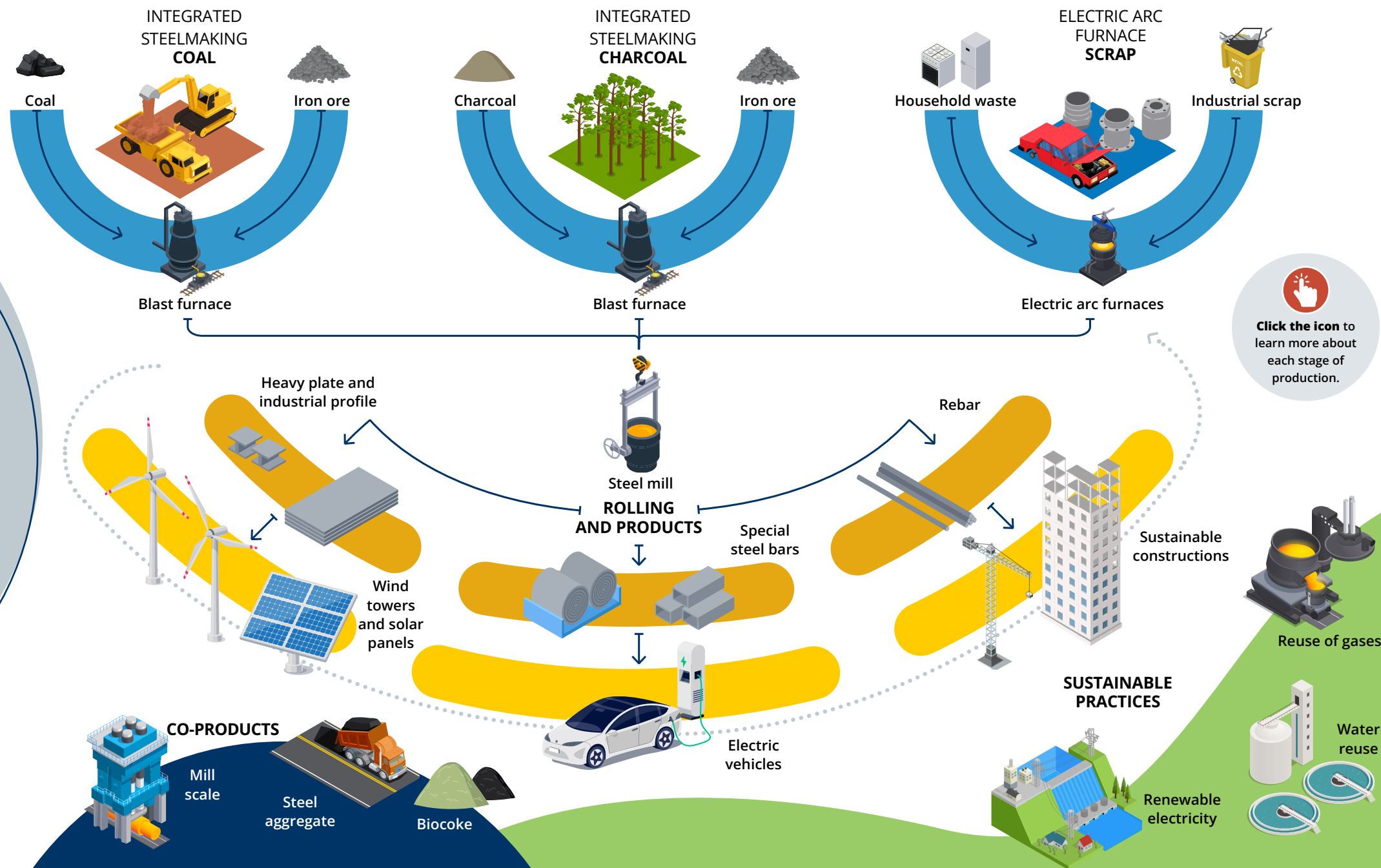
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Click the icon to learn more about each stage of production.



GERDAU
Shape the future

Sustainability management. GRI 2-12, 2-22, 2-23

Sustainable development is part and parcel of our business strategy, and we have practices and tools that support our sustainability journey. To ensure the effective implementation of our economic, social and environmental strategies, we have strong governance structures dedicated to sustainability. These structures include our Strategy and Sustainability Committee—which advises the Board of Directors 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. At quarterly meetings of both the Committee and the Sustainability Squad, the Executive Board and Board of Directors members analyze data and allocate funds accordingly, based on the information presented. **► GRI 2-14, 2-17**

Gerdau's Sustainability Policy is another key document that guides the company on its

sustainability journey. It not only reinforces our commitment to creating value for both the company and society but also supports the assessment of risks and opportunities tied to this agenda. The document aligns 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.

At Gerdau, we have a Strategy and Sustainability Committee that supports the Board of Directors in decision-making and in setting guidelines that take into account the environmental, social and governance factors of the business.

Ouro Branco mill (MG)

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Shape the future

Our Sustainability Scorecard (p. 21) brings together the environmental, social and governance indicators prioritized in our materiality matrix. Among them, targets such as increasing the number of women in leadership positions and reducing greenhouse gas (GHG) emissions across our operations are directly linked to the variable compensation of Gerdau's executives (pg. 27), clearly showing that sustainability is not just a commitment, but a priority for the company.

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

- National Registry of Companies Committed to Ethics and Integrity (Cadastro Empresa Pró-ética)
- Conscientious Capitalism Brazil
- CDP
- Childhood Brasil (Na Mão Certa Program)
- International Labor Organization (ILO)
- Pledge on Addressing Sexual Violence against Children and Adolescents, with the Human Rights Office of the Presidency of the Republic
- Universal Declaration of Human Rights
- Child-Friendly Company
- Statute on Children and Adolescents (ECA)
- Business and LGBTI+ Rights Forum
- Business Initiatives (FGVces)
- Initiative for Responsible Mining (IRMA)
- Instituto Ethos
- Move
- Movimento Mulher 360

- UN Global Compact
- Racial Equity Pact
- Brazil Green Logistics Program (PLVB)
- Brazilian Corporate Network to Assess Lifecycles
- Public Emissions Registry (Brazilian GHG Protocol Program, by FGVces)
- B System¹

These commitments reinforce our position on several key fronts:

- Eradicating child labor in all its forms and of forced or compulsory labor
- Fighting discrimination
- Embracing diversity
- Preventing moral and sexual harassment
- Managing workplace safety for both employees and contractors
- Ensuring freedom of association and collective bargaining
- Managing environmental issues such as climate change, water and the circular economy

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

Employees Deise Nunes Silva and Ana Flavia Re, Charqueadas mill (RS)

- The fight against all forms of corruption and the promotion of transparency, governance and integrity
- Creating a positive legacy, managing externalities and actively listening to our stakeholders

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



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Sustainability Scorecard

Dimension	Indicators	2020	2021	2022	2023	2024	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	0.85	Climate change and energy management	7 13
	Water consumption (m ³ / t of steel)	3.54	3.02	2.79	3.01	2.85 ²	Management of water and effluents and community relations	6 14
	% of coproducts recycled	78	89.6	88.9	93.1	84.0	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	26.0	Community relations	
	Number of people benefited	665,866	4,221,811	2,700,000	2,456,386	3,644,893	Community relations	1 4 11
	% of social investment made in relation to gross income	0.56	0.62	0.38	0.53	0.88 ³	Community relations	
People	% of women in leadership positions ¹	22	23.60	25	27	26.06	Diversity, equality and inclusion	
	% of women at the company (BO Brazil)	13	17.1	25.7	27.4	19.63	Diversity, equality and inclusion	5 10
	% of Black people in leadership positions (BO Brazil)	25	26.3	26.6	29	29.39	Diversity, equality and inclusion	
	% of disabled persons at the company (BO Brazil)	2.90	3.20	4	5.0	5.18	Diversity, equality and inclusion	
	Health and safety index (rate of severity)	244.0	243.0	93.0	89.5	89.5	Health and safety at work	3
Governance	ICVM 586 – Brazilian Code of Corporate Governance	67	67	67	67	83		
	ISS Score Note	10	10	10	8	6		
	EVA ¹ – Economic value added (managerial information)	0.0	22.6	22.6	2.8	0.7		16
	Personnel (R\$ millions)	5,216,144	6,455,468	6,533,048	6,776,481	7,587,166		
	Taxes, charges and contributions (R\$ millions)	3,720,556	10,046,474	8,873,020	5,290,282	3,897,735		
	Compensation of third-party capital (R\$ million)	1,917,421	1,821,095	8,338,121	2,316,517	2,875,370		
	Compensation of equity capital (R\$ million)	2,388,054	16,018,412	5,668,650	7,536,983	4,599,062		

¹ Variables indexed to the long-term incentive plan (ILP).

² Data adjusted in relation to the 2023 Annual Report. As of 2024, we consider only the water intensity directly related to steel production.

³ Includes support amounts for Rio Grande do Sul to deal with the aftermath of the 2024 floods.

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GERDAU
Shape the future

Corporate governance

► GRI 3-3. Strategic topic management

Gerdau's corporate governance is built around the principles of transparency, fairness, accountability and corporate responsibility. The company follows practices that ensure all business decisions are aligned with the interests of society, our shareholders and other stakeholders. Our goal is to create long-term value and promote sustainable development.

As part of our commitment to one of our strategic topics—Ethics and corporate governance—we adhere to the highest international governance standards. These are embedded into our actions, processes, policies and rules through clear guidelines and principles laid out in key documents such as the [Code of Ethics and Conduct](#), for employees and board members and the [Code of Ethics and Conduct for Third Parties](#), aimed at our business partners.

Our policies, corporate guidelines (DCs) and operational guidelines (DOs) are regularly updated and made available to all employees, with ongoing communication efforts reinforcing their relevance. We also rely on the support of the Gerdau Integrity Program, which strengthens ethical behavior and good governance, reinforcing the principle of “doing the right thing” in every aspect of our operations.

Gerdau's shares have been traded in the capital markets for over seven decades, on both the São Paulo Stock Exchange (B3) and the New York Stock Exchange (NYSE). On B3, we abide by Level 1 corporate governance standards. Gerdau S.A. shares have been traded on the New York Stock Exchange (NYSE) since 1999 via 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 Gleiciane Sanches Pereira da Silva and Victor Apolinario Brito, Pindamonhangaba mill (SP)



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Governance Structure ► GRI 2-9

Board of Directors

The Board of Directors is Gerdau's highest governance body, responsible for providing overall guidance on the company's business strategy. In addition to appointing and removing the company's statutory officers, the Board defines their responsibilities and performance expectations, sets strategic guidelines and determines the company's administrative structure, according to the duties assigned to the officers. The Board has had six members since April 10, 2025, including three independent directors, all elected and subject to removal by shareholders at the General Meeting. Board members serve unified one-year terms and may be re-elected. The Chair of the Board does not hold an executive position within Gerdau.

Information about Board candidates and the criteria used for their selection is available in the Management Proposal, the Reference Form and the company's Policy for Appointing Executives and Committee Members. ► GRI 2-10, 2-11

Four Advisory Committees support the Board of Directors and are directly linked to it: Strategy and Sustainability; Compensation and Succession; Corporate Governance; and Finance. These Committees do not have executive powers and their members are appointed by the Board and must include at least one board member.

The remaining members may be employees or external advisors, meaning the majority are not independent. The term of office is one year. The composition is described in the [Reference Form](#).

The Board of Directors conducts an annual self-assessment, evaluating both its overall performance as a collective body and the individual contributions of each member. This process is supported by the Corporate Governance Committee, which is also responsible for presenting the consolidated results and defining action plans for the Board. Throughout the year, the Committee monitors the progress and effectiveness of the implementation of these actions. ► GRI 2-18

In 2024 the Board of Directors approved:

◆ **New policies** – Independent Auditors Engagement Policy, the Profit Allocation Policy and the Policy for Appointing Executives and Committee Members

◆ **Policies amended** – Securities Trading Policy, Information Disclosure Policy and the Risk Management Policy

◆ **Rules changes** – Rules of Procedure of the Board of Directors and the Rules of Procedure of the Board's Supporting Committees

MEMBERS OF THE BOARD OF DIRECTORS



Guilherme Chagas Gerdau Johannpeter*
Chairman



André Bier Gerdau Johannpeter*
Deputy chairman



Claudio Johannpeter
Deputy chairman



Gustavo Werneck da Cunha
Director



Claudio Antonio Gonçalves**
Independent members



Claudia Sender Ramirez
Independent members



Alberto Fernandes
Independent members

* At the Annual and Extraordinary General Meeting (AGOE) held on April 10, 2025, André Bier Gerdau Johannpeter was elected Chairman of the Board of Directors, and Guilherme Chagas Gerdau Johannpeter took office as vice president.

** At the AGOE held on April 16, 2024, Claudio Antonio Gonçalves was elected. Claudio subsequently stood down from the position at the E/AGM in April 2025.



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

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Corporate Governance Committee

- This committee meets at least once a year to:
- Stay up to date with corporate governance trends and benchmarks.
- It evaluates the recommendations of capital and financial market agents and specialized bodies.
- It assesses the Board of Directors' annual performance.

Strategy and Sustainability Committee ▶ GRI 2-17

This committee meets at least six times a year to support the Board of Directors in analyzing and coordinating the company's strategic and sustainability matters, including:

- Proposals for mergers, acquisitions (M&A) and divestments
- Steel industry trends that may impact the business in the short, medium and long terms
- The impact of the company's business development on sustainability matters, including climate change

Remuneration and Succession Committee^{2,3}

▶ GRI 2-20

Responsible for evaluating, supporting and referring to the Board of Directors the CEO's recommendations regarding the compensation and performance of key executives. This committee meets at least three times a year to:

- Evaluate strategies, policies and budgets for fixed compensation, short- and long-term incentives, and other information related to the overall compensation of employees.
- Approve the promotion of statutory officers.

Finance Committee

Responsible for supporting the Board of Directors on finance-related matters. This committee meets at least four times a year to: monitor 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.

INSTITUTIONAL RELATIONS COMMITTEE

In 2024, Gerdau took important steps toward building a more open and inclusive dialog with its stakeholders. The creation of this group strengthened our governance model, which is coordinated by the Officer for Communications and Institutional Relations, and composed of board members and C-level executives. During its quarterly meetings, the Committee welcomed public figures to discuss public policies, trends, insights and perspectives related to the company's strategic agenda. Participants in these discussions included:

- Ricardo Alban, President of the National Confederation of Industries (CNI)
- Reginaldo Lopes (PT/MG), Federal Deputy and Rapporteur for the Tax Reform in Brazil's Chamber of Deputies
- Raquel Lyra (PSD), Pernambuco State Governor
- Ronaldo Caiado (União Brasil), Goiás State Governor
- Gilberto Kassab, Secretary of Government and Institutional Relations for São Paulo state and National President of the PSD



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

² Under NYSE Rule 303A.05, listed companies are required to have a compensation committee composed exclusively of independent members. This requirement does not apply to Gerdau, under Brazilian governance practices.

³ At Gerdau, independence in compensation-related decisions is ensured through a structured flow of analysis and approvals that involves both the Compensation and Succession Committee and the Board of Directors. One of the mechanisms we use to prevent conflicts of interest is that any member with a potential conflict does not participate in discussions or decisions on the topic at hand.

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Our leadership ► GRI 2-9

Gerdaul is led by 19 executives responsible for managing both the Business Operations and corporate functions, including the CEO. Our leadership team is committed not only to financial performance but

also to cultivating a solid organizational culture—one that aligns with the company's vision and values and is capable of tackling challenges and seizing opportunities in a strategic and sustainable way. The company aims to

lead the steel industry as a global benchmark in social, environmental and governance practices, always mindful of shifts in the global market and stakeholder expectations.



Gustavo Werneck
Chief Executive Officer (CEO)



Aldo Tapia
Brazil Operations,
Special Steel



Carlos Baginski
Internal Auditing



Cesar Peres
Commercial



Chia Wang
North America
Operation, Long Steels



Elder Rapachi
Gerdaul Next



Flavia Nardon
People & Social
Responsibility



Flávia Souza
Procurements and
Energy



Guillermo Maglieri
Argentina and
Uruguay Operations



Gustavo França
Digital, Tech and SSG



Leandro Telles
Legal



Luis Guereca
Mexico Operations



Marcos Faraco
Strategy



Marcos Mattiello
Peru Operations



Mauricio Metz
Brazil Operations - Long
Steel, Flat Steel and
Mining



Pedro Torres
Communications
and Institutional
Relations



Rafael Gamboa
Industrial &
Engineering



Rafael Japur
Investor Relations and
Finances



Rodrigo Belloc
North America Operations,
Special Steel

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Sustainability Squad ▶ GRI 2-24

This multidisciplinary group is responsible for implementing practices and policies that align with both regulatory requirements and leading practices in Gerdau's environmental, social, reputational and governance agenda. 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.

The core duties include:

- ▶ Monitoring, evaluating and correcting any deviations in action plans related to sustainability.
- ▶ Tracking the Sustainability Scorecard on a quarterly basis.
- ▶ Monitoring market trends and assessing their impact on the business.
- ▶ Providing technical support to Business Operations.
- ▶ Contributing to strategic topics discussed by the Strategy and Sustainability Committee.

In 2024, the squad finished updating Gerdau's mid-term sustainability roadmap, revising indicators, targets and initiatives. This work played a key role in shaping the pillars of the Gerdau 2030 strategy.

Oversight Board

The Oversight Board is an independent body within Gerdau's governance structure, responsible for monitoring the company's financial management and accounting practices. Its role is to ensure that

the Executive Officers are fulfilling their legal and statutory obligations, while also safeguarding transparency and ethics in the company's decision-making processes. In addition to its core responsibilities, the Oversight Board also functions as the Audit Committee, reporting its assessments directly to shareholders in regular two-monthly meetings.

As established by Brazilian Corporation Law, the Oversight Board is composed of independent members and representatives elected by shareholders. 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 can also elect one member of the Oversight Board through a separate vote. Other shareholders with common shares (voting shares) have the right to elect the majority of the members.

Pursuant to the rules of the Brazilian Securities Commission (SEC), the Oversight Board works independently of 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](#) website.

Employees
Luz Paz and
Jannet Huaytalla,
Sider Peru



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Remuneration ▶ GRI 2-19

Our Compensation Policy, market practices and the monitoring of the company's impacts on the economy, environment and society, inform the annual compensation established for Gerdau Management. Independence in compensation-related decisions is ensured through a structured flow of analyses and approvals involving both the Compensation and Succession Committee and the Board of Directors. One of the mechanisms we use to prevent conflicts of interest is that any member with a potential conflict does not participate in discussions or decisions on the topic at hand.

The company also engages global consulting firms specialized in compensation, which support us in assessing the relative value of leadership positions and in identifying market benchmarks based on companies similar to Gerdau in size, business activities and demand for similar talent profiles. This process ensures alignment with market best practices.

Statutory Officers, non-Statutory Officers and eligible executives

Their compensation 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. To ensure efficient and fair management, Gerdau uses robust evaluation methods such as Performance Assessment and Succession Potential and Readiness Assessments. These tools are designed to identify behaviors, results and individual development of the company's leaders, in alignment with the corporate strategy.

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) for all employees. The long-term variable portion, the Long-Term Incentive (LTI)– intended for eligible executives, 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.

As part of Gerdau's commitments to sustainability, we have integrated sustainability indicators into the long-term compensation structure for our executives.

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.



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

Employee
Luzitânia dos
Santos Nascimento,
Araçariçuama
mill (SP)

Acting with integrity ► GRI 2-15

Gerdau's policies, rules and guidelines instruct our employees, board members and business partners on how to comply with laws and adopt impeccable ethical standards. These documents reinforce a *modus operandi* rooted in integrity, transparency, respect and corporate responsibility, underpinned by strong governance and clearly defined levels of authority. To mitigate risks and ensure compliance with all applicable regulations—both in Brazil and abroad—Compliance oversees a set of compliance and anti-corruption policies, along with guidelines covering dealings with public officials, donations and sponsorships, compliance-risk contracting, gifts, conflicts of interest, competitive practices and disciplinary measures. We do not tolerate or accept the involvement of our professionals in anti-competitive practices, such as cartel formation, market sharing, price manipulation or predatory conduct. Gerdau's Code of Ethics and Conduct for Third Parties is publicly available and shared with all partners, including suppliers and customers⁴. ► GRI 206-1

Regarding the Code of Ethics and Conduct, 99.8% of employees in all Gerdau geographies, including executives and board members, received training on the topic, including anti-corruption information, and 98.6% participated in anti-corruption training. The anti-corruption training is only available to specialists

and higher-level positions. Updates to these policies and guidelines, which are posted on our intranet and institutional website, are communicated to all employees through a semiannual distribution of the current policy set. Business partners are also notified through contractual clauses and commitments. ► GRI 205-2

Information regarding the participation of Gerdau's officers in other companies and related-party transactions is disclosed in the company's Reference Form.

Investor relations

With over 70 years in the capital markets, Gerdau maintains a base of approximately 260,000 investors, fostering a relationship built on transparency through virtual engagement and a variety of communication and disclosure channels, including podcasts, videos, digital media and newsletters. In October 2024, we hosted another edition of Gerdau Investor Day, bringing together more than 350 market professionals to share the company's latest initiatives in the pursuit of operational excellence and sustainable growth. During the event, we presented our business outlook, challenges and achievements, and were also recognized with the Selo Assiduidade for 29 years of partnership with APIMEC Brasil.

Gerdau shares are listed on the São Paulo (B3) and the New York Stock Exchanges (NYSE). We are a part of B3 Level 1 Corporate Governance, but we adopt practices that go 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.

In March 2024, Gerdau's leadership team took part in the traditional closing bell ceremony at the New York Stock Exchange (NYSE). The event marked the 25th anniversary of our listing on the world's most prestigious stock exchange, celebrating the company's journey of building an international corporate reputation based on solidity, operational credibility and transparency.



⁴ Two of the proceedings served in 2024 are currently in the final stages, following a settlement. These cases are in the process of approval and dismissal and are expected to be closed in 2025. Information on pending and closed cases during the reporting period can be found in the Reference Form, available at: <https://ri.gerdau.com/en/>. The company did not engage in any type of anti-competitive conduct in the period. ► GRI 206-1

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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. In addition to our Code of Ethics and Conduct and the Code of Ethics and Conduct for Third Parties, Gerdau is guided by 15 policies that determine how the company should proceed in various situations.



Employee Melina
Tomimoto,
São Paulo Office (SP)

All of Gerdau's policies are approved by the Board of Directors and are reviewed biennially or on demand by this highest level of governance. 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.

Policies that guide Gerdau's decisions

- Anti-corruption Policy
- Clawback Policy
- Compliance Policy
- Independent Auditors Engagement Policy
- Dividend Policy
- Human Rights Policy
- Diversity & Inclusion Policy
- Information Disclosure Policy
- Risk Management Policy
- Policy for Appointing Executives and Committee Members
- Securities Trading Policy
- Sustainability Policy
- Related-party Transactions Policy
- Integrated Policy
- Tax Policy

We also have 140 additional business guidelines that define responsibilities, levels of authority, necessary controls and ensure consistency in routines and expected practices.



Learn about the content of Gerdau's policies on the [Investor Relations website](#).

Business Ethics SASB EM-MM-510a.1

The Code of Ethics and Conduct for Third Parties outlines the guidelines for engaging with Gerdau, consolidating key commitments related to ethics and legal compliance. The document also outlines the responsibilities third parties have in upholding these commitments. It highlights unacceptable practices—actions that could trigger a review of existing agreements or even lead to contract termination. All contracts and purchase orders include clauses that reinforce Gerdau's ethical principles and anti-corruption stance.

Compliance is tasked with validating business partners, which involves reputational assessments and due diligence to identify potential compliance risks.

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Integrity Program ► GRI 2-25

This set of guidelines and practices reinforce Gerdau's commitment to conducting its business ethically and in compliance with applicable laws across all its operations. The program is designed to cultivate an increasingly transparent and accountable corporate environment, with a focus on preventing fraud, corruption and other irregularities. It is also a key component in fostering an ethical culture within the company, encompassing the use of the Whistleblowing Hotline, the implementation of clear guidelines and policies, transaction monitoring, compliance risk assessments, background checks on business partners, employee training and the active promotion of ethical values by Gerdau's senior leadership.

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. 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.

Our controls permanently assess best practices and enhance the automation of detection controls focusing on business risk mitigation. All Gerdau operations were assessed for risks related to

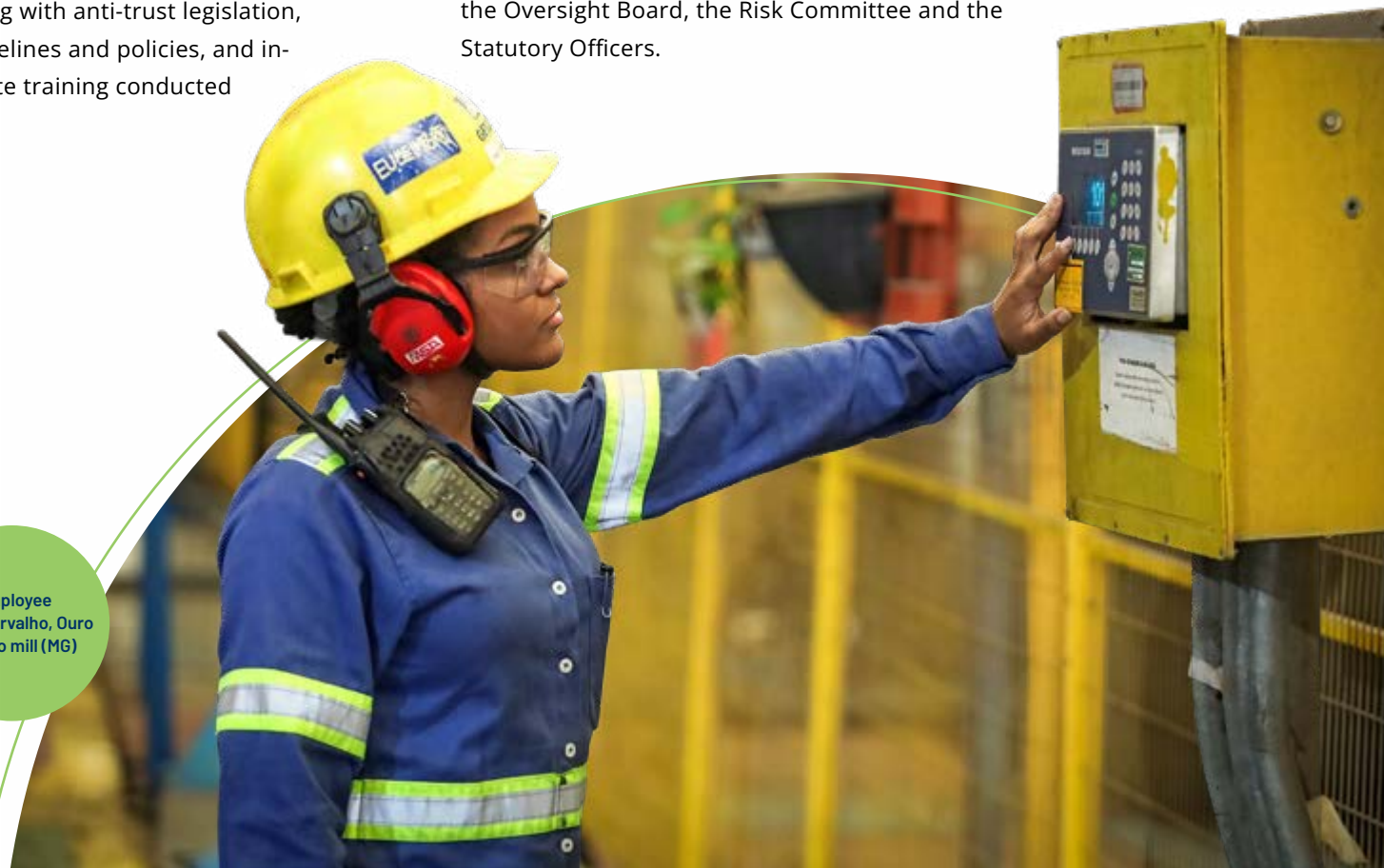
corruption. We emphasize that non-compliance with any applicable laws or regulations may subject the company to fines, loss of operating licenses or damage to its reputation. ► GRI 205-1

All operations or processes that impact cash flow are continuously evaluated on a revolving basis by the Internal Audit and Internal Controls departments. 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. Furthermore, our business partners were regularly communicated about the anti-corruption procedures and policies adopted by the organization across all business types and regions.

Reinforcing our governance, Compliance periodically presents the status and progress of the Integrity Program to the Board of Directors, the Oversight Board, the Risk Committee and the Statutory Officers.

Employee
Thais Carvalho, Ouro
Branco mill (MG)



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Ethics Hotline GRI 2-26

This whistleblowing hotline is a governance tool that fortifies the company's culture of integrity. Through this channel, employees, suppliers, customers and other stakeholders can confidentially, anonymously and securely report any situations involving potential violations of the company's Code of Ethics and Conduct or internal policies. Its main features are:

- Available 24/7 to both internal and external audiences for submitting reports or inquiries related to the company or the conduct of its professionals.
- Anonymity is guaranteed (if requested), and there is a strict non-reprisals policy for good-faith reports, along with full confidentiality for the person submitting the report.
- 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.

ETHICS HOTLINE IN NUMBERS

Data for 2024

1,391 reports

46% were deemed partly or fully substantiated

16% of reports were shelved without resolution, due to insufficient information to conclude investigations

56% were related to behavioral issues, **17%** involved misconduct/favoritism (with no impact on financial statements), **16%** concerned procedural non-compliance, **6%** were related to occupational safety and **5%** involved miscellaneous topics



TELEPHONE:
+55 51 3323 1901 (Brazil and Latin America)
0800 300 44 88 (Brazil)
1-800-732-7116 (USA)



WEB:
<http://www.canaldaetica.gerdau.com.br>
Incident reports can be submitted directly on the portal or Gerdau sites, on the section [Ethics and compliance](#)

Risk management

The Business Operations Committee, the Risk Committee and Gerdau's entire control structure are responsible for managing operational and business risks that could impact the company's activities. These risks are also assessed by the Remuneration, Strategy and Sustainability, Corporate Governance, and Finance committees.

We monitor business, compliance and operational, safety, occupational, environmental, financial, tax, labor, image and reputation and regulatory risks. This risk management process is decentralized and carried out by both the Business Operations and Corporate Processes, drawing on the specialized knowledge of each department. Critical risk findings are presented to the Board of Directors and the Executive Board whenever attention is required—without the need for a pre-established schedule. GRI 2-13, 2-16

Three Lines of Defense Model

Operational risks are controlled and managed based on a cost-versus-risk exposure analysis and follow this model:

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

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Climate risks ▶ GRI 201-2

Climate risks denote the potential negative impacts of climate change on society, business and the environment. According to the Task Force on Climate-Related Financial Disclosures (TCFD)—an initiative launched in 2015 by the Financial Stability Board (FSB) to provide consistent data on climate-related financial risks relevant to companies, banks and investors—these risks can be categorized as transition risks or physical risks.

Gerdau assessed climate-related risks using the TCFD framework, taking into account the likelihood of occurrence, potential impact, and the dimensions and scale of each risk. The company's climate risk management guidelines and

procedures are also grounded in business analysis, key climate change topics, and the indicators outlined in the Sustainability Scorecard ([pg. 21](#)).

