



Annual Sustainability Report 2022





Index



• Letter from the presidency	6	• Waste Management	72
• Reporting process	8	• Biodiversity	74
• Who are we?	10	• Impacts on the local community	76
• Governance	14	• Our products and value chain	80
• Stakeholder Engagement	26	• Economic performance	82
• People management	32	• Final considerations	86
• Occupational health and safety	40	• GRI Content Summary	87
• Sustainability strategies and practices	48	• Technical Sheet	99
• Environmental performance and climate change	56		

Letter from the CEO

Focus on quality is the purpose that guides the management system of **Aço Verde do Brasil**. We don't want to be the biggest steel company in the country, but the best. It is the permanent search to “be better today than we were yesterday”, this challenge makes our team's eyes shine and motivates us to work tirelessly towards our goals.

Therefore, to build the ideal company, we prioritize four fundamental pillars:

- Manufacture **products with excellence**, using high quality raw materials;
- Invest in **training** and the motivation of our team;
- Seek continuous improvement of **efficiency** of our processes, with a circular economy and total harmony with the environment; and
- Always bet on **strategic partnerships**, involving employees, the surrounding community, customers, suppliers, public authorities, among other stakeholders.

Based on these pillars, Aço Verde do Brasil works to be increasingly competitive in the national market. Aiming for this purpose, we are working to achieve our short-term objectives, such as increasing production, in order to reach our entire existing capacity.

Expanding and increasing the profitability of the business are our goals, but without ever losing sight of our greatest value: **sustainability**, which is the flagship of AVB's strategies, guiding our projects in the fields of technological innovation, product and process improvement, relationships with employees, customers, suppliers and community.

And there is no shortage of examples: our project to install a briquette factory, which will consume the last waste from the industry that still needed better disposal; the search for better raw material consumption efficiency, focusing on reducing bio-carbon consumption. Charting the completion of the AVB Institute in 2025 and the creation of an industrial condominium called the metal-mechanical hub in the region.

We see that these actions tend to increasingly become competitive differentiators in the steel sector, in line with a society that increasingly values sustainable practices throughout the entire production process. This view is part of the organization's management system, it is no wonder that GREEN is in our name and in our essence.

The prioritization of sustainable practices by AVB comes from the conception of its project, resulting in one of our greatest achievements: **we are one low carbon steel mill** and taking long steps towards becoming a **steel mill with zero waste generation**.

We are benchmarking in several aspects for the sector in which we operate: for the quality of the product we make available to the market, for the effort we put into mitigating greenhouse gas emissions, for our respect for the environment and employees, and for our commitment to the community.

How did we get here? It's just that, at AVB, **our biggest secret is knowing how to “transform”**. We use steel industry to transform raw materials into steel and different products with high added value. We use our people management system and our social projects to transform countless lives every day.

On the next pages, we will report to all our interested parties a little more about the performance of our organization, in the period 2021-2022, this will be the first edition of the Sustainability Report AVB, prepared based on the guidelines of the Global Reporting Initiative (GRI).



Silvia Carvalho Nascimento e Silva
CEO

Reporting process

[GRI - 2-3; 2-4; 2-5]

It is AVB's tradition to publish its sustainability report annually. Our last publication took place in July 2022. However, this year, the organization publishes, for the first time, a report based on the standards and methodology of the Global Reporting Initiative (GRI), including the development of the company's Materiality Matrix.

Given that previous reports did not have this basis, some information is being released for the first time. Furthermore, this work will motivate the organization to reformulate the reporting process for different indicators for future reports. We, therefore, seek to evolve our sustainability and transparency practices.

This report, which will go through the external verification audit process, covers the period between January 1, 2021 and December 31, 2022.

Regarding the financial statements, we periodically undergo an independent and external audit process. They are published in major circulation newspapers, in addition to publication on the Securities and Exchange Commission (CVM) website and on the company's Investor Relations website. The reporting period for accounting documents is quarterly and annual.

To obtain information about the **AVB Sustainability Report**, you can contact us via the following emails:

- AVB Sustainability: sustentabilidade.avb@ferroeste.com.br;
- AVB Management System: sistemadegestaoavb@ferroeste.com.br.



Who are we?

[GRI - 2-1]

The Ferroeste Group

The history of the Ferroeste Group began on October 24, 1968, with the Rural Mechanization Company, carrying out work in the provision of agricultural, forestry and internal movement services in Steel Plants. In 1968, Siderúrgica Ferroeste was acquired, rebuilt and modernized, which made it possible to achieve cutting-edge operational rates in the sector. In the city of Açailândia, in Maranhão, we began our operations in 1993, producing 60,000 tons per year with Gusa Nordeste S.A., which was the seed of this steel project called AVB – Aço Verde do Brasil, the only company in the world to produce green steel, free from fossil fuels.

Provide renewable products with superior quality, customer satisfaction and respect for the environment. These are the three main pillars that support the business commitment and position the Ferroeste brand as one of the most respected in the Brazilian industry.

The Ferroeste Group has industrial complexes located in three Brazilian states, located in the Southeast and Northeast of the country. It is focused on acting with socio-environmental responsibility, safety, quality and productivity in order to obtain excellent results for our stakeholders. The company delivers quality renewable products, guarantees delivery times, provides excellent services to customers and minimizes the environmental impacts inherent to any production activity.

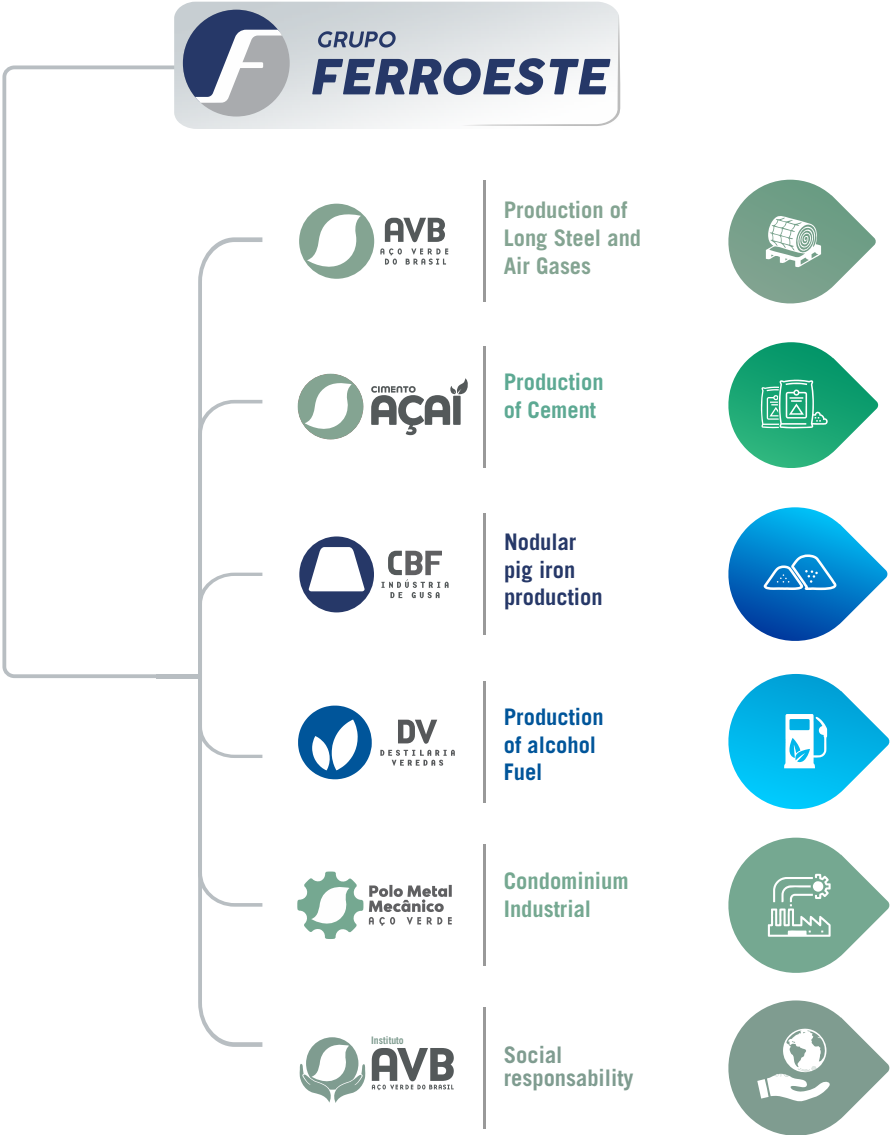
Aço Verde do Brasil S.A.

A **Aço Verde do Brasil S.A.**, a Ferroeste Group company, was born in 2015 as a competitive player in steel manufacturing with the philosophy of sustainability, with the flagship of its strategies being the first steel company in the world to produce long steel in a sustainable way. Always guided by innovation and constant improvement of products and processes, it is a public limited company, publicly traded and registered in category B of the Securities and Exchange Commission (“CVM”).

We are the first company on the planet to produce steel without the use of fossil fuels (zero carbon footprint); and a steel mill with low carbon emissions, with certification issued by the Société Générale de Surveillance (SGS), following the Brazilian GHG Protocol Program guidelines and methodologies recognized by the World Steel Association (WSA).

It was built based on a modern, 100% integrated, project based on biocarbon, the main raw material used in blast furnaces. AVB has an industrial plant based in Açailândia, south of Maranhão, which serves all states in Brazil in the most diverse markets, based on its production of long steel with a low impurity content and free of fossil fuels. We currently have with more than 2,700 employees in its industrial unit, planted and preserved forest areas in Maranhão, Piauí, and a corporate office in Minas Gerais.

Main activities of the Group



Company name:
Aço Verde do Brasil S/A



CNPJ [Legal Entity Taxpayer Registry]:
07.636.657/0002-70



Economic sector:
Processing industries



Subsector:
Metallurgy

Address: Rod. BR 222 – Gleba Itinga;
km 14.5; Lot 69; Dist. Ind. of Pequiá;
CEP [Zip Code] 65930-000; Açailândia/ MA

Certifications and Standards

The work developed by the organization over the years has resulted in the achievement of numerous certifications and recognitions. This is the result of the commitment of Senior Management and the entire AVB team of employees, who prioritize:

- The development and implementation of the Aço Verde do Brasil S.A. Management System;
- Transparency with regard to sustainability in the areas of environmental, economic, social and quality;
- The demonstration of these commitments, both through visibility, dissemination and application of the different AVB policies, and through the hiring of renowned certifying bodies for independent external verification.

The organization began to incorporate some requirements of the **Task Force on Climate-Related Financial Disclosures (TCFD)** and the **Carbon Disclosure Project (CDP)**, in addition to having the “**Gold Seal**” at the **Brazilian GHG Protocol Program**, granted to companies that demonstrate compliance with all transparency criteria in publishing their **Greenhouse Gas (GHG) Inventory**. This certification was verified in accordance with the **ISO 14064-3:2018**, in compliance with the requirements of the standard, and the **Brazilian GHG Protocol Program**, with third-party assurance issued by **Société Générale de Surveillance (SGS)**.

We also obtained, from **Carlos Alberto Vanzolini Foundation**, The **Granting of Certification of the Social Responsibility Management System NBR 16001:2012**, which recognized our system as a reference based on a national standard; and even received, from **Bureau Veritas Certification**, the certificate of **Environmental Responsibility Management System and Quality Management System**, in accordance with the requirements of international standards **ABNT NBR ISO 14001:2015** and **ABNT NBR ISO 9001:2015**. These certifications are the company's calling card and add value not only to the environment, but also improve AVB's image in the market.

Furthermore, as of the publication of this report, the company is now in compliance with the standards and methodologies (GRI), through the preparation of its Materiality Matrix and the monitoring of its applicable indicators, based on the material themes identified as priorities for AVB.

The organization has other certificates obtained from other certification audits, resulting from its participation in various national and international associations. Check out the full list at the link: <https://avb.com.br/certificacoes/>

Certifications

- **ISO 14001 Certificate: 2015**
- **NBR 16001 Certificate: 2012**
- **ISO 9001 Certificate: 2015**
- **ISO 14064-1:2018 GHG Protocol Certification**
- **CA-50 FINE – ABNT NBR 7480:2007**
- **CA-50 AVERAGE – ABNT NBR 7480:2007**
- **CA-50 THICK – ABNT NBR 7480:2007**
- **CA-60 FINE – ABNT NBR 7480:2007**
- **CA-60 AVERAGE – ABNT NBR 7480:2007**
- **CA-50 EXTRA THICK – ABNT NBR 7480:2007**

Timeline



Governance

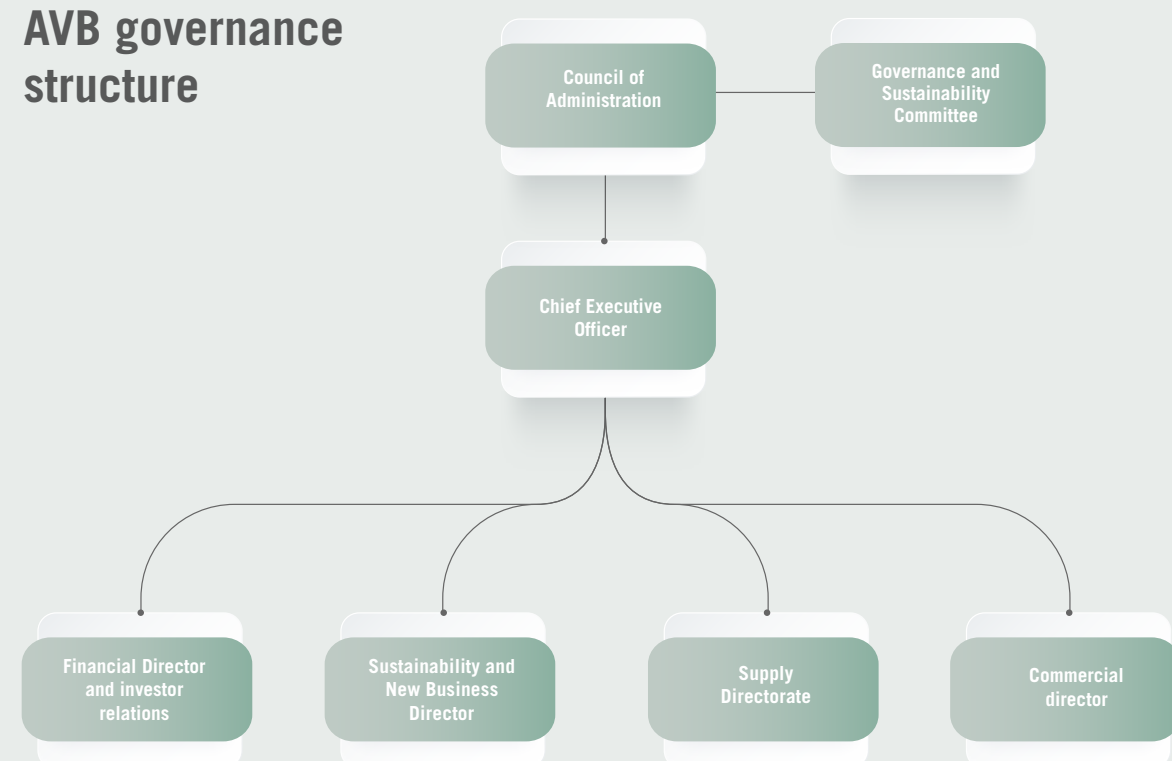
[GRI - 2-9; 2-10; 2-11; 2-12; 2-13; 2-14; 2-17; 2-18]

AVB's governance structure is made up of the **Board of Directors (CA)**, which has 33% independent external members and 67% women, and is advised by the **Governance and Sustainability Committee**. 5 statutory boards are also part of the governance structure:

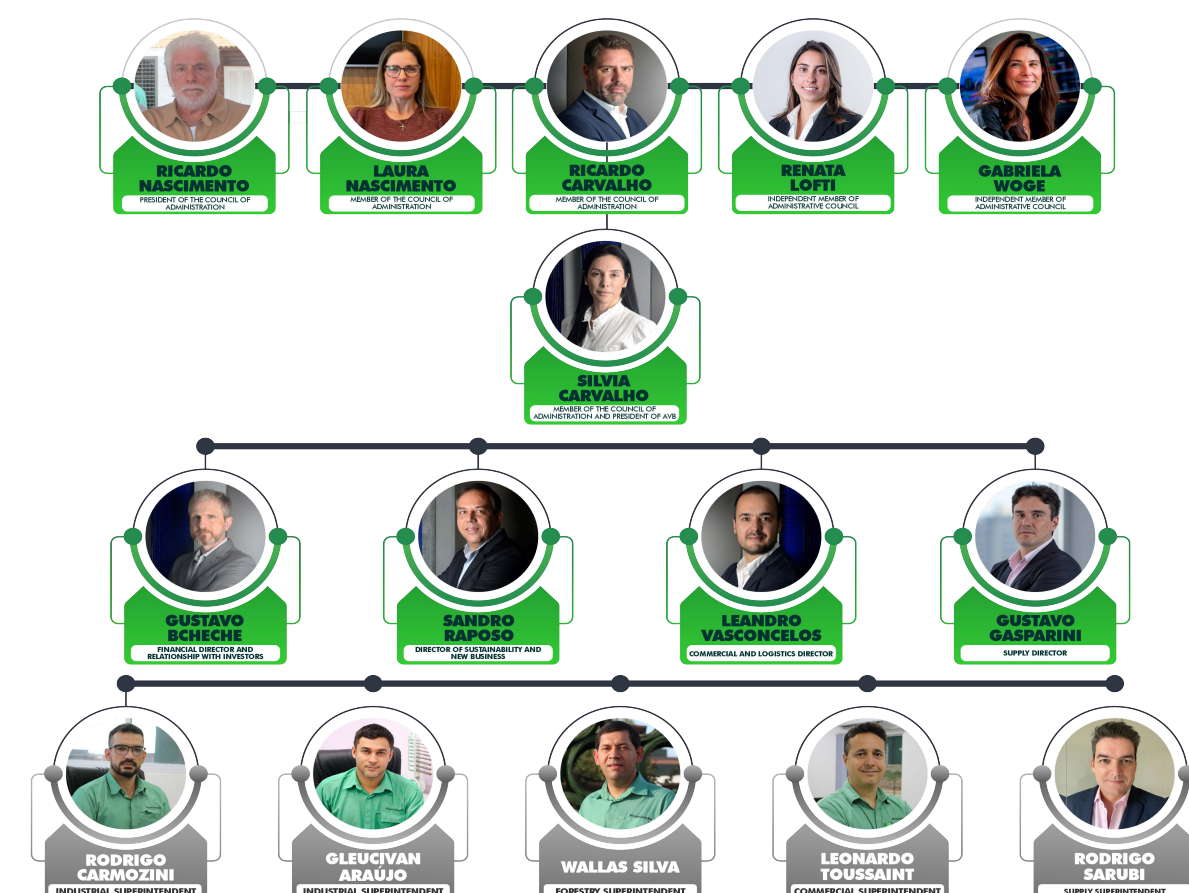
- Chief Executive Officer (CEO);
- Financial and Investor Relations Director;
- Sustainability and New Business Director;
- Commercial director;
- Supply Director.

