



# 2024 SUSTAINABILITY

# REPORT

# SUMMARY

# SUSTAINABILITY REPORT | 2024

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# 01. PRESENTATION



*Good Reading!*

**Sustainability** is a strategic pillar of **Aço Verde do Brasil S.A. (AVB)**, guiding the company's operations, decision-making, and relationships with all stakeholders. Committed to long-term value creation and the building of a more just and sustainable future, AVB adopts transparent management and communication practices. This commitment is reflected in the publication of its Annual Sustainability Report, prepared in alignment with leading international standards.

## OUR PILLARS

### MISSION



Develop solutions that enable the use of renewable energy sources, operating with ethics and sustainability. To generate value for shareholders and foster human development by producing high-quality long steel products with safety and cost competitiveness, ensuring the company's long-term continuity.

### VISION



To be a benchmark in the steel

### VALUES



We are an ethical, dynamic, and environmentally committed company. We invest in technology, human capital, and the environment. We promote human development and create opportunities. We lead by example, with unwavering dedication and respect. We respect God, family, work, and others. We generate results for our suppliers, employees, customers, and the community.

# Letter from the **Presidency.**

It is with great satisfaction that we present the 2024 Sustainability Report of AVB Integrated Steel Mill. This document reflects our unwavering commitment to transparency, social and environmental responsibility, and sustainable development—core pillars that guide our efforts to create long-term value throughout all areas of our operations.

At AVB, our ambition is not to become the largest steel producer in Brazil, but the best. Our purpose is rooted in a simple yet powerful principle: to be “better today than we were yesterday.” This philosophy continually inspires our team to strive for excellence and work passionately toward our goals.

Throughout 2024, we achieved significant milestones that reinforce both our leadership in the steel industry and our dedication to responsible business practices:

**1. Operational Performance:** We reached remarkable production milestones, surpassing ambitious targets. These achievements not only enhance our capacity but also ensure the efficiency, resilience, and sustainability of our operations.

**2. Social Responsibility and People Development:** We launched our Leadership Development Program, designed to strengthen both the technical and behavioral competencies of our supervisors and managers. Additionally, we began construction of the AVB Institute—a landmark initiative that will contribute significantly to the development of the Maranhão community and future generations.

**3. Environmental Sustainability:** We obtained NBR 16.001 certification and Renewable Energy Certificates, reaffirming our commitment to sustainable, environmentally responsible operations. We also made important advances in technologies aimed at waste reduction, moving closer to our goal of becoming a zero-waste facility and championing a circular economy.

**4. Innovation, Administrative and Financial Efficiency:** We restructured our administrative and managerial goals to focus on efficiency and cost optimization. We also invested in continuous training for our administrative teams, aligning them with the same standards of excellence applied in our production areas. In May 2024, S&P Global Ratings upgraded our corporate credit rating from 'brAA-' to 'brAA', with a stable outlook, recognizing our financial soundness.

**5. Commercial and Logistics Expansion:** We expanded our sales presence in the Northeast region of Brazil and enhanced the value of our CO<sub>2</sub> emissions certificates, reinforcing our commitment to sustainable practices. We also broadened our product portfolio to include low and high carbon steels with low inclusions and high cleanliness, responding to market demands and further strengthening our competitive position.

In summary, 2024 was a year of significant accomplishments, driven by the dedication of our employees, the confidence of our shareholders, and the trust of our stakeholders. These forces were vital in solidifying our position as a leader in the steel industry while reaffirming our commitment to responsible and sustainable growth.

Our ability to transform raw materials into high value-added products and to positively impact people's lives through our management model and social projects is our greatest secret to success.

We thank everyone who is part of our journey and look forward to continuing to count on your support as we work together toward a more sustainable and prosperous future.



Silvia Carvalho Nascimento e Silva  
CEO of Aço Verde do Brasil

# About **this Report.** [GRI 2-2 | GRI 2-3 | GRI 2-4 | GRI 2-5]

This Sustainability Report covers the operations of Aço Verde do Brasil S.A. (AVB), with a primary focus on the company's industrial unit located in Açailândia, in the state of Maranhão. Information related to AVB's farms (branches) and the AVB Institute is also included, aiming to highlight the company's social, economic, and environmental contributions to the region where it operates.

This report presents AVB's practices and results for the period from January 1, 2024, to December 31, 2024. It is published annually, and this edition marks the third consecutive year in which the report has undergone external assurance, in accordance with the standards set by the Global Reporting Initiative (GRI). In line with its commitment to transparency, governance, and accountability to its stakeholders, AVB submits its Sustainability Report to an independent external verification conducted by a specialized assurance provider. The assurance statement for the 2024 fiscal year is fully available at the end of this report, prior to the summary section, as per GRI standards. The company's financial statements are published quarterly, with annual consolidation and disclosure occurring in the fourth quarter.

The preparation of this report is the result of a joint effort by various departments within the company, working collaboratively to collect, consolidate, and validate the information. AVB's senior leadership plays a central role in validating the data and approving the final version of the report—further strengthening the company's commitment to the integrity, reliability, and transparency of the information disclosed.

Additionally, AVB's financial statements undergo independent external audits, with disclosures made through widely circulated media and published on the official channels of the Brazilian Securities and Exchange Commission (CVM) and the company's Investor Relations portal.

AVB reaffirms its commitment to credible and transparent reporting by ensuring that its Sustainability Report is verified by a third-party, independent, and conflict-free entity. This practice reflects the company's dedication to responsibly managing its impacts and communicating effectively with its stakeholders.

In the current reporting cycle, no revisions were required for information disclosed in previous reports, ensuring the continuity and consistency of the reported data.

- **AVB Website:** [www.avb.com.br](http://www.avb.com.br)
- **AVB Investor Relations Website:** [www.ri.avb.com.br](http://www.ri.avb.com.br)
- **AVB Sustainability Contact:** [sustentabilidade.avb@ferroeste.com.br](mailto:sustentabilidade.avb@ferroeste.com.br)
- **AVB Management System Conta:** [sistemadegestaoavb@ferroeste.com.br](mailto:sistemadegestaoavb@ferroeste.com.br)



# Who Are We? [GRI 2-1 | GRI 2-6]



## GROUP FERROESTE

The history of the Ferroeste Group began on October 24, 1968, with the founding of the Rural Mechanization Company, which provided services in agriculture, forestry, and internal logistics for steel mills. In 1978, the company acquired, rebuilt, and modernized the Ferroeste Steel Mill, achieving a benchmark in operational performance within the industry. In the city of Açailândia, in the state of Maranhão, we began operations in 1993, through Gusa Nordeste S.A., with an annual production capacity of 60,000 tons which became the seed of the steelmaking project known as AVB – Aço Verde do Brasil, the only company in the world to produce green steel free from fossil fuels.

Delivering high-quality renewable products, ensuring customer satisfaction, and respecting the environment—these are the three core pillars that uphold our corporate commitment and position the Ferroeste brand as one of the most respected in the Brazilian industry.

The Ferroeste Group operates industrial complexes in three Brazilian states, located in the Southeast and Northeast regions of the country. The company is focused on acting with socio-environmental responsibility, safety, quality, and productivity, aiming to deliver excellent results to its stakeholders. We focus on providing renewable, high-quality products, ensuring timely deliveries, offering outstanding customer service, and continuously working to minimize the environmental impacts inherent to industrial production.



## AÇO VERDE DO BRASIL

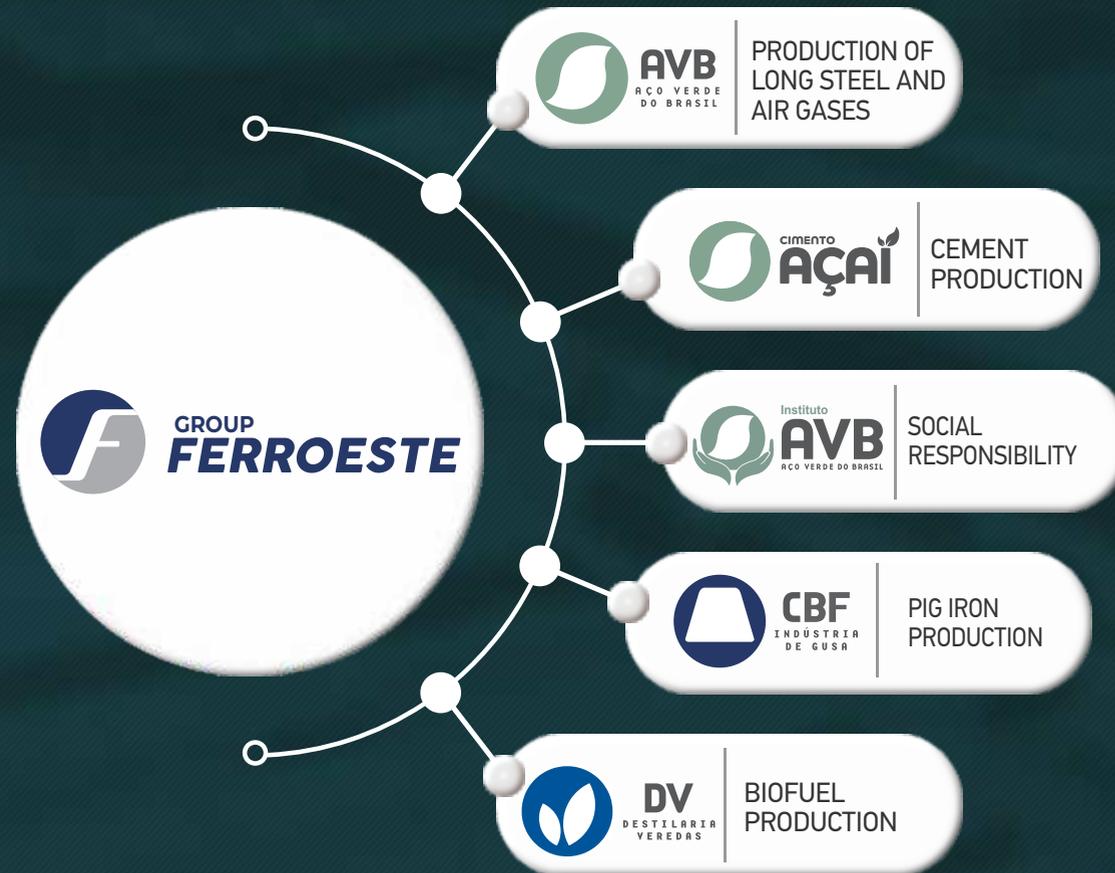
Aço Verde do Brasil S.A. (AVB), a member of the Ferroeste Group, was founded in 2015 with the purpose of transforming the steel industry through sustainability and innovation. It has distinguished itself as the world's first steel mill to produce long steel products entirely free from fossil fuels, promoting a pioneering and responsible approach to steel production with reduced environmental impact.