We are closely monitoring developments related to mandatory climate risk reporting, such as CVM Resolution 193, issued by Brazil's Securities Commission. This resolution sets out requirements for preparing and disclosing information based on the IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) standards, developed by the International Sustainability Standards Board (ISSB), part of the IFRS Foundation.

Cyber risks

With the support of artificial intelligence solutions, Gerdau has strengthened its information security efforts and business defense mechanisms related to the risks of cyberattacks. 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 operational integrity and confidentiality of this information.

Digital audit

The Internal Audit function represents a significant step forward in Gerdau's ability to cover risks. Operating independently, the audit team is equipped to work with data sets using programming languages, which brings substantial speed and efficiency to audit processes. Certain types of risk that once took months to assess can now be assessed in a matter of minutes.

This is possible thanks to the use of algorithms, artificial intelligence and big data architecture, which allow digital systems to be connected to both traditional and industrial processes. As a result, Gerdau can analyze and interpret data in real time, triggering alerts and loss prevention actions through digital means.

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 its work.

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 technological changes driven by the topic and product applications
- ▶ Non-compliance with current or emerging GHG emissions regulations
- ▶ Failure to adapt to market changes
- ▶ Reputational damage

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**Opportunities**

- ▶ Using renewable energy sources
- ▶ Gerdau: one of the lowest GHG emission intensities in the sector
- ▶ Gerdau Next: new businesses

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Employees Luan Fernandes Santos and Lis Rodrigues da Silva, Miguel Burnier mill (MG)

Our people

GRI 3-3. Strategic topic management

Gerdau is striving to become one of the safest, most profitable and most respected companies in the steel industry by 2030, and one of the most important across the Americas. To achieve this, we are deeply committed to caring for our human capital—striking a balance between business needs and performance, and generating positive impact on people and the communities where we operate. Along this journey, we are placing greater focus on employee safety, well-being and the strengthening of an inclusive and purpose-driven culture.

In January 2025, Gerdau celebrated a historic milestone in workforce care (pg. 40): two full years without serious or fatal accidents in our operations, the result of collaborative efforts across multiple departments and teams. As part of our Gerdau 2030 strategy, the well-being pillar has taken on a broader and deeper approach. In addition to prioritizing physical and mental health, we are dedicated to building an increasingly healthy workplace—one in which each employee can both see and reach their full potential. At Gerdau, high performance is inseparable from well-being—and vice versa.

Although our Net Promoter Score (NPS) survey in Brazil showed a slight drop of 3 points from

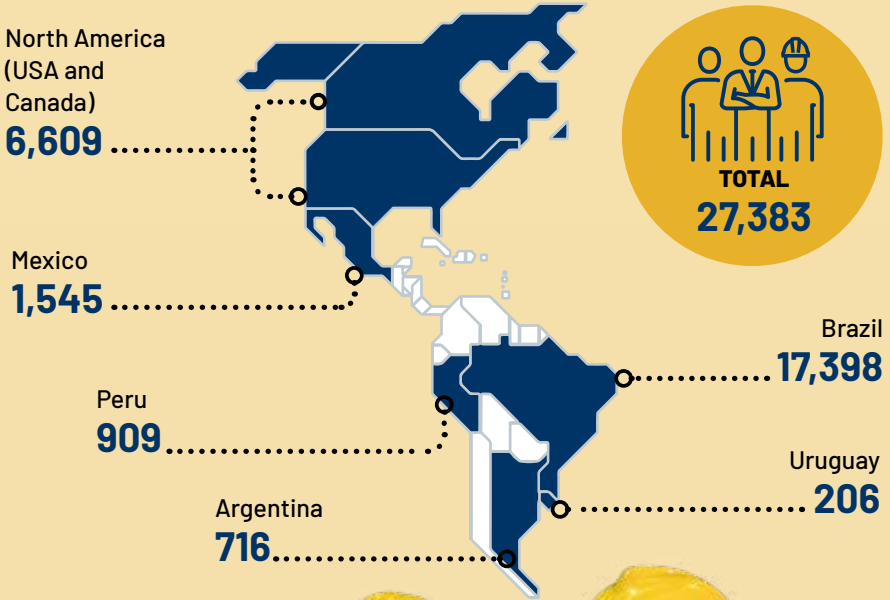
2023 to 2024—largely due to the hibernation of the Barão de Cocais (MG) and Maracanaú (CE) plants—we celebrated a strong talent retention rate of 95%. We have intensified our employee development programs to prepare talent for current and future roles. At the same time, we launched initiatives that encourage mobility between our units in Brazil and abroad, making a career at Gerdau a more dynamic and rewarding experience.

“Empowering people who build the future” is the purpose that drives us. 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. The plan to strengthen our organizational culture has been carried out as outlined in 2022, when we identified three core behaviors that reflect our principles and serve as guiding pillars for all our actions.

The first step was to reinforce the principle “Openness with truth and respect”. In the second phase, completed in 2024, the focus shifted to the principle “We exceed our own limits each day.” The third module, set for 2025, will center on the principle “Ownership mindset”. Each of these topics is explored in depth through leadership training sessions held globally, and then cascaded to teams across the organization. The goal is to nurture our journey of continuous cultural evolution.

TOTAL EMPLOYEES BY REGION IN 2024

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



Employees Beatriz Gomes Leite, André Negrão Marcellino Poloni, Esther Araújo Dudu, Araçariguama mill (SP)

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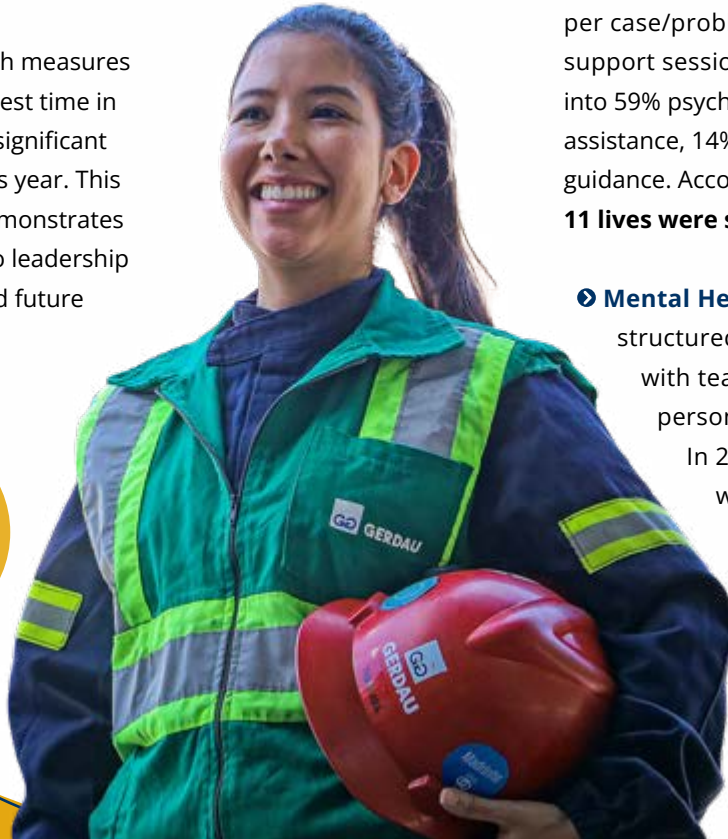
eNPS Gerdau

The Opinion Survey, Gerdau's organizational climate survey, had a participation rate of 88% and an approval rating of 75%. 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, employees also participate in the Gerdau eNPS, which evaluates both the company and its leadership.

In 2024, the Gerdau Global eNPS was 49.6, a decrease of 2.6 points on 2023. This year's survey took place during a period in which the Brazilian operations were undergoing cost-cutting initiatives, structural reviews and the hibernation of the Barão de Cocais and Maracanaú units—factors that may have influenced the eNPS score in the country.

The Developing Leadership eNPS, which measures how much leaders are perceived to invest time in developing their teams, reached 41, a significant increase of 8.8 points over the previous year. This growth is especially important, as it demonstrates the company's ongoing commitment to leadership that is engaged in both the present and future development of its people.

Employee
Thaynara Araújo
da Cruz,
Divinópolis mill (MG)



Health and well-being

Gerdau's health and well-being programs benefited some 10,000 people in 2024, up 53% on 2023. See the main initiatives below.

◆ **+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 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 2024, a total of 4,286 support sessions were provided, broken down into 59% psychological counseling, 19% legal assistance, 14% social support and 8% financial guidance. According to voluntary reports, **11 lives were saved** as a result of these services.

◆ **Mental Health Coaching:** this is a structured coaching process for leaders with teams, supporting them in handling personal and team emotional issues. In 2024 there were 169 participants, with an 89% satisfaction rating.

◆ **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 2024 there were 53 participants, with an 85% satisfaction rating.

◆ **Conexão Bem-Estar:** is a program that supports self-awareness in an environment that provides relaxation and meaningful internal and external connection. In 2024 there were 1,642 participants, with an 89% satisfaction rating.

◆ **SIGA Bem-Estar e Saúde:** is a content hub focused on health and well-being, designed to equip leaders to foster healthy and sustainable work environments. By focusing on leadership development, emotional management and well-being practices, the program aims to improve team health and contribute to a more balanced and productive organizational culture. In 2024 there were 500 participants, with a 91% satisfaction rating.

◆ **De Bem com Seu Bolso:** helps employees and their families become more financially conscientious and responsible through financial education. It offers a gamified platform, a financial management app, lectures, workshops and individual financial consulting. In 2024 there were 3,900 participants, with an 84% satisfaction rating. There was also an internal campaign in August, focused on raising awareness about gambling and betting disorders.

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Employee development

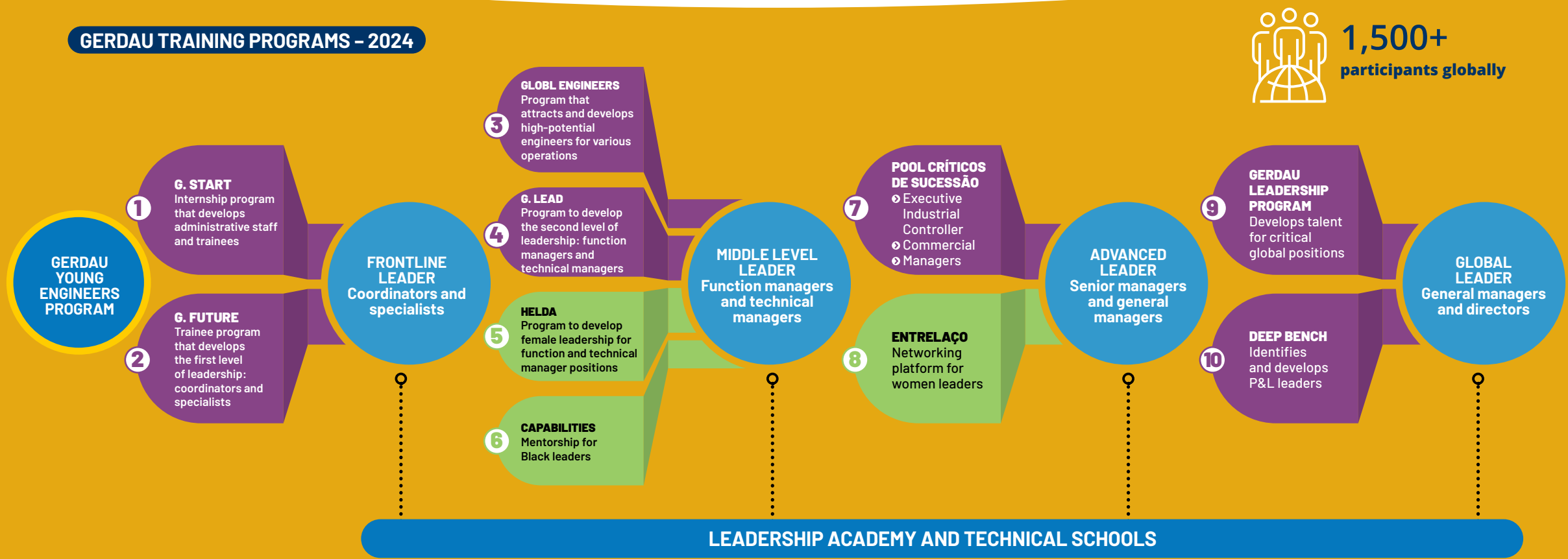
The qualification of human capital is a central priority at Gerdau. We continuously run structured initiatives focused on skills development and professional growth, divided between programs aimed at current and future positions. To promote global mobility and support the movement of employees into leadership roles—including director,

general manager, manager and coordinator positions—38 employees were transferred in 2024 across the countries where Gerdau operates.

As part of the North America Program, 7 high-potential talents were transferred to the region and began their new roles in 2025.

In 2024, there was an average of **33.42** hours of training per employee.

GRI 404-1*



*To calculate the average training hours in 2024, only employees who completed at least one training session during the year were counted. The dataset includes all employee subgroups, covering directors, interns, trainees, coordinators, supervisors, managers, specialists, apprentices, administrative staff, technicians and operators. This approach aims to ensure data representativeness and consistency.

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Gerdau Training Programs – 2024

► **G.Start:** our internship program is one of the main gateways into the company. In Brazil, 508 university interns were hired in 2024. We met our goal of attracting 60% women, totaling 303 female interns, and exceeded our target of 30% black and brown participants, reaching 38%. The focus is on understanding the applicant's essence, as the goal is to attract individuals who buy into the company's principles and can become future leaders. In North America—where the university landscape differs—we hosted 40 university interns.

► **G.Future:** our trainee program develops early-career leadership. In 2024, we focused on fast-tracking internal talent, with 43 openings in different areas—56% of which were filled by women. Of the selected group, 67% were former interns whose careers continue to be fast-tracked. In North America, 18 trainees joined the program.

► **G.Lead:** focused on preparing future managers, this program targets coordinators and specialists with growth aspirations and potential. In Brazil, 40 participants took part, 47% of them women.

► **G.Data:** an internal data science program for non-programmers, aimed at developing professionals who can perform complex analysis using data science tools. It included 40 participants from Brazil, the United States and Latin America.

► **Critical Succession Pools:** a succession planning process to prepare executives for strategic leadership roles. 46% of our potential successors for critical positions are currently considered ready, and 24% are nearly ready. Participants go through targeted development actions that accelerate their readiness.

► **Global Leadership Program (GLP):** focused on developing executives for current or future critical global positions, this program concluded in December 2024 after two years. It included 30 executives from six countries, and 47% of participants were promoted or had their roles expanded.

► **Helda Gerdau Program:** launched in 2021, this global acceleration and training program is aimed at preparing women for managerial roles. In 2024, we completed the third cohort with 70 women participants across Brazil, Latin America and North America.

► **Potências Gerdau:** a mentoring program designed to hone leadership skills among black professionals in coordinator and specialist roles, supporting their progression into management and advancing racial equity. In 2024, we launched the second edition with 36 participants, 30% of whom were women.

Siga – Leaders Academy 2024: our academy prepares employees to perform at a high level in their current position. 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. In 2024, technical training was made available to both industrial and support functions, and on topics such as well-being and health. In total, more than 4,300 leaders across the Americas took part.

Employees
Sergio Holanda,
Ouro Branco
mill (MG)

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Benefits

The Gerdau benefits model* offers employees the benefits that best fit their needs. Based on a points system, employees can customize their benefits package according to their preferences.

-  Health care plan
-  Einstein Conecta (telemedicine accessible to all employees in Brazil)
-  Albert Einstein Primary Healthcare Program (family physicians)
-  Pregnancy Program
-  Extended daycare assistance – available to all working mothers until the child reaches 5 years and 11 months, already supporting more than 390 children
-  Flu vaccinations
-  Meal vouchers
-  Gerdau Pension Plan

* The listed benefits are for Brazil only. Other regions offer packages tailored to local realities. All parental benefits are inclusive of same-sex couples.

Remuneration GRI 2-20

The employee remuneration policy is based on 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 27](#). We use various evaluation methods, including Performance Reviews and Succession Potential and Readiness Assessments.

Artificial intelligence (AI) for salary recommendations

In recent years, Gerdau has invested in making its meritocracy process more flexible and transparent, enhancing compensation procedures to eliminate bias and reduce salary disparities. To keep pace with market developments and improve employee management, we implemented an AI-based model that provides salary adjustment recommendations. This model allows us to allocate our merit budget smartly, using customized criteria that guide managers in alignment with the company’s compensation strategy. The algorithm was built using input variables aligned with Gerdau’s business strategy and performance culture.

Key results of implementing AI:

- **Reduced bias:** the tool eliminated subjective deviations in salary adjustment decisions.
- **Budget efficiency:** Gerdau was able to optimize its compensation budget, ensuring resources were allocated efficiently, reflecting true employee performance, and maintaining market competitiveness.
- **Positive acceptance:** managers eagerly bought into the new technology, with no resistance to adoption. The technology is now an integral part of Gerdau’s meritocracy culture, supporting leadership in managing team compensation and performance more effectively.



Employees
Edmilson José
da Silva and
Crislaine Camila
da Silva Ribeiro,
Ouro Branco mill
(MG)

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Collective bargaining agreements

98.1% of Gerdau 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

Regarding the right to freedom of association and collective bargaining for suppliers, 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 Ethics, 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. We did not receive any reports of violations of union membership rights and/or non-compliance with collective bargaining agreements.

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

There were no strikes or lockouts lasting a full shift, nor any idle workdays during the reporting period.

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 main union

demands were for (i) improved terms in the collective bargaining agreement and (ii) reversal of layoffs at the hibernated Barão de Cocais plant.

SASB-EM-MM-310a.2

Employees Ryan Mills, Carly Wood, Nick Ott and Bryce Riou, Toronto, Canada



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Commitment to personal safety

► GRI 3-3. Management of material topics

“Safety first” tops Gerdau's list of principles. Our commitment to life is a central pillar of the company's culture and drives our actions every day. That's why our leadership and their teams have been intensively trained to

assess the potential risks involved in every decision. No matter the circumstance, people's lives come first.

Over the past three years, the Voice of Safety movement has accordingly mobilized the entire company through training programs, awareness campaigns, and a complete review of corporate safety guidelines. On January 09, 2025, we reached a historic milestone: two years without fatalities or serious accidents in our operations, achieving the best safety results in our history.

In the past, Gerdau had experienced multiple fatal accidents in a single year. It became unacceptable for any individual not to return home safely after

a day's work. In 2022, we conducted a diagnostic analysis involving 27,000 people, mapping out 19 critical actions and analyzing past serious accidents, which led to the creation of Voice of SafetyVoice of Safety.

In 2023, based on the data gathered, we fully restructured our safety approach, making it more comprehensive and focused on high-risk scenarios. We revamped our Corporate Safety Guidelines, which outline requirements and procedures addressing the company's most critical accident risks. In 2024, we began making this knowledge widely accessible through a series of training sessions for Gerdau leadership. ► GRI 403-1

.....

We concluded 2024 with the lowest accident frequency rate in our 124-year history.

Employee Danilo
Coelho Medeiros,
Cosigua mill (RJ)



For all safety-related incidents, we conduct investigations and implement control measures to address the identified causes.

Voice of Safety is led by a steering committee composed of the vice presidents of operations in Brazil, the United States and Mexico, along with the global officers of People, Industry, Engineering and HSEQ (Health, Safety, Environment and Quality). Stakeholder participation is embedded in the program, with monthly meetings held to validate activities, define resources and shape strategy.

The program comprises our Health and Safety Management System, which was implemented not only to meet legal requirements but also to reinforce Gerdau's Integrated HSEQ Policy, values and principles. Initially based on the management system from DNV consultancy (ISRS), it later incorporated behavioral management practices and others from specialized consultancy firms and OSHAS 18001 and

ISO 45001 systems. The program embraces all employees, contractors and other people (truck drivers, sales representatives, visitors etc.) who are on our premises. [► GRI 403-1](#)

To strengthen the Integrated HSEQ Policy and ensure better compliance with legal requirements, our Health and Safety Management System relies on 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. In 2024, 100,000 risk and hazard records were logged, compared to 90,000 in 2023—a reflection of one of Gerdau's greatest strengths.

The company has corporate guidelines that define specific practices for Hazard Identification and Risk Assessment, establishing the minimum requirements for a risk management system, including clear stages and responsibilities. The entire process is led by operational leadership, with oversight and support from Health and Safety professionals. Assessments that require more complex and specialized methodologies are also supported or conducted by external consultants with expertise in these tools.

[► GRI 403-2](#)

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 decisions are taken there and then. Leadership participation in meetings ensures that the decisions made by the committee are implemented. Employees and contractors also attend these meetings by way of their appointed representatives. [► GRI 403-4](#)

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 2024, 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.

We did not record any fatalities resulting from work-related health issues nor were there any cases of serious work-related health conditions.

[► GRI 403-10](#)



Employee
Yubert
Machiarena,
Uruguay
mill

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Voice of Safety

The strategic vision of the Voice of Safety movement is to instill a healthy and safe workplace, bereft of serious and fatal accidents, establishing Gerdau as one of the safest steel companies worldwide. The program focuses on six main topics (see sidebar).

Voice of Safety is, at its core, a mindset change management program, built on the integrated work of three key Gerdau functions – People, Health and Safety, and Procurement. This triad concept has been in practice since 2023, following the diagnostic that led to a complete revision of the risk management framework and the tolerance criteria for critical situations outlined in the risk matrix—making it significantly more rigorous.

FOCUS AREAS OF THE VOICE OF SAFETY PROGRAM



1. LEADERSHIP



4. ASSET MANAGEMENT AND CRITICAL CONTROLS



2. PSYCHOLOGICAL SAFETY



5. CONTRACTOR MANAGEMENT



3. RULES AND PROCEDURES



6. LEARNING AND SCOPE

Employee Diego Bertoldo Francisco, Ouro Branco mill (MG)

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The movement focused on three major issues identified as causes of serious and fatal accidents: learnings and event scope; risk management and culture; and service provider management. Guided by these pillars, the efforts in 2024 centered on an extensive leadership training program rolled out across Gerdau's global operations. The first phase involved training all vice presidents and officers. Next, a dedicated 8-hour deep dive was delivered to executive managers. The third phase, launched in January 2025, consists of a 16-hour three-module training for managers, coordinators and leaders of people or processes.

All stages of training emphasize a risk-based decision-making mindset, known as TDL – leader's Decision-Making Process. This is a three-step theoretical flow: pause, process, proceed. The framework helps leaders evaluate the safety risks involved in their decisions. For instance, what are the safety implications in a year when cost-cutting is the priority? If a change is made to a production step, what safety impact is indexed to that adjustment? In other words, if a decision will affect safety, these impacts must be anticipated and prevented before moving forward.

Another key initiative under Voice of Safety is the Call to Action, launched in 2024. Among reported events, those with high-risk potential and possible impact across Gerdau's global

operations are selected, and specific awareness campaigns are developed. Over the year, three such events were chosen and became the basis for global campaigns to prevent accidents across our units.

Preventing accidents involving suppliers is also a top priority in our overall risk mitigation strategy. In procurement, the focus is not just on price—only suppliers who meet Gerdau's safety standards are considered, ensuring that cost never comes at the expense of people's lives. For the scrap supply chain, the company maintains development programs through guiding actions, reaching the involved communities. We also have policies addressing the transportation of our raw materials and products to ensure the safety of each person during each stage of the supply chain. In Ouro Branco (MG), as part of the program, we developed the "Eu me Importo" (I Care) project, which involves 37 trained professionals, including psychologists and social workers, to provide support during maintenance shutdowns and plant overhauls. ▶ [GRI 403-7](#)

Our operations in Mexico formed a dedicated program focused on supplier safety, called Business Partners. The aim is to engage and develop service providers who share

our standards and practices in safety, health and environmental care. Through this initiative, we seek to protect the well-being of everyone involved in our supply chain, and safeguard the environment throughout the delivery of each service. In 2024, the program positively impacted around 500 people, delivering 904 hours of training, including capacity-building and certification ISO 45001.



Employees
Virginia Musso
and Tehuel López
Colada Continua,
Argentina

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WORK-RELATED INJURIES

GRI 403-9 | SASB EM-MM-320a.1 | EM-IS-320a.1

Work-related injuries - direct employees	2022	2023	2024
Number of fatalities as a result of work-related injuries	0	0	0
Rate of fatalities as a result of work-related injuries	0.00	0.00	0.00
Number of high-consequence work-related injuries (excluding fatalities)	2	1	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.03	0.02	0.00
Number of recordable work-related injuries	339	346	285
Total recordable incident rate (TRIR)	5.30	5.42	5.00
Number of hours worked	64,009,189.00	63,888,642.00	56,762,468.00
Injury severity rate	69.30	35.78	26.25
Lost-time injuries	60	51	44
Injury frequency rate – lost-time injuries + fatalities	0.94	0.79	0.78
Total recordable incident rate (TRIR)	5.29	5.42	5.39
Fatality rate	0	0	0
The near miss frequency rate (NMFRx) for (a) direct employees and (b) contractors	265.04	204.92	87.96
Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	23.31	16.57	14.31

Note: For all calculations, we use a base of 1,000,000, applying the calculation methodology below for each indicator:
 Total recordable incident rate (TRIR): $[(CPT + SPT) \times 1\,000\,000] / MHW$
 Injury frequency rate – lost-time injuries + fatalities: $[(FATALITY + CPT) \times 1\,000\,000] / MHW$
 Total Recordable Injury Rate (TRIR): $[(CPT + SPT + DO) \times 1\,000\,000] / MHW$

Work-Related Accidents - contractors	2022	2023	2024
Number of fatalities as a result of work-related injuries	1	1	0
Rate of fatalities as a result of work-related injuries	0.02	0.02	0
Number of high-consequence work-related injuries (excluding fatalities)	2	1	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.04	0.02	0
Number of recordable work-related injuries	161	174	135
Total recordable incident rate (TRIR)	3.22	3.37	2.60
Number of hours worked	50,041,962.00	51,678,727.00	51,886.652.00
Injury severity rate	144.14	143.08	10.58
Lost-time injuries	26	29	20
Injury frequency rate – lost-time injuries + fatalities	0.54	0.58	0.39
Total recordable incident rate (TRIR)	3.19	3.39	2.64
Fatality rate	0.02	0.02	0
The near miss frequency rate (NMFRx) for (a) direct employees and (b) contractors	62.87	25.19	22.36
Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	NA	NA	NA

The near miss frequency rate (NMFRx) for (a) direct employees and (b) contractors: $(QA \times 1\,000\,000) / MHW$
 Injury severity rate: $(Debited\ Days + Lost\ Days) \times 1\,000\,000 / MHW$
 Where CPT = Lost Time Injury; SPT = Recordable Work Injury (no time lost); DO = Occupational Disease; QA = Near Miss

World Safety Week 2024

The 2024 edition of World Safety Week featured a cameo appearance by Captain Chesley Burnett Sullenberger III, better known as **Sully**—a US diplomat and former commercial airline pilot. Sully acquired international fame as the captain of US Airways Flight 1549, which safely landed in the Hudson River in 2009 after both engines failed. Sully's story later inspired a Hollywood film starring Tom Hanks.

Occupational health in focus ▶ GRI 403-3, 403-5, 403-6

In addition to the aforementioned 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:

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

Gerdau offers training and development in occupational health and safety. Certain 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 also provided to all direct employees and contractors before they begin work in our operations.

All Gerdau mills worldwide have a medical clinic staffed by qualified professionals in each specialty (doctors, nurses and nursing assistants). 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. The organization maintains health plan benefit programs for its employees and their dependents. These plans may vary depending on the country where Gerdau operates. All employees are eligible for health plans, except contractors.

Employee Birdes
Jones, Monroe mill,
USA

At the company, 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. This system is 100% internally audited. The percentage of employees covered by an externally audited system reached 15% (compared to 8% the previous year), and 5% for contractors (compared to 4% in 2023).

▶ GRI 403-8

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Gerdau conducts initiatives and campaigns for disease prevention and health promotion in the workplace.



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An increasingly inclusive company

► GRI 3-3. Management of material topics

Fostering diversity and inclusion is one of our core principles and is deeply ingrained in Gerdau's culture. After years of developing programs and reviewing internal processes, in 2024 we can affirm that valuing diversity within the company and pursuing equity—so that everyone has equal opportunities to unleash their full potential—has become a consolidated business management practice.

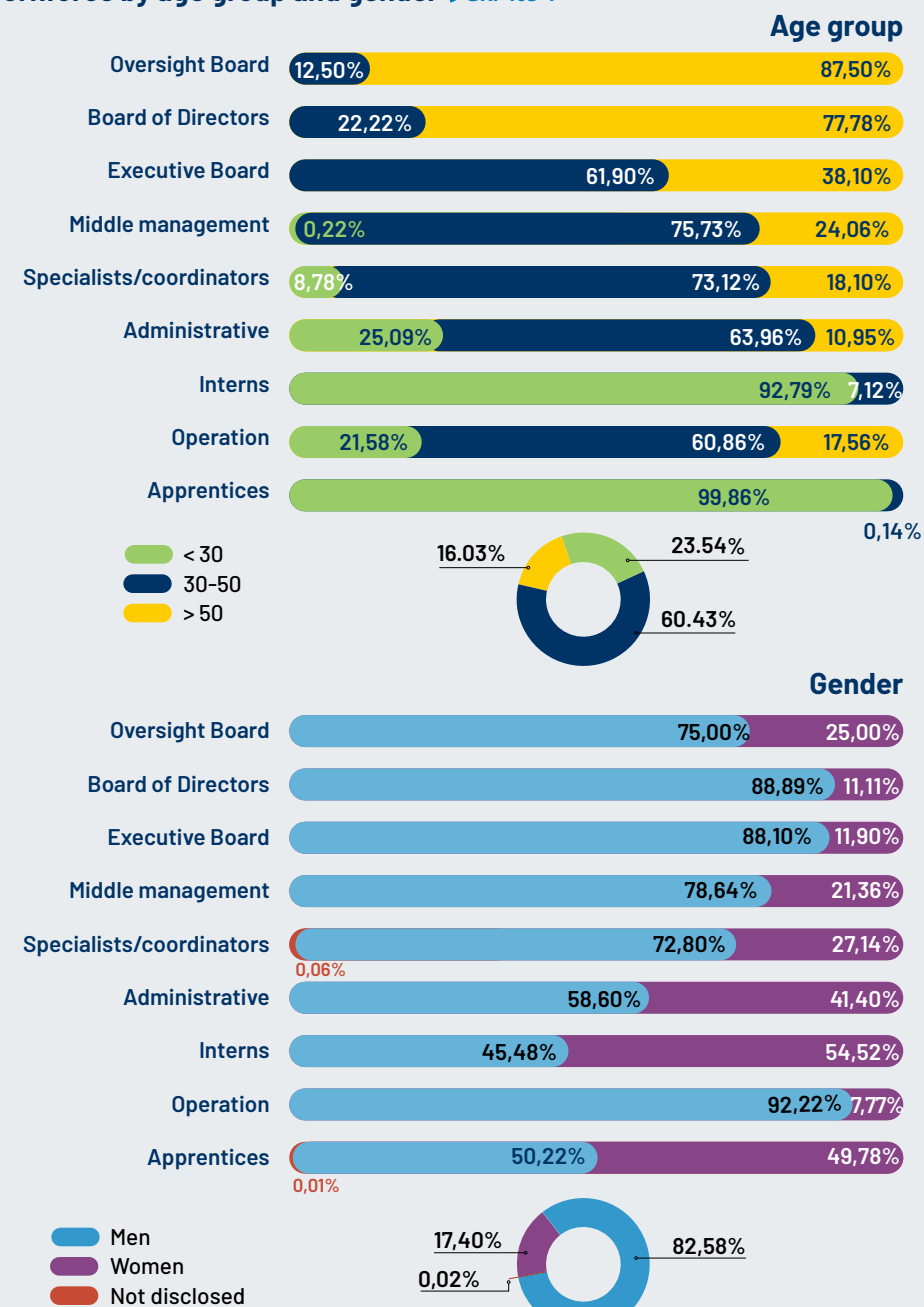
Employees Adilson Angelo da Silva and Carlucio Gustavo Ribeiro Filho, Divinópolis mill (MG)

This reality shines through in the result of the 2024 Opinion Survey (p. 35), in which, for the third consecutive year, the topic of diversity and inclusion was identified as one of the top five most important engagement drivers for employees at Gerdau.