The duties of each Board can be found in the Company's Bylaws and in the minutes of the Board of Directors that elected the current board.

AVB governance structure



GOVERNANCE STRUCTURE



Board of Directors

It has a deliberative function and is made up of four members of the Nascimento family and two external members. Members of the Board of Directors: Ricardo Nascimento (president), Silvia Carvalho Nascimento e Silva, Ricardo Carvalho Nascimento, Laura Carvalho Nascimento, Maria Gabriela Woge Liguori (independent member) and Maria Renata e Silva Lotfi (independent member).

The term of office is two years, with the last cycle starting on February 23, 2023. On the AVB Board of Directors, as anticipated, 67% of the composition is female and 33% male.

AVB in numbers

Employees

Direct jobs

2,622



Own

2,304

Third parties

318

Own employees

.....



Industry

1,301



Farm

1,003

Gender



90%

Male



10%

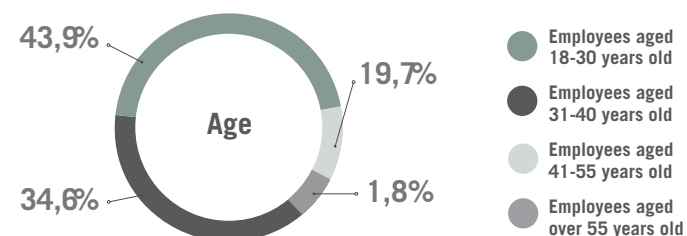
Female



67%

of the administration council are women

Age Range



About the members of the Board of Directors

Members must have a diverse profile, taking into account knowledge, experiences, behaviors, cultural aspects, age group and gender, so that the company can benefit from the plurality of skills and points of view, aiming to improve the decision-making process of decision. Other duties/competencies can be found in our Internal Regulations. Below, find out more about the current members of the AVB Board of Directors.

- **Ricardo Nascimento** is the founder and shareholder of the Ferroeste Group, having been involved in the steel and agricultural industries since the 1970s. Shareholder of Aço Verde do Brasil S.A., holds the position of chairman of the Board of Directors. He is a partner at Empresa de Mecanização Rural Ltda., a holding company that owns several businesses. He was president of the Pig Iron Industries Union of the State of Maranhão (SIFEMA) and was awarded the medal of industrial merit from the Federation of Industries of the State of Maranhão (FIEMA) for the relevant services provided to the Maranhão industry.
- **Silvia Carvalho Nascimento** is the company's CEO and member of the Board of Directors. She has a degree in Business Administration from the University of Miami (2000). And worked in the steel industry since 2000, having held several leadership positions in Ferroeste Group companies. She is a partner at Empresa de Mecanização Rural Ltda., CEO of Instituto AVB, advisor to Instituto Aço Brasil and vice-president of the Board of Directors of the International Iron Metallurgy Association (IMMA).
- **Ricardo Carvalho Nascimento** is a member of the Board of Directors and the Governance and Sustainability Committee. He has a degree in Civil Engineering from the Federal University of Minas Gerais (2003). He has worked in the steel industry since the early 2000s, having held several leadership positions in Ferroeste Group companies. He is a partner at Empresa de Mecanização Rural Ltda. and is a member of the AVB Governance and Sustainability Committee.
- **Laura Carvalho Nascimento** is a member of the AVB Board of Directors. He is an indirect shareholder of Aço Verde do Brasil S.A. and an indirect partner of Empresa de Mecanização Rural Ltda.
- **Maria Renata and Silva Lotfi** is currently an independent member of the Board of Directors of Aço Verde do Brasil S.A. and is part of the company's Governance and Sustainability Committee. Graduated in Business Administration from Fundação Getúlio Vargas (EAESP-FGV), she is a co-founder of RNA Capital and was a member of the Risk and Solvency Committee of IRB Brasil RE (2020-2021).
- **Maria Gabriela Woge Liguori** is the financial director of Klabin S.A. and an independent member of the Board of Directors of Aço Verde do Brasil. She has more than 20 years of experience in the financial market, with a degree in Economics from UNICAMP and a specialization in Economic Diplomacy and Corporate Finance from UNICAMP and FGV.

The chairman of the company's Board of Directors does not hold another executive position in the organization. According to the company's Bylaws, all board members are elected and dismissed by the General Assembly, and re-election is also permitted. Professionals who hold positions in companies considered to be competitors of AVB or who represent conflicting interests cannot be chosen.

Governance and Sustainability Committee

Non-deliberative body linked to the Board of Directors and responsible, as stated in its Internal Regulations, for:

- Advise the Board of Directors on the Governance and Sustainability strategy and objectives;
- Identify, address, monitor and deal with matters involving Governance and Sustainability that represent risks or may have a relevant impact on the business, long-term results, relationships with customers and employees, or the company's image;
- Promote, monitor and ensure the adoption of best Governance and Sustainability practices and coordinate the process of implementing and maintaining such practices in the company, as well as ensuring the effectiveness of processes, proposing changes, updates and improvements when necessary.

Of the composition of the Governance and Sustainability Committee, 40% are female and 60% male. The body has five members with a two-year mandate, and its composition currently has two controlling shareholders of the company (Ricardo Carvalho Nascimento and Silvia Carvalho Nascimento e Silva), two company executives (Sandro Marques Raposo and Gustavo Rozenbaum Bcheche) and one member independent (Maria Renata and Silva Lotfi).

During the 2022 fiscal year, four meetings of the Governance and Sustainability Committee were held in the months of April, May, August and November.

AVB has not yet adopted a performance evaluation process from the highest governance body regarding the development of socio-environmental practices.

In 2022, the Board of Directors approved several actions that will make it possible to inform stakeholders of the practices adopted by the company in the area of sustainable development, as well as enabling the effective involvement of these interested parties. Example of actions: employee training, addressing this topic in areas such as Risk Management Policy, Compliance Policy, Social Responsibility Policy, Ethics Committee Regulations, among others.



Responsibilities of the Director of Sustainability and New Business

The director who holds this position reports directly to the highest level of the Executive Board, which, in turn, reports directly to the Board of Directors. The Sustainability and New Business Director's main responsibilities are:

- Develop short, medium and long-term policies, guidelines and strategies related to the company's ESG theme;
- Manage and plan corporate activities linked to areas such as environment, social and governance, such as adapting management systems, action plans, audits, evaluating suppliers, defining indicators and preparing ESG reports;
- Analyze and prepare studies of strategic scenarios with high expansion potential for the company, aiming to identify new business opportunities by gathering information and market and customer trends;
- Approve technical standards and necessary normative instructions;
- Coordinate the Governance and Sustainability committee;
- Report to the Board of Directors the progress of projects and results of the company's sustainability program (ESG).



Strategic decarbonization and sustainability plan

In 2021, the Director of Sustainability and New Business approved the 10-year strategic plan regarding the themes of decarbonization and sustainability, which consists of:

- Identify risks and opportunities based on TCFD metrics;
- Promote new businesses and sustainable technologies;
- Obtain ResponsibleSteel certification;
- Participate in ABNT and sectoral specification forums to demonstrate carbon neutrality;
- Carry out R&D on the reuse of co-products and circular economy with a focus on making the organization zero waste;
- Manage carbon credits;
- Manage sustainability indicators and research into fossil fuel replacements with SENAI-RJ;
- Manage energy purchase contracts from renewable sources;
- Efficiently manage emissions of GHG;
- Develop SBTi goal;
- Participate in Committees and Working Groups related to the topic;
- Manage internal and external communications on sustainability topics;
- Adapt the organization, over the next two years, to meet CVM ESG requirements - category A;
- Participation in the Sustainalytics rating.

Risk Management Policy

The Board of Directors approved, in November 2022, the Risk Management Policy, which is valid for the company's subsidiaries and controlled companies, as well as for all its employees, directors and members of the Board of Directors, considering the factors of risks known and monitored by company management.

Among the risks covered are: macroeconomic scenario risk, socio-environmental scenario risk, regulatory risks, economic and financial risks, strategy risks, reputational risks, operational and technological risks and human resources risks.



Sandro raposo

Director of Sustainability and New Business



For risks assessed and mapped, taking into account the analysis of cost versus risk exposure, the Three Lines of Defense Model of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) must be established.

Regarding AVB's Risk Management Policy, the company's Board of Directors is responsible for:

- Define the strategy to meet your business objectives and the level of acceptable risk appetite, aiming at business continuity and long-term value creation;
- Approve the policy and its revisions;
- Monitor the results of operational risk management activities;
- Analyze recommendations for actions to be adopted by internal audit;
- Identify and deliberate on strategic issues in the operational risk management process, such as the degree of risk tolerance, and also on the impacts of macroeconomic, technological changes, the company's market, or other external components that may affect the Risk Matrix;
- Assist with risk management, providing an opinion on the guidelines to be observed;
- Periodically evaluate the company's exposure to risks and the effectiveness of risk management systems, internal controls and the integrity/compliance system.

Communication of crucial concerns [GRI: 2-16]

The monitoring of operational and business risks that may impact our activities is carried out in a decentralized manner, being carried out by our Operations area and our corporate processes. We work in the management of Business, Compliance and Operational, Security, Labor, Environmental, Financial, Tax, Labor and Image and Regulatory risks.

Faced with operational risks, taking into account the analysis of costs versus exposure to risks, we established the Three Lines Model:

- 1st line: control environment with routine and control activities, procedures, approval levels, systemic blocks, access restrictions, reconciliations;
- 2nd line: management activities, monitoring, process analysis, accountability, management of internal controls;
- 3rd line: carrying out internal and/or external audits in all processes.
- The organization still does not have control and evaluation of communications reports of crucial concerns to the highest governance body.

Conflicts of interest [GRI - 2-15]

When identifying a situation that constitutes a conflict of interest, AVB's Conflict of Interest Policy, approved by the Board of Directors, provides that the employee must immediately report the occurrence through the reporting channel or directly to the Governance, Risk sector and Compliance. Then, the professional must refrain from any discussions and decisions on the conflicting topic.

It is prohibited to attempt to influence, in any way, the decision of the board or the decision maker regarding the conflicting topic. If the employee does not express their potential conflict of interest, any other employee, who is aware of the fact, must do so, in accordance with the procedures established by the company. Failure to express a potential conflict of interest may be considered an infraction and violation of the Code of Ethical Conduct, and may be subject to disciplinary measures.

AVB ensures that any and all complaints or conflicts and disagreements are addressed confidentially, thus preserving the complainants' data and maintaining the confidentiality of the information expressed. This conflict of interest management model allows for impartial management of the conflict, the search for consensus between the parties and the prevention of future conflicts.

Policies and commitments [GRI - 2-23]

AVB's business conduct has very clear and solid commitments, in the most different areas. The commitments we make are approved at the highest level of the organization (Board of Directors) and apply to the entire organizational structure. Our internal policies and the Code of Ethical Conduct can be accessed at: <https://avb.com.br/sistencia/codigo-de-conduta-e-politicas/>

For our suppliers, we communicate our commitments and policies through contractual clauses and on our supplier pre-registration portal, including our Code of Ethical Conduct.



Our Codes and Policies

- **Code of Ethical Conduct:** With the intention of strengthening the culture of ethics and integrity within the organization, AVB has been disseminating our Code of Ethical Conduct with greater commitment, with actions aimed at employees, through initiatives such as the delivery of newsletters and the Code itself, dialogues, campaigns etc. Thus, we can propagate and formalize among stakeholders all the ethical principles defined and defended by the company, aiming to communicate the values and behaviors expected in the professional activities to be carried out.
- **Anti-Corruption and Anti-Bribery Policy:** Its purpose is to establish minimum standards of behavior for our employees, regardless of hierarchical level, and for third parties, when faced with situations that may involve or characterize acts of corruption and bribery, specifically with regard to the relationship with public authorities, making clear the stance AVB's absolute intolerance towards any illegal act.
- **Compliance Policy:** Its objective is to ensure the adequacy, strengthening and efficient functioning of the Internal Control System of Aço Verde do Brasil and its subsidiaries with the adherence of activities, operations and services to applicable legislation, as well as internal regulations.
- **Gifts and Donations Policy:** Its objective is to establish the rules and procedures for receiving and granting gifts, entertainment and hospitality in addition to the definitions of the Anti-Corruption and Anti-Bribery Policy and the Code of Ethical Conduct, for the adaptation and monitoring of AVB to the laws on the subject. In this way, we act in accordance with ethical and transparency standards.
- **Social Responsibility Policy:** It establishes guidelines so that our actions take place in compliance with human rights and diversity in all our processes, always prioritizing respect for our stakeholders.
- **Diversity Policy:** At AVB, we are committed to building a more fair, plural and democratic society. These values of ours materialize our commitment to providing equity and respect in the workplace and to eliminating and not tolerating any form of discrimination in the company.

- **Incorporation of our policies [GRI – 2-24]:** Responsibilities for implementing policy commitments vary according to the existing hierarchical levels in the organization. Those who occupy more strategic positions are not only responsible for fulfilling these commitments, but also the responsibility for spreading this culture, positively influencing the base of the pyramid to apply such policies. AVB disseminates its commitments, values and policies to all those with which it relates to, whether in person through training and daily safety dialogues, or in an online format. Our commitments and policies are also communicated to our suppliers through contractual clauses, in addition to communication carried out through the supplier pre-registration portal.



Engagement of stakeholders

[GRI - 2-29]

AVB strengthens the company's engagement with its stakeholders by adopting practices that prioritize respect for the differences, expectations and requirements of different audiences, through frank and open dialogue, which makes it possible to drive the search for better results always ethically and transparently.

In the company, stakeholders are identified and prioritized by the AVB-FG-033-021 matrix – “Identification of Interested Parties”, which resulted in the following list of stakeholders and their priorities listed in the following table.

AVB stakeholders and their priorities

Interested Party	Type of engagement	Frequency	Engagement results	Topics and concerns raised
Employees	Meetings or direct contact; Daily Security Dialogues (DDS).	Daily	Positive relationship, in case of conflicts, application of the conflict or disagreement system.	Responding to labor demands (salaries, benefits and improving the infrastructure of the work environment); Ensuring health and safety in the work environment; Training and development.
Clients	Contact by telephone and email; Technical visits; Presence of the AVB team at the client (eventual).	Periodic and/or on demand	Positive relationship, ideas for innovative solutions and increased transparency.	Product quality; Fair price for the market; Meeting deadlines; Technical assistance; Innovation and development of new solutions; Transparency in the relationship.
Suppliers	Contact by telephone and email; Negotiation meetings, Supplier Registration Portal.	Periodic and/or on demand	Positive relationship, long-term contracts and established partnership.	Revenue (on time); Partnership; Compliance with contracts; Expansion of the products offered; Greater appreciation in the market.
Shareholders	Meetings or direct contact when there are committee meetings or assemblies; Visits to operations.	Periodic and/or on demand	Positive relationship, mostly long-term. Ideas, suggestions, recommendations and criticisms are constantly forwarded to Management.	Evolution of results and perspectives; Understanding of the markets in which AVB operates; Long-term strategy.
Communities	Communication Channels (email, letters, interaction with field employees), In-person meetings.	Periodic and/or on demand	Close, transparent relationship and open to complaints, suggestions and compliments. Participation in the dynamics of communities in the management and mitigation of impacts through participatory programs and projects.	Direct impacts on people's daily lives, related to vehicle traffic related to operations, traffic accidents, generation of noise, odor, dust, interference with the use of water, lack of or material damage to fences and borders.

