



Gerdau US and Canada

Disclosure Report
Date Submitted: July 15, 2024



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 that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of 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 practices are in place to avoid similar issues from arising in the future, when necessary.

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

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check 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.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

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



Disclosure Questionnaire

Industries and Products

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

Outcomes & Penalties

	Yes	No
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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration (Topic A) Litigation or Arbitration (Topic B)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Water Intensive Industries
Summary of Issue	<p>Gerdau Ameristeel Corporation (GLN and GSN) are Electric-Arc Furnace (EAF) steelmaking divisions of Gerdau in North America. GLN is involved in the production of Long Steel and has:</p> <ul style="list-style-type: none">- 10 mills located in Cambridge, Ontario [Canada]; Selkirk, Manitoba [Canada]; Whitby, Ontario [Canada]; Cartersville, Georgia [US]; Charlotte, North Carolina [US]; Jackson, Tennessee [US]; Wilton, Iowa [US]; Midlothian, Texas [US]; Petersburg, Virginia, [US]; and Saint Paul, Minnesota [US] (divested)- 21 scrap sites located in Cambridge, Ontario (CAN); Cornwall, Ontario (CAN); Guelph, Ontario (CAN); Lindsay, Ontario (CAN); London, Ontario (CAN); Mississauga, Ontario (CAN); Napanee, Ontario (CAN); Oshawa, Ontario (CAN); Ottawa, Ontario (CAN); North York, Ontario (CAN); Winnipeg, Manitoba (CAN); Bismarck, North Dakota (US); Chattanooga, Tennessee (US); Fargo, North Dakota (US); Jamestown, North Dakota (US); Minot, North Dakota (US); Oklahoma City, Oklahoma (US); Charlottesville, Virginia (US); Lynchburg, Virginia (US); Roanoke, Virginia (US); South Boston, Virginia (US).- A head office in Tampa, Florida (US)- Six Downstream facilities located in Duluth, Minnesota (CAN); Saint Jean Sur Richelieu, Quebec (CAN); Lancaster, South Carolina (US); Arlington, Tennessee (US); Paragould, Arkansas (US); Sand Springs, Oklahoma (US). <p>GSN is involved in the production of special Steel and has:</p> <ul style="list-style-type: none">- Two steel mills located in Monroe, Michigan [US]; Fort Smith, Arkansas [US];- A downstream finishing facility in Jackson, Michigan [US]- A downstream heat treating facility in Huntington, Indiana [US]- A head office in Jackson, Michigan [US] <p>Steel making is a water intensive industry as a result of the cooling process required in the production of molten steel, casting and rolling it into semi finished long steel products.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>In the previous fiscal year, 100% of revenue was earned from water intensive products.</p> <p>GLN has determined its aggregate water intensity for FY2022 as 1.34 m3/tonne of steel.</p> <p>GSN has determined its aggregate water intensity for FY2022 as 1.08 m3/tonne of steel.</p> <p>In Gerdau's operations, fresh water is used mainly for cooling equipment and machinery, when demand is not met by reused water.</p>
Impact on Stakeholders	<p>As a water intensive industry, manufacturing poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>The primary sources of water for GLN steel Mills include ground water, storm water, surface water (impoundments, other), and (supplied) municipal water. 3 GLN's mills are located in water-stressed regions, according to Aqueduct, a World Resource Institute (WRI) tool. However, they have modern controls and</p>