This topic has become essential to how employees relate to the company, also driven by a dedicated diversity training portfolio. In 2024, approximately 8,000 people completed the diversity training track, which includes three mandatory courses for leaders—Harassment Prevention, Unconscious Bias and Inclusive Leadership—along with additional complementary training.

The culture of diversity and inclusion continues to evolve at Gerdau. We achieved 26.05% women in leadership positions, an increase of 0.45% on the previous year. The percentage of black employees in leadership positions increased 0.9%, to 29.3%. The representation of people with disabilities remained stable compared to 2023, when we met the legal quota of 5% required in Brazil.

Workforce by age group and gender ► GRI 405-1



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Gerdau aspires to be one of the most inclusive companies in the industrial sector. With this in mind, we work to ensure all our employees are committed to promoting an inclusive culture of respect and appreciation for diversity. This commitment is reflected in inclusion initiatives that combat all forms of discrimination and prejudice, focusing on five priority areas: gender, race and ethnicity, people with disabilities, generations and LGBTI+.

Our Diversity, Equity and Inclusion (DE&I) Strategy is based on three pillars:

🔹 **Increasing representation:** having the full diversity of society represented in our teams. To support this, we use demographic indicators to understand regional representation within our workforce and guide sustainable progress—both as a company and as individuals.

🔹 **Provide an inclusive workplace:** forge a culture of respect and appreciation for diversity. We rely on insights from the annual Opinion Survey to help us fine-tune our engagement, integration and training initiatives.

🔹 **Positively impact society:** we want to be renowned as a company that fosters societal development aligned with the purpose of “empowering the people who build the future.”

Employee
Roberta Rodrigues,
Cosigua mill (RJ)



Diversity, equity & inclusion governance

🔹 **Diversity and Inclusion Policy:** available to both internal and external stakeholders, this policy outlines the guidelines for fostering a “diverse and inclusive workplace” and for “doing the right thing”. It also covers topics related to diversity governance and accessibility.

🔹 **Diversity Committee:** comprising some 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, 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 person responsible receives mentoring and training in the pillar they will be working on, adding more knowledge to their contributions.

🔹 **Ciclos Program:** in partnership with the Health and Well-Being team, in 2024 the Gender Affinity Group organized a series of sessions focused on a specific aspect of women’s health: the menopause—a topic still considered taboo within the company. The event was open to all interested participants and brought together around 1,000 people. To guide the conversation, the group invited a specialist and hosted discussion circles.

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Programs

Helda Gerdau Program

With approximately 150 hours of training, it fast-tracks women into managerial positions. It targets women in specialists and coordinators with more than three years' experience in the position. Approved participants undergo 12 months of training in business, project management and female leadership. In 2024, we launched the third cohort of the program, with 70 professionals from all Gerdau operations around the world—marking the largest number of participants since the program's inception in 2021.

Since its launch, more than 200 women have taken part in the initiative, which is aligned with the UN Women's Empowerment Principles, reinforcing our commitment to promoting gender equality.



200+ women
have taken part
in the Helda
Gerdau Program



MOVER PARTNERSHIP

In partnership with Mover – Movement for Racial Equity, we offered 729 scholarships for English courses and other specialization programs across various fields, with the goal of boosting the representation of black professionals in leadership positions at Gerdau. In total, 862 participants took part in the initiatives carried out in 2024.

Potências Gerdau

Now in its second year, with 36 participants, including 30% women, this mentorship program connects senior leadership with black professionals in coordinator and specialist roles who are looking to grow and unlock their full potential. Learn more on [page 37](#).



Harassment Prevention Program

In 2024, Gerdau introduced its first-ever Operational Guideline on Harassment Prevention and administered the first mandatory training on the topic, specifically for executives in leadership roles. What is the role and responsibility of a leader? How should they identify a problem, support the victim and guide their team? These are some of the core questions addressed by the program, which also included training for the People function.



Employee
Raysa Thuanny
Gleydson Moreira,
Araçatiguama
mill (SP)

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Innovation and Technology

► GRI 3-3. Management of material topics

Gerdaу continues to develop a range of innovation and digital transformation initiatives aimed at delivering the best value propositions in processes, products and services. A major development in 2024 was the expansion of artificial intelligence (AI) at scale, addressing many of the business challenges identified in 2023. This progress was achieved by implementing a robust data platform, supported by a streamlined technology framework that allows us to operate in a faster and more productive way.

Several initiatives have been advanced through AI, such as data models that enable performance comparison across our industrial plants. Another strong example is the development of Integrated Business Planning using AI, providing our supply chain operations with a smarter, more predictive model for demand behavior.

Employees at our
Pindamonhangaba
mill (SP)

Percentage of investments in innovation out of total net revenue 54% invested in em competitiveness 4.98% in relation to net revenue. ► G-1

Generative AI

We are also making strides in the use of generative AI. Since November 2022, Gerdaу has been trialing a variety of market tools to better understand where and how to deploy them to address business challenges more effectively. These experiments have led to solutions now integrated into key digital transformation initiatives across the company.

Our momentum is being reinforced by the creation of the Artificial Intelligence Committee, composed of representatives from Information Security, Legal, Compliance and Internal Controls. The Committee is tasked with evaluating the implications of the new regulatory framework for AI, the impact of AI models on our daily operations, and defining the most relevant training programs for employees, which will be intensified in 2025.

Innovation ecosystem and open innovation

We have also established an Innovation Community—a multidisciplinary group tasked to enrich Gerdaу's innovation culture and applied innovation through partnerships with acceleration hubs, universities and research centers.

In 2025, we will focus heavily on leveraging AI to boost productivity, performance and operational safety, while also enhancing the customer experience in a unique and differentiated way.

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Gerdau Mais

Launched in 2022, this business platform features self-service functionalities, development of the product and service purchase journey, and strategic definition

GERDAU mais



of digital versus offline transactions. More than 70% of our customers are now using the tool. The new features introduced in 2024 in the logged-in area include a shopping truck feature (currently in testing), which enhances the customer journey for special steels. In 2025, the goal is to expand access to other clients with profiles that fit this solution.

Also in the special steels segment, we began using generative AI to process customer calibration sheets. By analyzing technical specifications, the AI determines whether the company has production capacity. This program has achieved an accuracy level of around 80%, ushering in significant productivity gains in this steel segment. In the non-logged-in area, we developed specialized content hubs and expanded and improved our steel product pricing simulators.

Digital twins

Digital twins are virtual replicas of existing processes at our steel mills, powered by technology that harnesses real-time data to simulate various manufacturing and production sequencing scenarios. These simulations help identify the best path forward (trade-offs) quickly and safely, by interpreting actual behaviors in a digital environment—making processes more efficient and driving substantial improvements in raw material consumption. This technology is deployed in our three main production lines (planning, control and scheduling): Integrated mill process (Ouro Branco, MG), Bio-reducer mill process (Divinópolis and Sete Lagoas, both in Minas Gerais) and Electric arc furnace process (scrap).

Digital Factory

This function is responsible for enabling tools that drive the company's digital transformation 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 team's key developments in 2024 include the development and expansion of the design system—a standardized approach to user experience across all our applications, from models to software products—ensuring consistency, scalability and ease of use.

Data4All

Gerdau's free technology education platform offers courses in data technology and artificial intelligence. It is currently used in operations in Brazil, Peru and Mexico, with 200 classes available. The platform has reached major milestones in data and AI education. In 2024, a total of 1,050 courses were completed and 422 assessments were conducted. Data4ALL is also the learning hub for the GData Program, through which we trained 30 data scientists in 2024.

Employee Eduardo
Maia Boa Nova,
Riograndense mill (RS)



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AI Innovation Center

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

Smart Allocation

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

Employee
Fabián
Saboredo,
Uruguai mill

5G technology

We completed the roll out of 5G technology at the Ouro Branco unit, using both public and private 4G/5G

networks. Developed in partnership with Embratel, the project implemented a robust digital infrastructure to power the future of steelmaking. It included the installation of multiple towers, covering more than 8.3 million square meters of Gerdau's largest plant worldwide. A new IT backbone (transport network) was also created to drive digital transformation and expand automation potential across operations.

The enhanced private LTE 4G and 5G network now boasts a combined capacity of 4.8 Gbps. This technological structure will allow us to roll out the Industry 4.0 concept in Ouro Branco, leveraging automation, productivity, flexibility, visibility, traceability, data usage, and safety in processes, including Gerdau's planning, production and logistics. This bold initiative earned us the Innovative Workplaces Brazil 2024 Seal—the only steel producer recognized among the 20 most innovative companies in the country by MIT Technology Review Brazil.

Information security**► GRI 3-3. Management of strategic topics**

Gerdau has a specialized Digital Security team that covers all security and data privacy disciplines. We conduct regular audits to ensure compliance with best practices and the latest security standards. In 2024, we strengthened our information security controls—especially those focused on automation—across Brazil,

the United States, Peru and Argentina. We also advanced the development of safety analytics, a model powered by AI that captures on-the-ground reports and data to demarcate potential risk zones within our operations.

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.

Open innovation to optimize corporate processes

In collaboration with Distrito, we launched the corporate challenge "Market Pricing Analysis", designed to discover technological solutions that consolidate data from various platforms into a single, centralized tool. This would allow for real-time data consultation and help streamline commercial processes at Gerdau.

Targeted at B2B audiences and the fintech, IT and business management sectors, the project seeks to integrate a wide range of data sources—including global steel market intelligence, maritime freight information, dollar exchange rates and Power BI dashboards—into a single, centralized platform. The ultimate goal is to merge this consolidated data with the company's management reports, enabling the use of predictive algorithms to forecast special steel prices, simulate import scenarios and analyze customer-specific price elasticity indicators.

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GABI, OUR PURCHASING ROBOT

Gerdau's digital transformation has been speeding up several of the company's processes. A prime example of this progress is happening in Procurements, which has added automation technology to streamline the company's purchasing routine. The solution, called GABI (Gerdau Autonomous Buying Intelligence), is a fully autonomous platform that brings benefits such as faster service for internal clients, cost savings and stronger operational performance.

Originally implemented in Brazil, GABI started to be developed for the United States as well in 2024. It now processes more than 1,500 purchase orders per month, with no need for human interaction. Thanks to GABI, our teams can now focus their energy on more strategic tasks, boosting both the company's value creation and their own personal development. The robot's responsibilities include identifying internal purchasing requirements, requesting quotes to find potential suppliers and issuing purchase orders. It can request multiple quotes at the same time for a variety of materials—everything from office supplies to maintenance and cleaning products. Next up for GABI in 2025: expanding the tool to support purchases for our operations in Canada, Peru, Mexico, Argentina and Uruguay.

Product innovation

CA-50 rebar

We have started producing CA-50 rebar in Minas Gerais state as part of our strategic investment in quality-focused technology. Already under production at other Gerdau mills in Brazil, this coiled rebar boosts productivity for construction clients while cutting down on waste during the bending and cutting process.

This solution combines flexibility and weldability—two key features that help streamline industrial processes requiring bending and cutting. Its use spans a wide range of applications in civil construction, industrial and infrastructure markets, alongside precast solutions such as utility poles and other structural elements.

The product is certified by both the Brazilian Technical Standards Association (ABNT) and the National Institute of Metrology, Quality and Technology (Inmetro). It meets the highest quality standards, ensuring reliability and safety across many uses, while also securing a more sustainable future.

ASTM A572 Grade 50 Laser Plate

In partnership with the Innovation and Technology Center of the National Industrial Training Service (CIT-Senai) in Minas Gerais state, Gerdau has developed a steel solution for cutting thicker plates using laser technology. This innovation marks the first locally developed product in Brazil designed for high-power laser processing (above 10 kW). Produced in Ouro Branco (MG), the solution enables faster processing speeds, leading to greater productivity and efficiency. It also ensures more precise cuts and lower greenhouse gas emissions, aligning with more sustainable industrial practices.



CA-50 rebar

ASTM A5
Grade 7250
Laser Plate

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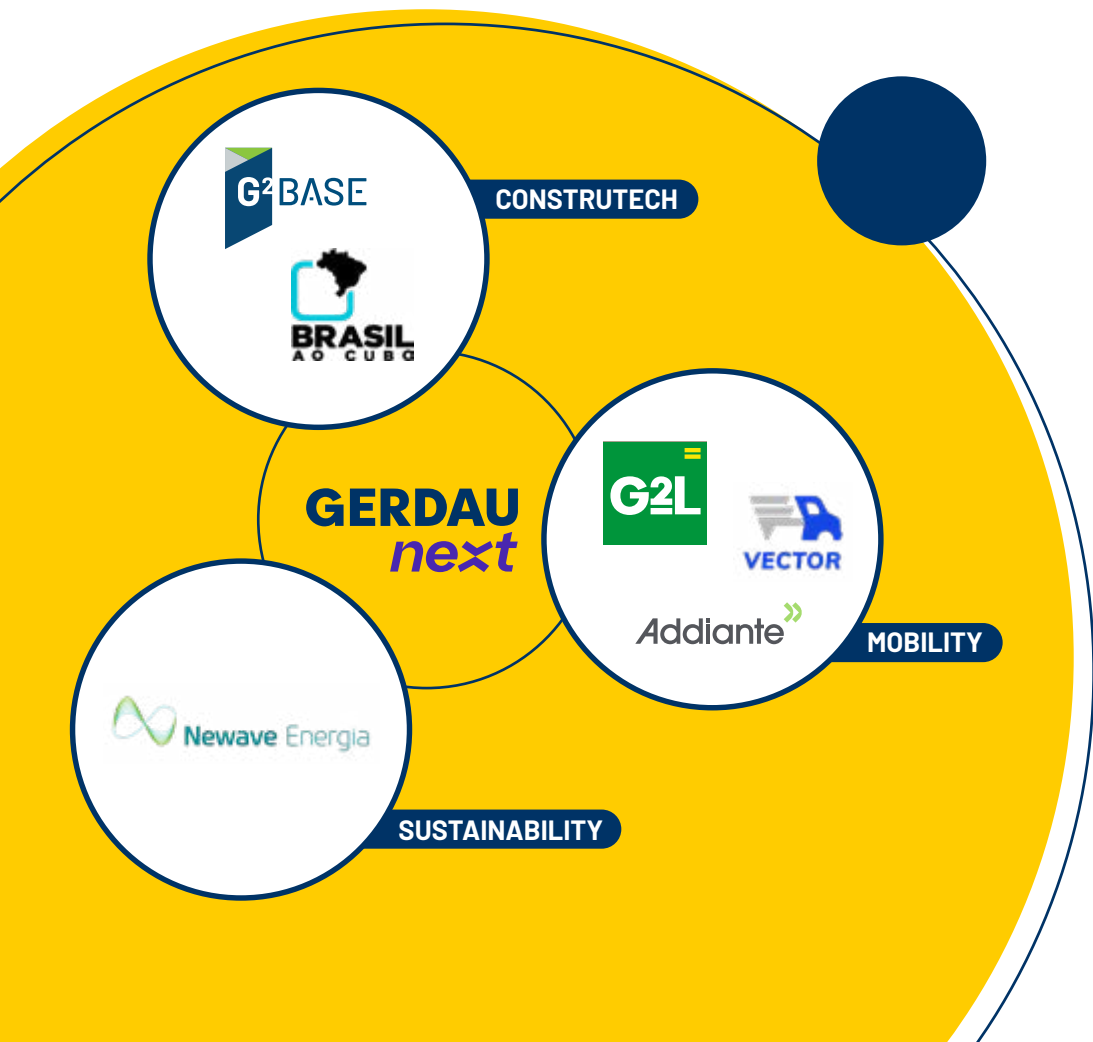
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Gerdau Next

Through Gerdau Next, the company aims to diversify and innovate beyond steel. In 2024, Gerdau’s new business division carried out its first major portfolio review, which led to the discontinuation of certain projects that were less suitable for the unit’s growth strategy. This portfolio management allows us to focus on businesses with stronger potential for growth and profitability, enhancing the value of our broader ecosystem.



As part of our mission to develop expansion paths that complement steel, since 2020 we’ve brought new companies and startups into our focus areas—construtech, mobility and sustainability—always grounded in an innovative, collaborative, inclusive culture and a commitment to delivering sustainable solutions for clients and stakeholders alike.

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CONSTRUTECH

Brasil ao Cubo (BR3)
Brasil ao Cubo is a rapid construction company that delivers finished projects across Brazil at a speed four times faster than traditional builders. The company uses an off-site modular construction model. 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.



In 2024, Gerdau—which holds a 44.6% interest in the company—saw Brasil ao Cubo maintain strong performance in the industrial segment while expanding further into the residential niche. The opening of a new factory in Tubarão (SC), equipped with cutting-edge machinery and a leaner production model tailored for this market, helped the company reach competitive cost levels compared to traditional residential construction—especially for medium- and small-sized homes.

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G2Base

G2Base operates in the foundations segment, boosting construction productivity through its seamless service model. The company combines innovative processes, new technologies, high-quality raw materials and top-tier equipment—always working alongside strategic partners. It also serves as Gerdau's direct sales channel for structural profiles used in foundation and containment works.

In 2024, G2Base made major strides by diversifying its portfolio, adding new products and services like sheet piles, helical piles and a strategic partnership to offer precast concrete solutions. This nationwide firm has completed over 37 projects using its seamless model, serving clients in real estate, industrial and infrastructure sectors.



MOBILITY

Addiante

Addiante is a joint venture between Gerdau and Randoncorp that's driving the future of mobility. Specializing in the rental of heavy vehicles and equipment, the company provides real-time monitoring of the main fleet indicators, including fuel management, tires, tolls, preventive and corrective maintenance, and tracking and monitoring solutions. Through tailor-made services, Addiante meets the unique needs of each client's logistics journey.

In just its second year of operations, Addiante achieved standout results in 2024—delivering milestones originally forecast for its fifth year. Another innovation worth noting is its customer support, powered by Manu, a digital avatar created using artificial intelligence. Manu keeps clients informed throughout the entire process, from basic updates to in-depth communications, complete with detailed reports.

Addiante»



G2L

G2L Logística was born from an internal entrepreneurship project at Gerdau, with the mission of transforming logistics through innovation and technology. Since then, it has established itself as one of Brazil's leading logistics operators.

The company now has 25 branches countrywide, serving around 4,000 cities. Specializing in seamless logistics solutions, G2L offers road and multimodal transport, yard management, distribution center operations, intralogistics and freight management. Its portfolio includes over 80 clients across sectors like chemicals, steelmaking, construction, retail, paper & pulp and agribusiness.

With annual revenue north of R\$ 1 billion, G2L is focused on increasing profitability and strengthening its market competitiveness. Beyond business growth, G2L plays a strategic role for Gerdau, helping cut freight costs and optimize operations.

To support this mission, the company invests in onboard technology, streamlined processes and personalized service—delivering high-performance logistics solutions. Its commitment to sustainable practices adds value to operations, drives efficiency, and reinforces its role as a transformative force in the sector.



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Vector

Vector is an ecosystem of tech and financial solutions designed for the industrial sector. It connects shippers, fleet carriers, independent drivers and partners through seamless and scalable digital platforms. Vector makes collaboration natural and seamless, building synergy and end-to-end logistics integration. Its service portfolio includes cargo matching, a digital freight broker, and financial services—all boosting productivity for shippers and enhancing quality of life for drivers.

Vector’s database includes more than 240,000 drivers, both independent and fleet-based, ready to serve clients nationwide. Across all segments, the platform handles over 1 million trips a year, moving more than 40 million tons of cargo.



SUSTAINABILITY



Newave Energia

Newave Energia is a renewable energy platform in which Gerdau Next holds a 40% interest. In 2024, the company completed delivery of the Arinos Solar Park in Minas Gerais, a mega solar facility built on time and within budget, backed by a R\$ 1.5 billion investment. The project is expected

to generate around 4,000 direct and indirect jobs, contributing to local income and development for decades to come.

With a generation capacity of 420 MWp, the Arinos Solar Park is a major milestone in Gerdau’s drive to reduce its greenhouse gas (GHG) emissions. The plant’s installed photovoltaic capacity is equivalent to 7% of Gerdau’s annual energy consumption in Brazil, based on 2022 production levels, and is estimated to reduce emissions by up to 22,000 tons of tCO₂ per year. Roughly

30% of the renewable energy generated at the site will power Gerdau’s steel production in Brazil.

Looking ahead, Gerdau and Newave Energia have announced the construction of the Barro Alto Solar Park in Goiás, Brazil, with a total capacity of approximately 452 MWp.



FOR FURTHER information see the “Natural capital” section.



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INTEGRATED VALUE PROPOSITION (IVP)

This is one of Gerdau Next's most important transformation initiatives for 2025. Gerdau Next will begin operating as a seamless solutions platform for the market. Business opportunities will be evaluated based on the strengths of the companies in the Next portfolio, with the goal of adding more value to the company's service offerings according to each client's needs.

Our first value integration case, still in the MVP phase of the IVP, was with Suzano. BR3, G2Base and G2L delivered a seamless solution for the construction of the Pulp Warehouse at the Port of Itaquí (MA). In this project, we executed the foundations using steel profiles, delivered the building structure, and managed the logistics chain—creating value and results in a synchronized manner across the supply chain. A more recent demonstration of the IVP's potential was the ST11 Terminal in Santos, built by Construtora Zortéa for Chinese company Cofco. G2Base provided customized steel foundation solutions, while Gerdau, through Gerdau Design, contributed with its GG70, Welded Wire Mesh, and Cut & Bent GG50 product lines.



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Employees Giovana Vieira Evangelista, Victor Masson and Mikaelly da Silva Gomes, Miguel Burnier mill (MG)

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GERDAU
Shape the future

Stakeholder relations

► GRI 2-29

Investing in rewarding and enduring relationships underpinned by transparency and dialog is fundamental to our business. As the largest Brazilian steel producer, with around 28,000 employees and operations in 7 countries spanning the Americas, we are aware of the social impact our activities exert and are committed to improving the quality of life for people and society.

To propagate well-being, inclusion, education and sustainable economic development, we established a stakeholder engagement map. This defines the responsibility of each function within the business in managing relationships with stakeholders—investors, market analysts, employees, communities, clients, suppliers, governments, the third sector, media and society. This document

allows us 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 proposed projects are analyzed by the C-level executives and the Board of Directors members in quarterly meetings of the Strategy and Sustainability Committee.

Transparency, active listening and ongoing dialog with our stakeholders are part of Gerdau's daily practices. We value the opinions, suggestions and requests received as a way to improve our strategy. With this in mind, Gerdau also holds quarterly financial results meetings for investors, market analysts and the media, and annual public meetings with communities neighboring our operations. We also take part in industry associations and public meetings with authorities and other government bodies.

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.

Employees Otávio Augusto Pereira da Silva, Analice Monte de Castro and Rogério Gomes, Cosigua site (RJ)

We have a stakeholder engagement map that defines the responsibility of each function within the business in managing relationships with stakeholders.

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GERDAU
Shape the future

Identifying impacts

► GRI 2-25, 413-2

Direct engagement with stakeholders helps us identify the impacts generated by our mining or industrial activities in the communities where Gerdau operates. Based on the feedback we receive—such as perceived and/or actual negative impacts caused by our operations—we are better equipped to assess the situation, understand the root cause and carry out mitigation or remediation actions.

Gerdau believes its growth is directly linked to the development of its stakeholders (clients, suppliers, employees, communities, government and shareholders). To evaluate our management approach, we listen to stakeholders through surveys with key groups. We also provide a public phone number so communities can contact the company directly.

In this open and transparent dialog, we share operational risk information with stakeholders during regular meetings held with the communities where we operate. 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 Whistleblowing Hotline), in addition to messaging apps. 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.

In the company's operations in Minas Gerais—a Brazilian state where we have a more complex

set of operations, including forestry, mining and steelmaking—we maintain Prosas de Vizinhos. This platform was designed to foster stronger cooperation and active listening in local communities. In addition to engendering closer engagement, the technology is used to organize data and ensure more accurate management of social risks.



Tultitlán mill,
Mexico

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Dealings 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 Corporate Guideline for Dealing with Government Officials outlines how contact should be made—whether directly or through representatives. Globally, our business complies with a range of 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 our 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 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 have implemented local community engagement, impact assessments, and/or development programs for the local community.

OUR LEADERSHIP IN DAVOS

For the first time, Gerdau executives attended the World Economic Forum in Davos, Switzerland. The 54th edition of the event was held in January 2024. It brought together business leaders, CEOs, heads of state and civil society representatives from several countries to discuss topics that affect the future of the planet.

Key discussions focused on rising inflation and interest rates, the green economy, the climate crisis and the energy transition. Gerdau's presence in Davos bolsters our commitment to sustainable growth and our ambition to help provide solutions to global challenges and dilemmas. We strive to be a global benchmark and contribute positively in our geographies.

Gustavo Werneck and Subramanian Rangan, Professor of Strategy and Management at INSEAD Business School.

ASSOCIATION MEMBERSHIP

► GRI 2-28

The organization participates in the following industry and/or other types of associations, including national and international advocacy organizations:

- Asociación Latinoamericana del Acero (Alacero)
- Brazilian Association of Listed Companies (Abrasca)
- Brazilian Association for Business Communications (ABERJE)
- Brazilian Association of Self Generators (Abiape)
- Brazilian Association of Wholesale and Free-Market Power Consumers (ABRACE)
- 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)
- 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)
- Brazilian Forestry Association (Ibá)
- Instituto Aço Brasil (IABr)
- Brazilian Institute for Corporate Governance (IBGC)
- Brazilian Mining Institute (IBRAM)
- Brazilian Investor Relations Institute (IBRI)
- Business Research Institute (IEE)
- Industrial Development Research Institute (IEDI)
- Instituto Millenium
- Lide – Business Leaders Group
- Competitive Brazil Movement (MBC)
- The United Nations (UN) Global Compact
- World Economic Forum (WEF)
- World Steel Association

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GERDAU
Shape the future

Community relations

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

Gerdau continuously works and invests in initiatives that create positive impact for a better society. We are committed to creating opportunities that help transform our local communities, through social investment and sponsoring projects in three priority areas: housing, entrepreneurial education and recycling. We also aim to go further by engaging our employees in this journey through volunteer activities, strengthening individual citizenship and a sense of belonging.

Community engagement follows the commitments outlined in our Sustainability Policy, Corporate Guideline for Social Responsibility and Guideline on Donations and Sponsorships. We also have targets for the number of people benefited, volunteering initiatives and social investment.

R\$ 110.5 million

invested in ongoing projects and new initiatives.



With the goal of forging an enduring legacy capable of transforming social realities, we invested a total of R\$ 110.5 million in 2024 across ongoing projects, new initiatives and support for people affected by the flooding in the first half of 2024 in Rio Grande do Sul—the state where Gerdau does more than just operate—it's where everything began (see next page).

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 this issue. 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. The mapped, discussed and addressed risks are reported monthly to the corporate risk team in Brazil. These 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.

Employee Ana Carolina Moraes Gonçalves, Miguel Burnier mill (MG)



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Gerdau in Rio Grande do Sul state

Our Presence in the State



3,900 employees

.....



2 steel production mills

.....



1 cut and fold facility

.....



6 Comercial Gerdau branches

.....



Leader in ferrous scrap recycling in the state

More than just a company operating in Rio Grande do Sul, Gerdau has been steeped in the state's history for 124 years. Our connection goes beyond steel production—we invest in the local economy, generate jobs, nurture talent and support social initiatives. In response to the floods that

struck the state between April and May 2024, the company's reaction was clear: a deep sense of responsibility and commitment to our employees and the people of Rio Grande do Sul permeated all levels of the organization. Hundreds of people mobilized across our units in Brazil and in other countries where we operate, joining a powerful wave of

solidarity for our colleagues, their families affected by the rains and the broader population.

In the first few days, we formed a crisis committee, activated our emergency response protocol for employees and committed to supporting the impacted communities as quickly as possible,

maintaining open dialog with authorities and local agencies. Every decision Gerdau took placed people at the center, ensuring the protection of employees and the communities facing this tragedy. We suspended operations in Charqueadas and Sapucaia do Sul to put the physical and emotional safety of employees and their families first.

Riograndense mill (RS)



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Beyond those directly affected, we recognized that employees in the region who were caring for others also needed care. We began taking an active role in various support groups. Through an intense, collaborative effort, we overcame the initial impacts and joined the public recovery and reconstruction plan for the state. In the face of severe adversity, the essence of our culture proved once again to be strong and resilient—something that made us extremely proud.

Gerdau's operations in Rio Grande do Sul were gradually resumed, with extreme care taken to ensure proper safety conditions were in place before each activity returned. Each employee was allowed to decide the right time to return to work, according to their physical and emotional conditions. The company continues to provide the necessary support to all employees and their families. Additionally, our teams remain engaged in the communities through the Gerdau Volunteering Program.

A large portion of the company's social work in 2024 was directed toward rebuilding the state where Gerdau was born, grew and continues to thrive. This included creating a working group focused on the reconstruction needs in the South and

investing **R\$ 51.4 million** in the region. We carried out dozens of initiatives during this period, some of which will continue into 2025.

Our recovery plan was structured around five key core areas, in addition to investing in the Regenera RS Fund (described below):: social assistance, education, housing, infrastructure and entrepreneurship.

REGENERA RS FUND

Gerdau and Instituto Helda Gerdau set up the Regenera RS Fund to expedite the state's recovery. Managed by Din4mo Lab, the initiative mobilizes resources to sponsor projects that ensure both immediate reconstruction and long-term solutions for a safer and more sustainable future. The Regenera RS Fund targets four crucial fronts: ensuring that investments create real and enduring impact: education, housing, urban solutions and business support.

Gerdau was one of the first companies to commit to the Regenera RS Fund, making an initial investment of R\$ 10 million.



TO FIND OUT MORE, VISIT:
<https://regenerars.org/>
(available only in Portuguese)



A group of volunteer employees and partners receiving donations at Gerdau Charqueadas (RS)



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Operating fronts

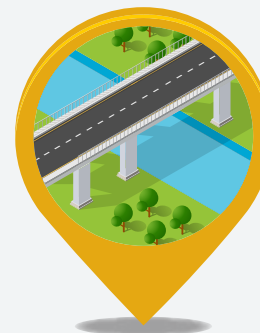
Sapucaia do Sul

Charqueadas

Porto Alegre

EXECUTED INVESTMENTS

➤ **R\$ 51.4 million** to rebuild the state



➤ Infrastructure

➤ **R\$ 6.71 million** invested in rebuilding essential infrastructure in the state, such as repairing the roof of the São Jerônimo Regional Hospital and rebuilding bridges.

