

1. Objectives

1.1. This Policy establishes guidelines for the sustainable conduction of Gerdau's activities, considering the economic, social, environmental and governance elements, as well as an assessment of the associated risks and opportunities.

1.2. The Sustainability Policy reinforces Gerdau's commitment to creating value for the company and for society.

2. Scope

2.1. This Policy applies to all business operations of Gerdau and must be taken into account in relations with stakeholders, especially suppliers, clients, service providers, employees, community, regulatory agencies, financial and capital markets, the academic community, the media and related parties.

2.2. Gerdau also maintains, as an extension of this Policy, corporate guidelines applicable to its business divisions that detail the responsibilities and procedures to be followed to achieve the goals proposed by each of them.

3. Principles

3.1. Gerdau's guiding principles include "Create value for all," "Do the right thing" and "Diverse and inclusive environment," considering: (a) respect for human rights, cultural diversity and the interests of all stakeholders; (b) optimizing the use of natural resources, mitigating environmental impacts and preserving the planet for future generations, without losing sight of the financial profitability of the business; and (c) corporate governance practices, ensuring its role as a proactive agent in the development of society.

4. Guidelines

4.1. The principles described in this Policy guide all of the activities performed and are aligned with the priorities established in the corporate governance agenda, which includes the aspects of integrity, value chain management, efficient use of natural resources, social responsibility, quality and safety in production processes.

5. Environmental, Social and Governance (ESG) Factors

5.1 Environment

5.1.1. Gerdau works to protect the environment and upholds its preservation, guided by the principles of social justice and inclusion, compliance with all laws and regulations, and sustainable development, while incorporating these principles into its production chain. One of the pillars of Gerdau's sustainable operations is protecting the environment, through the following actions:

- a) Optimizing the use of renewable and non-renewable natural resources, which includes reducing waste and increasing energy efficiency.
- b) Preventing pollution by minimizing the environmental impacts of its operations and working to influence its value chain.
- c) Managing its environmental risks through its leadership and business operations, while promoting the resources needed for these risks to be controlled and assessed in the decision-making process.

- d) Using co-products and incorporating them into other production processes, while avoiding the use of landfills whenever possible.
- e) Maximizing the reuse of water in its processes and minimizing the discharge of effluents, while complying with all standards, and
- f) Maintaining processes that control air emissions without causing impacts on local communities.

5.1.2. Gerdau considers the environment a strategic and relevant topic in the construction of its goals and future. The company is responsible for ensuring the legal compliance of its operations and for adopting a preventive approach with regard to possible environmental impacts. Gerdau also encourages actions to raise awareness and to train its employees on environmental responsibility.

5.1.3. Gerdau upholds transparency and reports internally and externally the key environmental indicators defined by its materiality matrix, which must be measured, monitored and controlled by the business divisions. The divisions must strive to continually improve their environmental performance, with well-defined and detailed targets for indicators.

5.1.4 Gerdau set a target to reduce its carbon intensity, by 2031, from 0.93 t CO₂e/t of steel (2020) to 0.83 t CO₂e/t of steel, related to scopes 1 (CO₂ emitted in production processes) and 2 (indirect emissions). It also has the ambition of becoming carbon neutral by 2050, which is a reality that will be achieved in accordance with the availability of disruptive technologies on an industrial scale and public policies enabling their implementation.

5.1.5. Gerdau manages its processes to reduce the intensity of its greenhouse gas emissions through available and viable solutions. To achieve these goals, Gerdau works to improve its energy and operational efficiency, to increase its use of scrap, to expand its forestry base and use of renewable energies, and to invest in new technologies and open innovation. Gerdau keeps its inventories of CO₂ equivalent (CO₂e: gas emitted in the generation of electricity consumed) up-to-date and audited by independent third parties, analyzes the risks and opportunities related to climate management and incorporates the topic in its strategy and financial planning. The actions adopted by Gerdau to contribute to reducing the impacts of climate change are reviewed periodically, in line with the advances in its business strategy and in the technologies available for decarbonization.

5.1.6. Gerdau maintains constant dialogue with stakeholders to act preventively with regard to any demands associated with relevant environmental aspects, which contributes to sustainable development.

5.2 Social

5.2.1. Gerdau contributes to the sustainable development of society by incorporating into its Strategic Planning and into the management of its corporate practices and guidelines the principles espoused by the following commitments, conventions and voluntary partnerships:

- a) Universal Declaration of Human Rights
- b) UN Global Compact
- c) Sustainable Development Goals (SDGs)
- d) Conventions of the International Labor Organization (ILO)
- e) Child and Adolescent Statute
- f) National Registry of Companies Committed to Ethics and Integrity (Pro-Ethics Company Registry)
- g) Friend of Children Company

- h) B System
- i) Ethos Institute
- j) Program for Gender and Race Equality
- k) Declaration of Corporate Commitment to Combat Sexual Violence against Children and Adolescents, jointly with the Brazilian Federal Office of Human Rights;
- l) Program for the Protection of Childhood and Adolescence, and
- m) Na Mão Certa Program.

5.2.2. These commitments reinforce Gerdau's positioning with regard to eradicating child labor in all forms, to eradicating forced or compulsory labor, to ending all forms of discrimination, to promoting diversity, to combatting moral and sexual harassment, to managing topics related to occupational safety for employees and contractors, and to upholding respect for freedom of association and the right to collective bargaining.

5.2.3. Gerdau prohibits and renounces any practice of forced, child or compulsory labor or labor analogous to slavery, as well as activities involving the sexual exploitation of children and youth in its value chain and in that of its partners and suppliers.