	<p>they have zero water discharge.</p> <p>Water is purchased from the respective cities for the Monroe, Fort Smith, and Huntington GSN sites. The Jackson MI site extracts water from on-site wells within a constrained aquifer.</p> <p>For sites using city water, water usage is projected annually to the municipality as part of strategic planning and rate assessment. Usage is metered and monitored by stakeholders.</p> <p>For a site using well water, the site is the only stakeholder for the utilized aquifer but use is monitored and reported to regulatory agencies to prevent overdraw of the source.</p>
Management Practices	<p>Gerdau Ameristeel Corporation have implemented the following practices to mitigate and manage impact on water sources:</p> <p>GLN Steel Mills</p> <ul style="list-style-type: none"> - GLN's mills all have large, diverse, and complicated water systems. - All utilize electronic monitoring, automated chemical applications, and flow controls to minimize excess water use. - Process water is recycled as much as possible to limit the water needed for makeup and to minimize water discharges. - Three GLN mills are zero process water discharge and others have lower than world average steel mill process water discharges - GLN a specific water goal for each mill (cm/tonne billet steel) ranging from 0.82-4.2 between the eight EAF Steel Mills. <p>GSN Steel Mills</p> <ul style="list-style-type: none"> - Each site employs technology to cascade or recycle process waters to optimize usage prior to introduction of fresh water make-up. These plants have the ability to utilize fresh water for processes where cleaner water is required then utilize the discharge for processes where water quality is less critical. - Large volume water retention systems are employed to provide a reservoir for site water needs which is managed through on-site water treatment systems with multiple re-distribution options. As a result, water discharge is optimized to a standard where treatment or recovery of the discharged water is not feasible for further use in the process. - The GSN business unit has set internal targets of reducing water consumption by 2% equal to 0.99cm/tonne of steel. The company meets this goal by employing best practices as well as monitoring and optimizing water usage. Engineering projects are periodically considered and planned which serve to reduce water make-up and dependence. <p>Gerdau Corporate level practices</p> <ul style="list-style-type: none"> - The company has a Sustainability policy including an internal environmental guideline in order to have a management system with the best practices in the market. Water intensity KPIs are checked by the leadership annually. - GSN participates in the Steel Manufacturer's Association, an industry group focused on sharing best practices and technology in regards to environmental performance in the EAF steelmaking industry. This group periodically conducts industry studies and benchmarking of members. - Gerdau produces an annual integrated report where the company discloses their performance in relation to water use and other environmental indicators. This report also summarized Gerdau's programs related to managing environmental impacts. (See link to report below).
Report	<p>Gerdau Integrated Report 2021</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Energy and Emissions Intensive Industries
Summary of Issue	As a company in the steel manufacturing industry, Gerdau Ameristeel Corporation operates in an industry that is energy and emissions intensive. Energy and emissions intensity is mainly due to the melting of scrap into molten steel and processing it into semi finished long steel products.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>100% of the products sold by the company are related to energy intensive use.</p> <p>GLN's aggregate energy intensity: 5.20 GJ/ton steel. GLN's aggregate carbon intensity per unit product in 2022 was 0.38 tons CO2e/ton steel.</p> <p>GSN's aggregate energy intensity: 5.07 GJ/ton steel. GSN's aggregate carbon intensity per unit product in 2022 was 0.62 tons CO2e/ton steel.</p> <p>Gerdau Group Energy intensity in 2022 was calculated as: 11.19 GJ energy consumed per ton of steel produced. Total Emissions 2022: 0.86t CO2eq per ton of steel produced</p> <p>The iron and steel sector directly accounts for 7% of global direct energy-related GHG (IEA, 2020, link below).</p>
Impact on Stakeholders	<p>Steel manufacturing is an energy intensive industry contributing to global greenhouse gas emissions. The company's energy sources are: Electricity, natural gas, carbon, alloy, fluxes, transportation fuel.</p> <p>EAF steelmaking utilizes primarily electricity (various generation sources depending on NA eGRID subregion) and natural gas in the steelmaking, casting, and rolling processes. Some chemical energy in EAF steelmaking is obtained from carbon sources, oxygen, fluxes, and alloying agents added in the individual steel heats. Diesel fuel and gasoline are the fuels used to fuel power equipment used on-site for the movement and loading of steel products.</p>
Management Practices	<p>EAF steel making is considered the most energy, emissions, and raw material efficient production process in the steel industry. Both GLN and GSN use EAF steel making. Gerdau Ameristeel Corporation implements the following practices in order to maximize energy efficiency and minimize emissions in steelmaking:</p> <p>GLN</p> <ul style="list-style-type: none">- Uses modern technology, monitoring, and process controls for energy efficiency.- Have calculated specific GHG intensity goals.- Have a solar park in the city of Midlothian, Texas, United States, developed in partnership with 174 Global Power and TotalEnergies. The park is located next to the Gerdau unit in the Texas city and has 230,000 solar panels with around 30,000 Gerdau steel beams used as piles, with a total capacity of 80 megawatts. The solar park was operational as of July 7, 2023.