In partnership with Aegea Corsan, we installed a mobile water treatment station to support the cities of Sapucaia do Sul and Esteio, with capacity to supply **1.7 million** liters of drinking water per day.

➤ Education

➤ **R\$ 12.68 million** allocated to renovating municipal and state schools, participating in a program to re-equip school kitchens, and providing management support to the State Department of Education through consultancy services.



➤ Housing

➤ **R\$ 20.5 million** invested in temporary housing and the construction of new homes, along with adjustments to the "Reforma que Transforma" Program to meet the needs of affected employees.



Delivery of the renovation of the Doutor Liberato Salzano Vieira da Cunha Municipal K-12 School in Porto Alegre



A temporary city was set up in partnership with Gerando Falcões and UNHCR, the UN Refugee Agency, to build the Humanitarian Reception Center in Canoas, providing emergency housing for displaced families

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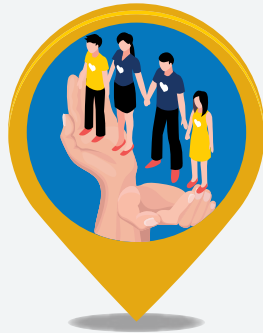
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GERDAU
Shape the future



Supporting employees

- › **+Cuidado Program** providing emotional, psychological and financial counseling.
- › **Telemedicine** services from the Albert Einstein Hospital.
- › **Facilitating the purchase** of new home appliances at a discount.
- › **R\$ 13.97 million** invested directly in housing support for employees, benefiting 752 people, including 227 home renovations and 2 new homes, plus donations of white goods (stove, refrigerator and washing machine) and mattresses.



Volunteer employees helping distribute donated items to communities

Social services

- › **R\$ 1.5 million** invested in aid donations, ensuring emergency supplies such as basic food hampers, drinking water and personal hygiene and cleaning kits.
- **60+ metric tons** of food
- **68,000+** hygiene and cleaning items
- **50,000+** liters of bottled water
- › **Logistics support from G2L**, Gerdau's logistics company, ensuring efficient transportation of donations to affected areas.
- › **Helicopter rental** for logistical support.



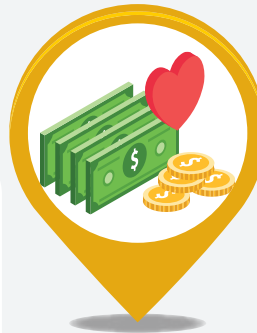
Mattresses donated to families



Entrepreneurship

- › **R\$ 385,000** invested in reviving entrepreneurship and local economic development, supporting waste picker associations and the reconstruction of Instituto Caldeira.

.....



Other initiatives

- › **"Unidos pelo Rio Grande do Sul" Campaign:** for every R\$ 1 donated by an employee, Gerdau matched the amount—total proceeds were allocated to the Banco Social of the Rio Grande do Sul State Federation of Industry.
- › **Voluntary financial donation campaign** by Gerdau employees in North America to support colleagues working in Rio Grande do Sul.

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Other social highlights

B-EPIC

Launched in 2024 as a pilot, the B-EPIC (Brazil Enterprise Productivity & Inclusion Club) program is a partnership between Gerdau and Fundação Dom Cabral, for the strategic development of young people aged 18 to 24 entering the job market. B-EPIC prepares this group—through mentorship and training in non-cognitive skills—to take part in the Young Apprentice Program at companies, engaging a portion of the population that faces high unemployment rates while also promoting business growth. The first class included 64 apprentices and 44 mentors from the Ouro Branco (MG) unit, who participated in training sessions and workshops over four months.

Gerando Falcões [Creating Falcons]

This social organization operates in a network to boost the impact of leaders in communities across Brazil 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 Recife (PE). In 2024, a leader from Sapucaia do Sul in Rio Grande do Sul graduated.

Another key partnership with the NGO is through the Favela 3D project (Digital, Dignified and Developed), an anti-poverty initiative focused on several pillars: dignified housing, access to healthcare, the right to education, citizenship and a culture of peace, early childhood, environment, income generation, culture, sports and leisure. In 2024, a collaboration between Gerdau, Gerando Falcões and music festivals The Town (São Paulo) and Rock in Rio (Rio de Janeiro), among others, benefited around 290 families. Gerdau contributed its expertise in housing revitalization in Morro da Providência, in Rio de Janeiro, supporting the housing pillar of our social strategy. The project was completed in Favela Marte, in São José do Rio Preto (SP); Favela Haiti, in the southeastern region of São Paulo’s capital; and Favela dos Sonhos, in Ferraz de Vasconcelos (SP). It is currently underway in Morro da Providência, in Rio de Janeiro (RJ), and Vila Costaneira, in Eldorado do Sul (RS).

Reforma Que Transforma [Transformational Renovations]

Considered the largest social project in Gerdau’s history, it is a structured response to the need for housing improvements in Brazil. Launched in 2021 under an initial investment of R\$ 40 million from the company’s own funds, the initiative spans 12 regions and aims to complete 13,000 renovations over ten years. In 2024, the project delivered 1,081 home renovations, 227 of which supported the recovery of homes affected by the floods in Rio Grande do Sul (p.64). Over the past four years, the project has provided dignified, healthy and safe housing to more than 15,000 low-income people living in substandard housing conditions. In addition to improving the lives of beneficiaries, Transformational Renovations also provides training to local partners responsible for the renovations and stimulates the local economy, as all workers and materials are sourced locally.

TRANSFORMATIONAL RENOVATIONS 2024 RESULTS



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

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Gerdau Transforms

This program was created to place socially vulnerable people into the job market through entrepreneurship. The course 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 2024, the program transformed the lives of 8,390 people.

Gerdau Volunteer Program

Gerdau employees remain actively engaged in our volunteering efforts, and in 2024 we recorded more than 7,000 individual participations. One of the program's highlights is the Gerdau Volunteer Games. Now in its third edition since 2022, this initiative takes place in all countries where we operate and urges employees to take part in volunteering work in support of local institutions during a specific time of year. In 2024, inspired by

the "Olympics" theme, our teams carried out 250 actions, involving 2,931 volunteers and benefiting 49,500 people. The benefited institutions (NGOs, cooperatives and public schools) are chosen by employees.

Aprimorar ["Improve"] Project

Through the ESG Clause, Gerdau supplier MILPLAN Engenharia, in partnership with Gerdau and the National Industrial Training Service (Senai), developed the Mulheres MIL project in 2024—an initiative focused on including economically vulnerable women in the industrial sector. In this edition, a training class focused on welding was held, with 16 women from the cities of Ouro Branco (MG), Conselheiro Lafaiete (MG), and Congonhas (MG) completing the course. Of these, 12 were hired by MILPLAN.

The second edition of the project also took place in 2024, this time with a focus on electrical training. In this group, 16 female electricians graduated, and 7 were hired after completing the course.

The goal of Programa Aprimorar is to boost employability and accelerate professional training in Gerdau's geographies, cultivating an increasingly diverse and inclusive workplace. What sets the program apart is the involvement of company suppliers in the training and hiring ecosystem, through the voluntary inclusion of social investment clauses.

Gerdau
volunteering
program: painting
at Escola Municipal
Rosa Pedroso de
Almeida



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SPORTS SPONSORSHIP

Gerdau believes in sport as a platform for social transformation and thus seeks to support teams and initiatives that contribute to this goal. In 2024, we renewed our sponsorship of 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, we sponsored the Mineiro Football Championship for the third consecutive year and renewed our sponsorship of the professional and youth categories of Clube Atlético Mineiro and 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.



GALO SOCIAL

In addition to its support for high-performance youth athletics, Gerdau also renewed its support for the Galo Social project, which serves 240 boys and girls aged 6 to 18 who live near Cidade do Galo. These children receive educational support from a multidisciplinary team at the club's proprietary training center and have access to sports training based on the club's methodology. To maximize participation, all children are provided transportation from school to Cidade do Galo and then home—with support from the municipality of Vespasiano—and snacks served on-site during activities.



Company Certification

Gerdau is the first steel industry company certified as a B Corporation in North America, including its assets in the United States and Canada. In 2024, the divisions in the region joined Gerdau Summit—dedicated to supplying components for wind power generation in Pindamonhangaba (SP)—and Siderperu, Gerdau's steel production operation in Peru. These two were the first steel producers in the world to receive B Corp certification. This recognition also brings benefits to the business in the region in the coming years, such as:

- Talent retention and attraction in the highly competitive U.S. job market
- Positive reception among clients, who increasingly seek transparency on Gerdau's sustainability efforts and additional plans to reduce greenhouse gas (GHG) emissions
- Development and consolidation of processes that position Gerdau as a sustainability leader within the North American steel industry

Following the B Corp certification of the North American operations, Gerdau's units in Mexico, Argentina and Uruguay also underwent the certification process in 2024. Gerdau Corsa, the company's Mexican operation, confirmed its certification in March 2025.

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Miguel Burnier Mine,
Ouro Preto (MG)

IRMA Sector Standard 50

Our Miguel Burnier mine, located in Ouro Preto (MG), achieved IRMA 50 classification—an independent audit system that provides best practice guidelines and requirements for participatory stakeholder engagement. This achievement speaks strongly to Gerdau's high operational standards in mining, especially in areas such as safety, health, environment and community relations.

Miguel Burnier is the second iron ore mine in Brazil to complete an IRMA audit and is among the 11 recognized mining sites worldwide. Founded on the belief that everyone affected by mining should have a voice, IRMA connects experts, advocates and industry leaders to establish a best practice standard and a transparent assessment process.

Creating a Legacy, Honoring Life project

Launched in 2024 to celebrate 12 months of Gerdau's best safety results, the "Creating a Legacy, Honoring Life" project awarded three undergraduate scholarships to daughters of employees—one scholarship for each of Gerdau's regions: Brazil, North America and South America. An internal panel evaluated social criteria and employee performance to select the three winners. Providing financial support for these young women to attend the university of their choice was a symbolic way for the company to celebrate life in a year marked by safety milestones across its operations. In 2025, to celebrate two consecutive years of excellent safety results—achieved on January 9—Gerdau will award six undergraduate scholarships.

MM Gerdau Museum

Opened in 2010 and funded by Gerdau since 2013, the MM Gerdau – Museum of Mines and Metal, in Belo Horizonte (MG), runs education, science and heritage initiatives. In 2024, more than 250,000 visitors attended free exhibitions, workshops and training sessions at the museum. With a view toward the next five years and the institution's contribution to society, Gerdau is currently discussing the project "The Future of the Museum", designed to upgrade the museum's technological and scientific features in terms of curation and infrastructure, in order to attract more people and strengthen ties with new generations.



Mines and Metal
Museum, Belo
Horizonte (MG)



The Ouro Branco Music Hall

With financial backing from Gerdau and architectural design by Gustavo Penna, the Ouro Branco Music Hall Cultural Association inaugurated its new headquarters. The institution now boasts spacious rehearsal rooms (individual and group), a multi-use area, library, administrative area and parking. Since 2003, Gerdau has sponsored the organization's project, which over 20 years has developed activities in the field of classical music education and outreach—including music initiation, string and wind instrument instruction, orchestra practice and choir practice for local children and teenagers. The institution also promotes cultural exchange programs for at-risk youth and supports the development of young musicians who have since built careers in Brazil and abroad.

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Branding

Steel is present in people's lives in countless ways. It is also a strategic component of the energy transition, being 100% recyclable and essential for the infrastructure that supports this societal shift. Gerdau's brand initiatives are designed to strengthen relationships with our stakeholders and build a positive perception of the business. But we always strive to go beyond. Our communication projects aim to engage society and raise awareness of steel's importance in people's daily lives and in addressing the planet's social and environmental challenges.

Humanizing the brand and our messaging through creative, inclusive actions is how we connect people to our purpose and position Gerdau as a company that is increasingly admired. Although we are a business-to-business (B2B) company, our conversation with society also happens through business-to-people (B2P) initiatives, where we reaffirm our commitment to "de-commoditizing" the steel industry and strengthening the brand among all our stakeholders.

Our pillars

- Differentiate Gerdau's image from the average perception of the steel industry, which still faces significant public criticism.
- Guarantee a social license to operate.
- Modernize and revitalize the brand to attract new talent.
- Highlight our production model to make our steel even more appealing to consumer markets.

Key Initiatives in 2024



SÃO PAULO GRAND PRIX – FORMULA 1

For the second consecutive year, Gerdau was the official steel supplier for the Brazilian stage of the world's biggest motorsport event, which in 2024 paid tribute to driver Ayrton Senna, marking 30 years since his tragic death. To honor the occasion, we built a full-size replica of a Formula 1 car from 1.4 ton of scrap metal, which was displayed in São Paulo and Minas Gerais. This initiative allowed us to showcase Gerdau's sustainable production model, which uses scrap metal as raw material for about 70% of its steel production, resulting in low-carbon steel manufacturing.



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ROCK IN RIO 2024

We renewed our partnership with the world’s largest music, arts and entertainment festival. For the second time in as many years, the stage design for Palco Mundo featured 100% recyclable Gerdau steel, continuing a purpose-driven collaboration that began in 2022—one rooted in sustainability and innovation. Gerdau also launched an integrated campaign at the event, focused on

the concept of recycling circularity, showing the journey from scrap to the final steel product. The public was engaged through out-of-home (OOH) media and messaging in the Galeão (RJ), Santos Dumont (RJ), Congonhas (SP) and Confins (MG) airports, in addition to bus shelters, LED panels, commercial buildings and newsstands across Rio de Janeiro, São Paulo and Minas Gerais. A TV commercial about the partnership aired on both public and pay television.



World Stage at the 2024 Rock in Rio music festival



Partnership with Chilli Beans

We developed a collection of sunglasses made from 100% recyclable steel in partnership with Chilli Beans, the largest sunglasses retailer in Latin America. This was a tribute to Palco Mundo during the 40th anniversary edition of the Rock in Rio festival. The products were sold at Chilli Beans outlets inside Cidade do Rock, in Rio de Janeiro, during the event, and also online through the company’s website. The campaign featured the singer Rogério Flausino (from the group Jota Quest), famous for his fashion sense and love of sunglasses.

Recycling Machines

Gerdau also launched interactive activities for the festival audience to hammer home the importance of sustainability. We installed “recycling machines” at the venue—similar to the popular claw machines used to grab stuffed animals, but filled with scrap metal parts—symbolizing the recycling process. Participants who completed the challenge received a miniature replica of Palco Mundo, crafted from Gerdau steel in the form of a pendant. In the Rock in Rio VIP area, the same recycling machine activity was available, along with an exhibition of the Favela 3D Project (Digital, Dignified and Developed)—a partnership between Gerdau, the festival and the Gerando Falcões NGO (pg. 66) benefiting the Morro da Providência community in Rio de Janeiro. The full-size Formula 1 car replica (p.70) made from scrap metal was also on display at the event.

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Our customers

At Gerdau, each customer is unique and lies at the center of our business decisions. For this reason, we want to offer differentiated value propositions that help each customer achieve successful operations. The Passion for Customers Program (Paixão pelo Cliente), led by the Commercial, Marketing and Supply Chain departments, perfectly embodies this commitment. The program was created to enhance our approach to customer centricity and customer experience, addressing team behavior, project design, methodologies, and related concepts, among other topics.

As part of this strategy, we also launched Gerdau Mais, an innovation and technology platform designed to deliver the best possible customer experience. This business platform features self-service functionalities, development of the product and service purchase journey, and strategic definition of digital versus offline transactions (pg. 50). In 2024, its logged-in area introduced a shopping truck feature, currently in the testing phase, enhancing the customer journey for special steel. In the non-logged-in area, customers can access specialized content hubs and price quote simulators for purchasing steel products.

Our customers have a team trained in connecting and offering Gerdau's best solutions, 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. Gerdau Design, our exclusive consulting service for evaluating the best construction solution for each project's structure, handled around 90 projects in 2024. With this support and our civil construction portfolio, we can help our customers secure productivity gains, shorten project times and be more sustainable.

Steel is a core material for the global energy transition, as it is used widely in products intended for renewable energy segments, electric cars and mass transportation. Gerdau steel, therefore, helps our customers offer sustainable alternatives to society and consumers (pg. 17).

Gerdau Design:
around 90
Gerdau Design
consulting projects
for evaluating the best
construction solution in 2024.



Agrishow

Gerdau attended several major trade shows and events, including Agrishow, Concrete Show, Fenacom and Expointer. We also held the 21st Talento Engenharia Estrutural Award, in partnership with the Brazilian Association of Structural Engineering and Consulting (Abece). This traditional award honors structural engineers and professionals who drive the development of engineering and civil construction in Brazil, highlighting the importance of structural design in the construction market. Every two years, we also hold the Gerdau Best of the Earth Award, which recognizes and celebrates advancements in agricultural machinery and equipment, identifying the main innovations in the field. The goal is to advance excellence and operational efficiency among participants and foster academic and agro-industrial research, thereby spurring technological innovation and refinement of agricultural equipment. The next edition takes place in 2025.

In 2024, our North America operation was recognized by our customer CN, a leading logistics company on the continent, for its commitment to sustainability, including best practices in easing environmental impacts and biodiversity initiatives. We received the Silver Partner label, part of the company's EcoConnexions Program.

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Our suppliers

► GRI 3-3. Strategic topic management

We are committed to generating a positive impact on society through our business. We understand that this commitment increases Gerdau's responsibility in managing its entire production chain. For that reason, supplier recognition is strategic in light of the company's ambition to build a more sustainable future together. Suppliers are essential partners for the

seamless functioning of our operations. They enable us to efficiently use our industrial assets, ensuring the delivery of products and services with quality, ethics and respect for social and environmental issues.

In 2024, Procurements issued purchase orders to 16,500 suppliers, of which 14,800 were based in Brazil and the other 1,700 across our other geographies, supplying our operations with chemical components, metal alloys, natural gas, electricity and countless other inputs and services. Our supplier management policies and contract clauses provide guidelines



The company
issued purchase
orders to

16,500

suppliers in 2024.



related to human rights, safety, compliance with ethical standards, anti-corruption and regulatory compliance. They also foster the adoption of environmental practices and positive social impact. In 2024, 100% of our suppliers, including new ones, were contracted and/or screened based on social and environmental criteria and were required to follow our Code of Ethics and Conduct for Third Parties. ► [GRI 308-1, 414-1](#)

Waste management and the circular economy are material topics for Gerdau. Today we are the largest recycler of scrap waste in Latin America, and each year we transform some 10 million tons of scrap into steel. This means that about 70% of our steel comes from ferrous scrap. For this reason, in Latin America, we run specific development programs for scrap dealers, who operate through small businesses and cooperatives. These partners are essential to our reverse logistics model and the success of our sustainability strategies.

Scrap yard,
Riograndense
mill (RS)

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Gerdau supports its supply chain through entrepreneurship training and the deepening of ESG practices. For the third consecutive year, we received a Steelie Award, the most prestigious global recognition in the steel industry, organized by the World Steel Association (worldsteel). In the 15th edition of the award, we prevailed in the category Excellence in Sustainability with the case study “ESG in the Supply Chain”, in which we presented our ESG triad and projects designed to engage and encourage suppliers to operate sustainable initiatives. This triad is composed of the structured programs detailed below.

INSPIRE GERDAU

One of the pillars of Gerdau’s commitment is to expand ESG practices among our suppliers. This program encourages partner companies to implement sound diversity, equity and inclusion practices (DE&I). In return, we offer a management training track in this topic to support the development and implementation of actions.



Cycle 1 of Inspire ran from 2021 to 2023, and included a journey of 8 training modules, benchmarking sessions and mentorships. In 2024, we began using program data to encourage and track purchases from suppliers that have active DE&I initiatives. Also in 2024, we conducted a diversity, equity and inclusion census based on our sustainability questionnaire. By the end of December, 217 suppliers had answered the census questions, allowing us to identify new partners to join Cycle 2. In addition, the cases included in this questionnaire were part of the recognition process implemented in 2025—the same year we kicked off Cycle 2 of Inspire, with the addition of new ethics and compliance training modules to the program journey.

SUPPLY CHAIN SUSTAINABILITY

ESG CLAUSES

In 2022, we established new ESG clauses for contracts drafted by Procurements in Brazil.



ENVIRONMENTAL: tightens the legislation, encourages the use of renewable energy or biofuels, the compilation of greenhouse gas (GHG) emissions inventories, water consumption management and waste generation control.



SOCIAL: it provides a diverse and inclusive workplace and does not tolerate any acts of prejudice or discrimination. It actively promotes diversity and inclusion, with a focus on building teams that reflect the full range of diversity in our society. There is a whistleblowing hotline or reporting mechanism available for any form of prejudice, discrimination, intimidation or harassment. Social investment: to strengthen our value chain, we urge suppliers to voluntarily take actions that bequeath a positive legacy for society by investing a percentage of the contracted amount in social, environmental, cultural or scientific projects. Preference is given to initiatives already active in the area where the contract will be executed.



GOVERNANCE: compliance with the Brazilian General Data Protection Regulation and compliance and anti-corruption requirements.

Since implementation began, over 130 suppliers have formally undertaken this commitment through legal contracts, and upwards of R\$ 1.6 million was invested in 2024 alone.

As part of its supplier contracting process, Gerdau also continues to require measures that include commitment to the elimination of forced or compulsory labor and child labor, compliance with environmental legal obligations, adherence to anti-corruption, compliance and Brazilian General Data Protection Regulation (BR GDPR) clauses.

PROJECT ECOAR

This project urges suppliers to improve their GHG emissions management. It was developed by Gerdau in partnership with CDP, the world’s largest platform for tracking environmental data. Thanks to Ecoar, Gerdau became the first steel company in Latin America to urge its supply chain to evaluate its climate change performance through the CDP Supply Chain platform. The project began in 2023 with 44 suppliers in Brazil. It now spans all Gerdau operations, with more than 80 participating suppliers, who, in 2024, were able to access the CDP platform to report climate management information. The program also offers training to expand knowledge on the topic so that these partners can develop or improve their management.



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Social and Environmental Contracting Criteria

► GRI 308-1, 414-1

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 our suppliers, from registration through to the formalization of the contract, are aware of the social and environmental criteria as well as the requirements of the Brazilian General Data Protection Regulation (BR GDPR) throughout the duration of the contract.

In the registration process, we require critical suppliers to provide proof of legal compliance as part of our onboarding process and collect a series of environmental information sets.

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

The critical supplier classification procedure is based on health, safety and environmental (HSE) criteria. In their approval process, suppliers are required to provide evidence of compliance with applicable laws, regulations and other standards.

Potential Impacts of Brazilian Suppliers and Audits

► GRI 308-2, 414-2

We conduct annual audits of suppliers in Brazil, selected based on quality, environmental, social and safety criteria. For Procurement suppliers, these criteria are guided by our sustainability risk matrix.

We also audit our pig iron suppliers—who are considered higher risk due to the use of charcoal and the particulate and GHG emissions involved in their production process—as well as all our suppliers of lime and fluxes.

In Brazil, we audited 54 suppliers for environmental impacts and 62 for social impacts in 2024, based on internal procedures that guide this process. When necessary, action plans are developed with the supplier to implement improvements.

Regarding the activities of contractors that partner with Gerdau, we operate the Prosas de Vizinhas communication channel in Minas Gerais state. Through this channel, we record and address all feedback related to this stakeholder group, and we also conduct inspections of the accommodations used by these third parties.

In 2024, all audited suppliers in Brazil were found to be in compliance with our principles and Code of Conduct.



Vitória Port Terminal (ES)

SUPPLIER ASSESSMENT PROCESS

- During onboarding, suppliers are informed about the necessary documents and information required to become eligible Gerdau suppliers. We also request formal confirmation of their commitment to comply with applicable legislation, through the signing of a responsibility statement in each country where we operate. 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.
- Regarding the right to freedom of association and collective bargaining, we take measures to uphold these rights. The contract includes an ESG clause (pg. 74), which emphasizes compliance with regulations, ethics, the Code of Ethics and Conduct and workplace safety. Suppliers are required to provide evidence of proper documentation and compliance with labor regulations, both at the time of onboarding and when deploying staff. We did not receive any reports of violations of union membership rights and/or non-compliance with collective bargaining agreements. ► GRI 407-1

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77 Our operations

Employee Vinicius Porto da Silva, Charqueadas mill (RS)

Our operations

We ended FY 2024 with an adjusted EBITDA (earnings before interest, tax, depreciation and amortization) of R\$ 10.8 billion, with an adjusted EBITDA margin of 16.2%. The company's adjusted net income totaled R\$ 4.3 billion last year, while net revenue reached R\$ 67 billion, and steel sales totaled 11 million metric tons.

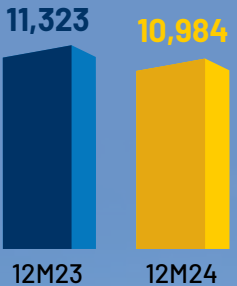
Throughout 2024, we made progress in improving the competitiveness of our operations through strategic cost-cutting initiatives, particularly involving our assets in Brazil. We also continued rolling out our sustainable growth strategy, while maintaining our financial strength. We believe both are essential to consistently create value for our shareholders and other stakeholders.

In 2024, we invested R\$ 6.2 billion, with 46% in maintenance and 54% in expansion and technological upgrade projects. Of the total invested last year, R\$ 1.02 billion was allocated to expanding forest assets, updating and improving environmental controls, and technological enhancements resulting in energy efficiency and lower greenhouse gas emissions.

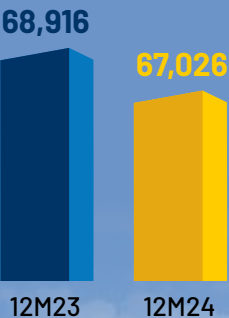
Sahagún mill,
Mexico

2024 FINANCIAL RESULTS

Sales volume
(thousand metric tons):



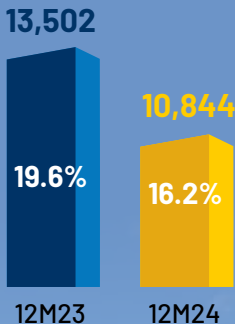
Net revenue¹
(R\$ millions):



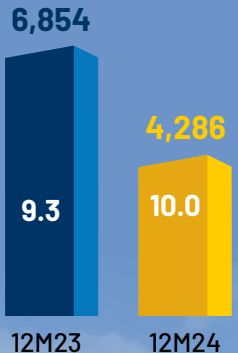
¹ Includes revenue from iron ore sales.

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

Adjusted EBITDA and
adjusted² margin
(R\$ million):



Adjusted net
income and
adjusted² net
margin
(R\$ million):



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BUSINESS OPERATIONS

Brazil



Long and flat steel:

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

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 equipment and agribusiness.



Vitória Port Terminal (ES)



Gerdau retail store, Campinas (SP)



Miguel Burnier mill (MG)



Açorente mill, Recife (PE)



Eucalyptus cultivation, Três Marias (MG)

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LONG AND FLAT STEEL

The Brazilian market continued to be impacted in 2024 by the excessive influx of imported long and flat steel, as the quota and tariff system implemented by the federal government mid-year proved ineffective in protecting domestic steel.

In response, we focused on a business strategy driven by strict cost management, increased competitiveness and asset optimization, including initiatives to adjust the company’s structure in light of current market conditions. This included the idling of the Barão de Cocais (MG) and Cearense (CE) mills.



Hot coil rolling machine at Ouro Branco (MG)

We made extra investment to expand the unit’s hot coil rolling mill capacity at Ouro Branco (MG), adding 250,000 tons/year, with operations set to begin in the first quarter of 2025. In addition, we began producing CA-50 rebar in coils at the same mill. Already under production at other Gerdau mills in Brazil, this coiled rebar boosts productivity for construction customers while cutting down on waste during the folding and cutting process.

We inaugurated the Comercial Gerdau (CG) unit, our very own steel distributor, in Marília (SP). This new sales outlet has transformed the way steel is sold, aiming to deliver a more modern and innovative experience for customers. To conclude, we launched the Gerdau Laser Plate ASTM A572 50, the first domestically produced steel specifically designed for processing on high-power laser cutting equipment (over 10 kW). The new steel enables faster processing speeds, leading to greater productivity and efficiency. It also ensures more precise cuts and lower GHG emissions, yielding more sustainable industrial practices. The Gerdau Laser Plate eliminates the need for plasma cutting equipment, which is typically used for certain thickness ranges. It also reduces the need for subsequent machining, thereby lowering operational costs and reducing equipment redundancy.



Expanding the hot coil rolling capacity at the Ouro Branco mill (MG) will add **250,000** tons/year to the plant’s production capacity.

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FLORESTRY

GRI 14.4.2

Our forests, located in the Cerrado and Atlantic Forest biomes, represent a significant advantage for both the company and society. In total, we manage more than 230,000 hectares of forest, of which 90,000 hectares are dedicated to biodiversity preservation. The company uses sustainable forest management techniques to conserve natural resources, focused on maintaining planted forests as well as native forests, which contribute to the environmental stability of our properties and support the natural control of pests and diseases.

Eucalyptus planting is done using a mosaic system, characterized by the formation of ecological corridors of native forest, which are preserved through various fauna and flora monitoring programs. This type of management 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.

Renewable Raw Material

Gerdau's forestry practices help ease the company's greenhouse gas (GHG) emissions, as



Eucalyptus planting in a mosaic system, Três Marias (MG)

our eucalyptus plantations supply the charcoal used in our bio-reducer. Charcoal plays a key role in Gerdau's pig iron production and gives us a distinct advantage over manufacturers that rely on fossil coal.

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

deforestation. This commitment is bolstered by our membership in 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 planting ensures a steady supply of charcoal for use in the company's bio-reducer.

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QUARRY

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.

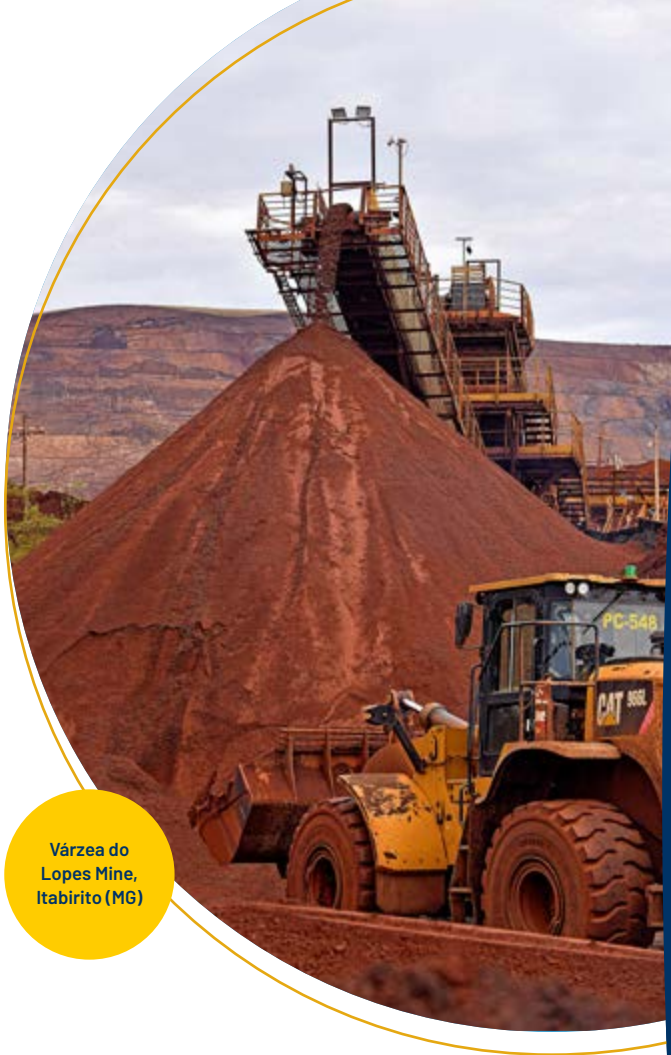
Miguel Burnier Mine, Ouro Preto (MG)



The new annual iron ore production capacity at the Miguel Burnier mine 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 GHG emissions fall in steel production. 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.