Note: The table is an integral part of AVB-FG-033-021 - “Identification of interested parties”, which describes part of the prioritization process of our stakeholders.

Process for defining material themes [GRI – 3-1; 3-2]

Transparency is one of Aço Verde do Brasil’s main guidelines. To this end, the company periodically publishes its sustainability report. At this moment, the organization is taking a step forward by carrying out the 1st edition of the Sustainability Report, adopting the standards of the Global Reporting Initiative (GRI), which has one of the main global models for reporting sustainability practices. The GRI report directly impacts the way companies communicate with society and how they present themselves to the market.

This edition of the AVB Sustainability Report corresponds to the period between January 1, 2022 and December 31, 2022. The preparation of this report also takes into account the actions we implemented in line with the “Sustainable Development Goals” (SDGs) of the 2030 Agenda, approved by the United Nations Conference for Sustainable Development. Therefore, material themes defined for this report are analyzed from the aspects of the GRI and also the SDGs.



Materiality Matrix

For the publication of a Sustainability Report, the materiality process guides the preparation of the report and the definition of the content to be included in the publication. Its starting point is a survey of stakeholders in order to determine the most relevant topics to be addressed. To this end, it is essential to consult stakeholders in order to raise their expectations about the reporting work, providing greater richness, reliability and credibility to the process of materiality and production of the Report.

To prepare Aço Verde do Brasil's 1st GRI Sustainability Report, the materiality process adopted different procedures and initiatives to define the contents and indicators to be included in the report. We present the steps adopted below:



Materiality process

Materials



Answers in total

113

Documents

68



Directors interviewed

5



Emails from Senior Management

7



Online stakeholder survey responses

Employees

53



Suppliers and third parties

7



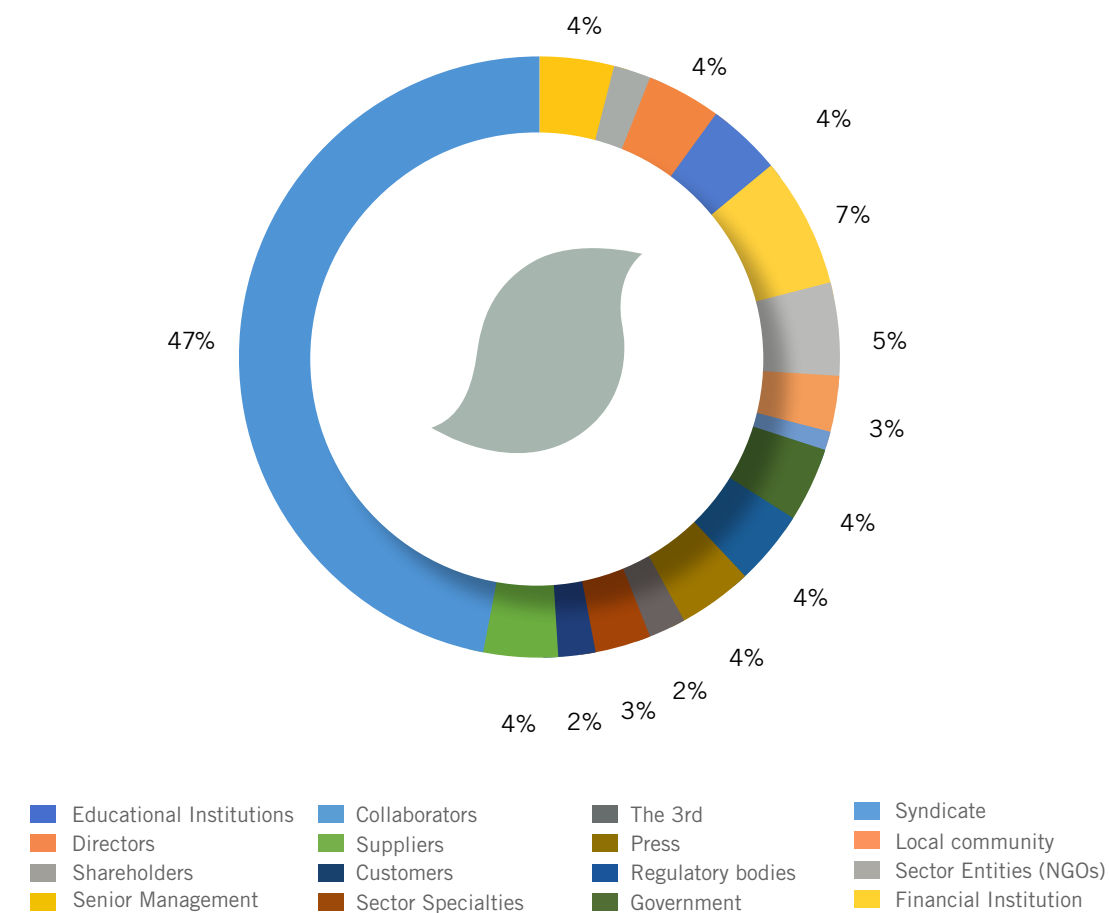
Other audiences

53



















Analysis and compilation of results and final validation of materiality

Main stakeholders





The chosen material themes, as well as the description of each one and their relationship with the GRI indicators and the UN SDG indicators are presented in the table “Description of material themes”.

Description of material themes [GRI - 3-1, 3-2]			
Priority Material Themes	Description	Related indicators	Related SDGs and Goals
Occupational Health and Safety	Work management, analysis, evaluation related to work activities, equipment maintenance and ensuring the health and safety of all workers (own and third parties) and covering the entire chain, making the working environment safe and healthy.	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9,, 403-10	  Aligned goals: 3.6; 3.9
Attraction, Development and Retention of Employees	People management, employment, development and retention of employees; evaluation of satisfaction, employee engagement; development of training, qualification, career and skills structuring, generation of prosperity and culture for employees.	401-1, 401-2, 401-3, 404-1, 404-2, 404-3	   Goals: 4.3, 4.4
Climate changes	Ecological impacts, mitigation and adaptation, considering practices to minimize emissions and manage risks and vulnerabilities related to the impacts of climate change, CO2 emissions and extreme temperatures.	302-1, 302-3, 302-4; 303-1, 303-2, 303-5, 304-2; 305-1, 305-2; 305-3, 305.4; 305-5	  
Residues	Management, prevention, recovery and reuse of waste (organic, recyclable, steel waste, etc.); management of waste, co-products (waste and hazardous materials), recycling of scrap and tracking of raw materials until post-consumption.	306-1, 306-2, 306-3, 306-4, 306-5	
Impact on the Local Community	Relationship with the community: responsibility, engagement, integration and community support; training of specialized labor and generation of employment for economic contribution, generation of shared value and contribution to local development, as well as support for local culture.	413-1, 413-2	     Goals: 4.4, 4.5, 4.7
Biodiversity	Development of a natural economy with planning, sustainable forest management, assessment and monitoring of fauna and flora, species preservation and reforestation.	304.1, 304.2, 304.3, 304.4	 



Management of people

[GRI - 2-7; 2-8]

People management is one of the pillars of AVB's success. We seek much more than establishing an employer/employee relationship. We establish partnerships with our employees and encourage a feeling of “ownership” and belonging in each one. Check out the tables to learn more about our workforce.

Number of employees at AVB [GRI - 2-7]
By gender (Açailândia Plant) and by operational unit

Type of contract		Permanent and full time employees			Employees without guarantee of workload			Employees in part time			Total employees		
Year	Gender	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
2020	Açailândia Plant	53	684	737	26	131	157	0	0	0	79	815	894
2021	Açailândia Plant	78	981	1059	42	170	212	0	0	0	120	1151	1271
2022	Açailândia Plant	114	1005	1119	26	156	182	0	0	0	140	1161	1301

* All functions are registered with the CLT.
* Collection of information: company organizational charts, DP Management System and Time Control System, in addition to data from the Risk Management Program.

Attraction, development and retention of employees [GRI - 3-3]

Every company that seeks to achieve success needs to find ways to differentiate itself and conquer a unique space. In this process, attracting, developing and retaining employees are essential factors. After all, a good team of employees who are engaged, motivated and involved with the organization's issues tends to be responsible for improving processes, solving challenges and achieving good results.

STRATEGIES FOR EMPLOYEE RETENTION
(EARNINGS/BENEFITS)



Goals plan



Health plan for employees and their direct dependents



Food Assistance



Daycare assistance for employees with children aged 0 to 5 years and 11 months



Growth expectation



Scholarship aid for technical and higher education courses















Internal training and external



Life insurance

Employee needs are captured, analyzed and addressed to continually improve talent attractiveness and retention. AVB works intensively to ensure that working conditions are an example of the relationship with the people who are dedicated to manufacturing its products. By assessing the impacts of operations related to human rights, such as respecting the right to life, rejecting slave or child labor in the production chain, training labor suppliers, taking care to offer dignified, comfortable and safe working conditions, respecting work agreements for each category, promote the educational inclusion of employees, among others.

New hires and employee turnover [GRI - 401-1]

New hires				Turnover			
	Male		Female		Male		Female
2020	 385 Ages: 18 to 30 = 180 31 to 45 = 167 46 to 60+= 38		 35 Ages: 18 to 30 = 22 31 to 45 = 12 46 to 60+= 1	2020	 273 Ages: 18 to 30 = 82 31 to 45 = 149 46 to 60+= 42		 32 Ages: 18 to 30 = 21 31 to 45 = 10 46 to 60+= 1
2021	 554 Ages: 18 to 30 = 306 31 to 45 = 199 46 to 60+= 49		 92 Ages: 18 to 30 = 72 31 to 45 = 19 46 to 60+= 1	2021	 290 Ages: 18 to 30 = 128 31 to 45 = 130 46 to 60+= 32		 54 Ages: 18 to 30 = 41 31 to 45 = 10 46 to 60+= 3
2022	 318 Ages: 18 to 30 = 178 31 to 45 = 109 46 to 60+= 31		 64 Ages: 18 to 30 = 44 31 to 45 = 20 46 to 60+= 0	2022	 308 Ages: 18 to 30 = 0 31 to 45 = 164 46 to 60+= 25		 44 Ages: 18 to 30 = 36 31 to 45 = 8 46 to 60+= 0



Benefits [GRI - 401-2; 401-3]

AVB seeks to offer competitive benefits to employees, with recognition, retention and encouragement to seek better performance as a priority. We also ensure that employees have quality of life and well-being first. Therefore, we support them with benefits such as a health plan, food assistance and participation in results and goals (Goal Plan).

In addition, the company offers life insurance, disability and disability benefits, scholarships and provides employees with maternity and paternity leave.

In 2022, 10 women took maternity leave and 56 men took advantage of the benefit of paternity leave at our Açailândia unit. Among these employees, the rate of return to work after maternity/paternity leave and of remaining in employment for at least 12 months was 100%.

Note: There are no temporary employees



Maternity/paternity leave [GRI - 401-3]

They took away the license				
Unit	Gender	2020	2021	2022
Açailândia Plant	Female	8	7	10
	Male	43	45	56
	Total	51	52	66
Returned to work after leave				
Unit	Gender	2020	2021	2022
Açailândia Plant	Female	8	7	10
	Male	43	45	56
	Total	51	52	66
Returned to work after leave and remain employed for at least 12 months				
Unit	Gender	2020	2021	2022
Açailândia Plant	Female	8	7	10
	Male	43	45	56
	Total	51	52	66
Rate of return to work after leave and remain employed for at least 12 months				
Unit	Gender	2020	2021	2022
Açailândia Plant	Female	100%	100%	100%
	Male	100%	100%	100%
	Total	100%	100%	100%
Job retention rate after furlough and remain employed for at least 12 months				
Unit	Gender	2020	2021	2022
Açailândia Plant	Female	100%	100%	100%
	Male	100%	100%	100%
	Total	100%	100%	100%

Training and Education [GRI - 3-3; 404-1]

Aço Verde do Brasil believes that investing in employee training is crucial to improving the company's productivity. Stimulating continuous learning is a way of retaining talent and valuing professionals. We invest in the professional training of employees by providing:

- Scholarship assistance for technical and higher education courses;
- Internal and external training;
- Partnership with the educational institution SENAI for training young people in the company and the community in general; It is
- Postgraduate technical level – we are the first company in the Northeast to provide this training in partnership with SENAI.

The training and professional development of our employees has been a concern since the organization's inception, as this is a fundamental pillar to ensure more efficient people management for our company.



Hours invested in training

2020			2021			2022		
	Total amount of hours	54,369		Total amount of hours	105,189		Total amount of hours	106,802
	Average number of employees	894		Average number of employees	1,271		Average number of employees	1,301
	Total Days	7.61		Total Days	10.34		Total Days	10.26



Career development and transition programs [GRI - 404-2; 404-3]

To promote the training of new talents and generate good results, AVB carries out applications in the technical and higher level training of employees. This investment contributes to the formation of a more conscious citizen and a more qualified professional. Our goal is to always create a bond with young talents, who use the knowledge acquired for the benefit of their work.

With this in mind, AVB and SENAI have signed a partnership over the years that has allowed expanding knowledge, cooperation, development and growth possibilities in a fully shared production and management process, which facilitates the training and development of young people. For Senior Management, the company's policy on training and education is an investment in the future. Discover some of the programs developed by AVB with this focus.



AVB Training and Education Programs



Technical and Higher Trainee Program: the program aims to employ technicians and engineers, lasting 2 years, hiring those who stand out;



Technical School Program: AVB invests, together with SENAI, in courses for Steel Operators, Machine and Equipment Operators, Metallurgy and Electromechanical Technicians;



Scholarship Program (Quota): AVB sponsors 60% of the monthly fees for technical and higher education courses for its employees;



Performance Recognition Program (Goal Plan): AVB encourages participation in results, based on the concept of meritocracy. Thus, it recognizes differentiated performance and employees who deliver results above the goals required by the organization;



Good Ideas Program: AVB provides bonuses to employees who present operational improvement and work safety projects;

The organization has its Career Plan in the construction phase, being supported by a specialized external consultancy that will assist us in the professional development journey of our employees. At this moment, the project is already in an advanced stage of studies.

Currently, the assessment of skills and performance of the organization's employees is carried out annually and/or when there is a change of role.

Occupational health and safety (OHS)

[GRI - 3-3]

AVB is an organization with a strong focus on Occupational Health and Safety. These two areas, even though they work together, have their own practices and policies. Therefore, the reports we prepared on this indicator separately address each of the themes relating to this topic, as presented below.



Health management system and work safety [GRI - 403-1; 403-2]



Aço Verde do Brasil is in the process of continuous improvements to its procedures and environments, aiming to certify its processes based on the internationally recognized standard ABNT NBR ISO 45001:2018. This certification is expected to be completed in the second half of 2024. Therefore, we have invested heavily in human and material labor. For AVB, obtaining this certificate represents recognition of our work, which allows us to comply with current legislation and respect life and the environment.

AVB has a specific team for the Occupational Hygiene area and periodically carries out quantitative and qualitative monitoring in order to identify unhealthy work environments, proposing measures to make them suitable. Dangerousness is identified qualitatively through visits to workplaces and interviews with employees. All processes for identifying agents follow the guidelines of MTE ordinance no. 3214, dated June 8, 1978, through NR16 (Dangerous Activities and Operations) and managed by the responsible team.

In the event of incidents, investigations, simulations and analyzes are carried out to identify possible causes. Therefore, we carry out due diligence and define negotiations in order to avoid new occurrences of the same nature.

Aware that production processes can carry risks, the company uses these existing measures and technologies that mitigate these risks in favor of the physical and mental well-being of everyone, providing legal conditions to exercise the right to life in society. Therefore, of the activities carried out, we can mention the periodic monitoring of each employee not only for risk factors, but also for social, psychological, environmental and economic factors.

According to its business model, AVB identifies the following risks as negative impacts on employee health: noise, chemical contamination, physical and ergonomic risks and accidents. The negative impacts directly affect the popular economy, causing an increase in social security costs, greater spending on hospital resources and a reduction in the economically active population, consequently increasing the taxes levied on business activity.

The company counts on the active participation of all employees who, in turn, present suggestions for improvements and contribute significantly to making the work environment cleaner and safer. The presence and involvement of leaders in this process also reaffirms our health and safety pillar and everyone's commitment.

Prevention and mitigation of occupational health and safety impacts [GRI - 403-7]

AVB works with the goal of “zero” accidents. We understand that this purpose is only possible with the participation of everyone, promoting interaction between sectors, using all management tools, encouraging risk perception and making the work environment safer and healthier.

In this sense, we manage work safety through the following programs:

- Risk Management Program (PGR);
- Medical Control and Occupational Health Program (PCMSO);
- Hearing Control Program (PCA); It is
- Respiratory Loss Program (PPR).