	<p>GSN</p> <ul style="list-style-type: none"> -Also use modern technology, monitoring, and process controls to maximize energy efficiency and minimize emission in steelmaking. -Significant CAPEX has been invested in the past 5 years to improve steel melting performance & reduced associated emissions. -GSN also has specific GHG intensity goals <p>Gerdau Corporate level practices in relation to energy and emissions: Gerdau, from a corporate perspective, has structured a medium and long term strategy to be part of the solutions for a low GHG emission economy that is part of their Annual Report stating their performance in energy, GHG intensity and other environmental indicators, as well as summaries of Gerdau's programs for managing environmental impacts (link below).</p> <p>The company has adopted the use of the Marginal Abatement Cost Curve (MACC) and rely on the support of specialized consultants and study the scenarios of productive and technological changes with the lowest effective cost of carbon. Since 2020 they have published verified data related to their GHG emissions and have implemented improvements each year in the management of this data. The group has a system to calculate and manage this information and the leadership team checks the GHG emissions intensity periodically. In addition, they have an integrated policy and a Sustainability policy as well as an internal environmental guideline; aiming to have a management system with the best practices in the market.</p> <p>The Group compares their performance with others in the industry and their emissions intensity is less than half of the average energy consumption and emissions of the global steel industry (20,99 GJ/t energy industry average consumption and 1,91tCO₂eq average global emissions- World Steel Association 2023 see link below). https://worldsteel.org/wp-content/uploads/Sustainability-indicators-report-2023.pdf.</p> <p>Gerdau's global target is to reach 0.82 tCO₂e/t of steel by 2031 (2022 Gerdau global intensity reference: 0.86 tCO₂e/t of steel). The company's commitment to address climate change is available in the link below</p>
Report	<p>EAF + energy efficiency</p> <p>International Energy Agency (IEA) Iron and Steel Technology Roadmap Paris 2020</p> <p>Gerdau Commitment to Climate Change</p> <p>Gerdau Annual Report</p> <p>Climate Change Management</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Facilities located in sensitive ecosystems

Topic	Company's manufacturing facilities are located within a sensitive ecosystem.
Summary of Issue	Gerdau Ameristeel Corporation has operations located within wetlands determined by the USEPA as sensitive environments due to migratory waterfowl laws in the US and Canada. GSN facilities are finishing facilities that involve Heat Treat, Straightening, Bar Turned, Mult Cut and Chamfered. Steel producing facilities carrying out melting, molding and rolling activities are not located near these ecosystems. GLN facilities are steel producing facilities.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>GLN and GSN both have sensitive ecosystems located on their properties at Jackson, Tennessee and Jackson, Michigan. Neither GLN nor GSN operate any commercial activities on top of/within these sensitive ecosystem areas; all sensitive ecosystems on GLN and GSN properties are located adjacent to the commercial operations on their properties.</p> <p>% of GSN sq ftg that has sensitive ecosystems within the property: 38.50% % of GLN sq ftg that has sensitive ecosystems within the property: 15.41%</p> <p>Additionally, GLN's Whitby, Ontario and Duluth, Minnesota sites are located adjacent to Lake Ontario and Lake Superior, respectively.</p> <p>% of GLN sq ftg that has sensitive ecosystems adjacent to the property: 8.42%</p>
Impact on Stakeholders	Having facilities near protected/sensitive ecosystems can potentially impact the flora, fauna and quality of the ecosystem (e.g. noise & light pollution from the facilities, spills, air / soil / water pollution owing to the company's operations). Also, there is a risk of negatively impacting the local communities.
Management Practices	<p>Both of Gerdau Ameristeel's business units (GLN, GSN) have carried out ecosystem studies in 2023 to review the natural features at their facilities. The assessments identified potential sensitive habitats, threatened and endangered species and other natural resources that must be taken into consideration in the management of the facility.</p> <p>The assessment details an inventory of current site conditions and provides clear, actionable recommendations to protect natural features and promote biodiversity. The next step will be implementation of the plan through on the ground monitoring and management activities.</p> <p>The company shared that GLN and GSN have not had any incidences or contamination issues for wetlands or other protected areas on their sites in the past 5 years.</p> <p>According to the US Clean Water Act, a permit is not required to operate near a wetland, therefore the company does not have a permit and there are no regulatory issues unless an identified jurisdictional wetland is being impacted. The new US EPA Waters of the US (WOTUS) rule changes will not affect this requirement.</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation and Arbitration

Issue Date	2016, 2017, 2020
Topic	Litigation related to labor or contractor injuries
Summary of Issue	<p>Over the last 5 years the company has had 3 closed and settled cases involving employee injuries on company manufacturing facilities or company owned trucks.</p> <p>8 ongoing cases involving injuries on company facilities involving both employees and contractors.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The 3 closed cases represented a settlement payment of \$1.990.000 USD.
Impact on Stakeholders	Employees and contractors working on Gerdau facilities were impacted.
Resolution	3 cases settled with payment and 8 ongoing cases.
Management Practices	Gerdau provides safety training to contractors, subcontractors, and employees working in potentially risky activities. The company completes PSIFs for all accidents. The company has policies and procedures to rectify and provide assistance in the case of accidents.
Related Incidents (Yes/No)	No