AVB is a publicly held corporation registered under category “B” with the Brazilian Securities and Exchange Commission (CVM) and operates with a fully integrated, modern, and efficient industrial structure. The company's plant is located in the municipality of Açailândia, in the southern region of the state of Maranhão, from where it serves the entire national market with high-performance products, characterized by low impurity levels and free from emissions derived from fossil fuels.

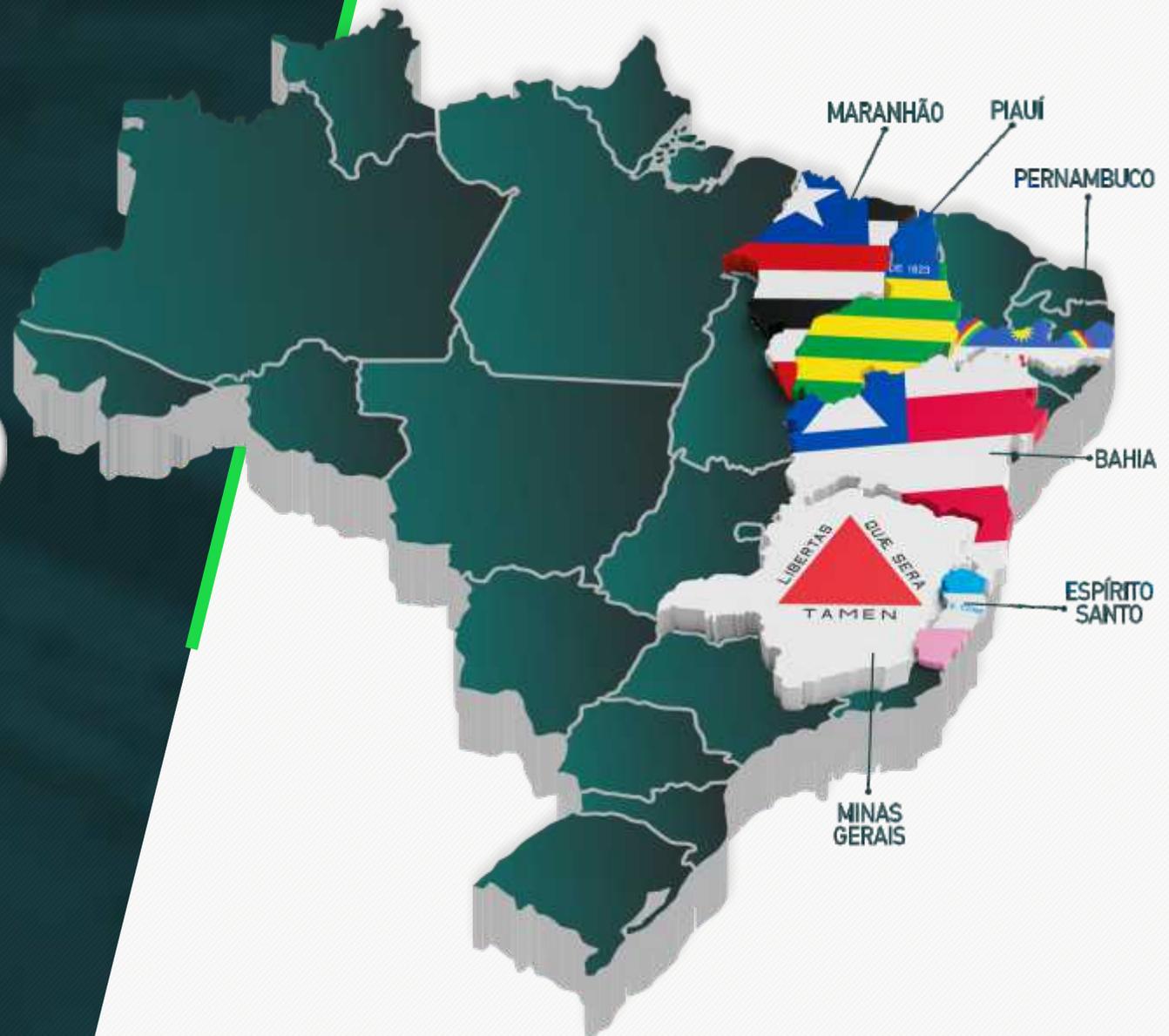
AVB's production model is based on the use of biocarbon, the primary input for its blast furnaces, sourced from sustainably managed forest areas. This strategy enables the company to operate with a low-carbon footprint, internationally recognized through certification granted by the Société Générale de Surveillance (SGS), based on the standards of the Brazilian GHG Protocol Program and methodologies endorsed by the World Steel Association (worldsteel).

AVB currently employs over 3,300 professionals across its industrial unit, sustainably cultivated and preserved forest areas in the states of Maranhão and Piauí, and its corporate office located in Minas Gerais. Its commitment to sustainability, innovation, and operational efficiency positions the company as a key player in the transition toward a low-carbon economy.

# Main Activities of the Group.



# Map of Action.



Click on the Brand logo for More information

# AVB Institutional Data.



**CNPJ:** (Brazilian Corporate Tax ID): 07.636.657/0002-70

**Economic Sector:** Manufacturing Industry

**Subsector:** Metallurgy

**CORPORATE NAME:** AÇO VERDE DO BRASIL S.A

**CORPORATE NAME:** FERROESTE GROUP

**LEGAL NATURE:** PUBLICLY HELD CORPORATION

**CVM REGISTRATION:** CATEGORY B

**YEAR OF FOUNDATION:** 2015

**PRODUCT TYPE:** LOW-CARBON LONG STEEL, PRODUCED WITHOUT THE USE OF FOSSIL FUELS

**LOW-EMISSION CERTIFICATION:** SGS – SOCIÉTÉ GÉNÉRALE DE SURVEILLANCE

**REFERENCE METHODOLOGIES:** GHG PROTOCOL BRAZIL / WORLD STEEL ASSOCIATION (WORLDSTEEL)

**INDUSTRIAL HEADQUARTERS:** AÇAILÂNDIA – MARANHÃO

**FULL ADDRESS OF THE INDUSTRIAL:** RODOVIA BR-222, GLEBA ITINGA, KM 14,5 – LOTE 69 /DISTRITO PEQUIÁ INDUSTRIAL DISTRICT / AÇAILÂNDIA – MA / ZIP CODE: 65930-000

**OPERATIONAL AREA:** BRAZIL (NATIONWIDE COVERAGE)

**FORESTRY OPERATIONS:** STATES OF MARANHÃO AND PIAUÍ

**CORPORATE OFFICE:** STATE OF MINAS GERAIS

**NUMBER OF EMPLOYEES:** OVER 3,300 EMPLOYEES

**COMPETITIVE ADVANTAGE:** FIRST STEEL MILL IN THE WORLD TO PRODUCE STEEL WITH THE LOWEST CO<sub>2</sub> EMISSIONS PER TON OF STEEL PRODUCED

# Certifications and Standards.

The work carried out by Aço Verde do Brasil over the years has led to the achievement of several certifications, including ISO, NBR, and I-REC standards, as well as recognition for best sustainability practices. These accomplishments are the result of the strong commitment of AVB's Executive Management and its entire team of employees, who prioritize:

- The development, implementation, and maintenance of Aço Verde do Brasil S.A.'s Management System;
- Transparency regarding the sustainability of its environmental, economic, social, and quality-related areas;
- The demonstration of these commitments through the visibility, dissemination, and application of AVB's various policies, and by engaging renowned certification bodies for independent external verification.

The organization has also adopted requirements from the Carbon Disclosure Project (CDP) and has been awarded the "Gold Seal" in the Brazilian GHG Protocol Program, granted to companies that meet all transparency criteria in the publication of their Greenhouse Gas (GHG) Inventory. This certification was verified in accordance with ISO 14064-3:2018, in compliance with the standard's requirements and the Brazilian GHG Protocol Program, with third-party assurance issued by Société Générale de Surveillance (SGS).

AVB has also received, from the Carlos Alberto Vanzolini Foundation, the decision to maintain certification for the Social Responsibility Management

System – ABNT NBR 16001:2012, recognizing its system as a national benchmark based on a standard of excellence. Additionally, Bureau Veritas confirmed the renewal of AVB's certifications for both the Environmental Management System and the Quality Management System, in accordance with the international standards ISO 14001:2015 and ISO 9001:2015. These certifications enhance customer confidence and satisfaction, strengthen AVB's reputation in the market, and contribute to continuous improvement of its processes, products, and services—elements that are essential to AVB's long-term sustainability.