Through these programs, we work to identify, evaluate and mitigate the dangers and risks of each work environment, promoting actions aimed at safe behavior. All actions in the area are managed with planning and control measures to avoid deviations.



Our security tools



Programmed and Unprogrammed Security Inspection



Safety Report



Check-lists and inspections of machines and equipment



The Hour of Safety



Security Guardians



Behavioral Security Audit



Preliminary analysis of Danger – APP



Preliminary analysis of Risk – APR



Inspections Color of the month



Top 5 Meeting



Daily Dialogue of security



Weekly OHS meeting



Emergency Drills



Training



Internal Commission of Accident Prevention (CIPA)

Occupational health services [GRI - 403-3; 403-4; 403-6]

AVB provides its employees with the Unimed health plan, which has a team of doctors and other health professionals inside and outside the plant. Twice a week the areas of the organization are divided. The objective is to meet employees' medical demands, allowing faster access to health services. Outside the plant, we have the structure of the Unimed Health Promotion Center (CPS) and the Santa Luzia Hospital for urgent and emergency cases.

Actions to promote employee health are carried out by our plan, which conducts different initiatives, working not only to prevent recurring health risks, but also developing projects and workshops that benefit employee well-being, such as:

- Macramê Group (crafts and mental health);
- “Desacelera” mental health support groups at CPS and “Apoiar” at AVB;
- Acupuncture group at CPS and AVB;
- 21-day weight loss challenge (AVB + CPS);
- Course for pregnant women;
- Postpartum course;
- In-person services at AVB by the PHC team;
- Teleconsultations carried out at AVB by the PHC team;
- Provision of the health capsule at the AVB outpatient clinic;
- Participation in lectures and events, on topics such as DSD and community actions.

Training and involvement of workers in Occupational Health and Safety [GRI – 403-5]

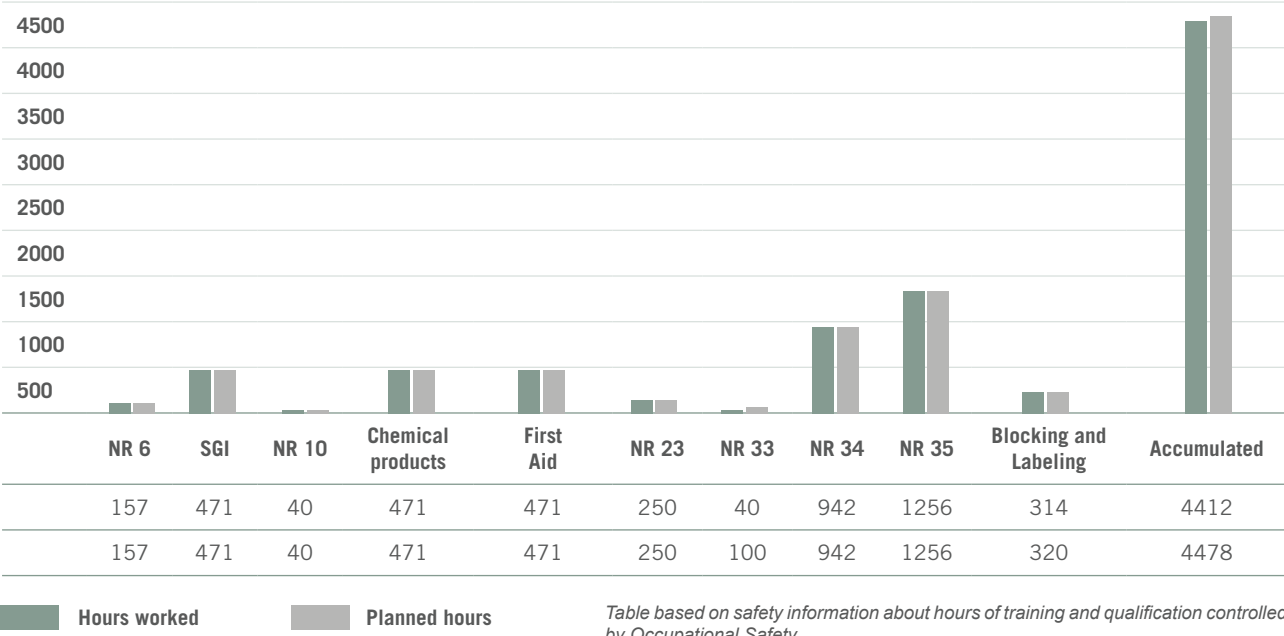


Table based on safety information about hours of training and qualification controlled by Occupational Safety.

One of the relevant tools within the company is the Internal Accident Prevention Commission (CIPA), which has the role of preventing accidents and illnesses caused by work with the active actions of employees and employers. It is the participation and involvement of worker representatives and those appointed by the company in this committee that moves AVB towards the continuous improvement of our work environments.

CIPA has its own management and is supported by the company's occupational health and safety team, which plays the role of ensuring compliance with the proposed actions and calendars.

Occupational Health and Safety and Accident System [GRI - 403-8; 403-9]

AVB's Occupational Health and Safety Management System is in the process of being implemented, with certification for ISO 45001:2018 expected in 2023. All employees will be covered, including third parties. This information is based on the ongoing process of ABNT NBR ISO 45001:2018, which employs an occupational health and safety management system that helps ensure the management of risks and impacts related to health and safety for employees.

In the table “Occupational Accidents at AVB” we present data relating to accidents covering company workers, third parties and farm employees, in the period from 2020 to 2022.





Work accidents at AVB

	Reporting Period:	2020	2021	2022
Total Hours Worked	Third parties	858,382	718,020	1,662,596
	AVB	2,404,299	2,415,104	3,361,592
	Overall Total	3,262,681	3,133,124	5,024,188
Number of CPT Accidents with CAT	Third parties	2	0	0
	AVB	3	1	5
	Overall Total	5	1	5
Frequency Rate	Third parties	2.33	0.00	0.00
	AVB	1.25	0.41	1.49
	Overall Total	1.53	0.32	1.00

Considering all our AVB employees, the total number and rate of deaths resulting from workplace accidents were equal to 0 (zero) in the period from 2020 to 2022, that is, we had no deaths in the workplace. The number and rate of work accidents with serious consequences (except deaths), between 2018 and 2022, was 1 accident with serious consequences, which represents 14% of accidents that occurred in the year.

It is worth highlighting that, in AVB, hazards with serious consequences are sources of artificial heat, environments or platforms greater than 2m in height, environments with electricity and confined environments.

Occupational diseases [GRI - 403-10]

At AVB, during integration, all employees go through the process of raising awareness about the main occupational diseases.

With periodic monitoring, we are able to control it and indicate preventive measures, in addition to monitoring specific cases. The most common diseases among our employees include circulatory diseases, hypertension, diabetes, those caused by a vector and muscular diseases.

The measures taken or underway in the company to eliminate dangerousness and minimize risks in different areas of the company are carried out through preventive actions. They also follow the Occupational Health Medical Control Program (PCMSO), which is a basic document that is mandatory for the health sector to prepare. It is a program established by the CLT and governed by NR 07, which aims to take care of workers' occupational health.

It is through this program that we determine the exams that each employee must undergo upon admission, periodically, when changing risk or role, upon returning to work and upon dismissal, in addition to other possible actions to ensure a healthy work environment. This document must be revised whenever necessary or when there are changes to the Risk Management Program.

During the period of this report, all employees were included in the collection of this information.



Sustainability strategies and practices

[GRI- 2-22]

Sustainability is present in AVB's daily routine, guiding our management processes and future vision. We understand that we will only be able to achieve our purpose, of being the best steel company in the country, if we conduct our business based on good environmental, social and governance practices.

Based on the SDGs, AVB set its own objectives in line with its sustainable development strategy. Therefore, we recently launched the Carbon Supply Commitment Letter and the AVB Declaration of Commitment to Sustainability, which form part of the foundations of the company's growth plan and were created based on consultations with our stakeholders and materialized in meetings with our internal areas.

Each of the guidelines establishes a reality that AVB is committed to achieving to contribute to building a sustainable future. They address everything from the quality of life of employees to the way society perceives the company. It also includes the company's commitment to investing in increasingly sustainable production processes, in addition to offering the market solutions that encourage all sectors to do the same.

In this way, AVB built an agenda that includes short, medium and long-term objectives, addressing a large part of the SDGs, as presented below.

Sustainable Development: commitment that guides numerous AVB practices



Health and well-being (SDG 3)

Safe and protected work environments that promote the integrity, health and physical and psychological well-being of people, when performing their duties and throughout their lives.

© Target 3.6 - By 2030, halve deaths and injuries from traffic accidents



Aço Verde do Brasil adopts prevention tools that guide employees towards safe traffic practices. All of our employees are trained in defensive driving and instructed to comply with internal traffic rules. We carry out weekly awareness and inspection campaigns and blitzes.

Some safe practices that we encourage among employees:

- Respect the speed limits as per road signs;
- Do not drive vehicles under the influence of alcohol or drugs;
- Do not use your cell phone while driving;
- Give way to pedestrians;
- Use your seat belt; It is
- Carry out vehicle verification checklist.

© **Target 3.9 - By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals, contamination and pollution of air and water, soil**

Through the Risk Management Program (PGR), AVB has been identifying and adopting effective control measures to reduce and control the exposure of its employees to dangerous chemicals. In this way, we contribute to reducing the number of deaths and illnesses caused by these products. With this concern, our numbers are “zero” in relation to this topic. All data records are controlled in spreadsheets and in the internal documented information system. (SDG: 3.9.1)

Furthermore, we reuse the gases generated in production processes. In this way, we reduce accidents due to unintentional poisoning and have control measures to prevent exposure. In these areas, employees have access only after complying with internal safety procedures and after using specific respiratory protection equipment. (SDG: 3.9.3)



Quality education (SDG 4)

Substantial qualification of the contingent of professionals to maintain relevant and updated skills.

© **Goal 4.3 - By 2030, ensure equal access and permanence to professional education and quality higher education, free of charge or at affordable prices**



We promote the training of our professionals in training relating to occupational safety regulatory standards, professional development training and courses, and operational procedures training.

In addition, AVB provides scholarship benefits and professional qualifications, with no discrimination by sex – of the training offered, 88.82% were for males and 11.18% for females. (SDG: 4.3.1)

Regarding age, the age group in which we most offered training during the period of this report was 21 to 30 years old (45%); followed by 31 to 40 years (28%).

© **Target 4.4 - By 2030, increase the number of young people and adults who have the skills necessary for employment, decent work and entrepreneurship**

AVB promotes the training of young apprentices and hires most of these professionals after completing the program. In this way, the company goes beyond the mere legal obligation and treats it as an opportunity to qualify this young workforce. The company also installed a computer laboratory, with online training as part of our investments that facilitate access to training. (SDG: 4.4.1)

© **Goal 4.5 - By 2030, eliminate gender and racial inequalities in education and ensure equal access, retention and success at all levels, stages and types of teaching for groups in vulnerable situations**

The word “Respect” is one of AVB’s mantras. In this sense, we carry out internal professional development programs, including employees who are within vulnerable groups. And to reinforce the commitment that the company has with all its employees, AVB was recently recommended to be certified for NBR ISO 16001 (Social Responsibility). Among the topics evaluated in this certification are issues such as People with Disabilities, Women and Girls, Elderly People, Race, Religion and Philosophy, among other issues. (SDG: 4.5.1)

© **Target 4.7 - By 2030, ensure that all students acquire the knowledge and skills necessary to promote sustainable development**

We continually encourage the qualification of our staff, through scholarships for higher education, opening vacancies for technical and post-technical qualifications, encouraging the promotion and dissemination of local culture, holding workshops for the community, among others. activities. For technical and post-technical courses, we signed a partnership with a nationally renowned education company, opening vacancies for both employees and the community. [SDG: 4.7.1]



Repair of negative impacts [GRI – 2-25; 2-26]

The organization also adopts processes focused on preventing negative impacts from its operations. Through the Stakeholder Needs and Expectations Identification matrix and the Due Dilligence matrix, AVB surveys and scores the impacts of its activities, through the creation and application of socio-environmental projects and programs (improvement actions quality of life, educational, infrastructure improvement, etc.). Therefore, it seeks to adopt mitigation measures together with interested parties so that this process is not unilateral.

Whether positive or negative, each impact is treated critically. Positive impacts are enhanced by improving the existing situation. The negatives are mitigated according to the best strategy found.

AVB has tools to address complaints from all interested parties that fall within the organization's scope of stakeholders. We even provide a Reporting Channel, a tool used so that company professionals and third parties can report behaviors that violate or appear to violate the Code of Conduct or rules of our Anti-Corruption Policy.

Reporting/communication channels



Ombudsman



Reporting channel: 0800-033-0392, serviced via the Electronic Customer Service System (AVB website) 24 hours a day, 7 days a week



Contact Us Channel on the AVB Website



Meetings with interested parties



Direct channel between leadership and employees



Specific email to directly forward complaints to the Human Resources Department, the Legal Department and the Ethics Committee: comite.etica@ferroeste.com.br

The main way the organization finds today to mitigate the impacts considered negative in the Due Diligence matrix is through the creation and application of socio-environmental projects and programs (actions to improve quality of life, educational, infrastructure improvement, among others).

The process of designing, reviewing, operating and improving these mechanisms was developed by the company's governance, together with Senior Management, without the direct or indirect involvement of other interested parties. Based on feedback from stakeholders, this process of tracking the effectiveness of complaints mechanisms and other reparation processes is carried out by a body external to the organization (specialized consultancy), which works alongside the Ethics Committee.

The Corporate Governance sector is responsible for monitoring and ensuring that all procedures are carried out. This process is structured to guarantee absolute secrecy, independence and preservation of all information so that a fair investigation can occur.

When reporting a complaint, it is the whistleblower's prerogative to remain anonymous. If you choose to reveal your identity, the team responsible for investigating the facts maintains the confidentiality of your identity, ensuring that the investigation is fair and independent.

Compliance with laws and regulations [GRI – 2-27]

Sustainability is one of the main pillars of the company, which seeks to act in accordance with Brazilian environmental legislation and best international practices. AVB complies with the most rigorous levels of federal, state and municipal legislation.

During the period of this report, the Organization did not identify significant cases of non-compliance, which would be situations that could impact the operation, with suspension or embargo of activities and/or with a value greater than 1% of the company's Net Equity.



Participation in associations and initiatives [GRI - 2-28]



Instituto Aço Brasil: the entity is representative of Brazilian steel producing companies.



Science Based Targets initiative (SBTi): initiative that aims to contain the impacts of climate change through the transition to a more sustainable world and achieve zero carbon emissions by the year 2050.



World Steel Association (WSA): one of the largest and most dynamic industrial associations in the world. Its members represent around 85% of global steel production.



Task Force on Climate Related Financial Disclosures (TCFD): initiative created by the Financial Stability Board (FSB), which seeks to offer recommendations on how organizations can disclose financial data and information related to risks, opportunities and actions linked to combating climate change.



ResponsibleSteel Association: multisector industry certification, which has the mission of maximizing steel's contribution to a sustainable society.



Brazilian GHG Protocol Program: responsible for adapting the GHG Protocol method to the Brazilian context and developing calculation tools for estimating greenhouse gas (GHG) emissions.



InPACTO: By joining the National Pact Institute for the Eradication of Slave Labor, we are committed to promoting decent work and preventing and eradicating slave or slave-like labor.



Carbon Disclosure Project (CDP): institution manages the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. CDP is considered the gold standard of environmental reporting.

Environmental performance and climate change

[GRI-3-3]

Being sustainable is in the mission and culture of Aço Verde do Brasil. Therefore, we manage proactively and present all of our operations. The teams are working daily on environmental inspections, in addition to carrying out training, training and awareness raising with the aim of complying with legislation and, more than that, engaging the entire team of employees and third parties in improving our environmental performance.

And this concern permeates all aspects, including adopting the circular economy, seeking greater energy efficiency, saving materials, better management of water and effluents, reducing emissions of polluting gases, defending biodiversity and better management of the waste we produce.

AVB manages all its environmental risks, keeping the survey of our environmental aspects and impacts active and updated.

We constantly work with a focus on mitigating all possible negative environmental impacts previously foreseen, thus adopting efficient procedures for resolving problems, as well as outlining the necessary control measures.

Materials [301-1; 301-2; 301-3]

In the current scenario, in which companies are increasingly competitive, seeking to better serve their customers, with greater quality and punctual product delivery, it is crucial to apply efficient management of raw materials; Therefore, we seek the intensive use of sustainable inputs, which implies quantifying the proportional volume of waste and paying attention to any risks to the environment.

The raw material management process is essential for the product to be competitive in the consumer market. This concern begins when purchasing the product, with the aim of prospecting and approving suppliers that act in line with the best environmental policies and our values and principles.

At AVB, materials are stored in appropriate areas and identified until used in production. Throughout the process there are suitable places for the temporary storage of all waste generated, avoiding or minimizing environmental impacts.

Furthermore, the correct storage service plays a very important role in organization and operational excellence. Its function is to package products and raw materials safely and correctly, assisting in the integration between production and the supply sector, organizing the flow of materials and optimizing spaces.

