

## DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**

## DISCLOSURE QUESTIONNAIRE

Company Name: Gerdau Summit

Date Submitted: May 20, 2022

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries	✓	
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials	✓	
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other		✓

## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Gerdau Summit

UPDATED AS OF:

May 20, 2022

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Hazardous Discharges into Air/Land/Water
<b>TOPIC</b>	Hazardous Discharges into Air and Land due to Industry.
<b>SUMMARY OF ISSUE</b>	<p>"The production process of Gerdau Summit, which is a subsidiary of the Large Enterprise Group, has by intrinsic characteristics the emission of substances in the atmosphere, that is:</p> <ul style="list-style-type: none"> <li>• Particulate materials: mainly arising from the melting process of the liquid metal in induction ovens, and from the processes of oxyfuel and scarfing, which generate metallic fumes;</li> <li>• Nitrogen Oxide/Sulfur Dioxide (NOx/SO2): mainly from the burning of natural gas in heating, reheating and heat treatment ovens.</li> </ul> <p>Gerdau Summit has, since the days before the company began operations on the land, 2 areas contaminated by OC4 fuel oil. There are no indications that these contaminated areas reached outside areas and there are no water bodies within reach that can be contaminated."</p>
<b>SIZE/SCOPE OF ISSUE</b> (e.g. \$ financial implication, # of individuals affected)	<p>"There are sources of atmospheric emission of pollutants in all 6 sheds of the Gerdau Summit, so it can be considered that atmospheric discharges come from 100% of the organization's built area.</p> <p>Contaminated areas under management account for less than 10% of Gerdau Summit's total land. The first area has 485m<sup>2</sup> and 540m<sup>3</sup>. The second area has 285m<sup>2</sup> and 380m<sup>3</sup>."</p>
<b>IMPACT ON STAKEHOLDERS</b>	<p>"Hazardous discharges can result in respiratory difficulty due to respiratory tract irritation, contamination of water sources and impact on air quality.</p> <p>Workers: with regard to potential damage, potential respiratory diseases stand out (no history of connection).</p> <p>↑          Local community: with regard to potential damage, potential respiratory diseases stand out (no history of connection).</p> <p>↑          Environment: with regard to potential damage, the company highlights the deposition of particulate matter in agricultural properties and processes, as well as the production potential of acid rains, which can acidify soils and water, and generate damage to properties and agricultural production. Gerdau Summit has never had cases of contamination, pollution, diseases or any potential damage to its employees or the community.</p> <p>Community/Environment: the contaminated area has delimited plume, located in an area immediately close to 2 industrial sheds, not having potential for external reach. Therefore, the potential for damage to the community and the environment is null and void.</p> <p>There are no processes at the Gerdau Summit that require contact with ground/groundwater and, in a specific situation, the use of EPIs is mandatory. Still, there is a ban on the consumption of groundwater throughout the unit. Therefore, the potential for damage tends to be considered negligible. "</p>

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### IMPLEMENTED MGT PRACTICES

"The processes have pollution control systems, such as dispersal chimneys and dedusting systems with cyclones and bag filters.

Further, it is noteworthy that, although there is no legal reference of parameters for emission concentration of particulate materials and NOx/SO2 pollutants for the processes developed at the Gerdau Summit, the monitoring carried out since the foundation of the organization demonstrate skilled values, based on similar legal references, such as Conselho Nacional do Meio Ambiente ("CONAMA") 382/2006 (CONAMA, 2006) and CONAMA 436/2011 (CONAMA, 2011).

The process of management of contaminated areas includes an Monitoring Plan, which includes: monitoring water levels and assessment for the presence of contaminants; in situ measurements of physical and chemical parameters; groundwater sampling by the micropurge method; chemical analysis of lab samples in a specialized laboratory for the parameters of interest. The process of management of contaminated areas has been developed for more than 10 years in both areas, and in the last 5 years the actions of complementary investigations and remediation have been carried out, with excavation and removal of soil and contaminated waters. Both areas remain under management of the Gerdau Summit, and all processes developed are periodically reported to Companhia Ambiental do Estado de São Paulo (CETESB), the environmental agency of the State of São Paulo, which supervises and licenses the organization. The organization performs periodic monitoring on monitoring wells scattered throughout the plant area. No other areas with similar occurrences of contamination were identified.

Gerdau Summit workers who eventually expose themselves to emissions at origin (occupational) have at their disposal the EPI (PPE) of respiratory protection, of mandatory use. They are also periodically monitored by the occupational medicine team.

It is worth noting that:

- Pollution control systems have periodic preventive and corrective maintenance if necessary;
- The organization invests financial and human resources for the execution of routine actions and for the development of improvements in production processes;
- In 2021 only, the organization invested more than R\$1.2 million in improvements in air pollutant control systems;
- The organization carries out periodic monitoring on emission sources, meeting the technical requirements of environmental operating licenses;
- The organization manages environmental aspects/impacts/risks related to atmospheric emissions within its Environmental Management System, which is certified by the International Organization for Standardization (ISO) 14001:2015.