In 2024, several initiatives aimed at transparency in social and environmental matters were strengthened at the Miguel Burnier operation. We increased the frequency of community meetings to address concerns raised by local residents, with support from our technical team to provide clarification. We also organized site visits, opening our doors so the community could get to know our facilities firsthand. ▶ [SASB EM-MM-210b.1](#)



Várzea do Lopes Mine, Itabirito (MG)

R\$ 3.2 billion

will be invested in the new sustainable mining platform between 2023 and 2026.

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Dam management

GRI 413-2, SASB EM-MM-540a.2

Gerdau has robust dam management, assuring safety in accordance with the latest regulations and standards issued by the National Mining Agency (ANM). In Minas Gerais, the company complies with Law No. 23.291/2019, which prohibits the use of upstream tailings dams. To align with best practices and current regulations, Gerdau has decommissioned or repurposed its dams, ensuring full compliance with the law.

As a result, the Barragem dos Alemães dam, located in the district of Miguel Burnier, in Ouro Preto (MG), was closed in February 2023 and has not received tailings ever since. The structure is safe and has a stability declaration issued by an external auditor.

Since 2023, Gerdau has exclusively adopted the dry stacking method using compacted piles for the disposal of 100% of tailings generated in the iron ore production process in Minas Gerais. This change embodies the company's commitment to sustainable mining practices and the adoption of the most advanced technologies available.

Dam monitoring

The company maintains a comprehensive monitoring system for its dams in Ouro Preto, which is monitored 24 hours a day by the team at the Geotechnical Monitoring Center (CMG). This ensures ongoing safety in full compliance with the latest regulations and standards issued by the ANM and the State Environmental Foundation (Feam). Routine inspections carried out by the Geotechnics team ensure the structures' physical stability and hydraulic safety.

The monitoring system includes:

- 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 2024, we conducted participatory workshops to present the Mining Dam Emergency Response Plan (PAEBM) in potentially affected areas. These workshops encourage the active participation of residents in reviewing the PAEBM and the Emergency Response Plan (PAE), providing clear and detailed information on emergency procedures. Our specialists ensured that all community concerns were addressed.

SASB EM-MM-210b.1

Employee Lucimar Geralda Resende Magalhães, Miguel Burnier mill (MG)



EMERGENCY PREPAREDNESS AND RESPONSE

SASB EM-MM-540a.3

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.

In addition to complying with current legislation, the drill is a preventive measure. It is important to emphasize that there has been no change in the safety levels of the dams. As preparation for the drill, the Municipal Dam Safety Plan (PMSB) organizes Guidance Seminars – Public Meetings in locations within the Self-Rescue Zone (ZAS). These seminars are required by current legislation and serve as instructional sessions involving internal and external agents. They are intended to guide the public on how to proceed during the drill.

Since the PMSB consolidates all dams into a single flood map, it identifies escape routes and safe muster points for all forecasted scenarios. It also standardizes and unifies communication, making the guidance provided to the public more reliable and consistent.

The Integrated Emergency Dam Drill in 2024 was accompanied and validated by the state and municipal Civil Defense departments. A total of 422 people participated in last year's practical training. 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.

A new drill is scheduled for 2025.

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SPECIAL STEELS IN BRAZIL

Our special steel mills in Brazil are located in the states of São Paulo and Rio Grande do Sul.

In 2024, we completed the certification of steel produced using the new continuous casting equipment for billets and blooms at the Pindamonhangaba (SP) plant, which was inaugurated the previous year. Continuous casting allows us to produce clean steel, whose applied process improves cleanliness and ensures greater resistance.

We also inaugurated a new peeling line at the Charqueadas (RS) unit, enabling the

production of steels with tighter dimensional tolerances to meet the demands of various markets. This investment also leads to greater operational productivity and a lower environmental impact from the generation and disposal of process waste.



Continuous hybrid furnace for annealing and spheroidization, Charqueadas mill (RS)



Unit at Pindamonhangaba (SP)

New continuous caster at the Pindamonhangaba mill (SP)

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North America



The North America ON comprises:

- Operations in the United States, Canada and Mexico
- A network of 13 long and special steel plants
- Scrap recycling facilities
- Downstream operations

Gerdaу’s North American operations include mills in Canada, the United States and Mexico. Gerdaу maintains a network of 13 long and special steel mills, as well as scrap recycling facilities and downstream operations. It’s important to highlight that we use scrap metal as the raw material in 100% of our facilities, enabling the production of lower-carbon footprint products. The operation primarily uses low-emission electricity in its Canadian facilities, and includes important initiatives such as the solar farm at our Midlothian unit in Texas. These characteristics enable the production of lower-carbon footprint products, as confirmed by Gerdaу’s Environmental Product Declarations (EPDs) in the United States, which are recognized as having the lowest embodied carbon in the country for structural steel.

In recent years, North American operations have become the most important for the company in terms of consolidated earnings.

We certified our special steel and long steel operations in North America—including assets in the United States and Canada—as a B Corporation, making Gerdaу the first company in the steel industry to merit this certification in the region. Gerdaу Summit is dedicated to supplying components for wind power generation, as well as Siderperu, the company’s steel production operation in Peru. These two were the first steel producers in the world to receive B Corp certification.



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LONG STEEL PRODUCTS

Throughout 2024, we focused on organic growth Capex at the Petersburg (VA), Midlothian (TX) and Cartersville (GA) units, aiming to increase capacity and cost efficiency, gradually expand the product portfolio, and enhance production mix flexibility to maximize capacity utilization.

We also acquired the assets of a scrap operation, processing and recycling company called Dales Recycling Partnership, with an annual capacity of approximately 160,000 metric tons of ferrous and non-ferrous scrap. The acquired assets include land, inventory and fixed assets located in the U.S. states of Tennessee, Kentucky and Missouri.

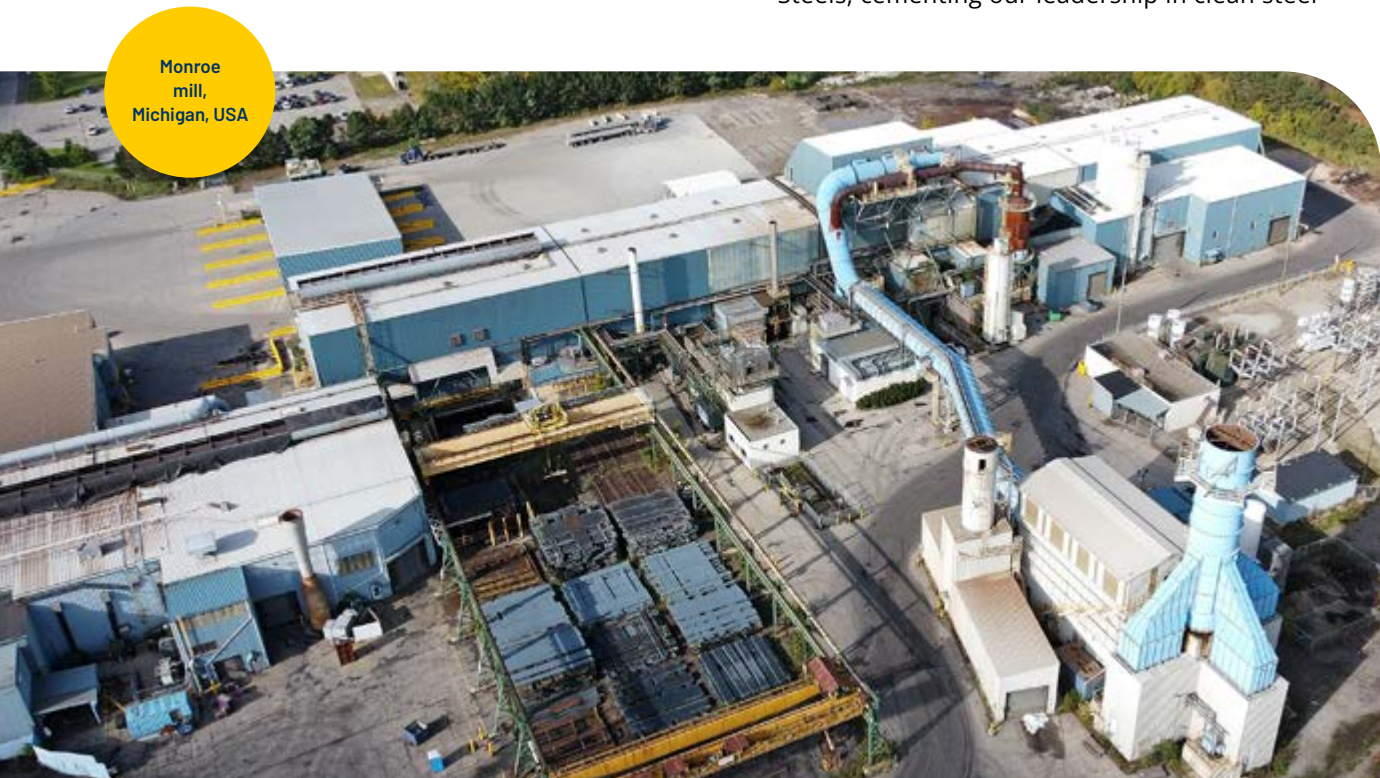
The acquisition aims to boost captive scrap collection through proprietary channels, supplying this raw material to Gerdau operations at a competitive cost. It is also aligned with our strategy of strengthening growth and competitiveness through high-value-generating assets and growing our presence in more profitable markets.

SPECIAL STEEL

In 2024, we celebrated the 50th anniversary of the launch of special steel operations at our Jackson unit in Michigan, which remains an essential part of our U.S. business. Meanwhile, we launched a new brand called Performa™ Clean Steels, cementing our leadership in clean steel



Employee
Shaun Bagby,
Cartersville
mill, USA



Monroe
mill,
Michigan, USA

production technology. The automotive industry continues to drive demand for high-strength steel with lightweight design, improved fatigue resistance and better performance. Gerdau’s Performa™ steels are produced with special chemical controls and tailored properties that reduce inclusions—commonly known to shorten the fatigue life of parts exposed to continuous stress.

Elsewhere, in May 2024, we announced a feasibility study for a potential greenfield investment in a new special steel production plant in Mexico, with a planned capacity of 600,000 metric tons per year. At the time, this expansion plan reflected positive outlooks for the local automotive industry and the effects of nearshoring in the United States, which were positively impacting the Mexican economy. After a thorough feasibility analysis, we announced the cancellation of the investment in a market statement released during the first half of 2025.

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South America



Our South America* operation comprises:

- Operations in Santa Fe (Argentina), Chimbote (Peru) and Montevideo (Uruguay)
- Long steel production

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 plant is located in Santa Fe; in Uruguay, in Montevideo; and in Peru, in Chimbote.

A major development was the operation in Peru—Siderperu—which inaugurated the first phase of the investment in a new revamp of Rolling Mill 2, aimed at increasing productivity and operational efficiency. In addition, the Peruvian plant unveiled the most modern scrap recycling facility in the country, located in the city of Arequipa. This investment is designed to optimize

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

scrap collection logistics, consolidate Siderperu's presence in the south of the country, and drive the formalization and development of local recyclers.

The use of renewable energy certificates (I-RECs) for the first time in our operations in Peru and Argentina was also a key highlight.



Uruguay



Argentina



Peru

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Employee Amanda Rodrigues de Souza,
Gerdau Florestal

Environmental management

Gerdau operates in tandem with the best global practices in environmental management. Over the years, our environmental strategy has become a determining factor in the company's day-to-day decision-making and now plays a central role in our activities. Today, this mindset is an integral part of our core production model, no longer limited to the environmental department alone.

In 2024, we celebrated the consolidation and maturity of this journey, which is crucial to the present and future of our business. To carry it out consistently and seamlessly across our operations, we rely on the Corporate Environmental Guidelines—a key framework that outlines responsibilities and procedures to be followed by Gerdau facilities. It includes minimum requirements and objectives for environmental management, focused on resource optimization and impact reduction. ▶ [SASB EM-MM-160a.1](#)

The document was revised in 2023 and effective in 2024, when we also mapped the topics that require attention at each company site, such as water and wastewater, waste and co-products, air emissions, and processes related to contaminated site management. These are areas that call for reflection and continuous improvement. For that reason, they were brought to our Global Environmental Meeting, where

representatives from operations spanning the seven countries where Gerdau operates reaffirmed the commitments set forth in the Guidelines and jointly formulated the 2025 Action Plan, focused on culture, performance and risk management, with the goal of advancing our environmental efforts.

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

Significant environmental issues are also addressed in Board of Directors and Strategy and Sustainability Committee meetings.

Our Environmental Management System

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. Leadership periodically monitors the indicators too, with GHG emissions reduction indexed to senior leadership bonuses, reinforcing our commitment to this issue.

21 of Gerdau's 29 steel-producing plants are currently ISO 14001 certified. In addition, all units undergo annual internal audits, based on our Corporate Environmental Guidelines.

In 2024, we invested R\$ 1.02 billion in improving eco-efficiency practices, technologies and projects that enhanced our environmental performance, including air, water and soil protection, energy efficiency and easing GHG emissions, with a significant portion of the investment allocated to mining.

Eucalyptus cultivation in Três Marias (MG)

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Environmental compliance

Gerdau's environmental management system is inspired by robust corporate governance standards, which include environmental compliance—a set of policies and procedures focused on this area. These include the Integrated Health, Safety and Environment Policy, the Sustainability Policy, and the Corporate Environmental Guidelines, which state that all applicable legal and other environmental requirements must be identified and made available. In cases of non-compliance, an action plan must be developed to ensure compliance with the established requirements. These procedures apply to environmental incidents of all kinds.

Our practices are designed not only to meet the expectations of our key stakeholders, but also to make our business increasingly competitive, with minimal risk, reduced impact and the sustainable use of natural resources. 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. Each of our 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 (pg. 74) 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 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.

In 2024, as in the previous year, no incidents of non-compliance with significant fines were identified. The sanctions were one-off, with defenses and appeals presented and/or Terms of Adjustment of Conduct (TACs) or commitments signed.⁵ **GRI 2-27**

⁵ 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 significantly impede or limit activities, or irreversibly impact Gerdau's image. For non-significant fines, a total of R\$ 24,289,228.50 was paid during the period.

ENVIRONMENTAL DECLARATIONS FOR PRODUCTS

We seek to listen to all our stakeholders, including employees, 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 GHG emissions inventory presents data about our direct (scope 1) and indirect emissions (scopes 2 and 3).

⁶Our operations in Brazil, the United States, Canada and Mexico have EPDs and LCAs for their products, assured by a third party in accordance with ISO 14025, 14044 and 14071 standards. The statements issued by the EPD System 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.

Based on EPD data, we know that Gerdau's beams produced in the United States have the lowest embodied carbon in the country and are viewed very positively for following local public procurement policies. In 2024, our Mexican operations received recognition from the Confederation of Industrial Chambers of the United Mexican States (Concamin), the Center for Life Cycle Analysis and Sustainable Design (CADIS) and the EPD System for being pioneers in this field.

⁶ 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 Açororte (PE), Araçariçuama (SP), Cearense (CE), Cosigua (RJ), Cumbica (SP), Divinópolis (MG), Ouro Branco (MG), Riograndense (RS), and São José dos Campos (SP) mills.

BRAZILIAN CORPORATE NETWORK TO ASSESS LIFECYCLES

In 2024, Gerdau's Brazilian operations joined the ACV Network, an initiative focused on raising awareness and promoting life cycle thinking as a relevant part of the circular economy and product sustainability assessment.

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Energy

► GRI 3-3. Management of material topics

We are an industry committed to the economic and sustainable growth of our business. As one of the largest steel producers in the Americas, we are fully aware of the impact caused by the vast amounts of electric and thermal energy our operations consume. We are therefore committed to researching and investing in alternatives that allow us to migrate our energy matrix to renewable and/or low-carbon sources such as wind, solar, biomass and biomethane.

Energy management is guided by our Corporate Environmental Guidelines, a component of our Sustainability Policy, which outline energy practices—such as improving energy efficiency and increasing the share of renewable energy and/or low-GHG-emission. Additionally, we monitor and manage energy indicators that also influence emission metrics. These processes are conducted by specialized professionals who assess the risks and opportunities related to energy use.

Energy and fuel consumption volumes are reported by the responsible technical teams and consolidated in Gerdau's official specialized software. As part of our decarbonization journey, we are working on two key pillars: renewable energy and energy and operational efficiency. In this sense, Industry

4.0 presents huge potential for opportunities, enabling advancements in these processes.

Today, 8.8% of the energy used across our global production processes comes from renewable sources. As for electricity, 70% of the total volume consumed comes from renewable and/or low-GHG-emission sources. This percentage includes self-declared use, renewable energy certificates (I-RECs), and the energy mix of the grids in our geographies. In our Brazilian operations, we significantly increased the volume of self-declarations and I-RECs: in 2023, 15% of electricity consumed was indexed to these instruments, and in 2024, that number rose to over 50%. I-RECs were also used for the first time in our operations in Argentina and Peru.

AçoNorte mill,
Recife (PE)

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GERDAU
Shape the future

Brazil **GRI 305-5**

In Brazil, we hold an interest in the Dona Francisca Energética S.A. (DFESA) hydropower concession in Rio Grande do Sul, with a nominal capacity of 125 MW. In 2024, we increased our interest from 51.8% to 53.9%. DFESA owns 85% of the Dona Francisca power plant.

Since 2023, the Dona Francisca hydropower plant has been eligible to issue I-RECs from its renewable electricity generation. In 2024, we offset over 20,000 tCO₂e of Scope 2 emissions from our special steel operations, reaching approximately 56% renewable electricity use and consuming more than 300,000 MWh.

In 2024, I-RECs and self-declarations for renewable electricity were also issued, resulting in the reduction of over 80,000 tCO₂e in emissions from our long and flat steel operations. In total, approximately 1.4 million MWh of renewable energy were consumed, resulting in about 51% certified and declared renewable electricity in these operations.

Altogether, these efforts led to around 52% certified and declared renewable electricity across Gerdau's Brazilian operations in 2024.

From a governance standpoint, we implemented a renewable energy certificate management procedure in Brazil and updated our operational guideline on energy.



Siderperu solar farm, Peru

Peru **GRI 305-5**

In our Peruvian operations, we used 100% renewable electricity through I-RECs in 2024, resulting in a reduction of over 59,000 tCO₂e in scope 2 emissions at the site. We also installed more than 900 solar panels, generating over 700 MWh for administrative use.

Argentina **GRI 305-5**

At our plants in Argentina, we used more than 70,000 MWh of renewable electricity through I-RECs in 2024. This accounted for approximately 56% of the electricity consumption of those sites and led to a reduction of over 20,000 tCO₂e in scope 2 emissions.



With all the I-RECs and self-declarations in 2024, Gerdau used over 2 million MWh of renewable electricity, representing approximately 26% of the company's global electricity consumption. These emissions reductions accounted for over 10% of Gerdau's total scope 2 emissions globally.

We continue to invest in solar farms to produce renewable energy, such as the new project in Barro Alto (Goiás), and the two plants already operating in Arinos (Minas Gerais) and Midlothian (Texas, United States).



Midlothian solar farm, USA

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Initiatives in Ouro Branco

The Energy and Utilities Specialists Meeting, held in 2024 at the Ouro Branco (MG) plant, connected professionals from Brazil’s steel sector. The event addressed topics related to safety and performance of energy indicators and utilities, and explored best practices in these areas, fostering valuable knowledge exchange among companies. Notably, about 90% of the thermal demand in stationary equipment such as furnaces, regenerators and boilers is met by gases resulting from the steelmaking process, produced in the blast furnace

and coke plant. Reflecting these best practices, the unit was recognized for the fourth consecutive year with the Best Technical Work Award at the Energy, Utilities and Energy Transition Seminar organized by the Brazilian Association of Metallurgy, Materials and Mining (ABM).

Also in 2024, under the Aliança Program—a partnership established with the Brazilian Industry Confederation (CNI) in 2023 to improve energy efficiency and reduce GHG emissions—we advanced in planning actions related to the topic. The next step is to move forward with the implementation phase.

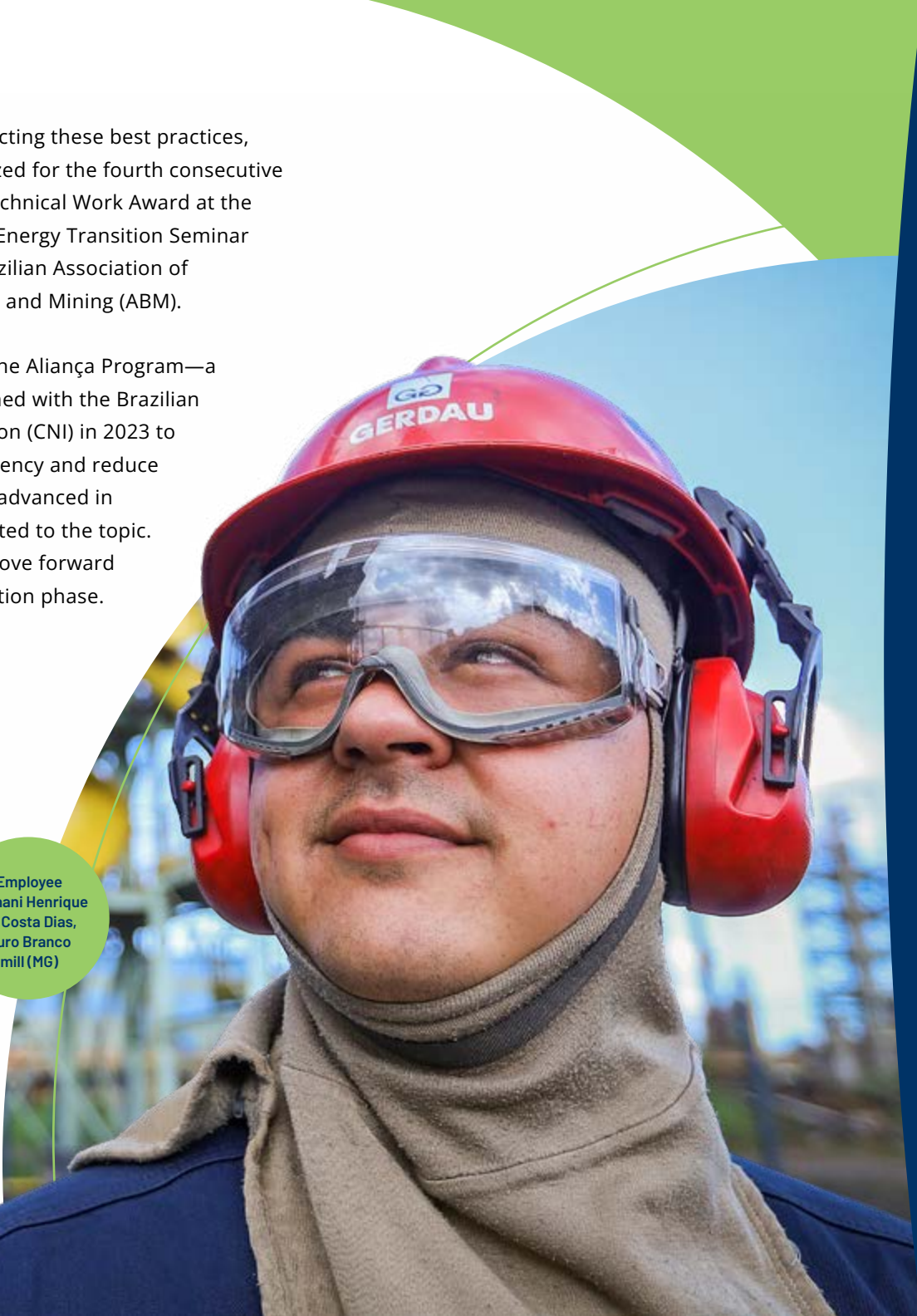
Energy consumption within the organization ▶ GRI 302-1

Energy consumption within the organization (GJ)	2022	2023	2024
Consumption of nonrenewable fuels	93,110,247.52	96,529,265.12	96,313,301.15
Consumption of renewable fuels	15,847,694.00	13,427,494.28	12,183,538.82
Electricity	32,759,344.20	30,640,090.61	30,121,482.45
Total energy consumption	141,717,285.72	140,596,850.01	138,618,322.43

In 2024, we used around 51% certified and declared renewable electricity in our long steel and mining operations in Brazil.

▶ GRI 302-4

Employee
Hernani Henrique
da Costa Dias,
Ouro Branco
mill (MG)



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Industry decarbonization

In Brazil, Gerdau, Petrobras and Sulgás signed a groundbreaking agreement in 2024 for the supply of natural gas in the free market in Rio Grande do Sul state. Gerdau also signed an agreement with Petrobras enabling its unit in Rio de Janeiro to become the first natural gas consumer in the state to migrate to the free market.

The natural gas market regulation in Brazil is still evolving, and the effective opening up of the market depends on state-level rules and the development of commercial agreements that make it feasible to manage related uncertainties.

With this new agreement, Gerdau now operates four gas-consuming units in the free market across the country. The partnership with Petrobras began in 2022, with the supply for the Ouro Branco (MG) plant.

For the coming years, Gerdau is evaluating the migration of other industrial plants to the free market. This movement places the company at the forefront of innovation in Brazil's natural gas sector, creating new opportunities to enhance the competitiveness of our business and driving the decarbonization of steel production.

305-2. Energy indirect (Scope 2) GHG emissions

305-2. Scope 2 (market-based consolidation approach)			
Gross market-based energy indirect GHG emissions (scope 2) in metric tons of CO ₂ equivalent			
Indirect GHG Emissions, metric tons of CO ₂ eq	2022	2023	2024
Total scope 2	1,890,613.90	1,792,546.24	1,461,571.65

305-2. Scope 2 (location-based approach)			
Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent			
Indirect GHG Emissions, metric tons of CO ₂ eq	2022	2023	2024
Total scope 2	1,898,832.26	1,812,519.73	1,646,129.80

Note 1: the calculation includes the gases CO₂, CH₄, N₂O, HFCs and SF₆.

Note 2: 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 3: the global warming potential (GWP) rates used were from the IPCC Fifth Assessment Report (AR5).

Barro Alto Solar Farm

Gerdau and Newave Energia will build the Barro Alto Solar Farm in Goiás, Brazil, with a total capacity of approximately 452 megawatt-peak (MWp), divided into 7 Special Purpose Entities (SPEs). Each SPE will have equal energy generation capacity. The total investment in the farm will be around R\$ 1.3 billion, with construction expected to finish in the first half of 2026.

Gerdau has completed the full acquisition of 3 SPEs in the Farm, securing the rights to 100% of the energy they will generate—estimated at approximately 43 average megawatts (MWm). In addition, we will acquire 23 MWm from the 4

SPEs owned by Newave Energia, due to our indirect ownership interest in the company. Once operational, the Barro Alto Solar Farm is therefore expected to supply an average of 66 MWm, or roughly 66% of its total renewable energy output, to Gerdau's steel production mills in Brazil, under a self-generation model. The acquisition of the 3 SPEs required an investment of approximately R\$ 600 million, with R\$ 300 million in company capital and R\$ 300 million in financing from the Midwest Development Agency (Sudeco), operated by Banco do Brasil.

As part of the Barro Alto project, Gerdau made an additional investment of R\$ 41 million in Newave Energia through Gerdau Next, thereby increasing its ownership interest to 40%. Gerdau will also increase its long-term energy purchase commitment, rising from 30% to 40% of the energy generated by Newave Energia and its subsidiaries, under the self-generation system. As a result, Gerdau will consume a total of 111 MWm of energy generated by the Barro Alto (66 MWm) and Arinos (45 MWm) solar farms in Minas Gerais—equivalent to approximately 23% of the company's total electricity consumption in Brazil. The use of this renewable source is expected to result in a reduction of approximately 65,000 tCO₂ e per year, helping us achieve our greenhouse gas emissions reduction targets.

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Biomass

Charcoal is part of Gerdau’s energy matrix in Brazil, helping to reduce our greenhouse gas (GHG) emissions. This input, derived from the carbonization of biomass from our planted forests, is used in the production of pig iron at the Divinópolis (MG) facility, replacing mineral coal, a non-renewable raw material.

In 2024, our forested land sequestered roughly 5.2 million tCO₂, and our native forest area sequestered approximately 16.7 million tCO₂, with these stocks maintained through the preservation of our forests. These stocks are not deducted from our GHG emissions, but demonstrate the important role our forests and land conservation play in providing environmental benefits through forest assets.



ECO Awards 2024

Since 2021, the Ouro Branco (MG) plant has been adding biomass to the coal blend used in coke production. In addition to the emissions avoided by using this renewable-source input, the initiative also resulted in approximately R\$ 26 million in raw material cost savings. To further improve the use of biomass, we also launched the Bio+ Project, aimed at identifying alternative biomass sources beyond eucalyptus-based charcoal. This practice was recognized in 2024 with the ECO Award, presented by the American Chamber of Commerce (Amcham Brasil), which celebrates business initiatives focused on innovation and building a sustainable present and future. In 2024, the Ouro Branco mill achieved 1.8% biomass use in coal production, equivalent to about 34,000 tons of biomass, avoiding the emission of over 85,000 metric tons of CO₂e.

Small Hydropower Plants (SHPs) in Brazil

At the beginning of 2025, Gerdau signed contracts to acquire the small hydropower plants (SHPs) Garganta da Jararaca and Paranatinga II. Both are located in the state of Mato Grosso, Brazil, and each has an installed capacity of 29 MW, with average assured energy of 21 MW and 17 MW, respectively.



Garganta da Jararaca SHP (MT)

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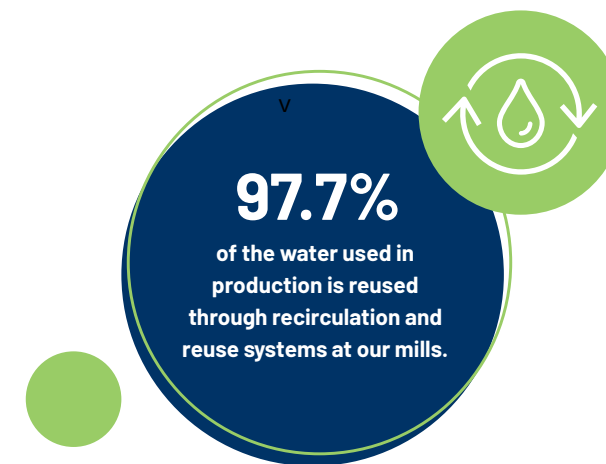
Water management

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

Water is one of the primary inputs used in steel production. Its efficient and sustainable use brings both financial and reputational benefits to Gerdau and our local communities. That's why the company's water management strategy includes continuous investments in reuse programs—focused primarily on reuse, and on reducing water withdrawal and effluent volumes—to minimize environmental impact.