All company managers and employees are trained to efficiently use raw materials, with an emphasis on applying techniques that reduce consumption and perfect the application of each material.

Non-renewable materials used [GRI – 301-1]

	2020	2021	2022
(t) Consumption of virgin raw material extraction in the period	509,133	570,592	653,888
% of raw material consumed from virgin extraction in the period*	96.4%	95.6%	95.9%
(t) Consumption of NON-virgin extraction raw material in the period	19,054	26,087	27,715
% of raw material consumed from NON-virgin extraction in the period**	3.6%	4.4%	4.1%

* Virgin extraction raw materials: Iron ore, Limestone, Ferro-silicon
** Non-virgin extraction raw materials: coking coal, LPG, Calcitic Lime, Dolomitic Lime, Silicon-Manganese, EAF Electrodes.

Recycled raw materials used in AVB [GRI - 301-2] Steel scrap recovered from the process

	2020	2021	2022
External Scrap Input (Purchased)	38,717	51,611	77,012
Internal Scrap Entry (Reuse)	37,000	56,850	37,970
Recycled Materials (Metallic) %	49%	52%	33%

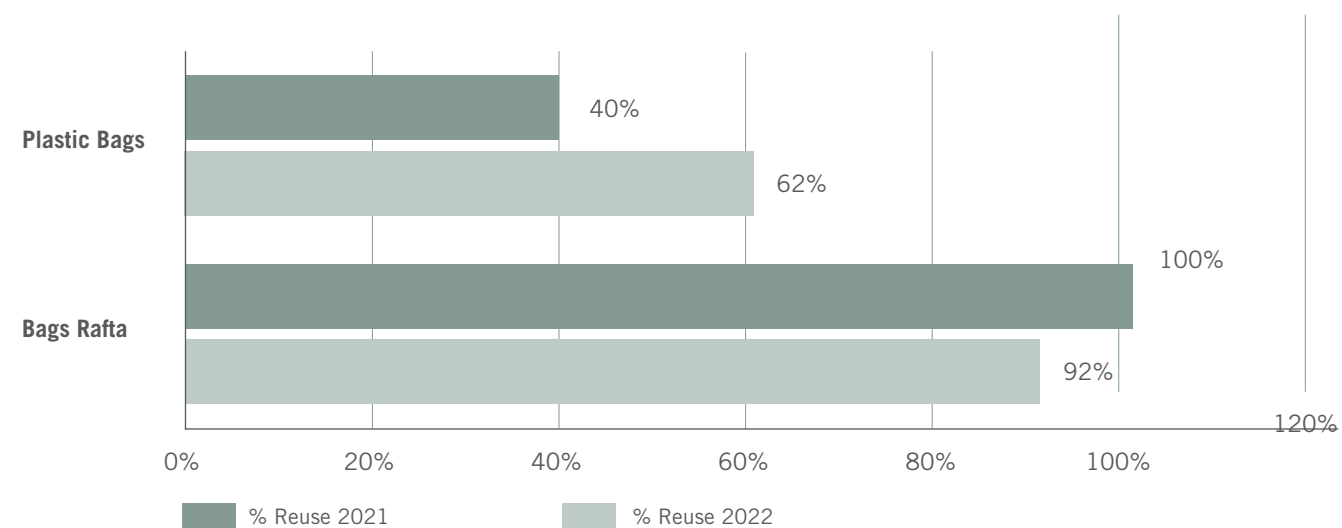
Renewable materials used [GRI - 301-1]

In 2022, we increased the use of sustainable packaging by 23% compared to the previous year. These packages have wood as a raw material, and are used in the storage and shipping of products, such as cradles and bars.

Furthermore, in 2022 AVB reused 92% of plastic bags and 62% of raffia bags, better results than the previous year, due to the total volumes achieved. The reverse bag policy is a constant work carried out with AVB partner suppliers, which seeks to strengthen achieving even better results in the coming years.

Other materials that are intensively reused at AVB are empty 1000-liter drums and 200-liter metal drums: the 185 drums that arrived at the company in 2022 were appropriately reused. Empty drums (1000 liters) are returned to the supplier via reverse logistics (there were 124 units in 2022).

Reuse 2021/2022



Energy [GRI - 3-3]

Energy consumption within the organization [GRI - 302-1]

Due to the size of the project, AVB has significant energy consumption, always valuing renewable sources. In fact, it uses both self-produced and externally acquired electricity, opting for renewable sources, based on International Renewable Energy Certificates (I-RECs).

AVB will also generate its own renewable energy through investment in a blast furnace gas thermo-electric plant. The thermoelectric plant will start operating in 2023 and will generate 30% of the energy consumed by the plant through a boiler powered by biogas from the company's blast furnaces.

Consumption of fuels from sources non-renewable (in Gigajoule) and types of fuels used

		2020	2021	2022
Diesel	Liters consumption	1,800,440	1,769,344	2,000,498
Kerosene	Liters consumption	0	42,826	87,292
Gasoline	Liters consumption	67,008	72,285	81,303
LPG	Consumption kg	331,255	194,381	165,656

Source organization fuel consumption renewable sources (in Gigajoule) and types of fuels used

Fuel		2020	2021	2022
Ethanol	Liters consumption	7,111	72,285	1,324
	Consumption kg	5,753	58,479	1,071
	Gigajoule consumption	173	1,754	32

Electricity consumption - AVB

Year	MWH consumption
2020	178,086
2021	196,043
2022	211,810



Energy intensity [GRI - 302-3]

With the start of operation of our thermoelectric plant, we will continue working hard to reduce external electricity consumption. With this, we will have the opportunity to improve our energy performance, making use of 100% of steelmaking gases.

The table below expresses our energy intensity indicators, which were measured using a methodology based on the WorldSteel Association for energy intensity.

AVB	
2020	15.96
2021	18.62
2022	18.29

Note: for crude steel, GJ/t is used as the denominator.

Water and effluents [GRI - 3-3; 303-1; 303-2; 303-3; 303-4; 303-5]

Water is an extremely important natural resource for the steel manufacturing process. Therefore, the sustainable use of this resource has been our commitment.

All water used by Aço Verde do Brasil receives adequate treatment, which involves physical and chemical processes that improve the quality of the input by removing solids, pollutants and organic matter from consumed water and effluents.

We ensure, through our management of operational standards, the correct calibrations of water quality control equipment, eliminating or reducing impurities that impact the direct production line.

We have invested, over the years, in processes and systems to improve quality and optimize the use of water, with the conscious use of chemical products and taking into account parameters to continually reduce product levels, which allows us comply with current municipal, state and federal legislation. We are licensed to capture surface water with an authorized flow of 11,760.0 m³/day and underground water capture of 2,160 m³/day.

Interactions with water as a shared resource

AVB collects surface water from the Pequiá River and underground water from four wells located within the plant, duly authorized by the State Secretariat for the Environment and Water Resources (SEMA). Furthermore, the plant is made up of three Water and Industrial Effluent Treatment Stations, with a completely closed system for reusing water resources.

Water availability has been a frequently discussed environmental issue in recent times, due to the supply of water due to consumption, pollution and water scarcity. A natural resource of extreme need in all productive sectors, water has become an object of regularization through the need to organize supply in quantitative and qualitative terms, considering different uses such as abstraction, leisure, dilutions, among others.

AVB, based on the need to use water in its processes, and in view of its commitment to adequate water management, carries out granted abstractions, as provided for in Law No. 9,433 of 1997, CONERH Resolution No. 57 of 2019 and its correlations. AVB strengthens its environmental performance by reducing water consumption in its production. The company achieved a reduction in total consumption in 2022 by 28% compared to the previous year.



Water quality care

The system adopted by AVB comprises treatment through decantation, filtration, cooling and water quality control, with contact coming from the mill's scale wells, which receive the water used in the following processes by gravity:

- Billet Reheating Furnace (RHF) hearth sealing circuit;
- Cooling circuit for cylinders, equipment and rolling mill parts and for controlling rebar/bar temperature during rolling.

The contact water treatment process comprises four stages, which complement the initial removal of coarse scale in wells:

- Removal of fine scale and elimination of oil/grease in the decaners;
- Pressure filtration of decanted water to ensure the removal of fine scale still in suspension that passes through the decanter;
- Temperature reduction by cooling towers;
- Control of water quality by purging, replacing and dosing chemical products.



AVB uses a modern and efficient water use and reuse system with significant results. The system begins at water treatment stations (ETA), in which all water used in the plant system is treated and reused in the sectors through assessment of water quality parameters. With this, AVB obtained significant results, such as:

- Reduction of volumes of groundwater and surface water captured to carry out the process;
- Absence of groundwater contamination, as there is no disposal of effluents into the soil;
- Preservation of local fauna and flora;
- Reduction of energy consumption;
- Generation of employment and income.

Effluent

Aço Verde do Brasil treats effluents from the process and reuses them, without causing water stress to the catchment sources. We have a closed industrial water treatment system, promoting the reuse of 100% of the water resource. Furthermore, all water waste generated in more noble processes is reused in processes that do not require water with concentration parameters higher than noble processes.

As for water disposal, there is a forecast of discharge of effluents into the overflow of the SAI-UT elevated reservoir at an average value of 59.3m³/h. However, the water is used by the Utilities Sector, making this release equal to zero.

Despite not discharging effluents into water bodies, the company monitors the nearest rivers and river basins due to its commitment to cooperating with the environmental performance of water sources.



Emissions [GRI - 3-3]

AVB's management efforts in this area are stimulated by the global desire to build sustainable economies, which operate consciously, applying technologies and processes that minimize emissions, in addition to targets for reducing net greenhouse gas (GHG) emissions and neutrality “Net Zero” climate change, always in alignment with the goals of the United Nations (UN) Sustainable Development Goals. The company's commitment to this topic permeates strategic areas of the company, as presented below.

Supply Chain Strategy

Biocarbon production comes from its own eucalyptus forests, whose production cycle is between 5 and 7 years. We have focused efforts on assessing risks and opportunities, as well as actions to mitigate and/or capture them.



Product and service strategy

The organization implements actions that aim to mitigate risks and capture opportunities related to climate issues, mainly with regard to the flow of rolled steel products. Currently 100% of the rolled steel products produced by AVB are neutral carbon and with negative CO₂ emissions depending on the company's strategies to minimize climate risks over the years.

R&D Strategy

We participate in research projects with institutes, academia and sector initiatives. An example is the project we developed together with Senai/RJ to develop a green and renewable fuel, made from tar generated and collected in our carbonization furnaces, as an alternative to diesel.

Operations strategy

The implementation of low CO₂-emission technologies is critical for the company to consolidate its business strategy to be part of the low carbon economy. Our work focused on mitigating emissions allows AVB to continue to be recognized by the market as a company that delivers sustainable products, such as pig iron and “green” steels, with a low carbon footprint.

As an example we can mention: the technology of reheating scrap for steel production; blast furnace slag used to replace clinker in cement production; steel slag used to replace limestone in blast furnaces; and reuse of gases for the thermoelectric plant and reheating of billets in hot rolling. Furthermore, AVB is efficient in resources, as it allows greater use of forest biomass from its own operation to the detriment of fossil fuel – we reuse our own gases from blast furnace and steelmaking processes.

Direct and Indirect GHG Emissions in tons CO²

	2020	2021	2022
Scope 1			
Stationary combustion	971	570	486
Mobile combustion	4,325	4,390	5,120
Runoff	95	12	13
Industrial processes	34,156	24,153	30,930
Solid waste and liquid effluents	1.4	2.4	0.8
Scope 2	0.0	0.0	0.0
“Location” approach	11,146	25,473	9,147
“Buying choice” approach	0.00	0.00	0.00
Scope 3	29,369	36,671	39,287
1. Purchased goods and Services	29,305	36,509	39,146
5. Waste generated in operations	1.2	2.9	0.8
6. Business travel	63	159	140
Total Location Based	80,066	91,274	84,985
Total Market Based *1	68,919	65,800	75,838
CO ² intensity per tons of crude steel	2020	2021	2022
GHG Protocol "Location Based"	0.2	0.3	0.2
GHG Protocol "Market Based"	0.2	0.2	0.2
Worldsteel Association *2	0.1	0.2	0.2

*1Option to purchase energy from renewable sources (REC)
*2In the Worldsteel Association calculation tool, indicators of tons of CO2 emissions per ton of crude steel are presented, considering the total emissions of Scopes 1, 2 (discounting energy sales) and 3 (with and without “credits”, i.e. “negative emissions” arising from the sale of slag for cement production).

Direct emissions (Scope 1) of greenhouse gases (GHG) [GRI - 305-1]

We have advanced in controls, in operational improvements to our activities, and in the depth and accuracy of accounting for our emissions, always looking for technological and process innovations, in order to mitigate GHGs from our operations – work whose results we present in the Inventory of CO₂ from AVB.

The company has achieved a benchmarking position in the global steel sector in terms of emissions. But how did the company become the world's first carbon neutral steel mill? Check out our practices!

Our main practices

- Integrated steel production route using 100% biocarbon in our blast furnaces
- 100% renewable power purchase of hydroelectric plant (zero emission factor of CO₂)
- Reuse of 100% of process gases (AF and LD) to eliminate the use of fossil fuels
- Reuse/sale of 100% of Blast Furnace slag
- Reuse of 100% of LD Converter slag as raw material for AF (limestone) and LD (lime)
- Use of 100% Blast Furnace gas in the Lamination reheating furnace

AVB understands the relevance of climate change in the world and the socio-environmental impacts caused by it. It is known that a large part of these impacts are the result of the actions of industrial sectors, which cause emissions of Greenhouse Gases (GHG).

It is worth highlighting that the Brazilian GHG Protocol Program is a tool that was created to understand, quantify and manage GHG emissions, considering the national context, being the instrument most used by organizations to prepare GHG Inventories. Furthermore, to prepare the data, the World Steel Association metrics were also used.

Furthermore, the GHG Inventory follows the ISO 14064 standard (international standard), which contains guidelines for quantifying and reporting GHG. It is applicable to any organization across all types of activities and sectors.

Considering our policy, reporting and accounting for emissions is one of our most valuable sustainability strategies. AVB, with the aim of contributing to this serious global problem, seeks to:

- Prepare an emissions inventory, for which we calculate and give visibility to the work carried out on this front;
- Define an action plan to reduce emissions.

Since 2018, we have published our GHG inventory data, which is audited by an external verification company – Société Générale de Surveillance (SGS) in French –, which is a world leader in inspection, verification, testing and certifications.

It is also important to highlight that Scope 1 (Direct Emissions) refers to sources that are controlled by the company, such as, for example, emissions from combustion in boilers, furnaces, owned or controlled vehicles, etc.

Calculation tools



Tool
Brazilian GHG Protocol Program



CO₂ Report
World Steel Association





In Scope 2, the base year for the calculation refers to the 2021/2022 cycle. AVB used Operational Control as a data consolidation approach for reporting emissions. The methodology and calculation tools are the same as Scope 1.

In Scope 3, the Base Year for calculation was the 2022 cycle. The source of emission factors and global warming potential (GWP) indices used, or a reference to the source of GWP, are the same as those presented in Scope 1. The same methodology and calculation tool was also used.

It is worth highlighting that Scope 3 (Indirect Emissions) refers to an optional category that allows the treatment of all other indirect emissions not owned or controlled by the company, such as: extraction and production of purchased materials; transportation of purchased fuels; and use of products and services sold.

GHG emissions intensity index by the organization [GRI: 305-4]

Total indirect (Scope 2) GHG emissions from energy acquisition and consumption in metric tons of CO₂ equivalent calculated based on location

Scope 1, 2 and 3 included in the intensity index

	2020	2021	2022
Stationary combustion	971.86	570.23	486.01
Mobile combustion	4,325.31	4,390.72	5,120.81
Runoff	95.49	12.79	13.23
Industrial processes	34,156.00	24,153.00	30,930.00
Solid waste and liquid effluents	1.38	2.41	0.81
Acquisition of electrical energy - Location	11,146.93	25,473.56	9147.26
1. Purchased goods and services	29,305.00	36,509.00	39,146.00
5. Waste generated in operations	1.25	2.94	0.78
6. Business travel	63.61	159.5	140.44



Gases included in the calculation [GRI: 305-4]

Gases	2020	2021	2022
CO ₂	79,888.46	91,181.40	84,985.37
CH ₄	11.43	15.06	12.23
N ₂ O	71.82	65.19	74.2
SF ₆	0	0	0
NF ₁	0	0	0
HFC	95.12	12.49	12.984
PFC	0	0	0

Note: In this table 305-2.c, they are all gases, that is, the sum of all gases that are in scope 1,2 and 3. Not only included in the scope 2 calculation. Because in this scope there was only CO₂

Reduction of GHG emissions [GRI - 305-5]

At AVB, reducing emissions corresponds to monitoring strategic projects focused on the sustainable cycle. Among these projects, the following stand out:

- Preferential contract for purchasing 100% of electrical energy from renewable sources;
- Generation of own energy through reuse of steel gases;
- Reuse of metal scraps and reuse of industrial waste to replace raw materials.