5.2.4. Gerdau also: (a) encourages an inclusive and ethical work place that values creativity and diversity; (b) encourages the satisfaction, motivation, professional and personal development and commitment of its employees; and (c) constantly seeks to improve working conditions to ensure the well-being of its employees through highly-regarded standards of health, quality of life and occupational safety.

5.2.5. Since Gerdau is committed to the sustainable development of the regions in which it operates, the company makes social investments and encourages its employees to work as volunteers in social projects. These actions are part of the company's social strategy and are coordinated by the teams of the business divisions and of the units.

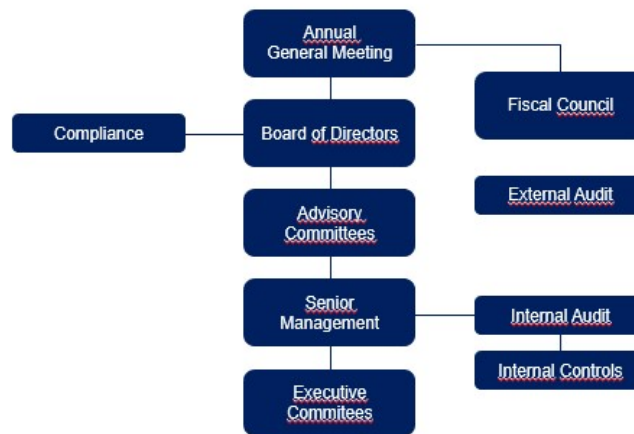
5.3 Corporate Governance

5.3.1. Gerdau believes that corporate governance is a way to create value for society and consequently to promote the longevity of the company. It undertakes to act in compliance with laws and regulations, guided by the best corporate governance practices applicable to its business.

5.3.2. Gerdau maintains ethical and transparent relations with all its stakeholders, which are formalized in specific documents that stipulate the ethical principles that should guide the work of its employees and business partners, especially its Code of Ethics and Conduct.

5.3.3. Gerdau has an Integrity Program that reports to the Board of Directors and follows best practices and all legislation related to topics involving Ethics and Compliance.

5.3.4 Gerdau's governance bodies are organized as follows:



More details, see Reference Form: <https://ri.gerdaul.com/en/corporate-governance/register-and-reference-form/>

6. Engagement and Dialogue

6.1. Gerdaul conducts its activities with respect for its stakeholders and seeks to align interests in all phases of its operations, always observing legal compliance, ethical conduct and social and environmental responsibility, while adjusting its actions based on the assessment and remediation of any impacts on the environment and society, in the present and future.

6.2. Gerdaul works to raise awareness among its employees and other stakeholders, while promoting the sharing of knowledge, culture and citizenship. It is committed to disseminating the importance of its connection to society and the environment, and regularly provides relevant information on the topic of sustainability, for which it adjusts to the language and communication means of its stakeholders.

6.3. Gerdaul incorporates sustainability principles in its sourcing parameters and in the management and selection of suppliers as a way to promote sustainable development. As part of this effort, when acquiring products and services, Gerdaul works to ensure the adherence of its suppliers and contractors to this Sustainability Policy and its Code of Ethical Conduct, including through contractual clauses. Gerdaul seeks to disseminate the culture of sustainability throughout its value chain through partnership, communication, awareness and engagement initiatives.

7. Cycles of sustainability actions

7.1. Sustainability actions must be conducted constantly, adopting measurement and corrective actions when necessary to promote improvement and continuous reductions in the impacts of its activities and adjusting them to global guidelines on sustainable development.

7.2. Gerdaul anticipates and monitors global trends, while classifying, developing, adopting and encouraging good practices, to ensure that priority topics always are reviewed to promote, incorporate and disseminate continuous improvement.

8. Continuity and Monitoring of Results

8.1. Monitoring the results of sustainability actions is just as important as conducting them. Gerdau monitors its sustainability actions to identify if the guidelines adopted produce the expected results or if they need adjusting.

8.2. Gerdau's constant commitment to sustainable development is strengthened by the use of the results of performance indicators in the planning cycles. The ESG Scorecard, which is constructed based on the materiality matrix, is part of the systematic monitoring by the bodies cited below, and its structure incorporates environmental, social and governance aspects.

8.3 In the performance of their duties, managers must take into account Gerdau's best interests, including expectations and the short and long-term effects of its actions from the environmental, social and governance perspective, with the involvement of the Board of Directors and with support of the Strategy & Sustainability Committee and, at the executive level, the Risks and Disclosure committees.

8.3. The ESG Squad formed by the Environment, Social Responsibility, Financial, Investor Relations, People, Procurement, Accounting and Legal areas is responsible for monitoring, assessing and correcting any deviations in the action plans, as well as for monitoring the ESG Scorecard on a quarterly basis.

8.5. The indicators Economic Value Added (EVA), Women in Leadership and CO₂ Emissions, which are components of the ESG Scorecard, also are part of the framework of the long-term incentive plan (LTI) for executives.

8.6. Gerdau S.A. draws on the methodologies of Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), as well as Task Force on Climate-Related Financial Disclosures (TCFD) and Carbon Disclosure Program (CDP), and has a team that evaluates trends, additional efforts and their benefits. The Company also devotes constant efforts to improving its ESG ratings and the pool of information obtained from external sources.

9. Miscellaneous

9.1. This Sustainability Policy was approved in the meeting of the Board of Directors held on February 22, 2022, with immediate effect for an indefinite term.
