

## **GERDAU S.A.**

With 123 years of history, Gerdau is the largest Brazilian steel producer. As the largest recycler in Latin America, Gerdau considers scrap as a crucial raw material, with 70% of its steel produced using this material. Each year, 11 million tons of scrap are transformed into various steel products. The company is also the world's largest produc er of charcoal, with over 250 thousand hectares of forest base in Minas Gerais. As a result of its sustainable production matrix, Gerdau has one of the lowest average greenhouse gas emissions, at 0.91 tCO<sub>2</sub>e/t of steel (2023 year, scopes 1 and 2), representing roughly half of the global industry average. By 2031, Gerdau aims to reduce the average to 0.82 tCO<sub>2</sub>e/t of steel, with the ambition to achieve carbon neutrality by 2050.

## **Biomass and Renewable Energy**



Gerdau is the world's largest producer of **charcoal**, a **renewable** carbon source used in units in **Minas Gerais**. The charcoal is derived from planted forests that undergo **sustainable management**, and in 2022, these forests sequestered **16 million tons of CO**<sub>2</sub>. The company allocates **90 thousand** hectares for **biodiversity** conservation.



**Charcoal** is also utilized in the **Ouro Branco** plant, partially replacing mineral coal in the production of **biocoke**. In **2022**, the emission avoided approximately was 64 thousand tons of  $CO_2e$ . In 2023, the company advanced to 90 thousand tons of  $CO_2e$ .



With a investment of R\$ 3.2 billion in a new responsible mining platform, Gerdau aims to produc e high-quality iron ore, ensuring greater operational efficiency and reducing greenhouse gas emissions in steel production.



Through Gerdau Next, the company's business development arm, Newave Energia is investing in a Solar Park in Minas Gerais. This initiative will contribute 30% of Gerdau's renewable energy in Brazil to crude steel production, avoiding the emission of approximately 22 thousand tons of CO<sub>2</sub>e per year.



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