

This is a translation of the certificate BR23/00000062

The management system of

# AÇO VERDE DO BRASIL S.A.

Rod. BR 222 – Gleba Itinga; Km 14,5; Lote 69; Distrito Industrial de Pequiá; CEP 65930-000; Açailândia – MA Brasil.

has been assessed and certified as meeting the requirements of

## ISO 14064-1:2018 and Brazilian GHG Protocol Program

For the following activities

Steel plant for the production and commercialization of pig iron, steel billets, and long steel rolled products.

Containing Scope 1, 2 and 3 emissions of 75,838.104 metric tons of CO2 equivalent, Market Based approach, or Containing Scope 1, 2 and 3 emissions of 84,985.369 metric tons of CO2 equivalent, Location Based approach.

Lead Auditor: Rafael da Silva Caldeira

This certificate is valid from 12 April 2023 until 11 April 2035 and remains valid subject to satisfactory surveillance audits.

Issue 1. Certified since 12 April 2023



Authorised by  
Thiago Doretto

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SGS has been contracted by AÇO VERDE DO BRASIL S.A. (hereinafter referred to as "CLIENT"), Rod. BR 222 – Gleba Itinga; Km 14,5; Lote 69; Industrial District de Pequiá; 65930-000; Açailândia – MA Brazil, for the verification of direct and indirect Greenhouse Gas in accordance with

## ISO 14064-3:2019

As provided in the Greenhouse Gas (GHG) Assertion in the form of the report covering GHG emissions of the period January 1<sup>st</sup>, 2022, to December 31<sup>st</sup>, 2022.

### Roles and responsibilities

The customer is responsible for the organization's GHG information system, development and maintenance of records, and reporting procedures according to that system, including calculations and determination of GHG emissions and GHG emissions reporting.

It is SGS's responsibility to express an independent GHG verification opinion on the GHG emissions as provided in the GHG Assertion.

SGS conducted a third-party verification of the provided GHG assertion against the principles of ISO 14064-1: 2018 and ISO 14064-3: 2019 and Brazil GHG Protocol Program in the period **2022**. The verification was based on the verification scope, objectives and criteria as agreed between CLIENT and SGS on 03/17/2023 – 03/17/2023.

### Level of Assurance

The level of assurance agreed is reasonable.

### Scope

The client has commissioned an independent verification by SGS do Brasil Ltda of reported GHG emissions to establish conformance with ISO 14064 principles within the scope of the verification as outlined below.

The data and information supporting the GHG assertion were calculated based on monitored and historical data.

This commitment includes the verification of emissions from anthropogenic sources of greenhouse gases included in the organizational limits and is based on ISO 14064-3:2019.

- The organizational limit was established following the operational control approach.
- Title or description of activities: Steel plant for the production and marketing of pig iron, steel billets and long steel rolled products.
- Location / boundary of the activities: Steel plant. Aço Verde do Brasil Rod. BR 222 – Gleba Itinga; Km 14,5; Lote 69; Industrial District de Pequiá; CEP 65930-000; Açailândia / MA Brazil.
- Physical infrastructure, activities, technologies, and processes of the organization:
  - Administrative building
  - the Blast furnace
  - the Steelworks
  - Lamination
  - the ETE
  - the Fleet Fuel Supply Station.
  - Gas plant.

GHG sources sink, and/or reservoir included:

- Scope 1: Mobile Combustion, Stationary Combustion, Industrial Processes, Solid Wast, Fugitive and Liquid Effluents.
- Scope 2: Electric Power Consumption, location-based approach, and market-based approach.