In addition, AVB has launched the CO₂ emissions certificate, which enables company customers to use advantages by using our sustainable products against competitors as they are from the green chain. And these gains strengthen credibility in the market and are a competitive differentiator, allowing increased profits and reduced costs. In addition to all the initiatives mentioned above, we work hard to generate carbon credits through planted forests.

As a result of the actions undertaken by AVB, emissions reductions were verified in the three scopes:

- Scope 1: reductions in industrial emissions;
- Scope 2: reductions in energy purchase contract options from renewable sources;
- Scope 3: reductions through industrial transport and business travel.

With regard to reductions, the analysis considers the standards and methodologies adopted from the Brazilian GHG Protocol Program, ABNT NBR ISO 14064-1:2018 and the World Steel Association.



Reduction of GHG emissions as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.
[GRI: 305-5]

	Available Area	Planted Area	CO ₂ Kidnapping	CO ₂ Biogenic	Emission factor (average car)	No. of Vehicles
Avoided Industry				850,158.453 tons	1.26 t/CO ₂	674,729
Forest Kidnapping	78,736.24 ha	52,128.59 ha	1,392,578.16 t		1.26 t/CO ₂	1,105,221
Total reduction						1,779,950

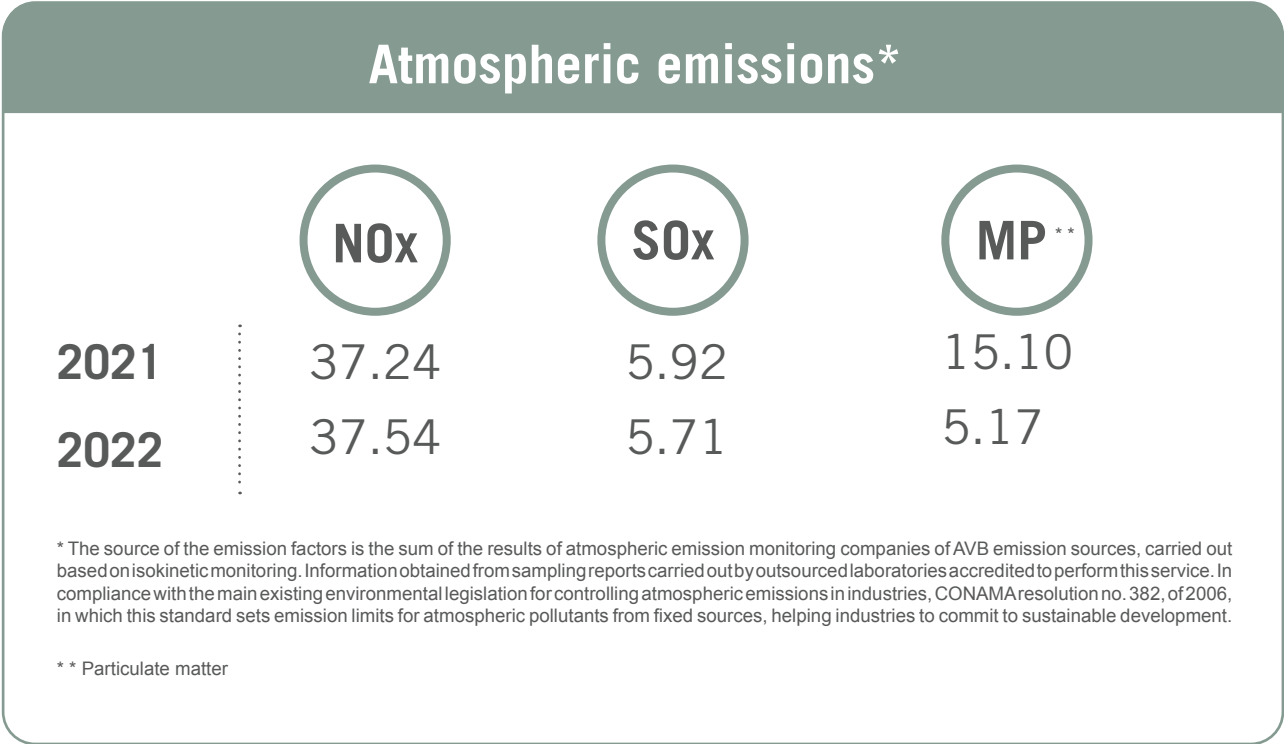
*Based on forest sequestration in tons per CO₂, the result is equivalent to the number of cars on the streets emitting GHG. Calculation based on 2022 Biogenic emissions. All gases were included

Emissions of substances that destroy the ozone layer (ODS) [GRI - 305-6]

AVB, during the period of 2022, through its responsible sourcing policy process, did not allow the acquisition of substances that are not regulated by the Kyoto and Montreal Protocols and that pose risks to the ozone layer.

Emissions of NOX, SOX and other significant atmospheric emissions [GRI - 305-7]

To evaluate emissions of NOX, SOX and other significant atmospheric emissions, we considered the sum of the results of monitoring atmospheric emissions from AVB emission sources, carried out using isokinetic monitoring. The information was obtained from sampling reports carried out by outsourced laboratories accredited to perform this service.



Waste Management

[GRI – 3-3; 306-1; 306-2]

AVB maintains care with the waste generated at all stages of the manufacturing process, acting in accordance with the main Brazilian legislation on the subject: Law 12,305/2010 (National Solid Waste Policy), Ministry of the Environment Ordinance No. 280/2020 and the classification of the Brazilian Association of Technical Standards (ABNT) NBR 10,004.

The company includes in its strategic planning the development of technologies, research and development of solid waste for internal reuse, generating value that has a direct influence on the life cycle of products. We seek the correct disposal of all waste generated, whether reusing it internally or providing appropriate disposal.

We believe in sustainable development applied to business, aware of the importance of leaving a positive legacy for future generations and mitigating impacts produced throughout our value chain. The company constantly seeks to integrate processes and tools into its activities that allow the responsible use of resources throughout the product life cycle.

Recyclable waste (such as cardboard and plastic) and electronics used in the production process are 100% separated and sent to a recycling company. Contaminated or dangerous waste generated in the process is packaged in accordance with standard NBR 12235. And 100% of this waste is sent to approved and specialized companies for correct final disposal.

The waste generated in the company's industrial production processes that has the potential to cause contamination of soil, surface and underground water are:

- Hazardous waste:**
Oil and grease, lamps, cells, batteries and electronics, among others;
 - Non-hazardous waste:**
Granulated blast furnace slag, flask dust, blast furnace sludge, biocarbon mill, biocarbon mill tailings, limestone fines, primary refining slag, secondary refining slag, steelmaking iron oxide, ore fines, between others;
- Recyclable waste:**
Paper/cardboard, plastics, glass, metals, among others.

Waste generated at AVB [GRI - 306-3]

Period:	2022
Hazardous waste (t) *	3.72
Recycled, reused and other recovery operations (t) *	7,409.43
Deposit/Landfill and other disposal operations (t)	0.00
Incinerated (t)	3.72
Total waste (t)	7,413.15

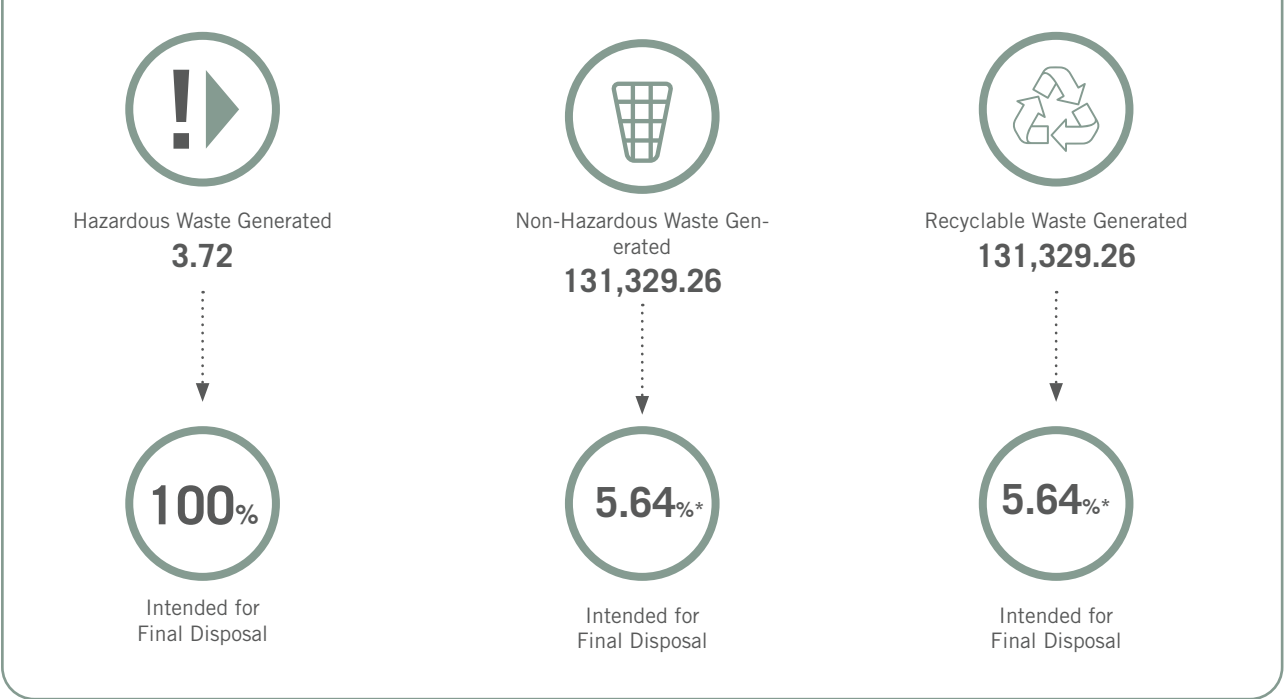
SINIR database information

Waste not intended for final disposal [GRI - 306-4]

Period:	2022
Hazardous waste (t) *	0.00
Recycled, reused and other recovery operations (t) *	123,919.83
Deposit/Landfill and other disposal operations (t) *	0.00
Incinerated (t)	0.00
Total waste (t)	123,919.83

* SINIR database information

Waste Spreadsheets [GRI - 306-5]



*Materials stored internally awaiting final destination, all of which can be converted into co-products.

Biodiversity

[GRI – 3-3]

Biodiversity or biological diversity represents the varieties of life that make up the ecosystems present in the environment. In this sense, Aço Verde do Brasil – AVB has respected current environmental legislation that guides the preservation of the environment and consequently local biodiversity.

The Brazilian Forest Code, Law No. 12,651/2012 in Art. 3rd § I is considered a Permanent Preservation Area - APP Permanent Preservation Area - APP: protected area, covered or not by native vegetation, with the environmental function of preserving water resources, the landscape, geological stability and biodiversity, facilitating the gene flow of fauna and flora, protect the soil and ensure the well-being of human populations.

The AVB has a size of 504 hectares and is located close to two permanent preservation areas: Água Branca and Pequiá Stream. Therefore, the organization has valued its preservation in order to maintain the ecological balance of the area, thus we have 24 hectares of Permanent Preservation Area – APP and 164 hectares of forest reserve.

The plant area is located within the Amazon Biome and the main floristic species found on the banks of the Água Branca and Pequiá streams are: Açai (*Euterpe oleraceae*), Ucuúba (*Virola surinamensis*), Muru-muru (*Astrocaryum murumuru*) and Jenipapo (*Genipa americana*)

in the tree extract. In the herbaceous extract and on the edges of streams (aquatic plants) there are also Water Hyacinth (*Eichhornia crassipes*), Fern (*Thelypteris interrupta*), Cattail (*Typha domingensis*), Imbé (*Philodendron* sp).

There is also a strong presence of mammals (coati, agouti, sloth and capybara), birds (boranqueira owl, inhambu-chororó, white anu, mustache and forest sage), reptiles (black caiman, tortoise, iguana). -green, boa constrictor and others).

Therefore, AVB has invested heavily in sighting and relocation actions of fauna that enter the limits of the plant to later release these animals, as well as, registrations in several strategic areas on the prohibition of hunting and predatory fishing, the importance of prohibition and conservation Environmental Preservation Areas, in accordance with the guidelines of Law 9605/1998.

Considering that charcoal is the main raw material for manufacturing green steel, in 2018 the company launched the Environment Partners project, an awareness campaign that aims to fight forest fires in a conscious and responsible way.

Furthermore, in the planting project we have a motivating element: the integration of the forest into environmental

activities, through the planting of trees in the company's common areas. Each new employee has the opportunity to plant their tree, which in addition to all integration, the initiative increases sustainability and harmonization between employees.

Furthermore, the environmental activities carried out on the site by the environmental team are environmental education actions with the aim of preserving and conserving the environment. Therefore, to achieve the objectives, daily Environmental Dialogue – DDMA, Environmental Education Training for workers on solid waste, environmental aspects and impacts, natural resources conscious use, air and atmospheric pollution, and other environmental issues are held daily. Therefore, all of these actions have a positive impact on the preservation of local biodiversity.

An important ally of biodiversity is environmental monitoring. Therefore, AVB has established tools to identify possible environmental impacts resulting from its operations. Such

tools support the monitoring and management of environmental actions and documentation applicable to the organization's activities, such as notification of deadlines for compliance with environmental actions, and renewal of environmental licenses.

All activities carried out by the company are managed and monitored: atmospheric emissions, water and soil quality, environmental noise and solid waste. Environmental monitoring is carried out to support compliance with applicable legal requirements, as well as good practices in international standards.

Furthermore, we are moving towards the adoption of indicators for greater control and monitoring of performance and assessments of impacts related to biodiversity over the next two years.



Impacts on the local community

[GRI – 3-3; 413-1]

AVB believes in the need to contribute to the social development of the communities in which it operates. Therefore, we value respectful and cooperative relationships with the community and civil society.

We participate in and develop socio-environmental actions, in order to contribute to improving the quality of life of communities and implement preventive actions with the aim of minimizing the socio-environmental impacts of our operations.

We identified, through the Due Diligence Matrix, the main positive and negative social impacts associated with AVB's activities. These impacts are related to the main needs and expectations of local communities and serve as a starting point for the design of control measures, procedures, policies, documents, programs, projects and social actions that can significantly contribute to enhancing (in positive cases) or mitigate (in the case of negative ones) such impacts.

Through our Social Responsibility Policy, we establish a continuous process of engagement with communities in our area of influence, thus ensuring the management of potential socio-environmental risks and impacts.

Main Programs, Projects and Actions to mitigate and enhance social impacts

VoluntariAÇO

We carry out volunteer activities that contribute to the development of the community in which we operate and promote the construction of a fairer society, directing actions that develop social well-being, leading AVB towards collective interests.

School Partners

In this program, we make school materials available to public schools in the most needy neighborhoods in the city.



VoluntariAÇO



School Partners

No Caminho Certo AVB

The main objective of the project is to raise awareness among AVB drivers and third parties about the sexual exploitation of children and adolescents on the roads and where our processes are carried out.

Technical and Post-Technical Scholarship

Project to provide scholarships for technical and post-technical courses, enabling the training of professionals within the municipality, as well as the training of AVB employees, enabling priority in the hiring and training of local workers.



Technical and Post-Technical Scholarship



Plantar AVB Project

Crescer AVB - Professional Courses

Providing professional training courses in partnership with educational institutions to promote training and generate income for the community.

Plantar AVB

Plantar AVB Project encourages the integration of new employees in environmental education and awareness activities, through the planting of trees in the company's common areas. In addition to encouraging sustainability, the initiative promotes harmonization among employees, joining forces to preserve nature.

Support for Local Culture

AVB encourages local culture through the Culture Incentive Law, supporting the June movement that represents Maranhão throughout the national territory and strengthening cultural activities in the areas where we operate.

We develop actions that focus on engaging the local community and foster social, environmental and economic development. Due to the participatory processes we adopted, 82.3% of AVB's social actions implemented engagement and improved the positive assessment of the organization's impact on the local community.

Assessments of environmental impacts and continuous monitoring of these impacts are expressed in the Survey of Aspects and Assessment of Environmental Impacts (LAIA) and the disclosure of social impacts is carried out through our Social Responsibility Report, available on the company website <https://avb.com.br/sustainability/social/>.

We also seek to maintain direct contact with the local community through **Contact Us Channel**, available on the AVB website.