AVB reaffirms its commitment to transparency by ensuring that its information is accurate and reliable, faithfully reflecting the company's corporate, social, environmental, and ethical performance, and fostering open communication with its stakeholders.

To ensure the integrity of its Sustainability Report, the company conducts an independent verification in partnership with Bureau Veritas Certification, based on the standards and principles of the Global Reporting Initiative (GRI).

The organization also holds several certifications obtained through audits related to its participation in various national and international associations.

To view the full list, visit:  
<https://avb.com.br/certificacoes/>



## CERTIFICATIONS

CERTIFIED ISO 14001: 2015	CERTIFIED NBR 16001: 2012
CERTIFIED ISO 14064-1:2018 GHG Protocol	CA-50 THIN ABNT NBR 7480:2007
CA-50 MEDIUM ABNT NBR 7480:2007	CA-50 THICK ABNT NBR 7480:2007
CA-60 THIN ABNT NBR 7480:2007	CA-60 MEDIUM ABNT NBR 7480:2007
CA-50 EXTRA THICK ABNT - NBR 7480:2007	CERTIFIED I-REC

# Timeline.



# Governance. GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14

Aço Verde do Brasil (AVB) adopts a robust corporate governance structure, aligned with best market practices, transparency, and a strong commitment to sustainability. This structure is composed of the Board of Directors, five statutory executive offices, and the Governance and Sustainability Committee, which is responsible for ensuring the integration of ESG principles into the company's strategic planning.

The responsibilities of each executive office can be found in the Company's Bylaws and in the minutes of the Board of Directors' meetings that appointed the current executive team.

## Governance Structure.



# Board of Directors.

The Board of Directors is the highest decision-making body of the company. It is composed of six members, 33% of whom are external and are 67% women—reflecting AVB's commitment to diversity. The board members bring diverse experiences, academic backgrounds, and age groups, contributing to the richness of discussions and the diversity of decision-making. The Board is responsible for guiding strategic direction, assessing risks, and overseeing the performance of senior management, in accordance with its internal charter.

- **Ricardo Nascimento:** (Chairman): Founder of the Ferroeste Group, with extensive experience in the steel and agricultural sectors since the 1970s.
- **Laura Carvalho Nascimento:** Indirect shareholder of AVB and partner at Empresa de Mecanização Rural Ltda.
- **Maria Renata e Silva Lotfi:** Independent board member, graduate in Business Administration from FGV, with expertise in risk management and solvency.
- **Maria Gabriela Woge Liguori:** Independent board member, economist and executive with over 20 years of experience in the financial market.
- **Ricardo Carvalho Nascimento:** Civil Engineer with leadership experience within companies of the Ferroeste Group.

Among the members, only **Silvia Carvalho Nascimento** holds an executive role within the company. The others serve exclusively in governance functions.



# Governance and Sustainability Committee.

[GRI - 2-14]

The Chairman of the Company's Board of Directors does not hold any other executive position within the organization. According to the Company's Bylaws, all board members are elected and may be removed by the General Shareholders' Meeting, with re-election permitted. Individuals who hold positions in companies considered competitors of AVB or who represent conflicting interests are not eligible for appointment.

The Governance and Sustainability Committee is a non-decision-making body linked to the Board of Directors, established to support the definition, implementation, and monitoring of ESG strategies. Its responsibilities include:

- Supporting the Board in matters related to governance and sustainability;
- Monitoring relevant risks and impacts;
- Promoting and maintaining the adoption of best practices in the respective areas.

The Committee is made up of five members, with a two-year term:



**Sandro Marques Raposo:**  
(Coordinator): Director of Sustainability and New Business



**Silvia Carvalho Nascimento e Silva:**  
Chief Executive Officer



**Gustavo Rozenbaum Bcheche:**  
Chief Financial Officer and Investor Relations Officer



**Maria Renata e Silva Lotfi:**  
Independent Member



**Arnaldo José Flausino:**  
External Consultant



**Female representation** on the Committee stands at 40%. Three of the five members hold executive roles within the company. Committee meetings are held twice yearly under normal circumstances, or on an extraordinary basis when convened.

The Director of Sustainability and New Businesses plays a key role in guiding AVB's ESG strategy, being responsible for developing short-, medium-, and long-term strategic plans, evaluating performance indicators, defining action plans and recommendations for improvement. The Director also supports the adoption of technical standards and periodically reports progress to senior management and the Board of Directors.

AVB has a nominations policy, approved by the Board in February 2023, which outlines the principles and criteria for appointing directors and board members. This policy emphasizes diversity, socio-emotional competencies, alignment with company culture, and an innovative vision. It also establishes that individual and collective evaluations of members will be conducted at the end of their term, with the first cycle scheduled for the Annual General Meeting that will address the 2024 fiscal year.

Senior management, as a strategic stakeholder, is also responsible for appointing leaders and committee members, validating data, and reviewing the Sustainability Report, thereby ensuring the accuracy of the information disclosed and the continuous improvement of the organization's internal processes.

## Responsibilities of the Director of Sustainability and New Businesses.

The Director of Sustainability and New Businesses holds a strategically essential role within the organization, being responsible for the development of ESG policies and strategies across short-, medium-, and long-term horizons. This executive leads initiatives such as the adaptation of management systems, the planning and execution of actions, audits, supplier assessments, definition of indicators, and preparation of reports—ensuring compliance with the highest standards of sustainability. Additionally, the Director conducts market scenario analyses to identify opportunities that support the company's sustainable growth.

The Director is also accountable for evaluating technical standards and driving continuous improvements to ensure efficient and sustainable operations. In collaboration with various departments, this role is key to promoting an ESG culture throughout the organization and aligning corporate objectives with environmental, social, and governance commitments.



Sandro Marques Raposo

# Strategic Decarbonization and Sustainability Plan.

[GRI 2-22]

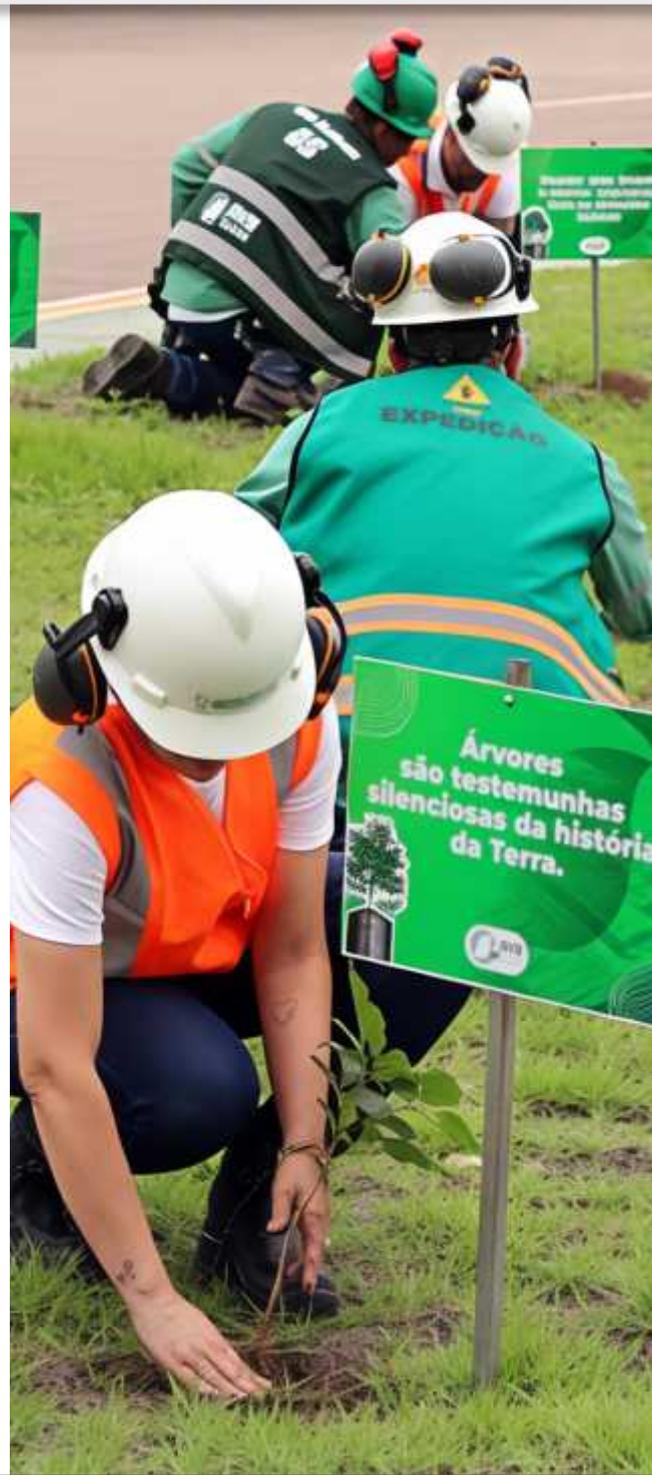
## SUSTAINABILITY COMMITMENT STATEMENT

### Our Commitment to the Future

At AVB, we understand that sustainability is a cross-cutting principle that guides the way we think, plan, and operate. More than a commitment, it is an integral part of our business model and organizational identity, embedded in all areas of management and strategic decision-making. We believe that only with this solid foundation will we be able to fulfill our purpose of transforming the steel industry through a low-carbon, ethical, and responsible production model committed to future generations.