Most of the water the company uses is for the cooling of equipment and machinery. In mining operations, water is also used in iron ore beneficiation. The water used in our operations comes from surface or groundwater sources, and in some cases, is purchased from utilities. Proper water management is essential to ensure environmental balance and the health of surrounding populations. Moreover, controlled water use—increasingly threatened by climate change—also contributes to economic stability and community well-being.

Our Corporate Environmental Guidelines, a component of our Sustainability Policy, contains a dedicated chapter on water and wastewater management. This chapter addresses topics such as compliance with legislation and all applicable standards for water withdrawal and discharge (environmental compliance); promoting initiatives to expand reuse and treatment processes, in order to reduce withdrawal; and achievement of the water management targets established for each business unit. We monitor and manage the water intake, use and distribution points and consumption at the facilities, using



solid performance indicators to guide our efforts. These processes are conducted by specialized professionals who also assess the related risks and opportunities. All water and wastewater volumes are reported by the responsible technical teams and consolidated in Gerdau's official system.

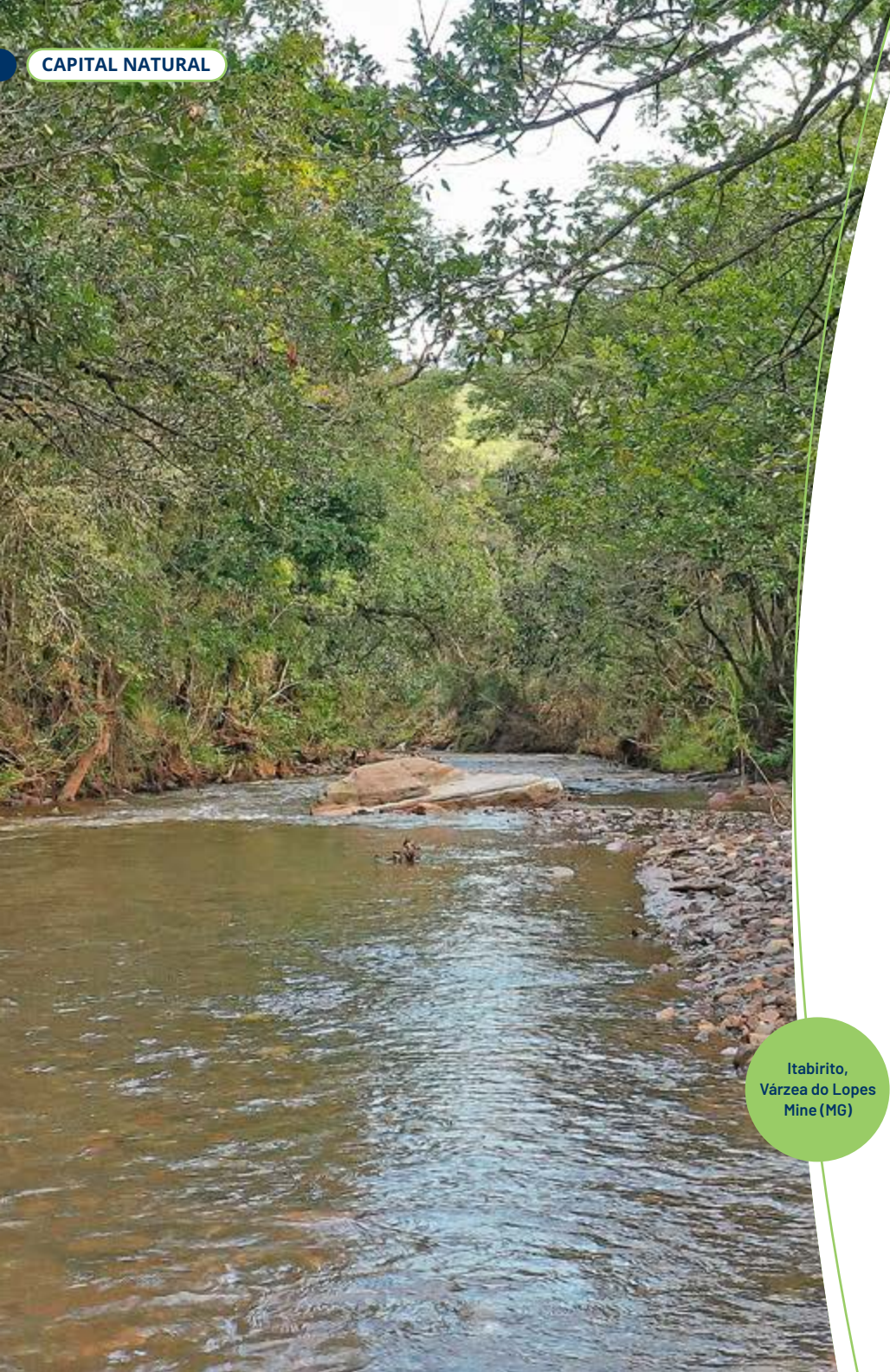
The reuse and recirculation systems in the units allow for 97.7% of the water used in production to be reused. In 2024 a total of 1.82 billion cubic meters of water was recirculated.

At our largest U.S. plant in Midlothian, and in Cartersville and Petersburg, and in Sahagun, Mexico, no wastewater is discharged. Some of these sites are also equipped with rainwater harvesting systems to collect and reuse water in production processes.



Sahagun mill, Mexico

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Itabirito,
Várzea do Lopes
Mine (MG)

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 water balance carried out by our operations is, therefore, an important tool for monitoring our impacts and identifying improvements to be implemented in our processes.

Water stress

The Aqueduct tool from the World Resources Institute (WRI) is also used to map our direct operations in water-stressed areas. The sites identified with high (40% to 80%) and extremely high (> 89%) levels of water stress in 2024 were:

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

The volume of water drawn in these sites accounts for approximately 14% of Gerdau's total volume. In 2024, in our sites directly involved in steel production, we closed the year with 2.85 m³ of water per metric ton of steel, meeting the target set previously—achieved, for example, through process improvements and better management of this resource. For 2025, we have established a specific water consumption target of 2.80 m³/t of steel.

River Basin Committees

In Gerdau's Brazilian operations, we take part in River Basin Committees, such as those of the Paraopeba River and Velhas River, in Minas Gerais. Meetings are held periodically and the discussions focus on water usage.

All Gerdau sites 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 specific regulations. The priority substances for discharge quality are heavy metals, oil and grease, pH and chloride. ⁷There were no incidents of non-compliance triggering significant fines associated with water quality permits, standards and regulations in 2024. ➡ [GRI 303-2, SASB EM-MM-140a.2](#)

CDP

In 2024, we improved our Water Security rating from B- to B in the CDP module—an institution recognized globally for assessing sustainable actions. This improvement reinforces the company's commitment to ensure sustainable water management across its operations.

⁷ 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. ➡ [SASB EM-MM-140a.2](#)

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Waste management and the circular economy

► GRI 3-3. Gestão de temas materiais, 306-1

The steel production process generates a significant volume of waste, characterized by both potentially positive and negative impacts. Committed to improving our value chain, we invest in effective and integrated waste management, which includes recycling and reuse, proper treatment, and technological innovation—all aimed at protecting people and the environment, while creating value for the company and its business partners. In this journey, we are supported by a key feature of steel: it is the most recyclable and recycled material in the world. We also benefit from the opportunities created by the circular economy, including commercial, economic, environmental and social gains.



Scrap yard,
Araçariquama
mill (SP)

Circular economy

The circular economy helps preserve natural resources and offers a range of economic, social and environmental benefits, improving the competitiveness and sustainability of all parties involved. A material topic for Gerdau, its application in our value chain is guided by three core principles: eliminating waste and pollution, circulating products and materials, and rewilding.

The circular economy at the company entails recycling, 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 and society serves as raw material for our businesses.

The synergy between stakeholders and partnerships with various entities are therefore essential for an effective circular economy. Turning waste into resources and extending product life cycles are practices that make the economic system more resilient, efficient and sustainable. See below some of the main events in the year related to this topic.

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The circular economy at Gerdau entails recycling, water recirculation and the reuse of gases and co-products.

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Open Innovation

In Brazil, in 2024, we launched a challenge for startups aimed at identifying innovative and sustainable solutions for the reuse of residual fractions from the shredding of ferrous scrap. After a rigorous curation process, two proposals were selected, and their studies will continue to be evaluated throughout 2025. Carried out in partnership with the by-product and innovation teams, this initiative reinforces Gerdau's commitment to pursuing long-term, innovative solutions that are conducive with sustainability and the circular economy.

Partnership with Senai-SP

In partnership with Senai-SP, we launched a circular economy training program in Brazil in 2023, aiming to train around half a million young people across 61 cities in São Paulo state. In the initiative, Comercial Gerdau, which distributes Gerdau products, supplies part of the steel used in Senai-SP's practical classes. The institution subsequently 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. In 2024, the partnership enabled the recycling of around 700 metric tons of ferrous scrap, reinforcing responsible waste life cycle management and generating positive sustainability impacts.

110,000

was the number of firearms turned into steel through the Siderperu "Fogo por Jogo" initiative.



Oil Platform Recycling

In Brazil, Gerdau successfully bid at a 2023 auction for the sustainable dismantling of Petrobras' P-32 and P-33 platforms. The metal scrap from the vessels is used as raw material to produce steel at the Charqueadas (RS) mill, demonstrating the circularity of steel and its ability to be transformed into new products.

Fogo por Jogo

Named Fuego por Juego, this Siderperu initiative was recognized in 2024 by SEMANAeconómica in the Social and Gran Premio a la Sostenibilidad categories. Launched in 2013, the project brings the circular economy to life by converting firearms into steel used to make public playgrounds for children. The initiative began with around 3,000 handguns and has now reached a total of 110,000 weapons, equivalent to about 109 metric tons of steel. In 2024 alone, nearly 29,000 firearms were repurposed.

You'll find more of our key initiatives in scrap recycling, waste management, and by-product development in the following pages.



Scrap yard, Riograndense mill (RS)

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Scrap recycling

We are the largest scrap recycler in Latin America. We currently produce about 70% of our steel from recycled scrap, which comes from two main sources:

- ❖ **Household:** the scrap discarded by the public (stoves, refrigerators, old cars) is collected by scrap dealers who partner with Gerdau in this process.
- ❖ **Industrial:** industrial waste (metalworking, infrastructure, automotive, auto parts, machinery and equipment).

An internal audit process focused on scrap operations ensures the reliability of the raw materials used in our steel, which is later transformed into new steel products for the manufacturing of automobiles, appliances, packaging, construction components and parts for the wind energy industry.

Acquisition in the United States

Gerdau has completed the acquisition of assets from Dales Recycling Partnership, a company engaged in the operation, processing and recycling of ferrous and non-ferrous scrap. The purchase was made by Gerdau in North American. The deal is valued at approximately USD 60 million. Our goal is to boost the volume of captive ferrous scrap through our proprietary supply channels, ensuring a steady flow of this essential raw material to our operations at a competitive cost.



Scrap Recycling Center

The Scrap Recycling Center in Pindamonhangaba (SP) is part of our special steels operations in Brazil and will strengthen the circular economy. Beyond improving the plant's performance by increasing both the volume and variety of scrap processed, the Center will also help ease GHG emissions. The center goes online in 2026.

Prolata

We have a partnership with Abeaço Prolata, a nonprofit association committed to sustainability and reverse logistics in Brazil's steel packaging sector. Active in 26 states plus the Federal District and 172 municipalities, the association runs initiatives through the Prolata project. It works with recycling cooperatives to support management, ensure compliance with public and environmental agencies, and provide training and capacity-building for cooperative members. The program also conducts initiatives to improve the safety and well-being of those working across this recycling chain. In 2024 Prolata properly disposed of thousands of tons of post-consumer steel packaging.

Fleet renewal

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 sends the acquired vehicles to Gerdau, which had recycled around 800 metric tons of scrap generated through the partnership by the end of 2024.

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Waste and co-products

► GRI 306-2, SASB EM-MM-150a.10

Through our 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 and ensuring compliance with applicable laws, regulations and standards. We also mandate the specification of waste and byproducts, updated periodically according to Business Operations guidelines and current legislation.

For the disposal 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 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. Our waste and co-product management is led by the Co-products and Environmental teams, with support from Research & Development. Together, we pursue technological advancements and the development of new alternatives for co-products, grounded in the principles of circular economy and sustainability.

Reuse

Gerdau has made a significant effort to develop technological routes for reusing these co-products 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 activity brings significant environmental and financial benefits:

- Increased use of generated co-products.
- Preserves natural resources.
- Saves energy.
- Reduces or eliminates the need for landfilling.
- Can generate revenue through specific destinations or applications.

When collected, co-products are conditioned, processed when necessary, and monitored to ensure technical and environmental quality for internal or external reuse. Some notable examples of high-value co-products include:

- Steel aggregate, mostly reused by cement producers.
- Mill scale, used in several applications in metallurgical processes.
- Steel aggregate produced in electric arc furnaces and steel mills, used in roadbeds, sub-bases and as primary paving for streets, highways, rural 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.

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



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Types of waste

Our operations generate⁸:

- ❶ **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.
- ❷ **Non-hazardous-waste (class II):** blast-furnace clay, blast-furnace slag, ladle-furnace aggregate, steel aggregate, ore fines, melt shop and rolling ferrous oxide, bioreducer 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.

In 2024, no incidents of non-compliance with significant ⁹fines were identified related to the handling, storage, transportation or disposal of hazardous materials.

▶ SASB EM-MM-150a.9

Ferrous Chloride

To address the challenge of properly handling Class I wastewater, the residual hydrochloric acid from the

⁸ Brazilian standard NBR 10.004 by ABNT.
⁹ 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.

galvanization process at our operations in São Paulo and Rio de Janeiro, Brazil, is repurposed and used as raw material by partner companies. This solution not only enables the reuse of a steelmaking co-product but is also a success story in circular economy practices, helping reduce the consumption of raw materials in the production of flocculants. To date, more than 35,000 metric tons of this co-product have been reused.

Ferrous, Carbon-Based and Calcium-Sourced Co-Products in Brazil

In Brazil, we are developing agglomeration solutions involving co-products in partnership with third parties. As a result, one of the selected processing routes has proven to be strategically important to our business. It played a key role in eliminating temporary stockpiles and helped maintain the competitiveness of mills that rely on these agglomerates as a partial feedstock solution. Since 2024, nearly all of these materials have been reused internally through this agglomeration route, which has already demonstrated clear value by partially replacing traditional raw materials with co-products—a trend expected to improve even further in the coming years.

Co-products at the Sahagun Yard

In Mexico, alongside URDA Proyectos y Construcciones, we are helping transform the Sahagun Industrial Zone. The project spans an area of 15 hectares, with plans to use 35,000 metric tons of steel aggregate. So far, 6,500 metric tons have already been applied as the foundation for the shunting yard.

PROGRAMA AGREGAR

In Brazil, through partnerships with municipal governments in Minas Gerais state, Gerdau's socio-environmental program aims to enhance quality of life by investing in both urban and rural mobility. By applying GG Mais Pavimentação, the company's steel aggregate co-product makes improvements to rural roads and save on natural resources, enabling sustainable regional development and enhancing access and mobility within communities. This solution has also been adopted in Gerdau's internal engineering projects and in the maintenance of roads at our mining sites and those of our partners—playing a key role in keeping our operations competitive.

In 2024, aggregate stockpiles were depleted, and reuse is now limited to material that is continuously generated in the process. From the Program's inception through 2024, more than 681,000 metric tons of steel aggregate have been reused.

Use of GG Mais Pavimentação on rural roads



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Climate chance

► GRI 3-3. Strategic topic management, EM-IS-110a.2, EM-MM-110a.2

Steel plays a central role in the planet's decarbonization journey. It's not only the most recycled and recyclable material in the world, with enormous potential for reuse, but it's also a key component in new sustainable energy technologies—used in solar panels, wind towers and next-generation infrastructure solutions. We recognize the critical importance of climate change, especially as it is driven by greenhouse gas (GHG) emissions from industries. As part of a sector responsible for 7% to 9% of global CO₂ emissions, we are more than aware of our responsibility.

We are also aware that 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. We believe we are part of the solution. That's why we are fully committed to low-carbon economy strategies—short, medium and long-term—which have positioned us among the steel industry's lowest GHG emitters globally. The industry average currently stands at 1.92 tCO₂ per metric ton of steel (worldsteel, 2023).

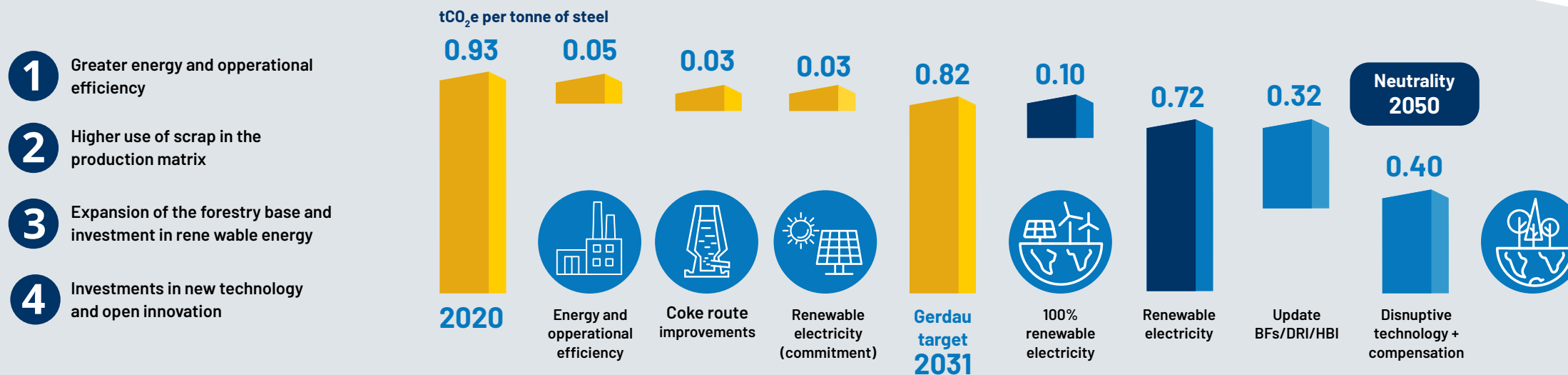
Our goal is to reduce emissions to 0.82 tCO₂e per metric ton of steel by 2031, covering scopes 1 and 2. This 2022 target was developed with support from specialized consultants who assessed scenarios for production and technology

changes with the lowest effective carbon cost. The company adopted the Marginal Cost Curve Abatement (MACC) and the Marginal Energy Abatement Cost Curve (MEAC). This target is included in the Long-Term Incentive Plan (ILP) for our senior leaders, and the indicator is monitored by leadership. This topic is addressed by the Sustainability Squad, the Strategy and Sustainability Committee, and the Board of Directors.

Our priorities include:

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

ON TRACK TO MEET OUR COMMITMENT AND BEYOND...



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To meet this goal, our strategy includes an estimated investment of USD 1 billion in energy and operational efficiency projects—covering improvements and vertical integration of raw materials. These investments 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 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 measures focused on reducing GHG emissions from industrial processes.

All our operations monitor and manage their GHG emissions and related risks and opportunities. The plants also drive down emissions by optimizing natural resource use, energy efficiency and technological innovation.



Rolling mill
and melt
shop

Managing our emissions inventory is crucial to advancing this journey. Since 2020 we have been publishing assured data related to our GHG emissions based on ISO 14064, the GHG Protocol, and worldsteel methodologies. Since 2023, assurance has been conducted based on ISAE 3410. 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. The global warming potential (GWP) rates used were from the IPCC Fifth Assessment Report (AR5).

Moreover, the tool deployed is the GHG emissions calculator, applicable to investment projects above USD 10 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.

From 2023 to 2024, our GHG emissions intensity (scopes 1 and 2) decreased by over 6% from 0.91 tCO₂e/t of steel to 0.85 tCO₂e/t of steel. This figure is less than half the global industry average of 1.92 tCO₂ per metric ton of steel (worldsteel, 2023). The idling of the aforesaid mentioned units does not affect our emissions performance or decarbonization plans, as production was redirected to facilities with similar emission profiles.

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This reduction was largely driven by our proactive strategy of early use of certified and self-declared renewable electricity in Brazil, Peru and Argentina, along with efficiency gains across operations—particularly at the Ouro Branco (MG) plant in Brazil, where advanced emissions management practices were implemented. We systematically monitor their information, and have action plans to address failures and committees to address these issues. Since 2023, online GHG emissions monitoring has been in place at our thermal power plant (CTE). Daily emissions are also tracked at blast furnaces, the coking plant and chemical carbon operations.

► GRI 305-4

In 2024, we advanced our analysis of sustainable financing options, particularly those aimed at reducing emissions. A multidisciplinary group was formed of professionals from the Finance, Engineering and Environmental teams, which meets

regularly to identify and pursue funding opportunities, including lower-cost options and even non-repayable (grant-based) financing, to accelerate Gerdau's decarbonization actions.

Climate risks

In addition to our internal climate risk management, we partnered with a specialized consultancy firm to conduct an in-depth study of climate-related risks. Physical risk assessments were based on two IPCC climate scenarios: SSP3-7.0 – higher warming scenario SSP1-2.6 – lower warming scenario. To assess Gerdau's exposure to climate impacts on company assets, location-specific climate data modeling was performed for each asset.

For transition risks, we used two different scenarios. One that limits global warming to 1.5°C, driven by strict climate policies and innovation, achieving net-zero GHG emissions by around 2050. Another scenario aligned with targets set by the Ministry of the Environment and Climate Change, including those not yet supported by fully implemented policies. Analyses were based on indicators from the Network for Greening the Financial System (NGFS) and the International Energy Agency (IEA). Findings from this project are currently being reviewed and integrated into Gerdau's risk management system.



Cambridge mill, Canada

Regulations and standards

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. At these operations, we monitor our emissions monthly to ensure alignment with allocated targets. Results are shared with the site's leadership, and action plans are in place to implement corrective measures if needed.

A good example of best practice comes from our mill in Cambridge, where we have used landfill gas instead of natural gas since 1999. This gas is transported to the mill, where it is mixed with natural gas and used in the billet heating furnace. In 2024, landfill gas supplied 5.4% of the mill's energy requirement. Over the last 25 years, around 1.95 million GJ of energy has been delivered to the mill, thereby avoiding GHG emissions.

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From 2023 to 2024, our GHG emissions intensity (scopes 1 and 2) decreased by over **6%** from 0.91 tCO₂e/t of steel to 0.85 tCO₂e/t of steel.



In addition to complying with Canadian regulations, Gerdau has been ramping up its participation in carbon market discussions in Mexico, where the market is undergoing a transition, and more prominently in Brazil, where regulation was established on December 11, 2024, launching the Brazilian Greenhouse Gas Emissions Trading System (SBCE). Gerdau has taken an active role in shaping the rules and principles of this market through the industry associations it is part of, advocating for a fair transition that safeguards the steel sector's competitiveness.

In 2024, we also participated in the Business Initiatives (IEs), a network coordinated by FGVces, part of the Getulio Vargas Foundation (FGV), which hosted panels and workshops focused on carbon pricing and market mechanisms. For over a decade, FGVces has connected companies from multiple industries to exchange expertise and experiences on sustainability management challenges and progress.

We are also impacted by the European Union's Carbon Border Adjustment Mechanism (CBAM). Under the CBAM, EU-based importers must report the volume and embedded GHG emissions of specific imported goods, such as steel. Currently, there is no financial adjustment required, as this is the transition phase, which began in October 2023 and will continue until

2026. From 2026, importers will be required to purchase and submit CBAM certificates corresponding to the embedded emissions of their imported goods.

Gerdau supports emissions data transparency and fully complies with all related requirements. It also engages in ongoing discussions about the importance of such mechanisms in preventing the import of higher-emission steel, which can undermine the competitiveness of lower-emission domestic production.

In Brazil, CVM Resolution 193 issued by the Brazilian Securities Commission (CVM) on October 20, 2023 sets out financial reporting requirements based on IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) standards, prepared by the International Sustainability Standards Board (ISSB), part of the IFRS Foundation. The Resolution introduces mandatory reporting in 2026, for the 2027 reporting cycle.

Gerdau recognizes the importance of this milestone. These standards aim to increase transparency and facilitate comparative analyses in sustainability reporting, helping stakeholders make better-informed decisions. We are actively preparing to meet these new requirements.



At our mill in Cambridge, Canada, we have used landfill gas in replacement of natural gas since 1999. In 2024, landfill gas supplied 5.4% of the mill's energy requirement.



Midlothian solar farm, USA

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Among the Lowest Emissions Intensities in the Market

The company’s greenhouse gas (GHG) emission rates show that we are in a leading position compared to our peers. The global steel industry would therefore have 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, Gerdau will be in an even better strategic position vis-à-vis the more efficient peers in terms of GHG emissions.

New technologies and partnerships

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 look-out to alternatives for increasingly sustainable steel production. We actively collaborate with industry organizations, universities and research centers to develop disruptive technologies.

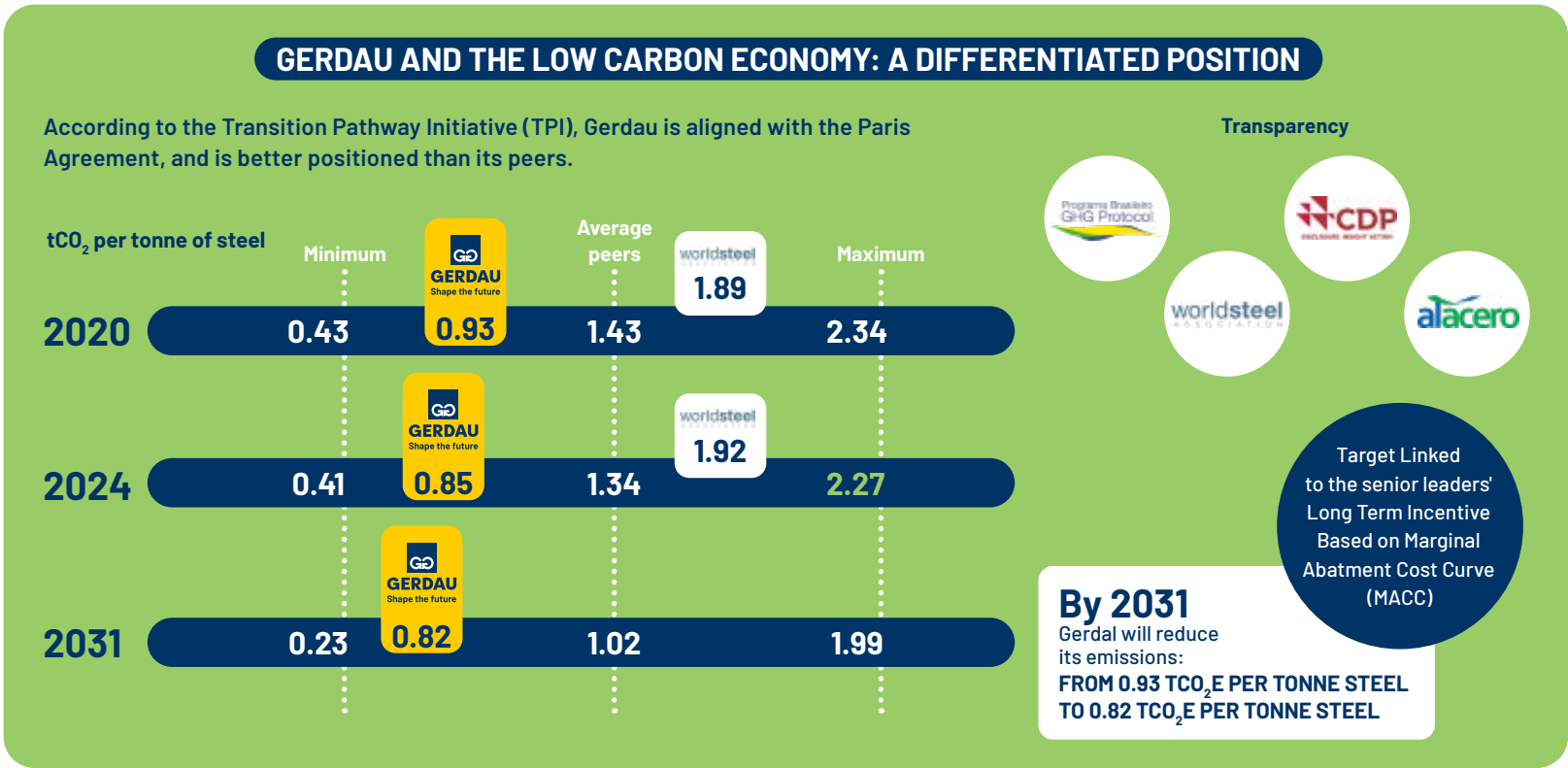
Through Gerdau Next (pg. 53), we explore possibilities beyond steel and pursue high value-added solutions. As part of the Gerdau 2030 Strategy, and in line with the company’s long-term vision, we have established a

dedicated task force composed of experts from Engineering, Operations, Environment and Procurement. This group is studying energy transformation and the conditions necessary to enable this transition.

Key areas under review include medium-term opportunities such as steel production from iron ore and natural gas through Direct Reduction (DRI). These analyses also explore long-term challenges, risks and opportunities related to hydrogen use and Carbon Capture and Storage (CCUS) technologies.

Low-carbon operations

In a bold strategic move to tackle the environmental challenges of the 21st century, Gerdau and Petrobras have unveiled a partnership to explore sustainable, low-carbon business solutions, which aligns with both companies’ decarbonization and diversification strategies. The partnership includes research and development of potential business models involving low-carbon fuels, hydrogen and its derivatives, carbon capture, transport and storage (CCS), projects related to material integrity in marine environments and the production of steel via natural gas-based direct reduction—an alternative to the traditional coal-based process.



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.

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Hydrogen

Hydrogen has gained momentum as a promising solution for reducing carbon emissions in the steel industry. However, for large-scale use, the sector must first better understand the practical implications of this disruptive technology across various processes. It also requires developing technical expertise in hydrogen safety and handling, while addressing the financial challenges of the transition—most of which is currently subsidized by European and American governments.

Purdue University is conducting a comprehensive research initiative in the United States, with support from Linde, a global leader in industrial gases and engineering, and steel producers including Gerdau. Testing will take place at our Monroe plant

in Michigan, primarily using hydrogen during the steel rolling phase. This pilot will help deepen our understanding of hydrogen generation and application. The research and development phase began in 2024. This 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 expected impact is a reduction of 48,000 tCO₂e per year—the typical emissions from a reheating furnace—by replacing 40% of natural gas with hydrogen. If scaled across the U.S. steel industry, this approach could ease emissions by as much as 17 million tCO₂e annually.



Employees
Caleb Rogers
and Nolan
Potter, Monroe
mill, USA

Gold Reporting Status in the Brazilian GHG Protocol Program

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



Gold Status – Brazil Green Logistics Program (PLVB)

In 2024, for the first time, Gerdau was awarded the Gold Status in PLVB. This recognition is a clear testament to our commitment to sustainability and innovation across our supply chain. PLVB helps companies stand out in the market by offering training programs, publishing guides and manuals, and promoting best practices in sustainable logistics.



