### Climate Change Management







## Shaping a sustainable future

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

Around the world, 30%

of the steel produced

comes from scrap

is produced from

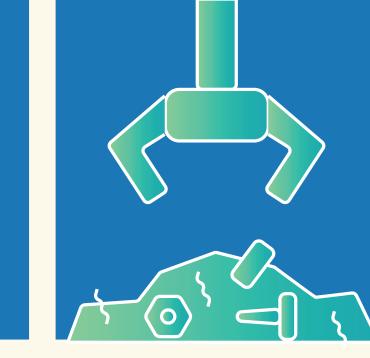
scrap.

(worldsteel), and at

Gerdau, 71% of steel

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

GĐ



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



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



## Climate Change

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

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

Base year (2020)

2022

by 2031

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

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

1.91

0.93

0.86

0.82

Gerdau Global steel

Greenhouse gas emissions

au Global steel sector average

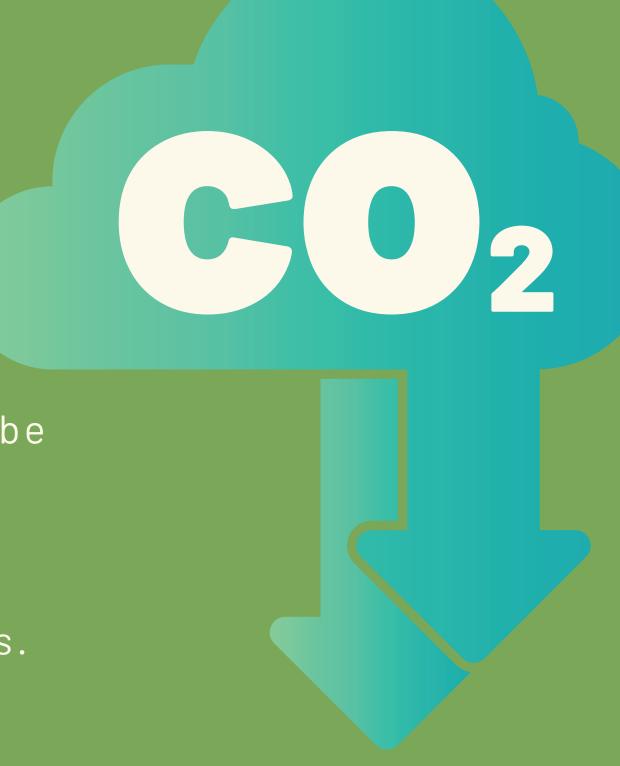
Source: WSA

Carbon neutrality ambition by 2050.

#### Decarbonization strategy

(cases)

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



## 4 pillars of the decarbonization

- Greater energy and operational efficiency
- Expansion of the use of scrap in the production matrix

  Expansion of the forestry base and investments in renewable
- Investments in new technologies and open innovation



at the Ouro Branco
plant, Minas Gerais
(Brazil), partially,
replacing mineral coal, for
the production of
Biocoke, avoiding more
than 64 thousand
tCO2e annually.



park, in Texas

(USA), has the capacity to produce 80 megawatts of energy and has 230 thousand photovoltaic panels.



Continuous casting

at Pindamonhagaba,

in São Paulo (Brazil),

presents better

around 7 thousand
tCO2e per year and can
meet future
perspectives of
increasing the matrix of
electric and hybrid
vehicles.

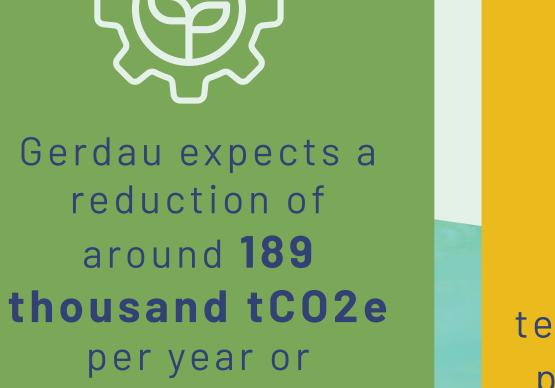


and 2026 in a new sustainable mining platform in Minas Gerais (Brazil).

# GERDAU Mext, Gerdau's new business arm, works to

develop an ecosystem of new solutions, products and services complementary to steel.

## Disruptive technologies



per year or approximately

10% of its Scope

2 emissions with the investment in

Newave Energia.