As part of the ongoing strengthening of our ESG agenda, we have revisited the company's sustainability strategy, based on the pillars of environmental, social, and governance dimensions, ensuring alignment with AVB's growth plan. This reinforces the guiding principles of our operations and reaffirms our strategic direction focused on business longevity, respect for people, and environmental preservation. In this way, our sustainability commitments are supported by a robust perspective and an organizational culture that values ethics, transparency, and continuous innovation.

The identification of priority areas and the unfolding of AVB's sustainability commitments were conducted through a participatory and transparent process, involving external scenario analysis, market trend reviews, and collaborative evaluation across multiple company departments. This process enabled us to better understand the demands of our business and our stakeholders, solidifying a unified vision for the strategic objectives that will guide our sustainability actions in the coming years, with a focus on generating shared value and positive impact for society as a whole.



In 2021, we formalized this commitment through the Strategic Decarbonization and Sustainability Plan, approved by the Sustainability and New Business Department.

### Our Commitment to the Future:

- Alignment with the 17 UN Sustainable Development Goals (SDGs);
- Integration of Sustainable Development Goals (SDGs);
- Active involvement of stakeholders and internal areas;
- Coherence with AVB's growth plan.

### STRATEGIC AXES OF THE 2021–2030 PLAN

#### Priority Goals and Actions:

- Identify and develop a risk mitigation plan and capture opportunities related to climate change;
- Promote new sustainable businesses and clean technologies;
- Obtain ResponsibleSteel™ certification;
- Participate in technical forums and specification review efforts to demonstrate low-carbon steel production;
- Conduct R&D and industrial process innovation focused on coproduct reuse and waste valorization to drive circular economy practices and production chain decarbonization;
- Develop a low-carbon steel commercial strategy;
- Manage electricity sourcing from 100% renewable sources;
- Strengthen the emissions inventory strategy and reduce greenhouse gas emissions (GHG);
- Foster a culture of sustainability and innovation across all levels of the organization;
- Manage internal and external communications on sustainability themes, promoting transparency and engagement.

*Por Sandro Raposo*

*Director of Sustainability and New Business*

# Performance Evaluation of **the Highest Governance Body.** [GRI 2-18]

AVB adopts a structured governance model, committed to the continuous evaluation of the performance of its top governing bodies, with a focus on sustainable value creation. The supervision of economic, environmental, and social impacts is carried out by the Board of Directors, with technical support from the Governance and Sustainability Committee—a non-deliberative advisory body that assists the Board on strategic governance and sustainability matters. This committee is responsible for identifying risks, assessing practices, proposing improvements, and ensuring the integration of ESG issues into corporate decisions, strategic planning, and company operations.

In accordance with AVB's Nomination Policy, approved in 2023, board members undergo an individual and collective evaluation process at least once during their term. This evaluation considers governance, sustainability, and other strategic aspects, and may be conducted directly by the Board of Directors or by an independent specialized consultancy, ensuring impartiality and confidentiality. The results of these evaluations serve as a valuable input for decisions regarding the re-election or replacement of evaluated members, as well as for supporting adjustments in board composition and organizational practices.

The first evaluation cycle will be concluded by the Annual General Meeting that will deliberate on the results of the 2024 fiscal year. In doing so, the company reinforces its commitment to high-performance governance by promoting a culture of continuous improvement, corporate responsibility, and alignment with best market practices.

## Collective Knowledge of the Highest Governance Body.

[GRI 2-17]

The company adopts various measures to develop the knowledge, skills, and experience of the Board of Directors with regard to sustainable development.

In addition, the Company fosters a continuous learning environment by regularly including sustainability topics in Board meetings, encouraging critical analysis and in-depth technical discussions on the challenges and opportunities related to this theme. This approach helps Board members to incorporate sustainability as a core element in strategic decisions, strengthening the organization's commitment to long-term value creation and socio-environmental responsibility. **Among these measures are:**

The Company promotes meetings with specialists, regulators, and investors to discuss trends and sustainability challenges in the sector.

The Board is supported by the Governance and Sustainability Committee, which assists in strategic decision-making related to sustainability, ensuring greater technical depth in discussions.

The Board is presented with key sustainability performance indicators, enabling continuous monitoring and alignment with best market practices.

Board members are encouraged to participate in relevant sustainability events, fostering the exchange of experiences and knowledge about innovations in the sector.

These initiatives reinforce the Company's commitment to sustainability and contribute to decision-making aligned with global best practices.

# Policies and Commitments. [GRI 2-23]

AVB's corporate conduct is guided by clear, solid, and transparent commitments across various areas. These commitments are approved at the highest level of the organization (the Board of Directors) and apply to the entire organizational structure. Our internal policies, including the Code of Ethical Conduct, can be accessed at:

<https://avb.com.br/sustentabilidade/codigo-de-conduta-e-politicas/>

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



## Our Main Codes and Policies.

### CODE OF ETHICAL CONDUCT:

With the aim of strengthening a robust culture of ethics, transparency, and integrity within the organization, AVB has increasingly disseminated its Code of Ethical Conduct. This includes actions aimed at employees through initiatives such as the distribution of educational materials, interactive dialogues, and awareness campaigns. In doing so, we reinforce and formalize among stakeholders the principles and values defined by the company, promoting the expected behaviors and standards of professional conduct.

### ANTI-CORRUPTION AND ANTI-BRIBERY POLICY:

This policy aims to ensure the adequacy, reinforcement, and effective functioning of the Internal Control System of Aço Verde do Brasil and its subsidiaries, ensuring compliance with applicable laws, regulations, and internal standards.

### GIFTS AND DONATIONS POLICY:

This policy establishes clear rules and procedures for receiving and granting gifts, entertainment, and hospitality, in accordance with the Anti-Corruption and Anti-Bribery Policy and the Code of Ethical Conduct, as well as AVB's compliance with applicable laws on the topic. We act in accordance with high standards of ethics and transparency.

### SOCIAL RESPONSIBILITY POLICY:

This policy sets comprehensive guidelines to ensure that our actions respect human rights and diversity across all our processes, always prioritizing engagement with our stakeholders.

### DIVERSITY POLICY:

At AVB, we are committed to building a fairer, more inclusive, and democratic society. These values guide our actions to provide a welcoming and respectful work environment and to eliminate any form of discrimination.

# Communication of Critical Concerns. [GRI 2-16]

AVB maintains a structured approach to managing risks that may affect its operations, reputation, and business performance. These risks are monitored in a decentralized and integrated manner, through the organization's operational areas and corporate processes, ensuring broad and integrated action in the face of the challenges of a dynamic environment.

## RISK MANAGEMENT INCLUDES ASPECTS SUCH AS:

- Business Risks;
- Compliance and Operational Risks;
- Occupational Health and Safety;
- Environmental Aspects;
- Financial and Tax Risks;
- Labor and Image Issues;
- Regulatory Risks.

## RISK MANAGEMENT FRAMEWORK: three lines model:

The company adopts the Three Lines Model, aligned with the best international governance practices:

**1<sup>st</sup> Line** Includes the control environments of operational areas, including the execution of routine activities based on formalized procedures, approval authority levels, access restrictions, and systemic blocking and reconciliation mechanisms.

**2<sup>nd</sup> Line** Responsible for managing and monitoring processes, risk analysis, reporting and supervising the internal controls implemented.

**3<sup>rd</sup> Line** Focuses on internal and/or external auditing, with an independent assessment of all the organization's processes, contributing to strengthening governance and integrity.

In 2024, five crucial concerns were communicated to the company's highest governance body, demonstrating the effectiveness of reporting channels and AVB's commitment to transparency, accountability and continuous improvement.

# Conflict of Interest. [GRI 2-15]

AVB establishes clear and strict guidelines for identifying and managing situations that may constitute a conflict of interest, ensuring integrity, transparency, and ethics in its institutional relationships.

The Conflict of Interest Policy, approved by the Board of Directors, stipulates that upon identifying a potential conflict situation, the employee must immediately report the matter through the Whistleblower Channel or directly to the Governance, Risk, and Compliance Department. Once reported, the individual involved must refrain from participating in any discussion or decision-making process related to the conflicting matter.

Any attempt to influence the judgment of the Board or the individual responsible for the decision is strictly prohibited. The policy also states that if the involved employee does not voluntarily disclose the potential conflict, any other employee aware of the situation must report it in accordance with internal procedures.

Failure to comply with this obligation is considered a breach of the Code of Ethical Conduct, subject to disciplinary action.

AVB ensures that all reports, complaints, and statements related to conflicts of interest are treated with confidentiality, safeguarding the identity of the whistleblower and ensuring the confidentiality of the information.

This governance model ensures impartial management of conflicts, promoting constructive dialogue and consensus building to prevent future situations and strengthen the organization's ethical culture. ções futuras e o fortalecimento da cultura ética na organização.

# Incorporation of Our Policies. [GRI 2-24]

At AVB, the incorporation of organizational policies is directly linked to the responsibility of all hierarchical levels, reflecting our commitment to ethics, integrity, and sustainability across all operations.

The implementation of commitments established in corporate policies is distributed according to the level of responsibility of each role. For strategic positions, in addition to compliance, it is their duty to promote and disseminate the organizational culture, positively influencing all areas of the company and encouraging adherence to best practices.

The communication of our commitments, values, and policies is carried out broadly, continuously, and accessibly, both in person—through training, workshops, and safety dialogues—and in virtual environments. This ensures that all employees understand, internalize, and apply the organization's guidelines in their daily activities.