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation and Arbitration

Issue Date	2019-2021
Topic	Product defect
Summary of Issue	<p>Over the last 5 years Gerdau has experienced two litigation cases related to materials provided by the company to jobs that resulted in incidents causing personal injury claims and property damage.</p> <p>Case 1: Pedestrian bridge collapse where Gerdau provided fabricated rebar and post tensioning rods during construction. Case was settled with payment.</p> <p>Case 2: Collapse of hotel where Gerdau provided fabricated rebar during construction. Case is still ongoing.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Case 1: Settlement represented \$2,666,000 USD (including insurance proceeds)</p> <p>Case 2: Ongoing</p>
Impact on Stakeholders	The accidents left four people dead and 35 others injured.
Resolution	<p>Case 1: The company was not cited by local authorities in official investigation reports with possible responsibility in this incident, evidence was brought against the company yet Gerdau has evidence of material test reports confirming products supplied to project were made to A722 product grade and specific PSI levels in line with customer specifications in purchase order. Case settled and payment made.</p> <p>Case 2: Case is still ongoing.</p>
Management Practices	Gerdau no longer owns fabricated rebar facilities. They continue to produce post tensioning rods that match customer specifications. No further actions were implemented.
Related Incidents (Yes/No)	No



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: On-the-job Fatality

Issue Date	2019, 2020, 2021
Topic	Incidents causing contractor fatalities
Summary of Issue	<p>Over the last 5 years Gerdau Ameristeel Corporation has had 3 onsite fatalities involving contractors and subcontractors.</p> <p>Case 1 (2019): A contracted Employee hooked his air-breathing hood into an unauthorized air connection on Gerdau property that was connected to a Nitrogen line causing an asphyxiation event.</p> <p>Case 2 (2020): A subcontractor working for an onsite Contractor unbeknown walked between two split tanker rail cars as one was being moved forward by a mobile loader causing a pinch-point event.</p> <p>Case 3 (2021): Case undergoing Occupational Safety and Health Administration (OSHA) investigation, no details can be shared at this time.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Case 1: 1 fatality, 1 Penalty payment to OSHA of \$5000 USD</p> <p>Case 2: 1 fatality, ongoing litigation, no penalty required from OSHA.</p> <p>Case 3: 1 fatality, no litigation involved, ongoing OSHA investigation.</p>
Impact on Stakeholders	There were a total of 3 fatalities. In addition, fatalities and accidents have emotional, mental and financial implications to family members, friends and colleagues of the people involved in the occurrence.
Resolution	<p>An OSHA compliance officer inspected the workplace following Case 1 and 2 to determine if the employer had violated any regulations or standards related to safe and healthy working conditions in the workplace.</p> <p>Case 1: OSHA investigation citation was considered "other than serious"- Label for Nitrogen Gas was not located at the Torque Machine valve inlet. Penalty payment made.</p> <p>Case 2: No citation was made for this case by OSHA</p> <p>Case 3: Ongoing investigation</p>
Management Practices	<p>Gerdau Ameristeel Corporation has implemented the following management practices to avoid the occurrence of such incidents in the future:</p> <p>Case 1:</p> <ol style="list-style-type: none">1) Contractor have Tool Box Meeting and update PRA if work scope changes. Preliminary Risk Analysis and Work Permit Training for Gerdau and Contracted Employees.2) Revised and updated the Corporate Critical Risk Guideline for Gases.3) Auditing and observing contractors performing work and giving feedback.4) Auditing and verifying all Gas Lines at the facility for labels, signage, and pipe color coding. <p>Case 2:</p> <ol style="list-style-type: none">1) Contractor training before beginning work on a plant site. Preliminary Risk Analysis and Work Permit Training for Gerdau and Contracted Employees.2) Implement Procedures at the RCD areas for Scrap cutting.3) Implement Safe Zone Areas for Cutters when Mobile Equipment is stocking cutting areas.4) Have Bi-Lingual Interpreters when applicable for cutting areas and at safety

	meetings. 5) Auditing and observing contractors performing work and giving feedback.
	Case 3: Ongoing investigation to determined the implementation of management practices
Related Incidents (Yes/No)	No