CDP

We renewed our A- rating for the first time in the CDP Climate Change module, a globally recognized entity for evaluating sustainable practices. This is the second-highest rating possible, representing leadership level. It bolsters our commitment to the climate agenda and reflects our transparency, information management and continued progress in reducing GHG emissions.



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Biodiversity

► GRI 3-3. Strategic topic management, GRI 14.4.2, 14.4.3

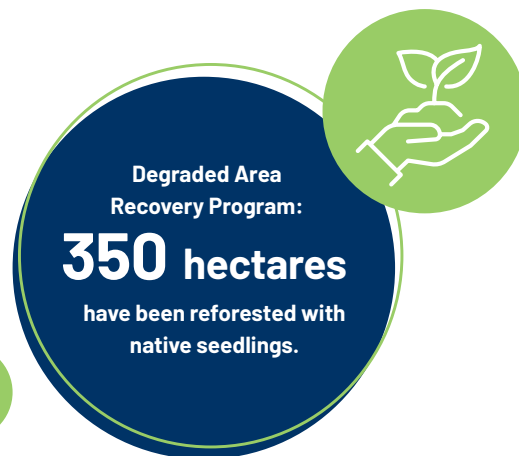
Gerdau's forestry operations are located within the Cerrado and Atlantic Forest biomes.

We manage over 230,000 hectares of forests, of which 90,000 hectares are dedicated native-forest conservation areas. Gerdau Florestal in Minas Gerais manages 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). We also maintain a tree nursery there, to ensure a consistent supply of high-quality seedlings, reinforcing both competitiveness and environmental responsibility.

We apply the same level of care and commitment to our mining operations. This includes conducting frequent studies on environmental impacts related to our licenses and performing land use and occupation assessments. Environmental offsetting measures occur after we consider alternative locations for activities or projects to minimize potential impacts.

All of our environmental licensing processes include Environmental Control Plans (PCAs)—public

.....
We are responsible for 230,000 hectares of forests, of which 90,000 hectares are conservation areas.



documents that outline a range of actions the company carries out and regularly reports to environmental authorities. These actions aim to mitigate all impacts identified in our environmental studies. Examples include monitoring air quality, surface water and operational noise levels.

These plans also entail site recovery efforts, restoring decommissioned areas to a healthy environmental state and allowing them to rewild.

Our Disturbed Land Rehabilitation Program (Prad) in mining operations is used in initiatives such as erosion control processes. This array of measures aims to restore degraded areas, establishing a new dynamic balance suitable for future use. Since 2023, more than 350 hectares have been reforested with native seedlings.

Our strategies in these areas also include management and rescue plans, species studies and wildlife monitoring.

As part of these biodiversity initiatives, 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 ([pg. 112](#)).



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In 2024, we inaugurated new infrastructure at the reserve, featuring location signs with detailed maps and information about the site, two support kiosks for the 4-kilometer trail, rest benches, and a viewing deck with an outdoor shower. The area leading up to the trail entrance was upgraded and is now open for free public access. During the inauguration event, participants also planted native fruit trees from the Atlantic Forest.

We recognize that mining operations offer the greatest opportunities for advancing biodiversity efforts. That's why we consistently work to mitigate impacts, while carrying out offsetting, reforestation, monitoring and biodiversity conservation measures. In 2024, we established the Biodiversity Committee, composed of specialists from our mining and forestry operations, the Gerdau Germinar education program and the Ouro Branco (MG) plant. This committee meets monthly to explore trends in biodiversity, with a special focus on impact measurement. In 2025, the group will prioritize awareness-building and the development of biodiversity indicators.

► GRI 14.4.4

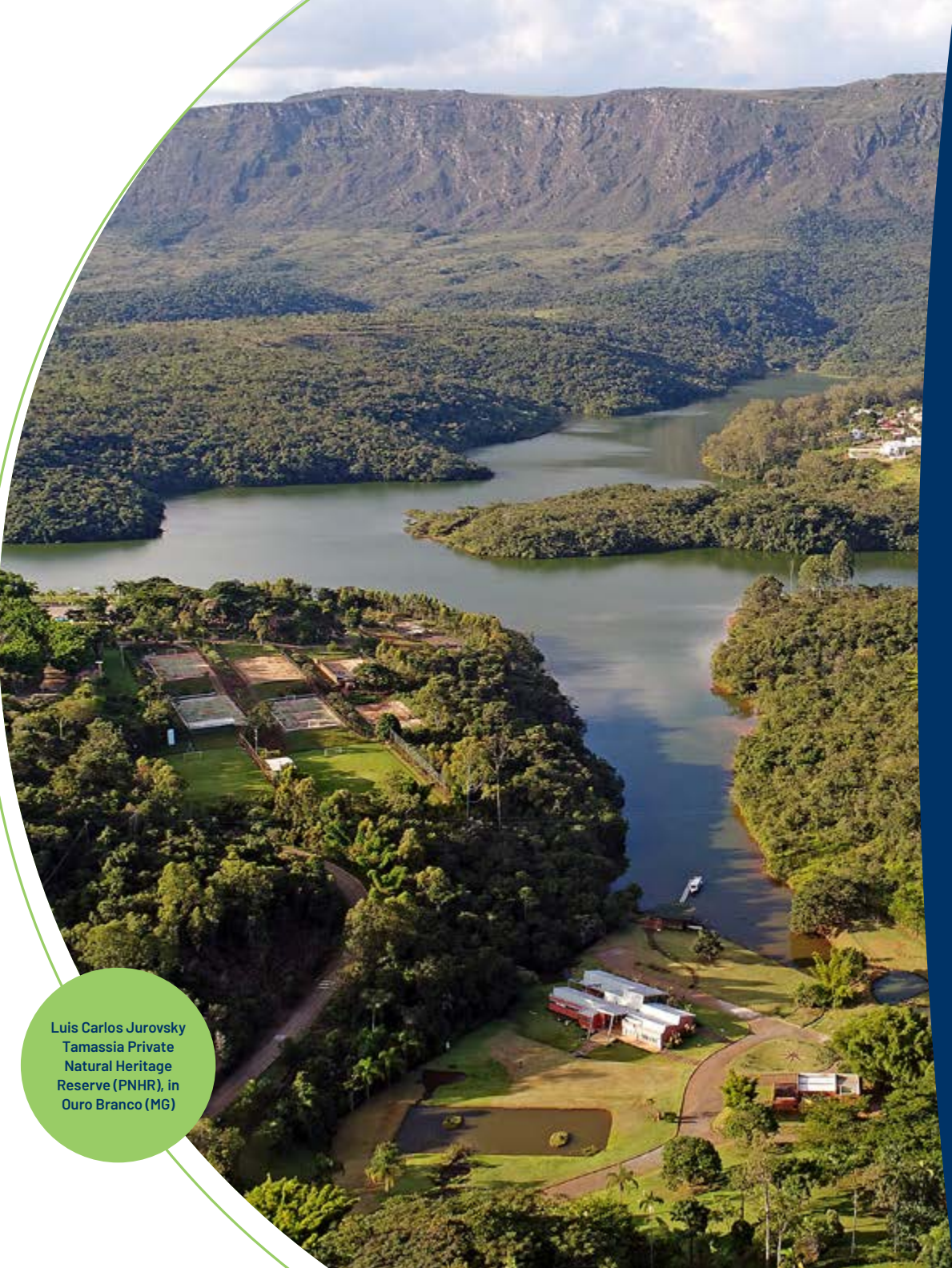
Fire prevention and response

Gerdau Florestal

Gerdau's Forest Brigade is based in Três Marias (MG). It leads efforts in wildfire prevention and awareness across our managed lands in Minas Gerais state. Its work is focused on prevention and spans more than 30 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, water trucks, light vehicles adapted for rapid response, and aircraft equipped with flame-retardant foam.

Mines

In our mining operations, we have a forest fire brigade established through a partnership with the Minas Gerais Environmental Defense Association (AMDA), which operates in municipalities surrounding our sites and includes forest rangers. Since 2023, we have also used a specialized wildfire prediction software that conducts weekly satellite analyses to identify ignition risk areas, with automated email alerts sent for critical zones. We also have an emergency brigade that not only responds to incidents, but also conducts drills, training sessions, and public awareness initiatives.



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

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Fauna Monitoring Programs

Gerdau Florestal

At Gerdau Florestal, we carry out wildlife monitoring, tracking groups such as birds, non-flying mammals, reptiles and amphibians, fish and insects. This work includes nighttime active searches, bioacoustic monitoring, trace assessments, photographic records, trap cameras, interviews, incidental sightings and secondary data. These actions support compliance with legal requirements.

Mines

Focusing on threatened species and those of conservation interest, the program covers more than 30,000 hectares and is part of the environmental licensing process for mining pits and operational structures in the municipalities of Itabirito and Ouro Preto, in Minas Gerais. The objective is to present specific technical recommendations for the management, territory

management and biodiversity conservation in the enterprise area and its surroundings. The monitoring uses specific methodologies, including active searches, direct observations and trap cameras, tracking five fauna groups: fish, amphibians and reptiles, birds, non-flying mammals and flying mammals (bats). The findings of this in-depth monitoring are published and presented at conferences and symposiums.

The studies have contributed to the identification of species of conservation concern, especially threatened carnivores such as Puma concolor (puma), Lontra longicaudis (otter), Lycalopex vetulus (hoary fox), Leopardus pardalis (ocelot), Leopardus guttulus (southern tiger cat), Herpailurus yagouaroundi (jaguarundi) and Chrysocyon brachyurus (maned wolf), in line with official species lists (MINAS GERAIS, 2010; BRAZIL, 2022; ICMBio, 2024; IUCN, 2024). The research has also supported environmental assessments and resource mapping within project areas, contributing to the identification of new species.

Carnivore Monitoring Programs

This program uses radiotelemetry to monitor key carnivore species in Gerdau’s mining regions. Mammals play important ecological roles in ecosystems, contributing to the balance, diversity and conservation of the environments they inhabit. We therefore use study tools such as telemetry to understand 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 understand the territorial behavior of these species and their movement over distances in mining areas in Minas Gerais, and to provide information on the possible ecological responses of these endangered species. Following capture, tagging and remote monitoring, it is now possible to consolidate a significant volume of data on individual animals.



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

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Study of sensitive habitats

Our North American operations conducted a study of potentially sensitive habitats and mapped actions to improve these habitats and biodiversity, such as native landscaping and initiatives with birds and bats. This 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 for spotting migratory birds from an on-site monitoring station. Birds 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.



The loggerhead shrike (left) and the common nighthawk (right) are species monitored using radio telemetry



Carob tree

Biological corridor

At Gerdau's operations in Argentina, a reforestation project covering 8 hectares was launched in 2023. We planted 4,200 carob tree saplings, a native species ideal for rewilding the watershed and forming a native forest. Planting continued in 2024, with 800 seedlings. This initiative is part of a project to establish an ecological corridor along the entire Ludueña stream basin, which runs through the cities of Pérez, Funes and Rosario.

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Gerdau Germinar

Since 1990, the program's aim has been to build a more sustainable society through activities based on socio-environmental education, scientific research, fostering biodiversity conservation and prioritizing environmental content according to local realities. To achieve this, the program 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. The initiative's main objectives 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 focused on fostering research and educational actions that lead to sustainability-aligned decision-making.



Gerdau Germinar
Biocenter,
Ouro Branco (MG)

By the end of 2024, the program had:



Engaged
**163,755 people in
socio-environmental
projects.**



Benefited **162,955
students.**



Trained **18,298
teachers and
community
representatives.**



Invested **R\$ 572,000
in the Gerdau
Germinar Award.**



Improved the
**awareness of 81,817
employees and
contractors.**

Gerdau Germinar Initiatives in 2024:

- **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.
- **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 2024, 18,240 employees trained at the Ouro Branco (MG) 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 256 people in 2024, with more than 37 hours of training.

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► 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).

► **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 2024, we carried out 6 educational activities, involving 201 people.

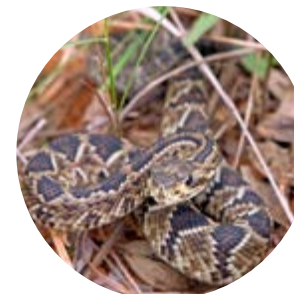
► **Participatory Water Monitoring:** developed in partnership with the Federal University of Minas Gerais (UFMG)/Bentos Ecology Laboratory, this initiative disseminates practices training the community on how to monitor the physical, chemical and biological properties of the waters. After being trained 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 to pursue possible solutions to improve water quality. Since 2012, the initiative has trained 550 educators, benefited 5,702 students and involved 91 schools.

► **The Asas Program (Wildlife Release Areas), led by Ibama:** focuses on the rehabilitation and release of wild animals that have been rescued, seized or voluntarily surrendered. Registered areas in the program are properties designated to receive these animals after treatment at Wildlife Screening Centers (Cetas). In 2024, 154 animals from 23 species were released.

► **Gerdau Germinar Award:** conducted in partnership with Instituto Gerdau, 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 8th edition of the awards evaluated 69 different projects in 2024. So far, 10,945 people have benefited from this initiative.

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



Biodiversity conservation projects:
Germinar and Asas

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Air emissions

Managing air emissions and air quality is essential for mitigating impacts on our local communities. To this end, Gerdau follows all applicable legal and regulatory standards related to these matters, and ensures 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 proactively conducted an atmospheric emissions source 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 2024, this work continued: we measured systems that underwent adjustments and/or were commissioned, helping to improve data reliability, ensure effective modifications and continuously refine our emissions inventory. [► GRI 305-7](#)

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.

Ouro Branco mill (MG)



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Employee Fernando de Oliveira Cipriano,
Miguel Burnier mill (MG)



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GERDAU
Shape the future

We were recognized by important awards, surveys, rankings and excellence seals in 2024.

These achievements attest to the efforts of the company, our leaders and our teams in projects that reaffirm Gerdau's commitment to society, business, the market and the planet.

Our leadership and our business

Executivo de Valor [Executive of Value] Award

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



2024 Executive of Value Awards

Valor 1000

Winner in the Metallurgy and Steelmaking category in the award organized by Valor Econômico, in collaboration with Serasa Experian and the FGV Business School.

Exame Magazine Biggest & Best

Winner for the fourth consecutive year in the Steel, Mining and Metallurgy category.

Brazilian Leaders Award

For the fourth time in as many years, Gustavo Werneck, CEO, was recognized in the Steelmaking category by Revista LIDE.

The 100 Most Influential Companies in Brazil

The award is organized by Veja Negócios in partnership with LIDE (Group of Business Leaders) and recognizes companies that excelled in Brazil in 2023 in areas such as revenue, profitability, reputation, innovation, pioneering spirit and the adoption of ESG policies.

Merco Ranking

Gustavo Werneck, CEO, ranked among the top 20 of the 100 Most Admired Leaders in Brazil in 2023.



Exame Magazine Biggest & Best 2024 awards

Merco Talent Ranking 2024

For the second year in a row, Gerdau **was the only steel producer among the top 100 companies recognized for talent attraction and retention, and led the Mining, Steelmaking and Metallurgy category.**

Safety and Health Excellence Recognition 2024

Winner in the Occupational Health Management category for the +Care program, part of Gerdau's Well-being and Health Strategy, awarded by the World Steel Association.

Marcas de Quem Decide

Named Brand of the Year in Rio Grande do Sul in a survey by Jornal do Comércio. We also stood out as one of the participating public's preferred brands and as an innovative brand.

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Anamaco 2024 Award

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

Innovative Workplaces Brasil 2024 Seal

Only steel producer among the 20 most innovative companies in Brazil, selected by MIT Technology Review Brasil, recognized for the 5G technology implementation at the Ouro Branco (MG) site.

Portos + Brasil Award

Gerdau and other steel industry companies operating at the Praia Mole Port Complex, in Vitória (ES), were recognized in the General Cargo Growth category. Award organized by the Ministry of Ports and Airports, in Brasília (DF).

Caliber Corporate Reputation Index

Gerdau stood out as the only steel producer and basic industry company among those most distinguished in reputation and brand strength.

Open 100 Top Corps

Gerdau was recognized in the 9th edition of the 100 Open Corps Ranking, securing 7th place among the companies that invest the most in open innovation and engagement with startups in Brazil. This award is organized by the 100 Open Startups platform, one of the most prominent technology and innovation ecosystems in the country.

Jatobá 2024 Award

For the third consecutive year, Gerdau was named Company of the Year by Grupo Empresarial de Comunicação (Gecom), also prevailing in two additional categories: Institutional Campaign, with the success story “Gerdau at The Town – Modernizing a 123-Year-Old Brand Through Music and Entertainment” and Community Communication, with the story “How Gerdau Became a Minas-Based Company at Heart Through Sports”.

ESG practices**Steelie Awards 2024**

For the third consecutive year, Gerdau received one of the most prestigious global steel industry awards, granted by the World Steel Association. This time around, Gerdau scooped the award in the Sustainability Excellence category for the submission “ESG in the supply chain”, highlighting initiatives that engage suppliers in diversity, equity and inclusion (DE&I), local community development and GHG emissions reduction.

ECO Awards 2024

Winner in the 2024 Products and Services category, for the story on biocoke use at the Ouro Branco (MG) site, reducing coal consumption by incorporating eucalyptus biomass into metallurgical coke production.



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Exame Best in ESG Award

Recognized in the Mining, Metallurgy and Steelmaking category, in an award bestowed by Exame magazine in partnership with Ibmecc.

Ethos/Época 2024 Inclusion Survey

Only company in the steel sector mentioned for its significant progress in diversity and inclusion, covering people with disabilities, LGBTQI+, race, gender and people aged 50+.



Brazilian
Leaders Awards
2024



Valor 1000
Awards

HRC Equidade BR – Best Companies for LGBTQIAP+ Employees

For the third consecutive year, we received a score of 100 in LGBTQI+ diversity and inclusion practices, according to the Human Rights Campaign Foundation/HRC Equidade BR.

Merco ESG Responsibility Ranking

Sector leader and the only steel producer among the top 100 companies. Also ranked first in the Mining, Steelmaking and Metallurgy category for best environmental, social and governance (ESG) practices.

Brazil Green Logistics Program (PLVB)

PLVB reporting gold status. The program helps companies stand out in the market by offering training, publishing guides and manuals, and promoting best practices in sustainable logistics.



Peru

ESG y Sostenibilidad Awards

Recognized in the Social and Gran Premio a la Sostenibilidad categories, granted by SEMANAeconómica. The winning initiative was Fuego por Juego, a circular economy project that turns firearms into steel mini-gyms and playgrounds, transforming violence into recreational spaces for thousands of Peruvian families.

Association of Good Labor Practices (ABE)

Winner in the Learning and People Development category for the project Technical Specialist Program: Developing Our Employees and Improving the Competitiveness of Siderperu, a Peruvian company of Gerdau Group.

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Employee Daiana Muñoz,
Argentina

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Independent assurance statement



Introduction

Bureau Veritas Certification Brasil (Bureau Veritas) was hired by Gerdau to conduct an independent assurance of its 2024 Annual Report (hereinafter referred to as the Report).

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

Scope of work

The scope of this verification covered the Global Reporting Initiative™ Standards and Principles¹ for Sustainability Reporting and refers to the financial reporting for the period from January 01, 2024 to December 31, 2024.

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 Stakeholders, in accordance with the scope of work defined in this statement.

Methodology

The assurance included the following activities:

1. Interviews with those responsible for the material issues and the content of the Report;
2. Remote verification of corporate and operational processes (verification of GRI, SASB material indicators and information sampling);
3. Analysis of documentary evidence provided by Gerdau for the period covered by the Report (2024);
4. Analysis of stakeholder engagement activities developed by Gerdau;
5. Assessment of the system used to determine the material aspects included in the Report, considering the context of sustainability and scope of the information published;

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

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.

Limitations and exclusions

It was excluded of this verification any assessment of information related to:

- Activities not included in the reported period;
- Positioning statements (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;
- Inventory of Greenhouse Gas (GHG) emissions, including energy data (verified in a separate process);
- Data and information from affiliated companies or outsourced employees, over which Gerdau has no operational control;

The following limitations were applied to this verification:

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

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Opinion on the report and the assurance process

- Gerdau's materiality includes eight material themes, considered the most relevant to the business, in addition to five themes that are part of Gerdau's ESG strategy until 2025 and that have the same priority and transparency as the others. The definition of these themes involved consultation with the main stakeholders, interviews with internal leaders and interested parties, online research and validation with the organization's management;
- Regarding indicators related to people data, the use of different bases was observed. For example, for the GRI 2-7 indicator, certain groups are excluded, such as employees on leave, while GRI 405-1 uses a more complete basis for diversity analysis. To ensure coherence and comparability throughout the document, it is recommended to standardize the database used in people indicators (GRI 2-7, GRI 405-1, GRI 205-2, GRI 404-1), adopting a uniform methodology in accordance with the guidelines of the GRI Standards;
- For the GRI 405-2 indicator, data from December 2024 were considered for base salary and remuneration of active employees in the largest industrial unit of special steels linked to the Gerdau S.A. headquarters, headquartered in Pindamonhangaba (SP). It is recommended that Gerdau evaluate the inclusion of data from other units and countries;
- In our understanding, Gerdau's Sustainability Report presents the impacts of the company's activities in a balanced way;
- Gerdau demonstrated an appropriate data collection and compilation method in relation to the GRI Reliability Principle;

- The inconsistencies found in the Report were adjusted during the process and were satisfactorily corrected.

Conclusion

As a result of our verification process, nothing has come to our attention that would 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 Standards for sustainability reports;

Declaration 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 assessment 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 preventing conflicts of interest. The verification team has no other connection 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 involving environmental, social, health, safety and ethics issues, which, combined with experience in these areas, allows us to have a clear understanding of the presentation and verification of good corporate responsibility practices.

Contact

<https://www.bureauveritas.com.br/pt-br/fale-com-gente>

São Paulo, May 2025.



Nádia Zuca

Lead Auditor Assurance
Sustainability Reports
(ASR)

Bureau Veritas
Certification – Brasil



Camila Pavão Chabar

Executive Sustainability
Manager

Bureau Veritas
Certification – Brasil

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Employees Catarina Alvares
Medeiros and Fernanda Oliveira
Vieira, São Paulo Office (SP)

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HUMAN AND INTELLECTUAL CAPITAL

► GRI 2-7. Employees

WORKFORCE BY EMPLOYMENT CONTRACT, GENDER AND REGION

	2022	2023	2024		
			Homens	Mulheres	Total
Brazil	19,014	17,988	14,372	3,026	17,398
North America (USA and Canada)	6,222	6,301	5,909	700	6,609
Mexico	1,582	1,689	1,283	262	1,545
Peru	909	891	828	81	909
Argentina	727	787	597	119	716
Uruguay	187	185	166	40	206
Dominican Republic	806	89	-	-	-
Colombia	1,274	1,242	-	-	-
TOTAL	30,721	29,172			27,383

Note 1: in Brazil, we also have 1,322 interns and apprentices classified as part-time workers.

Note 2: data covers December 2024, and employees on leave, interns and apprentices, union representatives, training participants, elected directors of joint ventures, and Gerdau Next workers not directly managed by Gerdau (payroll). There are 66 workers included in Gerdau's payroll who were added to the indicator.

Note 3: operations in Colombia and the Dominican Republic were sold, and activities in Brazil shutdown.

Note 4: all employees have permanent employment contracts.

Percentage of workers who are not employees ► SASB EM-MM-000.B	2023	2024
Total number of employees	29,172	27,383
Total number of contractors	8,020	6,432
Percent third-party	22%	19%

WORKERS WHO ARE NOT EMPLOYEES ► GRI 2-8

Workers who are not employees, but whose work is controlled by the organization	2022	2023	2024
Brazil	6,269	5,336	5,170
North America (USA and Canada)	833	781	691
Mexico	419	365	389
Argentina	183	190	89
Peru	60	60	60
Uruguay	52	63	33
Dominican Republic	121	60	-
Colombia	83	71	-
TOTAL	8,020	6,926	6,432

Note 1: the work performed by these workers entails logistics, cleaning and maintenance.

Note 2: data for December 2024 was used.

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DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES ► 405-1

Percentage	2022					2023							2024						
	Age group			Gender		Age group			Gender		People with Disabilities (PwDs)	Black people	Age group			Gender		People with Disabilities (PwDs)	Black people
	<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%	100.00%	0.00%	0.00%	0.00%	100.00%	87.50%	12.50%	0.00%	0.00%	0.00%	12.50%	87.50%	75.00%	25.00%	0.00%	12.50%
Board of Directors	0.00%	71.00%	29.00%	86.00%	14.00%	0.00%	16.67%	83.33%	91.67%	8.33%	0.00%	0.00%	0.00%	22.22%	77.78%	88.89%	11.11%	0.00%	0.00%
Executive Board	1.00%	42.00%	57.00%	89.00%	11.00%	0.00%	57.14%	42.86%	82.14%	17.86%	0.00%	1.79%	0.00%	61.90%	38.10%	88.10%	11.90%	0.00%	6.67%
Managers	1.00%	74.00%	25.00%	79.00%	21.00%	1.04%	77.57%	21.39%	77.05%	22.95%	1.14%	14.95%	0.22%	75.73%	24.06%	78.64%	21.36%	2.95%	23.08%
Specialists/ coordinators	8.00%	70.00%	22.00%	75.00%	25.00%	12.77%	68.03%	19.26%	73.94%	26.06%	1.22%	17.39%	8.78%	73.12%	18.10%	72.80%	27.14%	2.76%	32.06%
Administrative	23.00%	64.00%	13.00%	61.00%	39.00%	27.97%	60.67%	11.35%	59.78%	40.22%	3.64%	26.83%	25.09%	63.96%	10.95%	58.60%	41.40%	5.04%	42.19%
Interns	20.00%	61.00%	19.00%	93.00%	7.00%	93.86%	6.04%	0.10%	41.31%	58.69%	0.52%	37.88%	92.79%	7.12%	0.00%	45.48%	54.52%	0.28%	38.92%
Operations	90.00%	9.00%	1.00%	45.00%	55.00%	23.10%	59.62%	17.30%	92.65%	7.35%	3.40%	34.83%	21.58%	60.86%	17.56%	92.22%	7.77%	5.36%	52.51%
Apprentices	95.00%	5.00%	0.00%	39.00%	61.00%	99.72%	0.28%	0.00%	43.67%	56.33%	1.67%	48.40%	99.86%	0.14%	0.00%	50.22%	49.78%	1.39%	48.92%
% TOTAL	-	-	-	-	-	25.63%	58.39%	15.98%	82.75%	17.24%	3.00%	31.43%	23.53%	60.43%	16.03%	82.59%	17.39%	4.69%	47.44%

Note 1: the figure above is based on the same dataset as GRI 2-7, but includes employees on leave, participants in training programs, union representatives, expatriates, interns, and apprentices.

Note 2: for GNext, employees from subsidiaries, affiliates and joint ventures were considered.

Note 3: Board of Directors and Oversight Board of Gerdau S.A. and Metalúrgica Gerdau.

PERCENTAGE - DIVERSITY OF RACE ▶ GRI 405-1

Gerdau Brasil 2024	Black ¹	White	Asian	Indigenous	Not stated	Absolute Total	Total % ³
Oversight Board	13%	88%	0%	0%	0%	8	0%
Board of Directors	0%	100%	0%	0%	0%	9	0%
Executive Board	7%	90%	3%	0%	0%	30	0%
Middle management	23%	75%	2%	0%	0%	611	3%
Specialists/coordinators	32%	66%	2%	0%	0%	1,959	9%
Administrative	42%	55%	3%	0%	0%	3,295	16%
Interns	39%	60%	1%	0%	0%	704	3%
Operation	53%	44%	3%	0%	0%	13,516	65%
Apprentices	49%	50%	1%	0%	0%	646	3%
Absolute total	9,849	10,325	516	58	14	20,761²	100%
Total %	47.4%	49.7%	2.5%	0.28%	0.07%	100%	

Note 1: racial data is for Brazil only and includes Gerdau Aços Especiais America do Norte (GSN), Gerdau Aços Longos America do Norte (GLN), Gerdau México (GLM), Gerdau Argentina (GLA), Gerdau Uruguai (GLY) and Gerdau Peru (GLP).

Note 2: the total excludes members of the Fiscal Council and the Board of Directors.

Note 3: the percentage adds up to 99% due to data rounding, mainly related to specialists (9.44%) and interns (3.39%).

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► 405-2. RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

Ratio of basic salary and remuneration of women to men				
Pindamonhangaba Plant – Gerdau S.A.	2023		2024	
	Men	Women	Men	Women
Executive Board	-	-	-	-
Middle management	-	-	-	-
Technicians - specialists	46%	48%	41.9%	41.7%
Administrative	52%	54%	42.4%	46.8%
Production - operators	65%	76%	33.8%	39.5%

Note 1: considers the data from December 2024 for base salary and compensation of active employees at the largest special steel industrial mill associated with the Gerdau S.A. headquarters, located in Pindamonhangaba (SP).

Note 2: the number of employees in the executive board and middle management is minimal, which could lead to exposure if the data is disclosed.

FINANCIAL AND MANUFACTURED CAPITAL

► 203-2. SIGNIFICANT INDIRECT ECONOMIC IMPACTS

- **Employees:** indirect economic impacts, such as job creation and skills development, are crucial for employees, as they directly affect their growth opportunities and well-being.
- **Customers:** value companies that positively contribute to sustainable economic development, which can influence their purchasing decisions and brand loyalty.
- **Suppliers:** 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. Our practices include screening our suppliers against social and environmental criteria. In the onboarding process, we require the presentation of ISO 14001 for critical suppliers and collect a series of environmental information sets.
- **Communities:** local communities are directly impacted by the indirect economic effects of business operations. This includes job creation, infrastructure development and improved quality of life. The communities in our geographies are part of our material topics.
- **Investors:** 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.
- **Governments and regulators:** monitor indirect economic impacts and provide relevant definitions.

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NATURAL CAPITAL

301-1. MATERIALS USED BY WEIGHT OR VOLUME

Total weight or volume of materials that are used to produce and package the organization's primary products and services (in metric tons)	2023	2024
Non-renewable materials used	8,915,956.64	9.195.454,51
Renewable materials used	804.133,14	413,122.56
Total weight or volume of materials that are used	9,720,089.79	9.608.577,07

Note: non-renewable: metallurgical coal, purchased coke and iron ore; renewable: charcoal.

301-2. MATERIALS USED BY WEIGHT OR VOLUME

Percentage of raw materials or recycled materials used in the production of core products and services (in metric tons)	2022	2023	2024
Pig Iron	4,235,032.24	4,249,436.69	3,956,435.58
Alloy	240,866.40	209,426.13	194,603.19
Carburants	177,036.76	154,659.52	140,691.66
Scrap	11,240,380.20	10,673,899.74	9,913,177.31
Total	15,893,315.60	15,287,422.08	14,204,907.74
Total recycled inputs	11,240,380.20	10,673,899.74	9,913,177.31
Percentage	70.72%	69.82%	69.79%

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 (counted until 2020).

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► 302-1. ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Fuel consumption within the organization by type of fuel used (GJ)	2022	2023	2024
Nonrenewable sources	93,110,247.52	96,529,265.12	96,313,301.15
Renewable sources	15,847,694.00	13,427,494.28	12,183,538.82
Electricity	32,759,344.20	30,640,090.61	30,121,428.45
Total energy consumption	141,717,285.72	140,596,850.01	138,618,322.43

Note: the factor used to convert MWh to GJ is 3.6, a standard conversion based on the technical reference of Energy Star.

