



Gerdau Argentina y Uruguay

Disclosure Report

Date Submitted: January 20th, 2025



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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 - Energy and Emissions Intensive Industries

Topic	Energy and Emissions Intensive Industries
Summary of Issue	As a company that produces steel products, Gerdau Argentina y Uruguay operates in an industry in which energy use and emissions are material environmental issues.
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>Gerdau's Argentina y Uruguay aggregate energy intensity in 2023: 5,24 GJ/ton steel.</p> <p>Gerdau's Argentina y Uruguay aggregate carbon intensity per unit product in 2023 was 0,38 tons CO₂e/ton steel.</p> <p>Gerdau Group</p> <p>Energy intensity in 2023 was calculated as 11.26 GJ of energy consumed per ton of steel produced.</p> <p>Total Emissions 2023: 0.91 t 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	The steel industry, in general, is energy intensive as it uses this medium to transform minerals or scrap into steel through fusion, and for this, it needs electric energy mainly to achieve chemical transformations. The company's steel manufacturing fuses ferrous scrap in an electric furnace. Natural gas is used for heating in the rolling process, and these processes emit CO ₂ .
Implemented Management Practices	<p>Gerdau Corporate level practices in relation to energy and emissions:</p> <p>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 relies on the support of specialized consultants and studies 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 corporate guideline, aiming to have a management system with the best practices in the market.</p> <p>The Group compares its 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).</p> <p>Gerdau's global target is to reach 0.82 tCO₂e/t of steel by 2031 (2023 Gerdau global intensity reference: 0.91 tCO₂e/t of steel). The company's commitment to addressing climate change is available in the link below.</p>
Report	<p>EAF + energy efficiency International Energy Agency (IEA) Iron and Steel Technology Roadmap Paris 2020 Gerdau Commitment to Climate Change (https://www2.gerdau.com.br/clima/) Climate Change Management World Steel Association 2023</p>
Other Management Comments	<p>Additional Information: Gerdau Integrated Report 2023</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

Topic	Water Intensive Industries
Summary of Issue	As a company that produces steel products, Gerdau Argentina y Uruguay operates in an industry in which water use is a material environmental issue.
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>Gerdau Argentina y Uruguay has determined its aggregate water intensity for FY2023 as 0.86 m3/t steel.</p>
Impact on Stakeholders	<p>The steel industry, in general, is water intensive. 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>Fresh water is used in Gerdau's operations for cooling equipment and machinery when demand is not met by reused water.</p>
Implemented Management Practices	<p>Gerdau Argentina is located in the Coastal Basin of Argentina. It is not a water-stressed area. The company sources water underground, specifically from the Pampean aquifer. The company carried out hydraulic studies by specialists in its plants before getting permits to exploit aquifers.</p> <p>The company reuses water and the maintenance of closed water systems in both plants. They have direct, indirect, and specific systems that allow them to reduce consumption, recycle purges, and improve equipment cooling. In addition, the company has 0 effluents, so they only replace evaporation from the water systems. The company reuses rainwater in both plants for daily activities such as watering internal and external roads, and has projects to reuse rainwater in production systems.</p>

	<p>Gerdau Argentina y Uruguay</p> <p>The company reuses water and has a closed water system in both plants. They have direct, indirect, and specific systems that allow them to reduce consumption, recycle purges, and improve equipment cooling. The company reuses rainwater in both plants for daily activities such as watering internal and external roads, and has projects to reuse rainwater in production systems. Water recirculation is at 98% in Gerdau's operations in Argentina and Uruguay.</p> <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.• Gerdau produces an annual integrated report where the company discloses its performance in relation to water use and other environmental indicators. This report also summarizes Gerdau's programs related to managing environmental impacts. (See link to report below).
Report	Gerdau Integrated Report 2023



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other - Clients in Controversial and Ineligible Industries

Gerdau Argentina is currently involved or has had involvement within the last five years in providing services and/or products to companies in the following industries considered controversial or ineligible by B Lab Global: Mining and Nuclear Power.

While products and services provided to these clients could serve only as commonplace goods and services, by serving these clients, the company may be supporting these industries. B Lab recognizes that these industries potentially have negative impacts, therefore, Certified B Corps are required to make their involvement in such industries transparent.

Any party aware of specific company practices that have had a negative impact related to its involvement in these or other controversial industries and which may constitute a violation of the B Corp standards may contact us via our [public complaints procedure](#).