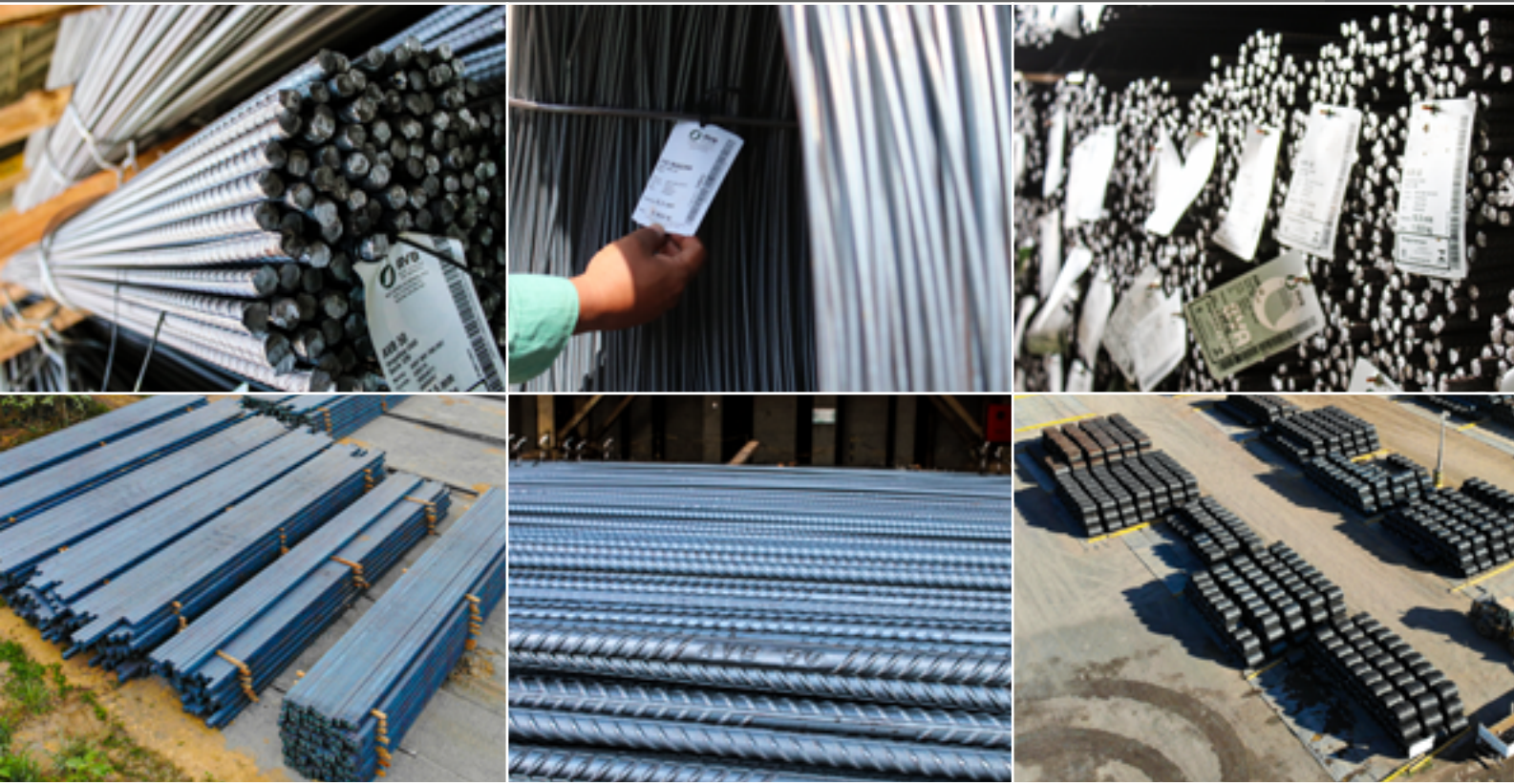


Support for Local Culture

Ours products and value chain

[GRI - 2-6]

Aço Verde do Brasil is an integrated long steel mill, with a main focus on the sale of wire rod, rebar, drawn products and billets, as well as the sale of air gases, used in the chemical, pharmaceutical, food, metallurgical and hospital industries (oxygen, nitrogen and argon), among others.



Data relating to AVB production

		2020	2021	2022
Pig Iron Production	(t)	298,383.08	325,548.06	361598.739
Steel Production (Billet)	(t)	320,519.55	344,848.67	387,606.58
Steel Production (Hot Rolled)	(t)	274,259.81	269,637.07	362,511.11
Steel Production (Drawn Rolls)	(t)	8,945.49	31,522.34	23,135.39
Steel Production (Straightened Rolls)	(t)	18,807.32	380.38	-
Capacity installed*	(%)	55%	59%	65%

We mainly serve the national market, currently reaching 18 Brazilian states and the Federal District. To carry out our operations, we have logistics favorable to the acquisition of raw materials and flow of finished products, moving 100% of the volume sold via road transport. In the international market, logistics works 100% through vessels: we use the Port of Itaqui (São Luís, MA) and the Port of Vila do Conde (Barcarena, PA).

Our main differentiators that add value to our end customer are:

- Vertical operation, with biocarbon and pig iron production, with the wood for biocarbon production coming from forests owned by AVB and other companies in the Ferroeste Group;
- Proximity to raw material sources, having a direct connection with important ore sources such as the Carajás Railway;
- Modern industrial plant, with modern, high-efficiency equipment, with AVB being a sector reference for profitability and cost control (low-cost producer);
- Privileged logistics, close to important ports and logistics corridors, thus reducing freight costs.

We produce different specifications of long steel: machine wire, rebar - AVB 60, AVB 50 roll, AVB 50 bar, steel billet).

Customers who have already purchased from AVB

Considerations *	Un.	2020	2021	2022
Total number of AVB customers **	no.	402	564	567

* Customers who made purchases in 2020 also repeat their purchases in 2021 and 2022;
** Number of customers who made a purchase;

Economic performance

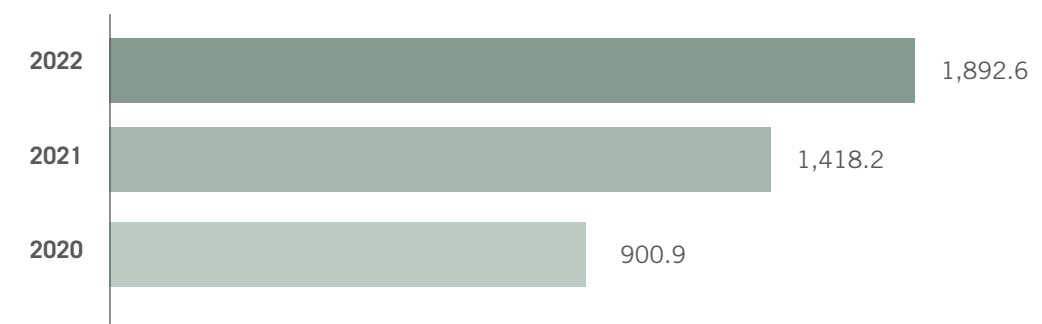
The year 2022 was a year of new records for the company. We managed to reach the historical maximum production of around 360 thousand tons of rolled steel, an increase of approximately 34% compared to 2021. The increase in production was accompanied by record sales volume, which reached 352 thousand tons in 2022. Net revenue, in turn, grew 34%, even with the already significant increase of 57% achieved from 2020 to 2021. We managed to maintain margins at healthy levels, higher than the pre-pandemic period, even in a year with increased costs and reduced prices, reflecting an adjusted EBITDA margin of 43% and a leverage level of 0.6x net debt /adjusted EBITDA. Our strong cash generation led to an increase in investment in biological assets, which went from around R\$76 million in 2021 to R\$107 million in 2022, an increase of 41%.

Solidity and discipline in management are a priority for the company, which is benchmarking with regard to cost reduction and process optimization, as well as an example of combining an efficient and integrated model of environmental management with a production system focused on quality and in financial profitability. At AVB, reusing and minimizing waste, adopting a circular economy, defending biodiversity and mitigating the emission of polluting gases, for example, are synonymous with return and visibility.

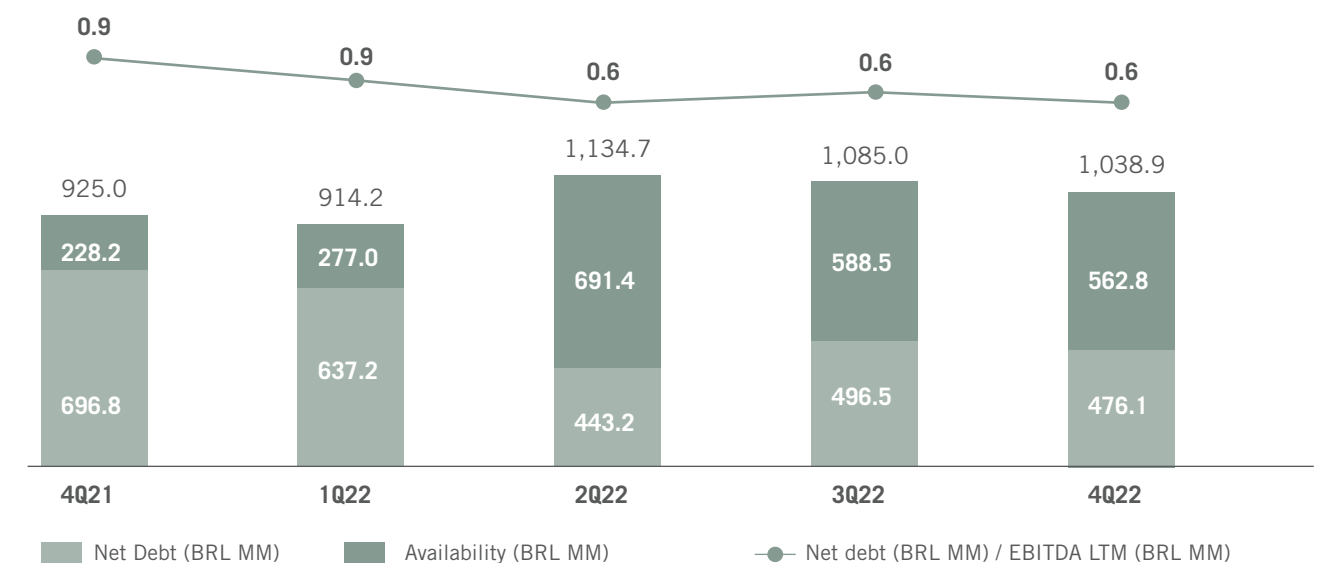
Aço Verde do Brasil knows, like few companies in the steel segment, how to idealize daily sustainability practices. Furthermore, the company is committed to the socioeconomic development of the region, generating wealth and income. This and other information is available on our Investor Relations page: <https://ri.avb.com.br/>

Direct economic value generated and distributed [GRI-201-1]

Net Revenue (BRL MM)

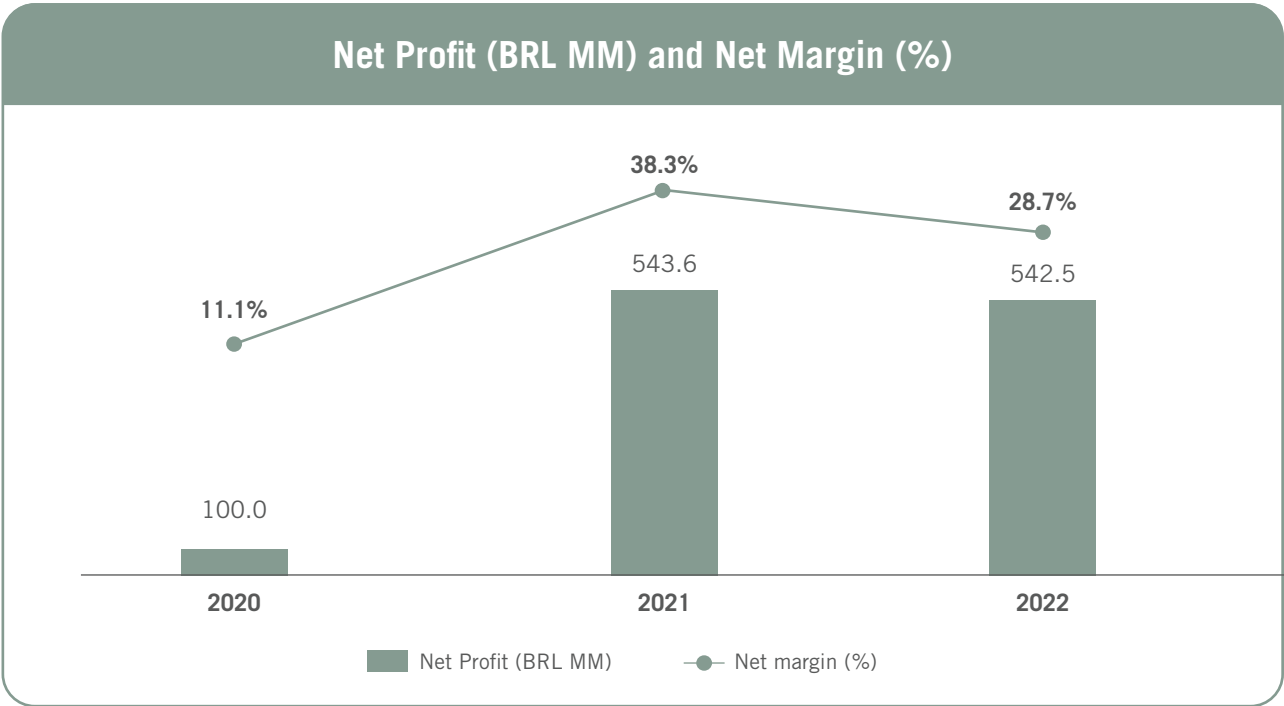


Direct economic value generated and distributed [GRI-201-1]



Net Equity (BRL MM)

	2021	2022
Capital stock	180.0	483.7
Capital reserve	30.0	30.0
Equity valuation adjustment	4.4	3.5
Tax incentive reserves	465.8	707.4
Revenue reserves	389.2	300.2
Actions in Treasury	-10.3	0.0
Shareholders' equity	1,059.1	1,524.9



AVB remunerates its employees in accordance with the CLT (Consolidation of Labor Laws) and the category's union agreement: in 2021, the minimum wage was BRL 1,100.00, and in 2022, BRL 1,212.00, being the lowest salary at AVB 12% and 20%, respectively, in 2021 and 2022, higher than the national minimum wage.

Social, Environmental and Quality Assessment of our Suppliers [GRI – 308-1, 414-1]

AVB seeks to establish a solid relationship with local suppliers to develop the regional economy. Therefore, we encourage companies that seek to establish a partnership with us to be prepared to legally comply with the important bodies that work in this area and strengthen good practices of integrity and social and environmental responsibility.

Therefore, we created a registration platform that brings us even closer to suppliers. This covers a questionnaire on social, environmental, quality, safety and sustainability aspects, which is answered and sent along with the applicable documents. Thus, we obtain information that helps us evaluate the governance model they adopt and the extent to which these suppliers are committed to socio-environmental and sustainability issues, in addition to ensuring the transparency of the process.

Our partners have access to our Responsible Sourcing Policy, which sets out commitments to stakeholders and our anti-bribery and anti-corruption policy. This manual also allows you to learn about our guidelines and ways of working, and can be found at: <https://grupoferroeste.com.br/fornecedores-grupo-ferroeste/>



Final considerations

AVB’s trajectory is transformational. The company went through a repositioning process, no longer focusing on the production of pig iron to manufacturing products with high added value. Our change of course was strategic and robust, focused on knowing how to explore a market with great growth potential in the country.

AVB is in tune with the opportunities that exist in the national steel sector and ready to grow, but without ever losing focus on its mission and values, always maintaining its commitment to sustainable management practices. This is one of our great differentiators today and will be the key to AVB's success for the next 20, 30, 50 years...

Our journey will not be simple. It will require infrastructure adaptation, investment in new talent in our region, incorporation of cutting-edge technologies, strengthening the feeling of “ownership” among all employees who are part of our team, in addition to non-negotiable respect for environmental and social issues.

We will also remain firm in our quest to incorporate increasingly specific and higher quality products into our portfolio, including launching more noble items. Furthermore, in a context in which sustainability tends to be increasingly valued, the customer seeks not just to purchase a product. He wants intrinsic value. Therefore, it is worth asking ourselves: how can we monetize the positive externalities of the environmental achievements we have achieved so far, such as the pride of being the first Carbon Neutral steel industry in the world?

A reference in the national steel sector, AVB is a company ahead of its time. And perpetuating this achievement of ours is our biggest challenge.