Examples of routine actions include execution of the Environmental Monitoring Plan (PMEA), follow up on Environmental KPIs (key performance indicator); Environmental Inspections every other month in all of Gerdau Summits areas ; Every day Gerdau Summit has the Safety Hour, a safety inspection all of its areas, that focus on the safety of its workers. Besides that, Gerdau Summit provides regular training and qualification for its employees regarding safety and environmental subjects.

Gerdau Summits has an Environmental Monitoring Plan (PMEA) that is developed, to assure that the technical demands of CETESB are reached. CETESB is the Environmental Agency of the State of São Paulo and it is responsible for the control, oversight, monitoring and licensing of local industries and its purpose is to ensure that the environmental standards are met. Gerdau Summit monitors its emissions and issues reports to CETESB every two years. Summit has dust removal system for air pollution control (known as "baghouses") to prevent particulate matter from being released into the atmosphere. Gerdau Summit has baghouses in two operational areas. In the Foundry shop, The Foundry furnaces use high temperatures to melt scrap steel and raw material producing air pollutants such as particulate matter along with the liquid metal. The baghouse system is designed to receive dusty gas from the process, capture the particulates, and then exhaust clean air. In addition, also in The Foundry shop there are an Oxyfuel Cutting system and an Deburring System (cutting metal process) that also produce particulate matter which is also filtered by a baghouse system; Similarly, The Forging shop has an Oxyfuel Cutting system that produces particulate matter that is filtered by a baghouse system. Summit does regular maintenance of its dust removal system."

### IMPACT ON STAKEHOLDERS

"Gerdau Summit has its Corporate Environmental Management Guideline. This document establishes the minimum requirements to be met in Summit's environmental management.

Gerdau Annual Integrated Report"

## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Gerdau Summit

UPDATED AS OF:

May 20, 2022

<b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>	Energy Intensive Industries
<b>TOPIC</b>	As a steel manufacturer, Gerdau operates in an industry that is energy intensive.
<b>SUMMARY OF ISSUE</b>	The majority of Gerdau Summit's production processes consume electricity from the National Interconnected System and natural gas. It should be noted that national electricity, according to data from the National Energy Balance 2021 (EPE, 2021), is 84.8% from renewable sources (hydraulic, biomass, wind and solar).
<b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b>	<p>"The main contributors are the consumption of natural gas (42,877.68t CO2eq) and electricity (9,626.28t CO2eq), totaling 53,945.20t CO2eq.</p> <p>The parent company, Gerdau group, compares their CO2 production, 0.93 t CO2eq, to the world average is 1.89 CO2eq (World Steel Association, 2022). In 2020 Gerdau consumed 11.06 GJ/t produced (GERDAU, 2021), while the industry average was 20.62 GJ/t produced (WSA, 2022).</p> <p>The emissions accounted in the latest Gerdau Summit's GHG Inventory (base year 2021), calculated according to the GHG Protocol methodology, totalled: 43.696,06 tCO2e for Scope 1, 9.626,29 tCO2e for Scope 2 and 622,85 tCO2e for Scope 3."</p>
<b>IMPACT ON STAKEHOLDERS</b>	<p>Iron and Steel production accounts for 8% of global final energy use and 7% of global direct energy-related GHG emissions. Among the industries, the production of iron and steel is the largest emitter in relation to GHG emissions, directly related to its production process, occupies the second place in terms of general energy consumption and is the largest consumer of mineral coal among the industrial sectors (INTERNATIONAL ENERGY AGENCY, 2020) INTERNATIONAL ENERGY AGENCY. Iron and Steel Technology Roadmap. Paris: IEA, 2020. Disponível em: <a href="https://www.iea.org/reports/iron-and-steel-technology-roadmap">https://www.iea.org/reports/iron-and-steel-technology-roadmap</a>. Acesso em: 02 jul. 2021</p>

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PROVIDED BY: **Gerdau Summit** UPDATED AS OF: **May 20, 2022**