- Scope 3: Category 1 Goods and Services Purchased and Category 5 Waste Generated in operations and Liquid Effluents, and Category 6 Business Travel.
- Location / boundary of the activities: Steel plant. Aço Verde do Brasil Rod. BR 222 – Gleba Itinga; Km 14,5; Lote 69; Industrial District de Pequiá; CEP 65930-000; Açailândia / MA Brazil.
- Physical infrastructure, activities, technologies, and processes of the organization:
  - Administrative building
  - the Blast furnace
  - the Steelworks
  - Lamination
  - the ETE
  - the Fleet Fuel Supply Station.
  - Gas plant.
- GHG sources sink, and/or reservoir included:
  - Scope 1: Mobile Combustion, Stationary Combustion, Industrial Processes, Solid Waste, Fugitive and Liquid Effluents.
  - Scope 2: Electric Power Consumption, location-based approach, and market-based approach.
  - Scope 3: Category 1 Goods and Services Purchased and Category 5 Waste Generated in operations and Liquid Effluents, and Category 6 Business Travel.
- Types of GHGs included: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, and SF<sub>6</sub>.
- Directed Actions: N/A.
- GHG information for the following period was verified: January 1<sup>st</sup>, 2022, to December 31<sup>st</sup> 2022.
- Intended user of the verification statement: AÇO VERDE DO BRASIL S.A. Protocol Brazilian GHG Program and WorldSteel Association.

## Objective

The purpose of the verification is to review objective evidence, and an independent review to determine:

- Whether GHG emissions are, as stated by the organization's GHG statement.
- Whether the reported data is correct, complete, consistent, transparent, and error-free or omission-free.

## Criteria

Criteria against which the verification assessment is undertaken are the principles of ISO 14064:2018 and the Brazil GHG Protocol Program.

## Materiality

The materiality required for the verification was considered by SGS to 5%, based on the needs of the intended user of the GHG Assertion.

## Conclusion

The client provided the GHG assertion based on the requirements of ISO14064-1:2018 and Brazil GHG Protocol Program. The GHG information for the period January 1<sup>st</sup>, 2022, to December 31<sup>st</sup>, 2022, disclosing emissions of **75,838.104** metric tons of CO<sub>2</sub> equivalent **Market Based approach**, and **84,985.369** metric tons of CO<sub>2</sub> equivalent **Location Based approach** are verified by SGS to a reasonable level of assurance, consistent with the agreed verification scope, objectives, and criteria.

Scope	Emissões em toneladas métricas de CO <sub>2</sub> Equivalente (tCO <sub>2</sub> e)
Scope 1	36,550.873
Scope 2 - Location approach.	9,147.265
Scope 2 - Market Based approach.	0.000
Scope 3	39,287.231
Total Location Based approach.	75,838.104
Total Market Based approach.	84,985.369

Biogenic CO <sub>2</sub> emissions (tCO <sub>2</sub> biogenic)				
Scope 1	Scope 2 ("Location" approach)	Scope 2 (Market Based approach)	Scope 3 (Upstream)	Total
850,158.453	0.000	0.000	0.000	850,158.453

SGS's approach is risk based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination, based on test, includes relevant evidence assessment related to quantities and the GHG information reported by the organization.

Our verification work is performed to obtain the information, explanations, and evidence that we considered necessary to provide a reasonable level of assurance that the GHG emissions for the period 2022 are fairly stated.

We conducted our verification with regard to the GHG assertion of **AÇO VERDE DO BRASIL S.A.** which included assessment of GHG information system, monitoring, and reporting plan/protocol. This assessment includes the provisions of the protocol reference that are consistently and appropriately applied.

In SGS's opinion the presented GHG assertion

- is materially correct and is a fair representation of the GHG data and information, and
- is prepared in accordance with ISO14064-1:2018 on GHG quantification, monitoring, and reporting.

This statement shall be interpreted with the GHG assertion of **AÇO VERDE DO BRASIL S.A.** whole.

Note: This statement is issued on behalf of the customer by **SGS do Brasil LTDA** ("SGS") in accordance with its General Greenhouse Gas Verification Conditions available on [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm). The results recorded are based on the audit carried out by SGS. A full copy of this statement, results and GHG support statement may be consulted with **AÇO VERDE DO BRASIL S.A.** This statement does not exempt the customer from complying with any federal, national statutes or regional acts and regulations, or any guidelines issued pursuant to those regulations. Definitions to the contrary are not binding on SGS and SGS will have no liability vis-à-vis beyond its customer.