This dissemination also extends to our partners and suppliers. AVB's policies are formally incorporated into contracts through specific clauses and reinforced through guidance on the suppliers' portal, ensuring that our principles are respected and applied throughout the value chain.



# Remuneration Policies.

[GRI 2-19 | GRI 2-20 | GRI 2-21]

The Company has established a Remuneration Policy, approved by the Board of Directors on February 23, 2023, which is available on its Investor Relations (IR) website and on the CVM website. The policy outlines the objectives, guidelines, and rules for determining the remuneration of executives, members of the Board of Directors, and committees of the Company.

The principles include remuneration compatibility with peer companies, alignment with the responsibilities of management, and incentives for long-term value creation.

The remuneration of the members of the Board of Directors is fixed, with no variable components, and may be paid monthly or as otherwise agreed. They may participate in long-term incentive programs, individually assessed and approved by the Board of Directors. Members of the Board may choose to waive their remuneration.

The remuneration of Executive Officers includes a fixed component, profit-sharing (PLR), bonuses, and potential participation in long-term incentive programs. The fixed remuneration is paid monthly, and the 13th salary may be paid in December or in installments throughout the year. The PLR follows applicable legislation. Stock-based remuneration programs may be established to align the interests of the Executive Officers with those of the Company.

Regarding participation in committees, members who are also employees, Board Members, or Executives do not receive additional compensation. Other participants may receive a fixed remuneration as determined by the Board of Directors in exchange for their participation.

The Board of Directors is responsible for implementing, supervising, and reviewing the Company's Remuneration Policy, regularly assessing its adherence to market practices and the compliance of managers with the policy.

The Shareholders' Meeting establishes the total amount of remuneration for executives, considering their responsibilities, time commitment, competence, professional reputation, and market value. The Board of Directors individually distributes this remuneration among the Directors and Officers.

Remuneration is defined according to market practices and inflation rates, ensuring timely adjustments to maintain compatibility with the Company's goals and guidelines. No remuneration consultants are involved.



The Chairman of the Board of Directors does not hold any executive position within the organization. According to the Company's Bylaws, board members are elected and may be dismissed by the General Meeting, with re-election permitted.

Professionals holding positions in companies that compete with AVB or who represent conflicting interests are not eligible for selection.



# Fair Compensation and Workforce Appreciation.

[GRI 2-21 | GRI 202-1]

In line with its commitment to valuing its workforce and promoting decent working conditions, aligned with Brazilian labor legislation and the principles of equality and non-discrimination, AVB ensures that its employees receive compensation above the national minimum wage established by the Federal Government. This promotes social justice and contributes to improving the socioeconomic conditions of the communities where it operates.

AVB's compensation practices strictly follow the Brazilian Labor Code (CLT) and collective bargaining agreements in force for each category. In recent years, the company has maintained a progressive compensation policy, always above the legal minimum wage.

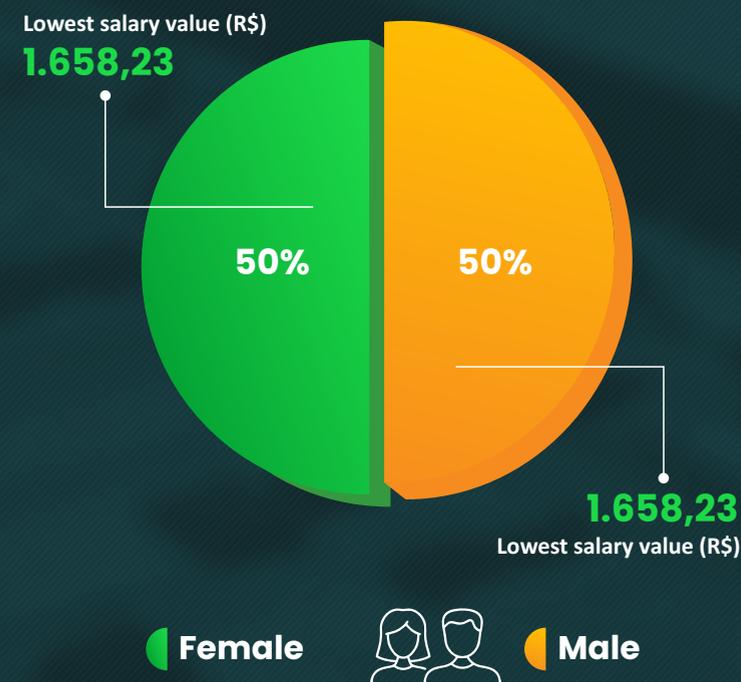


In addition to directly hired employees, AVB ensures that outsourced workers and service providers operating within its facilities are also compensated in accordance with the law and have access to safe working conditions. To that end, AVB requires all contractors to meet standards that ensure the physical and moral integrity of their employees and service providers, thereby strengthening a culture of responsibility and continuous improvement.

In cases where no regional minimum wage is established or when it is variable, the company adopts the national minimum wage as a reference. This practice ensures consistency in hiring and remuneration processes and provides legal certainty in its direct and indirect labor relations.

AVB also conducts periodic reviews of its salary policy, taking into account factors such as inflation, legal adjustments, market practices, and the company's economic performance. This approach ensures the maintenance of a fair, transparent, and competitive remuneration policy, which promotes social inclusion, internal equity, and recognition of human capital.

## BASE SALARY – EMPLOYEES 2024





# 2



## STAKEHOLDERS ENGAGEMENT



# 02. STAKEHOLDERS ENGAGEMENT

Aço Verde do Brasil (AVB) understands that maintaining relationships with its stakeholders is essential for the sustainable growth of its operations. We act ethically, transparently, and responsibly, respecting the diverse needs, expectations, and priorities of each group, fostering an open and constructive dialogue.

## Identification and Prioritization of Stakeholders. [GRI - 2-29]

The identification and prioritization of AVB's stakeholders are conducted through matrix AVB-FG-033-021 – Identification of Stakeholders, which classifies stakeholders based on their degree of influence and impact on the organization. Priorities are defined according to the following classification:



**Employees:** AVB's relationship with its employees is guided by compliance with current legislation, the promotion of human rights, and principles of justice, equality, transparency, respect, and appreciation of people. The company seeks to create an environment that encourages meritocracy, promotes both individual and collective growth, and makes employees feel valued and engaged in AVB's mission.



**Clients:** The relationship between AVB and its clients is based on mutual trust. The company aims to deliver high-quality products on time, maintaining transparent and ethical communication. AVB seeks to improve its processes and solutions, promoting sustainable and long-term partnerships.



**Suppliers:** AVB's relationship with suppliers is guided by ethical principles and the establishment of partnerships under market conditions. AVB values suppliers who are committed to sustainable practices and share its values, with the goal of fostering mutual development.



**Shareholderst:** AVB ensures that its activities comply with applicable legal and regulatory requirements, as well as with information related to its environmental, financial, and social performance. AVB maintains institutional relationships that are strong and aligned with the company's best practices and principles.



**Communities:** AVB recognizes the importance of maintaining a relationship of respect with the communities where it operates or intends to operate. Therefore, it maintains respectful and transparent relations, promotes social development, and supports initiatives that improve the quality of life in these locations.

# Guidelines for Engagement.

AVB strengthens its engagement with stakeholders by adopting practices that prioritize respect for differences, expectations, and the requirements of different audiences through open and transparent dialogue. This approach enables the company to pursue better outcomes in an ethical and transparent manner.

The guidelines for stakeholder relationships are established in document AVB-PG-033-002 – Stakeholder Engagement, which provides guidance on how the company interacts with each audience.

Additionally, AVB periodically conducts assessments and reviews of its engagement practices to ensure that its actions remain aligned with the principles of sustainability, social responsibility, and corporate governance. This proactive approach allows for the identification of opportunities for continuous improvement, strengthens trust, and ensures that stakeholder demands are heard and considered.

Below is a summary of the engagement process:

Stakeholder	Type of Engagement	Frequency	Main Topics & Concerns	Results
<b>Employees</b>	Direct meetings, Daily Safety Dialogues (DDS)	Daily	Health and safety, infrastructure, benefits, professional development	Positive relationship, conflict management via internal system
<b>Clients</b>	Contact by phone/email, technical visits, presence at client site	Periodically or on demand	Quality, price, deadlines, technical assistance, innovation	Innovative solutions, satisfaction
<b>Suppliers</b>	Direct contact, visits, Supplier Portal	Periodically or on demand	Contract compliance, technical specifications, deadlines, product	Transparent conditions, long-term relationship
<b>Shareholders</b>	Meetings and investor visits	Periodically or on demand	Strategy, performance, risk management, business vision, pricing	Shareholder participation, strategic alignment
<b>Communities</b>	Community meetings, social programs.	Periodically or on demand	Social investment, employment generation, environmental and social responsibility	Social participation, mutual trust, improved quality of life

# Engagement Projects and Initiatives.

- **Project “On the Right Track:** Training for 273 drivers focused on human rights, environment, safety, and well-being.

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- **Project “For Everyone – AVB:** Inclusion initiatives for vulnerable groups, reaching 702 people.

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- **Project “Support:** Promotion of mental health in the workplace, with 241 employees participating.

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- **Project “Flourish”:** Promotion of gender equity through three initiatives aimed at valuing and attracting female employees.

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- **Project “Children at School”:** Educational support through the provision of school credits for 630 dependents.

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- **Family Visit:** Bringing families closer to the employees' work environment.

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- **Active Life Project:** Free physical activities for approximately 75 women weekly in Açailândia.



- **School Partners Project:** Donation of school and cleaning supplies to 3,453 students from 17 public schools.