► SASB EM-IS-130a.1, EM-IS-130a.2, EM-MM-130a.1

Power consumed	2022	2023	2024
Total energy consumed in gigajoules (GJ)	141,717,286.72	140,598,950.00	138,618,322.43
Percentage grid electricity	23%	22%	22%
Percentage renewable ¹	1%	1%	26%
Percentage coal	32%	31%	35%
Percentage natural gas	16%	17%	16%
Percentage renewable fuel consumed	11%	10%	9%

Note: percentage denotes the volume of renewable electricity sourced from renewable energy certificates (I-RECs) and self-declarations.

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302-3. ENERGY INTENSITY

Organization's energy intensity (in GJ/t of steel produced)	2022	2023	2024
Energy intensity	11.19	11.26	11.12
Types of energy included in emissions intensity rate (in GJ)	2022	2023	2024
Fuel	-	109,956,759.40	108,496,839.97
Electricity	-	30,640,090.61	30,121,482.43
Energy consumed within the organization	-	140,596,850.00	138,618,322.43

Note 1: Gerdau uses production output (metric tons of steel produced) as the denominator in calculating energy intensity. All types of energy used within the organization are taken into account (fuel, electricity and heating). For strategic reasons, the value of the denominator used in the calculation will not be disclosed.

Note 2: the report relies on data from Gerdau's operational control operations and joint venture data, reflecting their ownership percentages as of 12/31/2024.

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GRI 303-3

Water withdrawal (in megaliters)	2022			2023			2024		
	Other water	Freshwater	Only areas with water stress	Other water	Freshwater	Only areas with water stress	Other water	Freshwater	Only areas with water stress
i. Surface water	0.00	31,097.63	1,341.43	14.21	29,356.05	1,262.65	0.00	28,080.72	1,159.97
ii. Groundwater	102.24	10,240.60	2,741.66	103.26	11,771.51	3,346.81	0.00	11,037.19	2,740.24
iii. Seawater	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iv. Produced water (e.g. water collected from a mine)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
v. Utility-supplied water	40.97	3,010.09	698.03	0.00	3,194.52	1,555.41	0.00	3,235.45	1,788.63
Rainwater (harvested and stored directly by the organization)	0.00	301.13	136.28	0.00	356.69	170.18	0.00	304.41	204.99
Total water withdrawn	143.21	44,649.45	4,917.40	117.47	44,678.77	6,335.05	0.00	42,657.77	5,893.83

Note: operations are analyzed for water risks using the Aqueeduct Water Risk Atlas tool from the WRI. For 2024, the units classified as being in areas of high (40% to 80%) or extremely high (>80%) baseline water stress are located in: Chimbote, Peru, Sahagun/Tepeapulco, Mexico, La Presa/Ecatepec, Mexico, Tultitlán, Mexico, Cartersville/Georgia, USA, Petersburg/Virginia, USA, Midlothian/Texas, USA, Whitby, Canada.

SASB EM-MM-140a.1

Water recirculation		2023	2024
Total fresh water withdrawn (in megaliters)		44,796.24	42,657.77
Percentage recycled	Water recycled (in megaliters)	1,967,969.88	1,820,329.36
	Percentage	97.8%	97.7%
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)	6,335.05	5,893.83
	Percentage	14.14%	13.81%

Note: Percentage of the water volume internally recirculated within the mill, in relation to the total water required for operations. Recirculation rate calculation: $[\text{Volume of water recycled} / (\text{Volume of water recycled} + \text{Total water withdrawal})] * 100$.

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Water discharge (in megaliters)	2022		2023		2024	
	All areas	Water-stressed areas only	All areas	Water-stressed areas only	All areas	Water-stressed areas only
Freshwater (total dissolved solids ≤1,000 mg/L)	29,954.21	1,264.25	27,523.85	1,421.89	27,543.30	3,487.52
i. Surface water	29,409.37	1,240.33	26,525.07	1,286.89	27,073.00	3,345.00
ii. Groundwater	15.63	0.00	432.81	0.00	8.39	0.00
iii. Seawater	0.00	0.00	0.00	0.00	0.00	0.00
iv. Utility-supplied water	529.21	23.92	565.97	135.00	461.91	143.00
Other water (total dissolved solids >1,000 mg/L)	130.54	36.24	131.48	103.94	1,344.32	85.60
i. Surface water	2.60	0.00	0.00	0.00	1,133.97	0.00
ii. Groundwater	0.00	0.00	12.14	0.00	9.37	0.00
iii. Seawater	0.00	0.00	0.00	0.00	0.00	0.00
iv. Utility-supplied water	127.94	36.24	119.34	103.94	200.98	85.60
Total water discharge	30,084.75	1,300.49	27,655.33	1,525.83	28,887.62	3,573.12

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303-5. WATER CONSUMPTION, SASB EM-MM-140A.1

	2022			2023			2024		
	All areas	Only areas with water stress	%	All areas	Only areas with water stress	%	All areas	Only areas with water stress	%
Water withdrawal (in megaliters)	44,792.66	4,917.40	10.98	44,796.24	6,335.05	14.14	42,657.77	5,893.81	13.82
Water discharge (in megaliters)	30,084.75	1,300.49	4.32	27,655.33	1,525.83	5.52	28,887.92	3,573.12	12.37
Water consumption (in megaliters)	14,707.89	3,616.91	24.59	17,140.91	4,809.22	28.06	13,769.85	2,320.69	16.85

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► 304-1. OPERATIONAL SITES OWNED, LEASED OR MANAGED IN OR ADJACENT TO PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS,

► GRI 14.4.5, EM-MM-160a.3

Company operational site	2024	
	Várzea do Lopes Complex	Miguel Burnier Complex
Geographic location (geographic coordinates)	611049.72 m E and 7756430.43 m S	627715.25 m E 7739932.68 m S
Subsurface and underground land that may be owned, leased, or managed by the organization (hectares)	3,308.60	4,688.09
Position in relation to environmental protection area	Located within buffer zones of Conservation Units	Located adjacent to a Conservation Unit
Type of protected area	Important for biodiversity; high ecosystem integrity	Importance attached to biodiversity
Type of operation	Mining: iron ore extraction and processing	Mining: iron ore extraction and processing
Operational unit size (licensed operational area)	571.68 ha*	1,109.38 ha*
Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	Biodiversitas – Priority area for biodiversity conservation – special level (Ref: IDE SISEMA – MG)	Biodiversitas – Priority area for biodiversity conservation – special level (Ref: IDE SISEMA – MG)
Biodiversity value characterized by listing of protected status	MMA – Priority areas for biodiversity conservation – Atlantic Forest biome	MMA – Priority areas for biodiversity conservation – Atlantic Forest biome
Percentage of metal content in proven reserves located within protected conservation areas or in habitats housing threatened species	*	476 million metric tons; 35% iron content – located adjacent to a Conservation Unit
Habitats housing threatened species within or near productive areas	*	Flora species: Dalbergia nigra (tree), Virola bichuyba (tree) and Diplusodon villosissimus Pohl (non-tree)

Note: source – Rural Environmental Database (CAR).

* Information not available for Várzea do Lopes.

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304-3. HABITATS PROTECTED OR RESTORED, 14.4.3

Permanent protection areas and restored areas (hectares)	2023	2024
Legal Reserves, Permanent Preservation Areas, environmental offsetting (environmental easements and areas for land tenure regularization), and Private Natural Heritage Reserves (RPPN)	6,086.00	6,216.73
Compensation/restoration	353.45	354.00

Note 1: all areas are located in Minas Gerais state.
Note 2: includes areas outside the property boundaries of the business and/or operation, where there is a formal commitment to protection or restoration.

GRI 14.8.6. DIRECT DRIVERS OF BIODIVERSITY LOSS

Land affected, per unit (hectares)	2023	2024	Increase in 2024
Várzea do Lopes Complex	319.6	326.89	7.29
Miguel Burnier Complex	466.6	535.68	69.08

Note 1: due to the ongoing expansion of its operations, Gerdau did not carry out large-scale land reclamation during the period. However, the scale of offsetting measures in relation to the operational impact is greater in terms of hectares and goes beyond legal requirements. The company manages two Private Natural Heritage Reserves (RPPNs), including the Luis Carlos Jurovsky Tamassia RPPN, covering 1,247 hectares, which was voluntarily established.
Note 2: the company's operations are currently undergoing expansion/capacity increases. As a result, there is a trend toward increased disturbed areas with no rehabilitation yet, as all areas remain in use.

GRI 14.8.8. MINE CLOSURE AND REHABILITATION PROVISIONING

Gerdau engaged Golder Associates to develop its mine closure plan, which complies with current legislation and has been formally submitted to the National Mining Agency. A public consultation process is underway to determine which financial instrument companies will be required to adopt for closure costs. All of Gerdau's mining units have mine closure plans, available at the following links (available only in Portuguese):
<https://www2.gerdau.com.br/wp-content/uploads/2023/10/plano-de-fechamento-de-mina-complexo-varzea-do-lopes.pdf>
<https://www2.gerdau.com.br/wp-content/uploads/2023/10/plano-de-fechamento-de-mina-miguel-burnier.pdf>

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DIRECT (SCOPE 1) GHG EMISSIONS

305-1 | SASB EM-MM-110a.1., SASB EM-IS-110a.1

Scope 1			
Total direct (scope 1) GHG emissions in metric tons of CO ₂ equivalent	2022	2023	2024
Total scope 1	9,876,937.19	9,562,436.98	9,176,394.06

Note 1: the calculation includes the gases CO₂, CH₄, N₂O, HFCs and SF6.

Note 2: 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 3: The global warming potential (GWP) rates used were from the IPCC Fifth Assessment Report (AR5).

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305-3. OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

Other indirect GHG emissions, in metric tons of CO ₂ eq	2022	2023	2024
Upstream	1,187,133.34	2,855,740.89	2,419,008.90
Goods and services purchased	584,422.79	1,534,716.39	1,616,204.92
Upstream transportation and distribution	206,305.93	1,061,698.42	683,706.72
Waste generated in operations	384,039.25	246,483.26	107,442.05
Business travel	3,575.48	4,646.28	4,118.82
Employee transportation	8,789.89	8,196.54	7,536.39
Downstream	294,266.85	33,285.29	37,150.25
Downstream transportation and distribution	294,266.85	33,285.29	37,150.25
a. Total scope 3	2,658,467.59	3,022,167.34	2,456,159.15
c. Biogenic CO2 emissions	53,945.23	151,785.19	85,165.66

Note 1: the calculation includes the gases CO₂, CH₄, N₂O, HFCs and SF₆.

Note 2: 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 3: the global warming potential (GWP) rates used were from the IPCC Fifth Assessment Report (AR5).

Note 4: baseline of 2020, due to robust data collection.

Note 5: based on shareholding as of 12/31/2024.

305-4. GHG EMISSIONS INTENSITY

2022	2023	2024
Scope 1 + scope 2	Scope 1 + scope 2	Scope 1 + scope 2
0.86	0.91	0.85

► 305-7. EM-MM-120A.1, EM-IS-120a.1. NITROGEN OXIDES (NOx), SULFUR OXIDES (SOx), AND OTHER SIGNIFICANT AIR EMISSIONS

NOx	2022	2023	2024
Gerdau Global Consolidated	5,752.00	5,839.81	5,048.54
SOx	2022	2023	2024
Gerdau Global Consolidated	10,714.00	14,322.21	9,088.53
Volatile Organic Compounds (VOCs)	2022	2023	2024
Gerdau Global Consolidated	0.00	0.00	0.00
Particulate matter (PM)	2022	2023	2024
Gerdau Global Consolidated	3,342.00	3,203.90	2,637.05
Persistent Organic Pollutants (POP)	2022	2023	2024
Gerdau Global Consolidated	0.00	0.00	0.00
Hazardous air pollutants (HAP)	2022	2023	2024
Gerdau Global Consolidated	0.00	0.00	0.00
Other pollutants	2022	2023	2024
Gerdau Global Consolidated	0.00	0.00	0.00
Total other air emissions	19,808.00	23,365.92	16,774.12

Note 1: the main changes from one period to the next were due to improved maintenance routines and the installation of new equipment.

Note 2: fixed sources are mapped.

Note 3: values are monitored using methods outlined in local regulations.

Note 4: there is no consolidation for reporting other gases.

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306-3. WASTE GENERATED

Waste generated (in metric tons by composition)	2022	2023	2024
Hazardous waste	213,293.83	207,034.38	210,331.86
Non-hazardous waste	6,270,318.88	6,043,742.67	5,293,513.27
Total weight of waste generated	6,483,612.71	6,250,777.05	5,503,845.14

SASB EM-MM-150a.4, SASB EM-MM-150a.7, SASB EM-IS-150a.1

Reused waste	2023			2024		
	Generation (metric tons)	Recycling (metric tons)	Percentage	Generation (metric tons)	Recycling (metric tons)	Percentage
Non-hazardous waste	207,034.38	202,914.92	98%	210,331.86	193,305.38	92.5%
Overall total	6,043,742.67	5,615,554.69	92.9%	5,293,512.27	4,428,300.27	83.7%
Total geral	6,250,777.05	5,818,469.61	93.1%	5,503,845.14	4,621,605.65	84.0%

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306-4 | EM-MM-150a.8. WASTE DIVERTED FROM DISPOSAL

Waste diverted from disposal, broken down by composition and recovery operation (metric tons)	2022		2023		2024	
	Onsite recovery	Offsite recovery	Onsite recovery	Offsite recovery	Onsite recovery	Offsite recovery
Hazardous waste	22,055.55	176,963.45	15,685.67	187,229.25	16,808.83	176,496.55
Preparation for reuse	0.00	0.00	0.00	0.00	0.00	0.00
Recycling	22,055.55	164,627.29	15,685.67	174,256.43	16,808.83	168,767.86
Co-processing	0.00	8,814.53	0.00	7,224.59	0.00	4,787.12
Treatment	0.00	3,521.63	0.00	5,748.23	0.00	2,941.57
Other recovery methods	0.00	0.00	0.00	0.00	0.00	0.00
Non-hazardous waste	1,193,140.49	4,371,771.05	1,514,942.67	4,100,612.02	891,025.23	3,537,275.04
Preparation for reuse	1,193,140.49	0.00	1,514,942.67	0.00	0.00	0.00
Recycling	0.00	4,262,063.93	0.00	3,986,090.48	891,025.23	3,440,553.28
Co-processing	0.00	94,702.35	0.00	92,317.37	0.00	43,425.87
Treatment	0.00	15,004.77	0.00	22,204.17	0.00	53,295.89
Other recovery methods	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,215,196.04	4,548,734.50	1,530,628.34	4,287,841.27	907,834.06	3,713,771.58
Total Steel + Mining	5,763,930.54		5,818,469.61		4,621,605.64	

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306-5. WASTE DIRECTED TO DISPOSAL

Waste directed to disposal, broken down by composition and recovery operation (metric tons)	2022		2023		2024	
	Onsite disposal	Offsite disposal	Onsite disposal	Offsite disposal	Onsite disposal	Offsite disposal
Hazardous waste	8,525.28	27,665.15	13,175.27	23,692.61	11,085.79	16,761.25
Incineration (with energy recovery)	0.00	0.00	0.00	0.00		
Incineration (without energy recovery)	0.00	210.09	0.00	290.32		124.38
Landfilling	8,525.28	24,668.38	13,175.27	21,274.19	11,085.79	13,557.81
Other disposal operations	0.00	2,786.68	0.00	2,128.11		3,079.06
Non-hazardous waste	429,513.27	359,133.96	359,133.96	565,946.37	321,211.36	508,190.23
Incineration (with energy recovery)	0.00	0.00	0.00	29.83		
Incineration (without energy recovery)	0.00	0.00	0.00	0.00		1.03
Landfilling	429,513.27	359,133.96	359,133.96	563,353.44	321,211.36	497,031.87
Other disposal operations	0.00	0.00	0.00	2,563.10		11,157.33
Total	438,038.55	386,799.11	372,309.23	589,638.99	332,297.15	524,951.48
Overall total	824,837.66		961,948.22		857,248.63	

		2022	2023	2024
306-3	Total waste materials generated (metric tons)	6,483,612.71	6,250,777.05	5,503,845.14
306-4	Waste diverted from disposal (metric tons)	5,763,930.54	5,818,469.61	4,621,605.64
306-5	Waste directed to disposal (metric tons)	1,045,756.98	961,948.22	857,248.63
	Hazardous waste recycled (metric tons)	199,019.00	202,914.93	193,305.38
	Nonhazardous waste recycled (metric tons)	5,564,911.54	5,615,554.69	4,428,300.26

► SASB EM-MM-540a.1. TAILINGS STORAGE FACILITIES MANAGEMENT

Inventory of the organization's mining dams, classified under national and state dam safety policies	2022				2023				2024				
	Facility name	Alemães Dam	Bocaina Dam	Dique Norte da PDE 1 Dam	Baixas da UTM II Dam	Alemães Dam	Bocaina Dam	Dique Norte da PDE 1 Dam	Baixas da UTM II Dam	Alemães Dam	Bocaina Dam	Dique Norte da PDE 1 Dam	Baixas 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	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	Operated by Gerdau	Operated by Gerdau
	Operational	Active	Reclaimed	Active	Active	Decommissioned	Reclaimed	Active	Active	Decommissioned	Reclaimed	Active	Active
	Construction method	Upstream	Upstream	Single raise	Single raise	Downstream	Upstream	Single raise	Single raise	Downstream	Upstream	Single raise	Single raise
	Maximum permitted storage capacity (t)	3,760,000 m³ (volume)	1,435,000 m³	25,200 m³	42,200 m³	3,760,000 m³	1,435,000 m³	25,200 m³	42,200 m³	3,760,000 m³	1,435,000 m³	25,200 m³	42,200 m³
	Current amount of tailings stored (t)	3,260,000 m³ (this information is not available by weight, only by volume)	1,435,000 m⁴	Not applicable	Not applicable	3,270,000 m³	1,435,000 m³	Not applicable	Not applicable	3,270,000 m³	1,435,000 m³	Not applicable	Not applicable
	Consequence classification	High	Significant	Not applicable	Not applicable	High	Significant	Not applicable	Not applicable	High	Significant	Not applicable	Not applicable
	Date of most recent independent technical review	September 2022	Not applicable	September 2022	September 2022	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	Yes	Yes	Not applicable	Yes	Yes	Yes	Not applicable	Yes	Yes	

► SASB EM-MM-150a.5. TOTAL WEIGHT OF TAILINGS PRODUCED, ► EM-MM-150A.6. TOTAL WEIGHT OF WASTE ROCK GENERATED

Total amounts of overburden, rock, tailings and sludge and their associated risks (metric tons)	2022	2023	2024
Dimension Stone	0.00	0.00	0.00
Tailings	618,734.91	1,115,861.00	1,0654,029.00
Slimes	0.00	0.00	0.00
Other – waste rock	10,062,361.00	4,697,134.00	6,108,548.00
Total amounts generated	10,681,095.91	5,812,995.00	7,173,577.00

Note: Gerdau does not generate rocks and sludge.

► SASB EM-MM-000.A. PRODUCTION OF (1) METAL ORES AND (2) FINISHED METAL PRODUCT, ► SASB EM-IS-000.A. RAW STEEL PRODUCTION, ► SASB EM-IS-000.B. TOTAL IRON ORE PRODUCTION 1 AND ► SASB EM-IS-000.C. TOTAL COKING COAL PRODUCTION 2

	2022	2023	2024
Raw steel production (metric tons)	12,666,000	11,557,000	10,991,238
Percent produced in basic oxygen furnace	31%	33%	33%
Percent produced in electric arc furnaces (metric tons)	69%	67%	67%
Total iron ore production (metric tons)	6,424	5,400,000	4,483,986
Total coking coal production (metric tons)	3,800	1,449,100	1,378,470

Note: a production adjustment occurred in 2024 compared to 2023 due to the hibernation of the Barão de Cocais (MG) and Cearense (CE) plants, and normal adjustments of production levels to market demand.

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GERDAU
Shape the future

GRI content index

Declaration of use	Gerdaу has reported the information cited in this GRI content index for the period from January 1st to December 31st, 2024 with reference to the GRI Standards.
GRI 1 used	GRI – Fundamentos 2021
Applicable GRI Sector Standards	GRI G4: Mining

GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
General content					
GRI 2: General Disclosures 2021	The organization and its reporting practices				
	2-1	Organizational details	12		
	2-2	Entities included in the organization's sustainability reporting	12		
	2-3	Reporting period, frequency and contact point	5		
	2-4	Restatements of information	5		
	2-5	External assurance	5		
	Activities and workers				
	2-6	Activities, value chain and other business relationships	3, 4, 12		
	2-7	Employees	34, 123		8
	2-8	Workers who are not employees	123		8
	Governance				
	2-9	Governance structure and composition	23		
	2-10	Nomination and selection of the highest governance body	23		

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GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
General content					
GRI 2: General Disclosures 2021	2-11 Chairman of the highest governance body	<u>19</u>			
	2-12 Role of the highest governance body in overseeing the management of impacts	<u>31</u>			
	2-13 Delegation of responsibility for managing impacts	<u>5, 19</u>			
	2-14 Highest governance body’s role in sustainability reporting	<u>28</u>			
	2-15 Conflicts of interests	<u>31</u>			
	2-16 Communicating critical concerns	<u>19, 24</u>			
	2-17 Collective knowledge of highest governance body	<u>23</u>			
	2-18 Evaluation of the performance of the highest governance body	<u>27</u>			
	2-19 Remuneration policies	<u>24, 38</u>			
	2-20 Process for determining remuneration	<u>24</u>			
	2-21 Annual total compensation ratio			Ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is not being reported as it is confidential.	

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GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
General content					
GRI 2: General Disclosures 2021	Strategy, policies and practices				
	2-22 Statement on sustainable development strategy	3, 4, 19			
	2-23 Policy commitments	19, 29			16
	2-24 Embedding policy commitments	26			
	2-25 Processes to remediate negative impacts	30, 59			16
	2-26 Mechanisms for seeking advice and raising concerns	31			
	2-27 Compliance with laws and regulations	89			
	2-28 Membership of associations	60			
	Stakeholder engagement				
	2-29 Approach to stakeholder engagement	58			
	2-30 Collective bargaining agreements	39			
Disclosures about material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	7			
	3-2 List of material topics	7			
Strategic topic: Ethics and corporate governance (non material topic)					
GRI 3: Material Topics 2021	3-3 Management of material topics	22			

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GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Strategic topic: Ethics and corporate governance (non material topic)					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	30			16
	205-2 Communication and training about anti-corruption policies and procedures	28			16
	205-3 Confirmed incidents of corruption and actions taken		There are no recorded cases of corruption involving Gerdau, based on the legal definitions in our geographies. However, there have been undesired incidents, and such data remains confidential.		16
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Given the press releasem, two of the proceedings served in 2024 are currently in the final stages, following a settlement. These cases are in the process of approval and dismissal and are expected to be closed in 2025. Information on pending and closed cases during the reporting period can be found in the Reference Form, available at: https://ri.gerdau.com/. The company did not engage in any type of anti-competitive conduct in the period.			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	40			

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GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Material topic: Health and safety at work					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	40, 41			8
	403-2 Hazard identification, risk assessment, and incident investigation	41			8
	403-3 Occupational health services	45			8
	403-4 Worker participation, consultation, and communication on occupational health and safety	41			8, 16
	403-5 Worker training on occupational health and safety	45			8
GRI 403: Saúde e Segurança no Trabalho 2018	403-6 Promotion of worker health	45			3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43			8
	403-8 Workers covered by an occupational health and safety management system	45			8
	403-9 Work-related injuries	44			3, 8, 16
	403-10 Work-related ill health	41			3, 8, 16
Material topic: Diversity, equality and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	46			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	124, 125			5, 8
	405-2 Ratio of basic salary and remuneration of women to men	126			5, 8, 10
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		Due to the confidentiality principle of the information reported to Gerdau's Ethics Channel, this information will not be disclosed.		

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GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Strategic topic: Training of human capital (Non material topic)					
GRI 3: Material Topics 2021	3-3 Management of material topics	34			
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	36			4, 5, 8
Material topic: Innovation in processes and products					
GRI 3: Material Topics 2021	3-3 Management of material topics	49			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	12			5, 9, 11
Gerdau proprietary disclosure	G-1 Percentage of investments in innovation out of total net revenue	49			
Strategic topic: Information security (Non material topic)					
GRI 3: Material Topics 2021	3-3 Management of material topics	51			
Material topic: Community relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	61			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	61			
	413-2 Operations with significant actual and potential negative impacts on local communities	59, 82			1, 2
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	126			

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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.			
GRI 14.12	14.12.2 Involuntary resettlement	We dont have a resettlement area			
	14.25.2 – Operations in conflict-affected or high-risk areas	Not applicable to our business			
Strategic topic: Management of the supply chain (Non material topic)					
GRI 3: Material Topics 2021	3-3 Management of material topics	73			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	75			
	308-2 Negative environmental impacts in the supply chain and actions taken	75			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	75			5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	75			5, 8, 16
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	75			8, 16
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		Although we do not have a disclosure, over the past few years we have developed a risk analysis matrix based on supply categories and we carry out actions and monitoring aligned with this matrix.		8, 16

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GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Strategic topic: Management of the supply chain (Non material topic)					
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Although we do not have a disclosure, over the past few years we have developed a risk analysis matrix based on supply categories and we carry out actions and monitoring aligned with this matrix.		8, 16
Material topic: Waste management and the circular economy					
GRI 3: Material Topics 2021	3-3 Management of material topics	97			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	127			8, 12
	301-2 Recycled input materials used	127			8, 12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	97			3, 6, 12, 14, 15
	306-2 Management of significant waste-related impacts	100			3, 6, 12, 14, 15
	306-3 Waste generated	138, 140			3, 6, 12, 14, 15
	306-4 Waste diverted from disposal	139, 140			3, 6, 12, 14, 15
	306-5 Waste directed to disposal	140			3, 6, 12, 14, 15
	306-3 (GRI 2016) Significant spills		There were no significant spills reported at Gerdau Mineração's units in 2024.		3, 6, 12, 14, 15
Material topic: Management of water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	95			

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GRI STANDARDS	CONTENT	LOCATION	OMISSION		SDGs
			REQUIREMENT(S) OMITTED	EXPLANATION	
Material topic: Management of water and effluents					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	95			6
	303-2 Management of water discharge-related impacts	96			6
	303-3 Water withdrawal	130			6
	303-4 Water discharge	131			3, 6, 12, 14
	303-5 Water consumption	132			6
Material topic: Energy management					
GRI 3: Material Topics 2021	3-3 Gestão dos temas materiais	90			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	92, 128			7, 8, 12, 13
	302-2 Energy consumption outside of the organization		This indicator is not currently reported by the company. The topic is being addressed internally and is expected to be included in future reports.		7, 8, 12, 13
	302-3 Energy intensity	129			7, 8, 12, 13
	302-4 Reduction of energy consumption	92			7, 8, 12, 13
Material topic: Climate change management					
GRI 3: Material Topics 2021	3-3 Management of material topics	102			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	32			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	135			3, 12, 13, 14, 15

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			REQUIREMENT(S) OMITTED	EXPLANATION	
Material topic: Climate change management					
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	93			3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	136			3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-4 GHG emissions intensity	104, 136			14, 15
	305-5 Reduction of GHG emissions	91			14, 15
	305-6 Emissions of ozone-depleting substances (ODS)		It is not being reported this year.		14, 15
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	137			-
"Strategic topic: Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	108			
GRI 304 Biodiversidade	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	133			13, 15
	304-3 Habitats protected or restored	134			
GRI 14.4	14.4.2 Policies to halt and reverse biodiversity loss	80, 108			
	14.4.3 Management of biodiversity impacts	108			
	14.4.4 Identification on biodiversity impacts	109			
	14.4.5 Locations with biodiversity impacts	133			
GRI 14.8	14.8.6 Direct drives of biodiversity loss	134			
	14.8.8 Financial provisions for closure and rehabilitations mine sites	134			

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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, as the company does not operate in those countries.
Labor relations	"Percentage of active workforce employed under collective agreements"	EM-MM-310a.1	<u>39</u>	
	Number and duration of strikes and lockouts	EM-MM-310a.2	<u>39</u>	There were no strikes or lockouts lasting a full shift, nor any idle workdays during the reporting period.
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>44</u>	
Community relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-MM-210b.1	<u>82</u>	

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SASB TOPIC	REPORTING METRIC	CODE	LOCATION	OMISSION
SASB Metals & Mining				
Community relations	Number and duration of strikes and lockouts	EM-MM-210b.2		Union demonstrations accounted for fewer than one full day of aggregated hours during the reporting period. 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 main union demands were for (i) improved terms in the collective bargaining agreement and (ii) reversal of layoffs at the hibernated Barão de Cocais plant.
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		Not applicable.
	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	61	

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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	<u>138</u>	
	Total weight of waste rock generated	EM-MM-150a.5	<u>142</u>	
	Total weight of waste rock generated	EM-MM-150a.6	<u>142</u>	
	Total weight of hazardous waste generated	EM-MM-150a.7	<u>138</u>	
	Total weight of hazardous waste recycled	EM-MM-150a.8	<u>139</u>	
	Number of significant incidents associated with hazardous materials and waste management	EM-MM-150a.9	<u>101</u>	
	Description of waste and hazardous materials management policies and procedures for active and inactive operations	EM-MM-150a.10	<u>100</u>	
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	<u>141</u>	
	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	EM-MM-540a.2	<u>82</u>	
	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	EM-MM-540a.3	<u>82</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-MM-140a.1	<u>130</u>	
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	EM-MM-140a.2	<u>96</u>	
Energy Management	1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	EM-MM-130a.1	<u>128</u>	

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SASB TOPIC	REPORTING METRIC	CODE	LOCATION	OMISSION
SASB Metals & Mining				
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissionslimiting regulations	EM-MM-110a.1	<u>135</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>102</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>137</u>	
Biodiversidade Impactada	Description of environmental management policies and practices for active sites	EM-MM-160a.1	<u>88</u>	
	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	EM-MM-160a.2		Not Applicable
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	EM-MM-160a.3	<u>133</u>	
Activity Metric				
Activity Metric	Production of (1) metal ores and (2) finished metal products	EM-MM-000.A	<u>14, 142</u>	
	Total number of employees, percentage contractors	EM-MM-000.B	<u>123</u>	% of new hires not available for the cycle

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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>44</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		Disclosure omitted - Information not available for this cycle.
"Waste Management"	(1) Amount of waste generated, (2) percentage hazardous, (3) percentage recycled	EM-IS-150a.1	<u>138</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>130</u>	
"Energy Management"	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	EM-IS-130a.1	<u>128</u>	
	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas and (4) percentage renewable	EM-IS-130a.2	<u>128</u>	
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	EM-IS-110a.1	<u>102</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>102</u>	
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM ₁₀), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)	EM-IS-120a.1	<u>137</u>	
Activity Metric				
Activity Metric	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	EM-IS-000.A	<u>14</u>	
	Total iron ore production	EM-IS-000.B	<u>14</u>	
	Total coking coal production	EM-IS-000.C	<u>14</u>	

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