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other Disclosures

Topic	Clients in Controversial Industries
Summary of Issue	Gerdau Ameristeel Corporation has clients in the fossil fuels, mining, nuclear power, and firearms and weapons industries. The nature of the company's services with clients in these industries has been related to providing steel materials or structures for the construction of facilities, development of products and machinery. All services can be sold to both controversial as well as non-controversial industries.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>The revenue from clients in the fossil fuel industry represented 1.4% in 2022 and 1.3% in 2023.</p> <p>The revenue from clients in the mining industry represented 1.8% in 2022 and 1.7% in 2023.</p> <p>The revenue from clients in the nuclear power industry represented 0.0002% in both 2022 and 2023.</p> <p>The revenue from clients in the firearms and weapons industry represented 0.4% in 2022 and 0.2% in 2023.</p>
Impact on Stakeholders	<p>Companies that work with clients in controversial industries can indirectly increase the harmful impact to stakeholders by enabling business growth. Therefore, companies that work with clients in these industries should have practices in place to ensure that their impact is aimed at decreasing the negative impacts of the industry.</p> <p>B Lab has flagged the involvement of companies with clients in controversial industries as a material issue and new due diligence requirements will be applied by the company's next recertification to address possible risks related to this matter.</p>
Management Practices	Gerdau North America uses two approaches to mitigating potential risks related to serving clients in controversial industries. First, GLN & GSN ensures that their material meets all customer specifications in order to mitigate risk of part failure. Second, Gerdau's Code of Ethics forbids the Sales team from conducting business with customers who have been involved in child / slave labor, terrorism, proven crimes and/or money laundering. Code of Ethics training is mandatory for all employees, including those on the sales teams, every 2 years. The Code of Ethics training is available to all employees at all times for reference. The Compliance Team issues communications on Gerdau's Code of Ethics at least quarterly to reinforce the importance of the Code of Ethics, and to support compliance. In addition, every 2 years, the company shares their Code of Ethics with customers who exceed \$100K/year in spend. It is important to note that they do not verify if their customers are in compliance with their Code of Ethics.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Labor Practices

Topic	Overtime for hourly workers is compulsory
Summary of Issue	<p>Gerdau North America has mills operating uninterrupted. Overtime is built into the regular schedule of most hourly and SNE (salaried, nonexempt) employees. Overtime for 65% of the population is determined by Union collective bargaining agreements, which govern how overtime is distributed when overtime becomes necessary.</p> <p>All employees are subject to Gerdau's applicable attendance/work rule policies. Employees often have the ability to switch scheduled days within a week period, have personal and vacation days available to them, and are subject to leave entitlement as defined by state/federal law.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In FY22, around 80% of the company's employees worked more than 48h/week, 60% worked more than 60h/week and 20% worked more than 80h/week. The maximum amount of hours an employee has worked in a week was 112 hours.
Impact on Stakeholders	<p>Employees that work compulsory overtime can experience increased stress and have less time to spend on activities outside of the workplace. There are some provisions in some collective bargaining agreements that outline mandatory overtime requirements and overtime is defined in the Company's Policy 31- Hours of Work and Overtime. The most common reasons requiring overtime would be under the following circumstances: relief (to maintain business continuity), emergency or scheduled. More often overtime opportunities are voluntary in nature (but the company was not able to share what % of overtime was voluntary or not).</p> <p>By the next recertification cycle, the company will have its overtime practices reviewed. B Lab expects to see a decreasing pattern of overtime performed by Gerdau's employees.</p>
Management Practices	<p>Monetary compensation for overtime includes wage multiplier, incentive multiplier and Meal Allowances (i.e. vending voucher of 8 dollars for 4 hours worked or more per day). The provision of these benefits varies between sites, where some sites may provide all three, while other sites may offer only one. Employees working overtime also receive non-monetary compensation, including "Wild Turkey Days" (overtime during weekends can become credit for unpaid days off).</p> <p>In addition to that, Gerdau has adopted actions to reduce overtime. They offer benefits (EAP and Care.com) to help make it easier for employees to come to work/reduce call offs, and continuing to recruit to fill vacant positions by offering retention and referral bonuses. Some locations have relief positions on their regular schedule or trained employees in positions like "Utility" to cover for vacancies, vacation, etc.</p> <p>Some of the actions to reduce risks associated to overtime incorporated by the company include improvements to physical working conditions (A/C areas), provide hydration supplies (water, Gatorade, electrolyte popsicles), beat the heat initiatives (cooling towels, popsicles, fruit, snow cones, giveaways), and</p>



	healthier food options in vending areas.
	Employees are trained on work refusal protocols.
	The company claims they have not realized an improvement in the amount of overtime worked in 2023, but they, as described previously, have taken actions in an effort to minimize the need for overtime. For GSN and GLN combined, the number of overtime hours worked versus the number of total hours worked increased from 14.4% in 2022 to 14.5% in 2023.