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- **Volunteering Project:** Four volunteer initiatives that benefited 1,160 people with social assistance and health services.

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- **“Little Warriors of Steel” Project:** Sports and recreational activities with 115 participating children.

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- **Project “Care – Elderly Shelter”:** Care and attention initiatives for the elderly in nursing homes.

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- **Basic Food Basket Donations:** Distribution of 2,000 food baskets to families in vulnerable situations.

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- **Support and Promotion of Açailândia's Culture:** Support for maintaining the Municipal Theater and sponsoring cultural events.

## Commitment to Ongoing Dialogue.

Stakeholder engagement is a strategic and continuous process aimed at fostering mutual trust, enhancing governance, and identifying opportunities for joint development. AVB adopts a comprehensive approach that ensures organizational alignment in the execution of cause-driven projects, making sure that its actions are in harmony with the values, needs, and expectations of its various public audiences.

# Process of Definition and Description of Material Topics.

[GRI 3-1 | GRI 3-2 | GRI 3-3]

Aço Verde do Brasil (AVB) adopts a structured, transparent, and participatory approach to identifying and prioritizing its material topics. This process aims to understand and assess the economic, environmental, and social impacts—both positive and negative—associated with its operations, also considering human rights and the expectations of its stakeholders.

## STEPS OF THE MATERIALITY PROCESS

The definition of material topics began with an in-depth documentary analysis, involving strategic documents, corporate policies, performance reports, internal research (such as organizational climate), social projects, and the matrix of needs and expectations of stakeholders. This analysis made it possible to identify the main impacts resulting from the company's activities and business relationships.

Additionally, AVB conducted a benchmarking study with companies from similar sectors and ESG (Environmental, Social, and Governance) best practices, aiming to understand relevant trends in the business sustainability context and to improve its internal reporting process.

In 2022, we conducted a materiality survey with a representative sample of stakeholders. A total of **113 representatives from diverse audiences participated, including:**

Educational Institutions	Board Members	Shareholders	Senior Management	Employees
Suppliers	Clients	Sector Specialists	Contractors	Media
Regulatory Bodies	Government	Unions	Local Community	Entities from the Sector (NGOs and Financial Institutions)

## Main Stakeholders

These stakeholders were fundamental to mapping the most relevant topics across the social, environmental, and economic dimensions. After collecting the data, the consolidated results formed the basis for identifying and prioritizing material topics to be reported in the sustainability report and to guide the company's strategic management. As a result, AVB's materiality matrix is reviewed periodically.

# Impact Management and Risk Mitigation.

In addition to identifying impacts, AVB implements preventive and corrective measures through specific tools, such as the Due Diligence Matrix and the Matrix for Identifying the Needs and Expectations of Stakeholders. These tools are used to assess risks, opportunities, and social impacts in a systematic way, enabling actions aligned with the principles of social and environmental responsibility.

Each identified impact—whether real or potential, positive or negative—is evaluated based on its origin, scope, and likelihood of occurrence. Negative impacts are addressed through the adoption of mitigation measures, with a reassessment of risk levels after the actions are implemented. Positive impacts are enhanced through strategies that promote continuous improvement of existing conditions and are later classified as “under control.”

AVB's main mitigation strategy is the creation and execution of social-environmental projects and programs that generate tangible improvements in quality of life, education, infrastructure, and other relevant topics for communities and the company's stakeholders.



# Environmental Assessment and Complaints Management.

AVB also conducts periodic assessments of environmental aspects and impacts through the LAIA Matrix (Assessment of Environmental Aspects and Impacts), ensuring compliance with legislation and proper control of environmental effects resulting from its activities — from raw material extraction to waste disposal.

To reinforce its commitment to listening and ethical conduct, AVB provides a Whistleblower Channel that is accessible to employees and third parties. This tool ensures the recording and handling of complaints that may violate the Code of Ethical Conduct or the company's Anti-Corruption Policy guidelines.



# 3



## PEOPLE MANAGEMENT



# 03. PEOPLE MANAGEMENT

[GRI 3-3 | GRI 401]

At Aço Verde do Brasil (AVB), we understand that sustainability goes far beyond an environmental commitment: it is deeply embedded in our organizational culture and is reflected in all areas of company operations. Our People Management is a clear example of this commitment: we are committed to creating a welcoming work environment where our employees feel valued, respected, and encouraged to grow both professionally and personally.

The sustainability we practice goes beyond production processes. It also involves care for people, ensuring an inclusive, fair, and humanized environment. Through Diversity, Equity, and Inclusion initiatives, we aim to promote conditions that allow everyone equal opportunities for development and growth—regardless of their background, gender, ethnicity, or any other characteristic.

Our commitment to sustainability is reflected in the way we attract, retain, and develop talent. We constantly invest in people management practices that not only meet regulatory requirements but also foster an organizational culture aligned with social responsibility, ethics, and respect for diversity. We are creating a corporate environment that values not only individual growth but also contributes to collective development, strengthening both the internal AVB community and the positive impact we generate.



We believe that by promoting a healthy balance between personal and professional life, we can improve our employees' quality of life and create a more productive, innovative, and—above all—humane workplace. Our actions are guided by respect for employees' emotional, social, and physical needs, taking into account both individual and collective realities to ensure that everyone has the same opportunity to grow and reach their full potential.

This commitment also extends to the appreciation of diversity and inclusion at all organizational levels. We work to ensure that each employee's talent is recognized and that their contributions are respected, fostering a culture of equality and opportunity for all. The result is an engaged, motivated team, committed to AVB's success and to the values we represent.

Our social and environmental responsibility initiatives are reflected in the communities where we operate, creating a positive cycle that benefits employees, their families, and society at large. The engagement with environmental and social causes is visible, and the participation of our employees in volunteer projects further strengthens AVB's bond with the community, highlighting the importance each person places on these aspects of our work.

Throughout 2024, we continue to enhance our people management practices, building a workplace that is increasingly inclusive, innovative, and sustainable. With transparency always in mind, this report highlights our actions, achievements, and challenges—aligned with international standards of the Global Reporting Initiative (GRI), reaffirming our commitment to ethics, governance, and sustainable growth.

This report is based on data and outcomes that reflect how AVB is building a fairer, more inclusive, and sustainable future—both for its employees and the communities where it operates.



# Employment.

[GRI 401-1 | GRI 401-2 | GRI 401-3]

We believe that investing in people is investing in the future. At Aço Verde do Brasil (AVB), our commitment to human development is central to the success and sustainability of our operations. We adopt a strategic approach to talent management, based on attraction, development, and retention, with the goal of ensuring that all employees have fair and transparent opportunities aligned with market best practices.

The job structure and career paths we have established, combined with a competitive benefits policy, strengthen employee engagement and satisfaction. These practices drive our commitment to quality of life and ensure the continuity of people who believe in our leadership and mission, reflecting the positive impact we generate not only within the company, but also in the surrounding community.

## New Hires and Retention.

In 2024, AVB made **421** NEW HIRES Distributed across various departments of the company, from operational to administrative areas. This number reflects our ongoing effort to attract qualified professionals aligned with our culture and values, supporting our sustainable growth.

Retention Rate **76,92%** We have been able to retain talent and provide a favorable environment for professional development. Moreover, the average tenure at the company increased to 3 years and 2 months, reflecting employee loyalty and satisfaction.

**INCREASE OF 14.01% COMPARED TO 2023**



### HIGHLIGHTS IN 2024

ATTRACTING NEW TALENT	CONTINUOUS DEVELOPMENT	STRUCTURED WORK ENVIRONMENT
Implementation of recruitment and selection strategies that promote alignment between candidates and our organizational culture. In addition, a benefits policy focused on health and well-being of employees.	Training programs for leadership and performance evaluation, focused on the development of soft skills and continuous improvement in leadership. As a result, employee satisfaction with growth opportunities increased from 74.5% in 2023 to 82.9% in 2024.	Internal policies that ensure a safe work environment, with ergonomic and well-defined facilities, encouraging collaboration and teamwork.

To continue evolving in 2025, AVB aims to strengthen its career development program, improve employee qualifications, and promote excellence in performance, aiming to drive both individual growth and local community development.

# AVB in Numbers.

[GRI 2-7 | GRI 2-8]

In 2024, AVB recorded significant growth in the number of direct employees, with an increase of 11.1% compared to the previous year, rising from approximately 1,400 to around 1,500 average employees. This growth reflects the expansion of the company's production capacity and the implementation of new processes, such as the raw materials warehouse, slag crushing, and wire rod finishing lines.

In previous years, fluctuations in the number of employees were smaller, with a gradual recovery as strategic projects resumed. These variations also reflect adjustments due to seasonal demand and the company's ongoing pursuit of production efficiency and economic sustainability.

Additionally, the growth seen in 2024 highlights AVB's commitment to regional development and the creation of qualified jobs, reinforcing its role as an important driver of local economic development. The hiring of new employees was accompanied by investments in training and workplace safety, ensuring the expansion of the workforce in a sustainable way and aligned with the company's values.