GRI Content Summary

Declaration of use		This report was prepared in accordance with the Global Reporting Initiative (GRI) 2021 standards.		
GRI 1		GRI 1: Fundamentals 2021		
Applicable GRI Sector Standard		Not applicable		
GRI Standard	Contents	Location		SDG
		Omission	Reason	Explanation
General Contents				
The organization and its reporting practices				
GRI 2: General Contents 2021	2-1 Organization data	11, 12		Aço Verde do Brasil S.A. (AVB), seed of Grupo Ferroeste, is a publicly-held corporation, registered in category B of the Securities and Exchange Commission ("CVM"), with headquarters at Rodovia BR 222, Km 14.5 – District of Pequiá, Açailândia /MA, Brazil, and incorporated on October 3, 1984.
	2-2 Entities included in the organization's sustainability report	11		The scope of this report is the units of Aço Verde do Brasil S.A. (AVB).
	2-3 Reporting period, frequency and focal point	9, 13		The reporting cycle is annual, this being the current reporting period: January 1, 2022 to December 31, 2022.
	2-4 Restatements of information	9	Not applicable.	There were no reformulations.
	2-5 External verification	9		
Activities and workers				
GRI 2: General Contents 2021	2-6 Activities, value chain and business relationships	80, 81		
	2-7 Employees	16, 32, 33, 34		
	2-8 Workers who are not employees	16		
Governance				
GRI 2: General Contents 2021	2-9 Governance structure and composition	14, 15		
	2-10 Appointment and selection of the highest governance body	16, 17, 18		



Governance

GRI 2: General Contents 2021

2-9 Governance structure and composition	14, 15		
2-11 Chair of the highest governance body	16, 17, 18		
2-12 Responsibilities of the highest governance body in controlling impact management	16, 17, 18		
2-13 Delegation of responsibility for managing impacts	16, 17, 18		
2-14 Responsibilities of the highest governance body in sustainability reporting	16, 17, 18		
2-15 Conflicts of interest	22, 23		
2-16 Communication of crucial concerns	22		
2-17 Collective knowledge of the highest governance body	16, 17, 18		
2-18 Evaluation of the performance of the highest governance body	18, 22		
2-19 Remuneration policies	85	Information not available.	The company is in the process of improving its governance structure, and is contemplating the creation of a Management Remuneration Policy, which will be approved in the future by the Company's Board of Directors.
2-20 Processes for determining remuneration	85	Information not available.	The Company is in the process of improving its governance structure, and is contemplating the creation of a Management Remuneration Policy, which will be approved in the future by the Company's Board of Directors.
2-21 Annual total compensation ratio	85		*

Strategy, policies and practices

* AVB has a comparative survey of employee remunerations, considering those who are best paid and the rest of the organization, whose data was extracted from the payrolls. To calculate the proportion, the total amount paid to the highest-paid individual and the average remuneration paid to the rest of the company were used. Another information measured is the calculation of the proportion of the salary increase. To this end, the base year's remunerations and the amounts paid in the previous year to employees were used, taking into account the highest paid individuals and the rest of the organization. Comparative survey of employee remunerations
a.1) In 2021, the ratio of the highest paid individual's total annual compensation to the average annual total compensation of the rest of the organization was 0.1793.
a.2) In 2022, the ratio between the total annual compensation of the highest paid individual in relation to the average total annual compensation of the rest of the organization was 0.1844.
b.1) In 2021, the increase in compensation for the organization's highest-paid individual compared to the previous year was 21%, while the average increase in total annual compensation for the rest of the organization was 22%, representing a ratio of 0. 96.
b.2) In 2022, the increase in compensation for the organization's highest-paid individual compared to the previous year was 23%, while the average increase in total annual compensation for the rest of the organization was 20%, representing a ratio of 1. 15.

2-22 Information on the sustainable development strategy 48, 49, 50, 51

2-23 Appointments 23, 24, 25

2-24 Internalization of commitments 25

2-25 Processes for remediating negative impacts 52, 53

2-26 Mechanisms for counseling and raising concerns 52, 53

GRI 2: General Contents 2021

2-27 Compliance with laws and regulations 53

2-28 Membership associations 54, 55

2-29 Approach to Stakeholder Engagement 26, 27

The organization did not identify significant cases of non-compliance, which are situations that could impact the operation, with suspension or embargo of activities and/or with a value exceeding 10% of the company's net equity.

The AVB recognizes the right of workers to unionize. During the period of this report, in the years 2021 and 2022, 100% of the Company's employees were represented by collective bargaining agreements, although not all of our employees are unionized. Aço Verde do Brasil carries out the adjustment agreed in collective bargaining for all employees in each category.

GRI Standard	Contents	Location	Omission			SDG
			Omitted requirements	Reason	Explanation	
Material themes						
GRI 3: Material Themes 2021	3-1 Process for determining material topic	27, 28, 29, 30				
	3-2 List of material topics	27, 28, 29, 30				
GRI 3: Material Themes 2021	3-3 Management of material themes	27, 28, 29, 30				



GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	40, 41	8
	403-2 Hazard identification, risk assessment, and incident investigation	41	3, 8
	403-3 - Occupational health services	44	3, 8
	403-4 - Workers' participation, consultation and communication to workers regarding health and safety at work	44	8, 16
	403-5 - Training of workers in occupational health and safety	44, 45	8
	403-6 - Promotion of worker health	44	3
	403-7 - Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	42, 43	8
	403-8 - Workers covered by an occupational health and safety management system	45	8
	403-9 - Work accidents	45, 46	3, 8, 16
	403-10 - Occupational diseases	46	3, 8, 16

Attraction, Development and Retention of Employees

GRI 3: Material Themes 2021	3-3 Management of material themes	33, 34, 35, 36, 37, 38, 39	
GRI 401: Jobs 2016	401-1 New employee hires and employee turnover	32	5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35	3, 5, 8
	401-3 Parental leave	36	5, 8
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	37	4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	38	8
	404-3 Percentage of employees receiving regular performance and career development reviews	38, 39	5, 8, 10

Climate changes

GRI 3: Material Themes 2021	3-3 Management of material themes	56, 57, 58, 59, 60, 61, 62, 63, 64, 65	
GRI 301: Materials 2016	301-1 Materials used, broken down by weight or volume	57, 58	8, 12
	301-2 Raw materials or recycled materials used	57	8, 12
	301-3 Products and their packaging reused	57	8, 12
GRI 302: Energy 2016	302-1 Energy consumption within the organization	58, 59	7, 8, 12, 13
	302-3 Energy intensity	60	7, 8, 12, 13
	302-4 Reduction of energy consumption	58, 59, 60	Information not available. With the implementation of our thermoelectric plant and startup in 2022, we will work on reducing energy consumption using a new source of our own generation within the organization.
	303-1 Interactions with water as a shared resource	60, 61, 62, 63	6, 12
	303-2 Management of water discharge-related impacts	60, 61, 62, 63	6
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	60, 61, 62, 63	6, 8, 12
	303-4 Water discharge	60, 61, 62, 63	6
	303-5 Water consumption	60, 61, 62, 63	Information not available. The information relevant to water consumption is based on data from monitoring the levels of abstraction permitted by the granting of the right to surface and underground use.



GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	66, 67	3, 12, 13, 14, 15
	305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition	68	3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	68	3, 12, 13, 14, 15
	305-4 Intensity of greenhouse gas (GHG) emissions	68, 69	13, 14, 15
	305-5 Reduction of GHG emissions	69, 70	13, 14, 15
	305-6 Emissions of substances that deplete the ozone layer (SDG)	70	3, 12
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	70	3, 12, 14, 15
Residues			
GRI 3: Material Themes 2021	3-3 Management of material themes	72, 73	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	72	3, 6, 11, 12
	306-2 Management of significant waste-related impacts	72	3, 6, 11, 12
	306-3 Waste generated	73	3, 6, 12, 14, 15
	306-4 Waste diverted from disposal	73	3, 11, 12
	306-5 Waste directed to disposal	73	3, 6, 11, 12, 14, 15
Impact on the Local Community			
GRI 3: Material Themes 2021	3-3 Management of material themes	76, 77, 78, 79	

GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	76, 77, 78, 79	
Biodiversity			
GRI 3: Material Themes 2021	3-3 Management of material themes	74, 75	
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	74, 75	6, 14, 15
Complementary indicators			
Economic Performance			
GRI 3: Material Themes 2021	3-3 Management of material themes	82, 83, 84, 85	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	82, 83, 84, 85	
Market Presence			
GRI 3: Material Themes 2021	3-3 Management of material themes	82, 83, 84, 85	
GRI 202: Market Presence 2016	202-1 Ratio between the lowest wage and the local minimum wage, broken down by gender	84, 85	
Suppliers evaluation			
GRI 3: Material Themes 2021	3-3 Management of material themes	85	
GRI 308: Environmental Assessment of Suppliers 2016	308-1 New suppliers selected based on environmental criteria	85	
GRI 414: Social Assessment of Suppliers 2016	414-1 New suppliers selected based on social criteria	85	



DECLARAÇÃO DE VERIFICAÇÃO INDEPENDENTE – BUREAU VERITAS

INTRODUÇÃO

O Bureau Veritas Certification Brasil (Bureau Veritas) foi contratado pela AÇO VERDE DO BRASIL S/A para conduzir uma verificação independente do seu Relatório de Sustentabilidade de 2022 (doravante denominado Relatório).

As informações publicadas no relatório são de inteira responsabilidade da administração da AÇO VERDE DO BRASIL S/A . Nossa responsabilidade encontra-se definida conforme escopo abaixo.

ESCOPO DO TRABALHO

O escopo desta verificação abrangeu os padrões e Princípios¹ da Global Reporting Initiative™ para Relatórios de Sustentabilidade e se refere à prestação de contas do período de 01/01/2022 a 31/12/2022.

RESPONSABILIDADES DA AVB E DO BUREAU VERITAS

A elaboração, apresentação e conteúdo do Relatório são de inteira responsabilidade da administração da AÇO VERDE DO BRASIL S/A . O Bureau Veritas é responsável por fornecer uma opinião independente às Partes Interessadas, de acordo com o escopo de trabalho definido nesta declaração.

METODOLOGIA

A verificação contemplou as seguintes atividades:

1. Entrevistas com responsáveis pelos temas materiais e pelo conteúdo do Relatório;
2. Verificação remota sobre processos corporativos e operacionais da AÇO VERDE DO BRASIL S/A;
3. Análise de evidências documentais fornecidas pela AÇO VERDE DO BRASIL S/A para o período coberto pelo Relatório (2022);
4. Avaliação dos sistemas utilizados para compilação de dados;
5. Análise das atividades de engajamento com partes interessadas (*stakeholders*) desenvolvidas pela AÇO VERDE DO BRASIL S/A;

1. Materialidade, Inclusão de Stakeholders, Contexto da Sustentabilidade, Completude, Equilíbrio, Comparabilidade, Exatidão, Tempestividade, Clareza e Confiabilidade



6. Avaliação da sistemática utilizada para determinação dos aspectos materiais incluídos no Relatório, considerando o contexto da sustentabilidade e abrangência das informações publicadas.

O nível de verificação adotado foi o Limitado, de acordo com os requisitos da norma ISAE 3000², incorporados aos protocolos internos de verificação do Bureau Veritas.

LIMITAÇÕES E EXCLUSÕES

Foi excluída desta verificação qualquer avaliação de informações relacionadas à(ao):

- Atividades fora do período reportado;
- Declarações de posicionamento (expressões de opinião, crença, objetivos ou futuras intenções) por parte da AÇO VERDE DO BRASIL S/A;
- Exatidão de dados econômico-financeiros contidos neste Relatório, extraídas de demonstrações financeiras, verificadas por auditores independentes;
- Inventário de emissões de Gases de Efeito Estufa (GEE);
- Dados e informações de empresas coligadas, sobre as quais não há controle operacional por parte da AÇO VERDE DO BRASIL S/A.

As seguintes limitações foram aplicadas a esta verificação:

- A Confiabilidade de dados fora verificada de forma amostral, exclusivamente à luz das informações e dados relacionados aos temas materiais apresentados no Relatório;
- As informações econômicas apresentadas no Relatório foram verificadas especificamente frente aos princípios de Equilíbrio e Completude da GRI.

2. International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information





PARECER SOBRE O RELATÓRIO E O PROCESSO DE VERIFICAÇÃO

- Ao longo do processo de verificação constatamos uma sistemática confiável de coleta e consolidação de dados que compõem o Relatório. Os responsáveis pelos temas materiais, que responderam à verificação, demonstraram conhecimento adequado sobre os indicadores e o processo de elaboração do Relatório.
- Verificamos que a AÇO VERDE DO BRASIL S/A realizou seu estudo de materialidade no ano de 2022, que contemplou consulta aos diversos stakeholders, por meio de entrevistas, além de benchmarking nos setores de siderurgia e celulose, resultando em 10 temas materiais, alinhados à estratégia da empresa.
- Com relação ao tema comunidades locais evidenciamos que a organização é certificada na NBR 16001 - Responsabilidade Social e possui uma estratégia definida e padronizada para identificação e priorização das partes interessadas, bem como um planejamento anual de atividades e ações a serem realizadas junto às comunidades mapeadas.
- Com relação ao Indicador GRI 303-3 "Captação de água" foi possível identificar que, além da gestão utilizada para o controle do consumo de água, a organização possui sistema fechado de reaproveitamento do recurso hídrico e desta forma foi possível identificar através do monitoramento do consumo de água um fator de redução igual a 28% em seu consumo, comparado ao ciclo anterior.
- Verificamos que os dados apresentados para atender aos indicadores de emissões de GEE fazem parte do Inventário de emissões de GEE da AÇO VERDE DO BRASIL S/A foram verificados por meio de um processo independente de assurance.
- Constatamos no tema Biodiversidade, que a AÇO VERDE DO BRASIL S/A possui iniciativas de preservação no escopo industrial que abrangem as Áreas de Preservação Permanente e Reserva Legal. Observamos a oportunidade de monitorar o desempenho de atividades que ocorrem tanto em áreas de proteção ambiental como em áreas de alto valor de biodiversidade fora dessas. Isso visa gerenciar e reduzir os riscos ambientais, além de destacar as ações de prevenção e reparo da organização.

RECOMENDAÇÃO: estabelecer modelo de gestão para um maior controle e monitoramento do desempenho e das avaliações de impactos relacionados à biodiversidade.

- Verificamos que a AÇO VERDE DO BRASIL S/A realiza o mapeamento de informações gerais, no momento de cadastro de fornecedores, monitora lista de trabalho escravo, define cláusulas em contrato e divulga políticas internas como o código de ética para os novos fornecedores. Entretanto, não se encontra estabelecido um processo de seleção e contratação com base em critérios e análise de impactos sociais negativos significativos - reais e potenciais - de sua cadeia de fornecedores.

RECOMENDAÇÃO: estabelecer sistemática para seleção e contratação de fornecedores com base em critérios sociais padronizados pela organização, de maneira que seja aplicada uma análise de riscos reais e potenciais.

- Em relação ao indicador GRI 306 – Gestão de Resíduos, a organização traz em seu planejamento estratégico o desenvolvimento de tecnologias, pesquisas e o desenvolvimento dos resíduos sólidos para reutilização interna. Porém, não foi possível avaliar o princípio da comparabilidade ao longo do tempo de forma a permitir que a organização monitore seus impactos e avalie as necessidades de melhoria de acordo com o desvio identificado.

RECOMENDAÇÃO: Para o próximo ciclo do Relatório, relatar os dados anteriores sendo possível avaliar o princípio da comparabilidade ao longo do tempo, bem como suas avaliações e decisões embasadas em resultados.

- No que se refere ao indicador GRI 403-9 (Acidentes de trabalho) identificamos que a empresa possui práticas e sistemas de gestão de segurança implementados. Porém evidenciamos que houve um aumento no número de acidentes do trabalho resultando no aumento das taxas de frequência e gravidade.

RECOMENDAÇÃO: Para o próximo ciclo, a organização deverá estabelecer estratégias que sejam significativas para o processo da segurança do trabalho na prevenção de acidentes, a fim de que seja evidenciada a redução de acidentes.

CONCLUSÃO

Como resultado de nosso processo de verificação, nada chegou ao nosso conhecimento que pudesse indicar que:

- As informações prestadas no Relatório não sejam equilibradas, consistentes e confiáveis;
- A AÇO VERDE DO BRASIL S/A não tenha estabelecido sistemas apropriados para coleta, compilação e análise de dados quantitativos e qualitativos, utilizados no Relatório;
- O Relatório não seja aderente aos Princípios para definição de conteúdo e qualidade do padrão GRI para relatórios de sustentabilidade.





DECLARAÇÃO DE INDEPENDÊNCIA E IMPARCIALIDADE

O Bureau Veritas Certification é uma empresa independente de serviços profissionais especializado na gestão de Qualidade, Saúde, Segurança, Social e de Meio Ambiente com mais de 195 anos de experiência em serviços de avaliação independente.

O Bureau Veritas implantou e aplica um Código de Ética em todo o seu negócio para garantir que seus colaboradores mantenham os mais altos padrões em suas atividades cotidianas. Somos particularmente atentos a prevenção no que concerne ao conflito de interesses.

A equipe de verificação não possui qualquer outro vínculo com a AÇO VERDE DO BRASIL S/A, que não seja a verificação independente do Relatório de sustentabilidade. Entendemos que não há qualquer conflito entre outros serviços realizados pelo Bureau Veritas e esta verificação realizada por nossa equipe.

A equipe que conduziu esta verificação para a AÇO VERDE DO BRASIL S/A possui amplo conhecimento em verificação de informações e sistemas que envolvem temas ambientais, sociais, de saúde, segurança e ética, o que aliado à experiência nessas áreas, nos permite um claro entendimento sobre a apresentação e verificação de boas práticas de responsabilidade corporativa.

CONTATO

<https://certification.bureauveritas.com.br/fale-conosco/>

São Paulo, Novembro de 2023.

Anna Carolina Guedes da Silva
Auditora-líder Assurance Sustainability Reports (ASR)
Bureau Veritas Certification – Brasil

Bruno Moreira
Gerente Técnico
Bureau Veritas Certification – Brasil



Technical Sheet

General coordination of the sustainability report

Iza Barbosa
TerraGrata Consultoria em Sustentabilidade

Capturing and organizing content

Terragrata Consultoria em Sustentabilidade

Writing

Terragrata Consultoria em Sustentabilidade

Layout and art

Fernando Davis

Production

AVB
Terragrata Consultoria em Sustentabilidade