<b>IMPLEMENTED MGT PRACTICES</b>	<p>"Energy from Natural Gas: Gerdau Summit monitors and controls its energy consumption on a monthly basis (in some areas, natural gas consumption is monitored daily), with strategic projects focused on consumption efficiency. In 2021, investments were made for natural gas in more efficient burners for heating ovens with higher consumption, reforms in seals and refractory structures, automation, resets of times and methods, revisions of operating procedures, in addition to efficiency studies. In 2022, the targets for the main processes of natural gas consumption are: 91 Nm³/t in Thermal Treatments (result of 99 Nm³/t in 2021); 318 Nm³/t in the Forge (result of 356 Nm³/t in 2021) and 131 Nm³/t in the Foundry (result of 160 Nm³/t in 2021).</p> <p>Energy from Electricity: Gerdau Summit monitors and controls its electricity consumption in all production sheds and administrative areas on a monthly basis, with a strategic project focused on efficiency and consumption reduction in the main consumer, which is the molten metal fusion processes. In 2021, investments were made for electricity in individual meters and automation of data collection and analysis, improvements in natural lighting in sheds, replacement of luminaires with more efficient ones (LED), optimization of production processes, revisions of procedures operations, among other efficiency studies. In 2022, the target for the main consumer point is 1325 MWh/t (result of 1460 MWh/t in 2021).</p> <p>GHG emissions: Since 2020, Gerdau Summit has implemented, together with all of Gerdau Brasil, the 'Climas' system, a GHG inventory platform. This system allowed visibility of emissions, definition and management of emission factors and feasibility of data verification by the 3rd party. In 2021, Gerdau Summit also started a journey with the company SINAI, which is a consultancy and management platform for decarbonization, a process that is under development for continuity in 2022. In February 2022, Gerdau announced a goal to reduce greenhouse gas emissions by 2031, going from 0.93 t CO2eq to 0.83 t CO2eq, a goal that will be rolled out and commits all units of the organization, among them the Gerdau Summit (GERDAU, 2022).</p> <p>Gerdau is a member of Instituto Aços Brasil (IABR), and participates in sectorial forums and projects, where it has the opportunity to compare itself and contribute/learn with other companies."</p> <p>"Energy from Natural Gas: Gerdau Summit monitors and controls its energy consumption on a monthly basis (in some areas, natural gas consumption is monitored daily), with strategic projects focused on consumption efficiency. In 2021, investments were made for natural gas in more efficient burners for heating ovens with higher consumption, reforms in seals and refractory structures, automation, resets of times and methods, revisions of operating procedures, in addition to efficiency studies. In 2022, the targets for the main processes of natural gas consumption are: 91 Nm³/t in Thermal Treatments (result of 99 Nm³/t in 2021); 318 Nm³/t in the Forge (result of 356 Nm³/t in 2021) and 131 Nm³/t in the Foundry (result of 160 Nm³/t in 2021).</p> <p>Energy from Electricity: Gerdau Summit monitors and controls its electricity consumption in all production sheds and administrative areas on a monthly basis, with a strategic project focused on efficiency and consumption reduction in the main consumer, which is the molten metal fusion processes. In 2021, investments were made for electricity in individual meters and automation of data collection and analysis, improvements in natural lighting in sheds, replacement of luminaires with more efficient ones (LED), optimization of production processes, revisions of procedures operations, among other efficiency studies. In 2022, the target for the main consumer point is 1325 MWh/t (result of 1460 MWh/t in 2021).</p> <p>GHG emissions: Since 2020, Gerdau Summit has implemented, together with all of Gerdau Brasil, the 'Climas' system, a GHG inventory platform. This system allowed visibility of emissions, definition and management of emission factors and feasibility of data verification by the 3rd party. In 2021, Gerdau Summit also started a journey with the company SINAI, which is a consultancy and management platform for decarbonization, a process that is under development for continuity in 2022. In February 2022, Gerdau Brasil announced a goal to reduce greenhouse gas emissions by 2031, going from 0.93 t CO2eq to 0.83 t CO2eq, a goal that will be rolled out and commits all units of the organization, among them the Gerdau Summit (GERDAU, 2022).</p> <p>Gerdau is a member of Instituto Aços Brasil (IABR), and participates in sectorial forums and projects, where it has the opportunity to compare itself and contribute/learn with other companies.</p>
<b>REPORT</b>	<p>"References:          CARVALHO, P. S. L. et al. Sustentabilidade da siderurgia brasileira: eficiência energética, emissões e competitividade. BNDES Setorial, n. 41, Rio de Janeiro, p. 181-236, mar. 2015.          EMPRESA DE PESQUISA ENERGÉTICA (EPE). Balanço Energético Nacional 2021: Relatório Síntese - Ano Base 2020. Rio de Janeiro: Empresa de Pesquisa Energética (EPE), 2021a. Ministério de Minas e Energia.          INTERNATIONAL ENERGY AGENCY. Iron and Steel Technology Roadmap. Paris: IEA, 2020. Disponível em: <a href="https://www.iea.org/reports/iron-and-steel-technology-roadmap">https://www.iea.org/reports/iron-and-steel-technology-roadmap</a>. Acesso em: 02 jul. 2021"</p>
<b>OTHER MANAGEMENT COMMENTS</b>	<p>Gerdau Summit respects the environment and does what is right, generating value in a sustainable way. It is Gerdau's commitment to put this into practice everyday. In order to reinforce this commitment, we launched our Environmental Rules in 2021.</p>