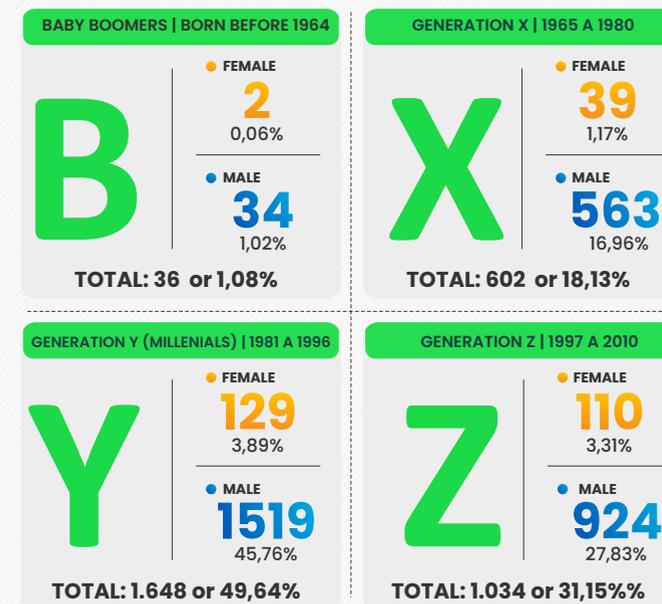
## Employee Distribution by Contract Type and Work Regime.

CONTRACT TYPE	FULL-TIME PERMANENT EMPLOYEES			EMPLOYEES WITHOUT GUARANTEED WORKLOAD			PART-TIME EMPLOYEES			TOTAL EMPLOYEES		
	YEAR	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE
2022	114	1005	1019	26	156	182	0	0	0	140	1161	1301
2023	117	1041	1158	34	203	237	0	0	0	151	1244	1395
2024	120	1084	1204	33	215	248	22	35	57	175	1334	1509

## Number of AVB Employees.



## Employees by Gender and Age Group.



# New Hires and Turnover [GRI 401-1]

AVB adopts a series of policies and practices to ensure that employment relationships are fair, transparent, and in accordance with national labor legislation. Furthermore, we strive to promote the continuous development of human capital, ensuring that our people management processes uphold high standards of ethics and compliance.

The company also uses an advanced Data Analysis platform, directly integrated with the employee records system, allowing us to generate detailed reports and accurately collect information related to people management, including data on new hires and turnover.

In addition to these initiatives, AVB continuously invests in training and professional development programs, offering both technical and behavioral training aimed not only at improving employees' skills but also at strengthening organizational culture.

AVB is committed to maintaining transparency in the hiring and dismissal process, aligning with best governance practices and ensuring that operations comply with labor legislation. Through the use of technology platforms for people management, we are able to efficiently monitor turnover and new hires, ensuring that our processes are sustainable and fair for all employees.

To reinforce this commitment, AVB also conducts regular internal audits of its people management processes, with the aim of identifying improvement opportunities and ensuring compliance with the principles of equity and integrity.

These audits are conducted based on HR performance indicators and data extracted from the platforms, allowing for more accurate analysis and supporting best practices in hiring, termination, and employee development processes, further enhancing transparency and accountability in labor relations.

## Turnover



Calculation methodology:  $((\text{hired} + \text{dismissed}) / 2) / \text{total number of employees}$

## Recruitment Framework 2024



## 2024 Dismissals Schedule



# Management of Outsourced Workers. [GRI 2-8]

AVB maintains contracts with several outsourced companies for the execution of specific activities. These companies act as intermediaries, providing qualified human resources for the execution of tasks, while AVB maintains control over the quality and the requirements of the activities performed.

During the 2024 cycle, the number of outsourced workers decreased by 13.4%, from 626 to 543 workers. This variation is directly related to the completion of civil and electromechanical works of expansion projects, which required the temporary mobilization of resources. The management of the outsourced workforce is carefully planned to meet the specific demands of production and expansion, ensuring flexibility and efficiency.

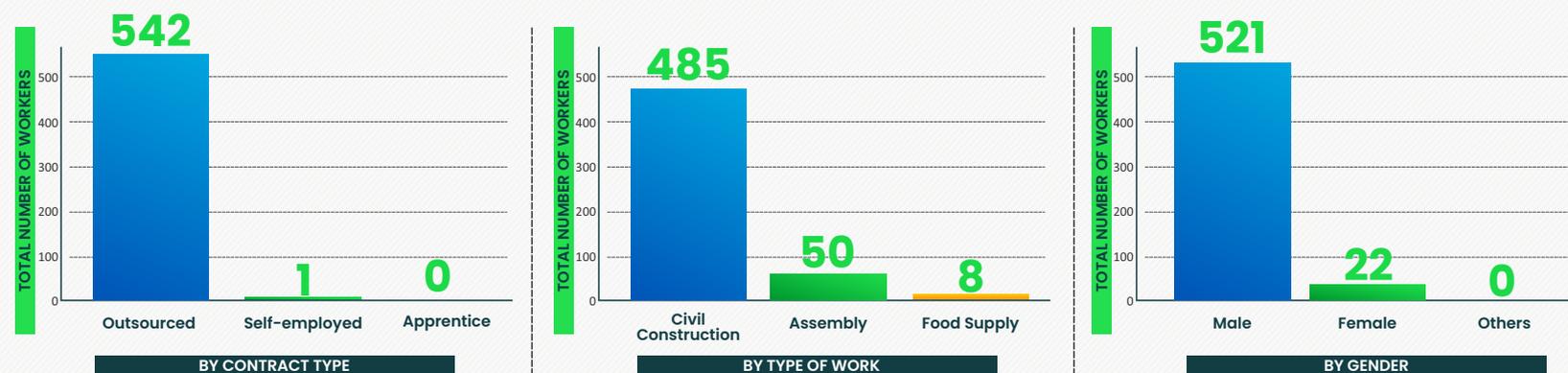
As part of its commitment to social responsibility, integrity in labor relations, and compliance with legal obligations, our organization adopts the Outsourcing Monitoring Form as a systematic instrument for monitoring contracted companies.

This form aims to ensure that outsourced companies operate in compliance with labor, tax, and social criteria required by current legislation and the company's internal guidelines. Through periodic completion and attachment of evidence, it is possible to monitor aspects such as the regular payment of salaries and charges, the issuance of mandatory tax documents, compliance with labor rights, and adherence to best practices in people management.

In addition to enhancing transparency and governance in relationships with third parties, the use of the form helps mitigate legal and reputational risks, promoting a more ethical, fair, and responsible value chain. In this way, we strengthen our commitment to sustainability principles and the development of business relationships grounded in legality and respect for human rights.

## Distribution of Outsourced and Temporary Workers

The following table details the distribution of workers not employed by AVB by type of contract, type of work performed and gender:



AVB is committed to transparency and strict control over the management of its workforce, including outsourced and temporary workers. Outsourced companies are selected based on strict criteria of quality, safety, and compliance with labor laws, ensuring that all employees perform their duties with appropriate health and safety and in accordance with AVB standards.

# Relations between Workers and Governance.

[GRI 2-30]

AVB maintains a strong commitment to labor relations based on transparency, social dialogue, and union representation. We believe that healthy relationships between employees, corporate governance, and representative entities are essential for building a positive work environment.

## Collective Labor Agreement (CLA) 2024.

The 2024 Collective Labor Agreement (CLA) represented significant progress in AVB's relations with its employees, including improvements in both salary levels and benefits offered.

One of the highlights was a salary adjustment of 3.71%, aligned with local market practices (GRI 202-1). In addition, AVB's base salary increased more than the national minimum wage adjustment (6.9%), rising from R\$1,453.56 in 2023 to R\$1,658.23 in 2024, which corresponds to a total adjustment of 14.08%. This amount consolidates AVB as the company with the highest base salary in the region, according to local union data.

Besides the salary adjustment, the CLA also incorporated strategic benefits focused on quality of life, such as:

### Dental Plan:

Implemented with national coverage and no additional cost to the employee. It offers access to high-quality dental care for employees and their dependents, enhancing their health and financial well-being.

### Vacation Return Bonus:

A benefit implemented to offer financial support during vacation returns. This measure helps improve employees' financial planning and quality of life, reduces turnover, and supports well-being and productivity. It is available to all employees, regardless of their role.

## Union Freedom and Open Dialogue.

Our labor governance model values listening, accountability, and the strengthening of health, safety, legality, and continuous appreciation practices for the people who are part of AVB.

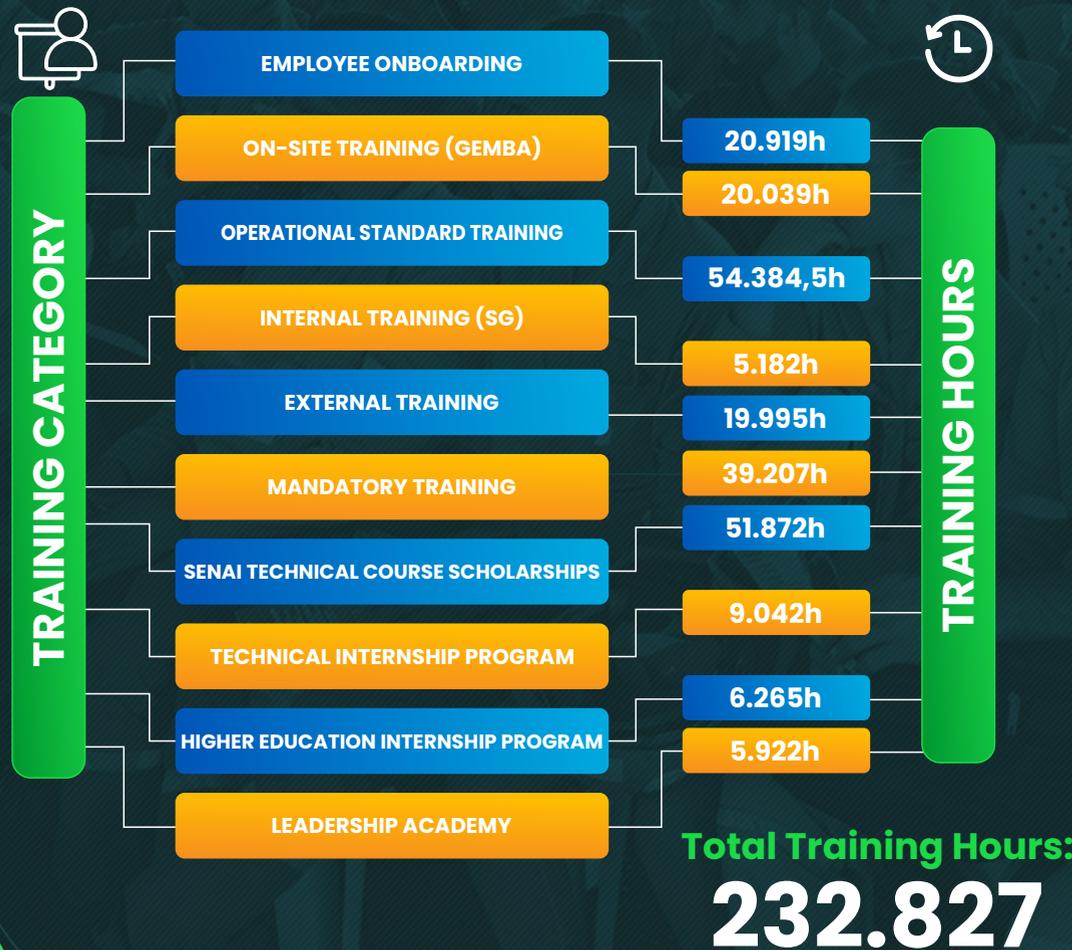
AVB ensures full union freedom and maintains a cooperative relationship with the Metalworkers' Union of Açailândia, including active participation in collective bargaining and easy access to union-related information for employees, including awareness and notifications of deliberative assemblies.

Through a labor relations policy based on transparency, we promote active channels of dialogue with union representatives and employees, strengthening mutual trust and our commitment to jointly building a fair, safe work environment in compliance with current legislation.



# Training and Education. [GRI 404-1]

AVB recognizes the importance of continuous training and the professional development of its employees as essential pillars for the company's growth and the improvement of quality of life in the workplace. In 2024, the company significantly invested in training and development programs, covering various training categories, with a total of 232,827 hours of training conducted. Below is the distribution of training hours by category:



**19,29**

**Average days of training.**



**1.509**

**Average number of employees trained.**

## Hours Invested in Training and Development

TOTAL HOURS IN 2022		TOTAL HOURS IN 2023		TOTAL HOURS IN 2024	
<b>106.802</b>		<b>98.910</b>		<b>232.827</b>	
<b>1.301</b>	<b>10,26</b>	<b>1.395</b>	<b>8,86</b>	<b>1.509</b>	<b>19,29</b>
<small>AVERAGE EMPLOYEE</small>	<small>TOTAL DAYS</small>	<small>AVERAGE EMPLOYEE</small>	<small>TOTAL DAYS</small>	<small>AVERAGE EMPLOYEE</small>	<small>TOTAL DAYS</small>
GENDER		MALE		FEMALE	
<b>TRAININGS/h</b>		<b>202.789,3</b>		<b>30.038,85</b>	

AVB also offers training programs aimed at developing technical and leadership skills, with an emphasis on the Technical Internship Program and the Higher Education Internship Program, which promote the entry of young talent into the job market. AVB's corporate education strategy goes beyond operational training, promoting the development of leadership through the Leadership Academy and investing in scholarships for technical courses at SENAI. These initiatives aim to professionally qualify employees, strengthen the organizational culture, and form a team prepared for the demands of the market.

# Career Development and Transition.

[GRI 404-2 | GRI 404-3]

AVB recognizes that continuous people development is essential for business sustainability and the evolution of organizational culture. Therefore, it invests in initiatives that support leadership development and the strengthening of professional competencies.

One of the main initiatives in this field is the Leadership Academy, a structured training program aimed at all employees in leadership roles within the company.

The objective is to provide solid training on topics such as people management, safety, sustainability, corporate ethics, and operational performance. The initiative also supports leaders in managing teams more effectively and in alignment with organizational values.

## Leadership Academy.

The Leadership Academy program began in 2023, marking a major milestone in the company's efforts to develop and train employees to strengthen internal leadership.

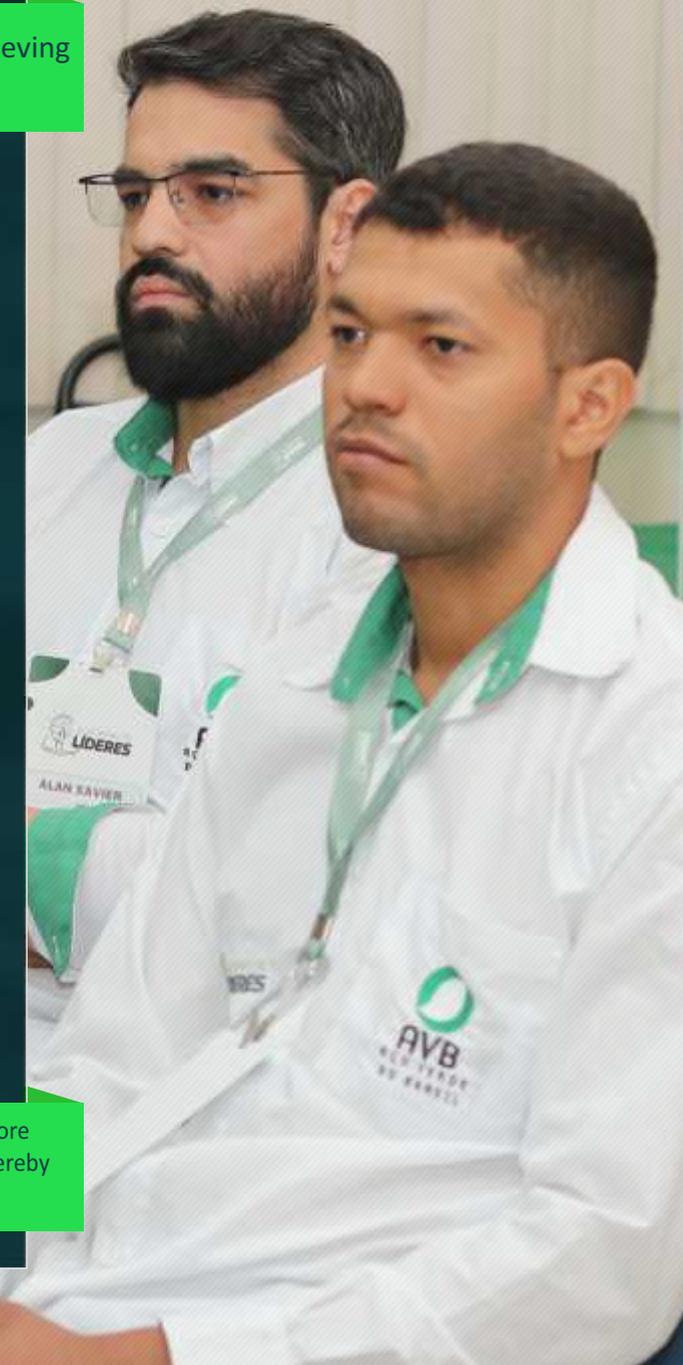
Focused on developing behavioral skills essential for organizational success, the program engaged more than 160 leaders and included Behavioral Development Plans and Individual Development Plans (IDPs). The goal was to enhance leadership and prepare leaders to perform with vision, mission, and strategic business objectives in mind.

This initiative not only strengthens organizational growth but also increases the company's competitiveness in the market, preparing leaders to successfully face future challenges.

In 2024, the Leaders Academy project continued with Phase II, achieving satisfactory results based on the following indicators.

	2023	2024
	<b>168</b>	<b>159</b>
	PARTICIPANTS (Management/Coordination/Supervision)	
	<b>94,64%</b>	
	LEADER RETENTION	
	<b>96,9%</b>	<b>91,6%</b>
	ATTENDANCE RATE	
	<b>98,8%</b>	<b>97,7%</b>
	PERCEIVED APPLICABILITY	
	<b>99%</b>	<b>99%</b>
	SATISFACTION INDEX (GOOD + EXCELLENT)	

This evolution will allow AVB to not just monitor individual and collective performance more accurately, but also promote more efficient development plans and career transitions, thereby contributing to employee engagement and talent retention.





# Benefits and Well-Being. [GRI 401-2]

AVB values the well-being of its employees and believes that providing a healthy and safe work environment extends beyond legal obligations. Therefore, it maintains a broad benefits policy, offered to all formal employees, as part of its commitment to valuing human capital, quality of life, and talent retention.

The benefits are extended, within regional availability, to all organizational units—those that play an essential role in the company's structure—whether through revenue generation, production volume, labor intensity, or direct impact on core operations.

This approach reinforces AVB's commitment to promoting a fair, safe, and balanced work environment, contributing to the company's social and organizational sustainability.

## Benefits and Well-Being:

-  Health plan;
-  Food allowance card;
-  Life insurance;
-  Dental plan;
-  Profit sharing (PL);
-  Credit for school supplies;
-  Child Care assistance;
-  Scholarship;
-  Abono retorno de férias;
-  Alimentação na empresa;
-  Transporte interno;
-  Assistência Psicológica;
-  Convênio AERCA;
-  Cesta Natalidade;

In 2024, employee satisfaction with the benefits offered reached:

**80,9%**

# Maternity and Paternity Leave. [GRI 401-3]

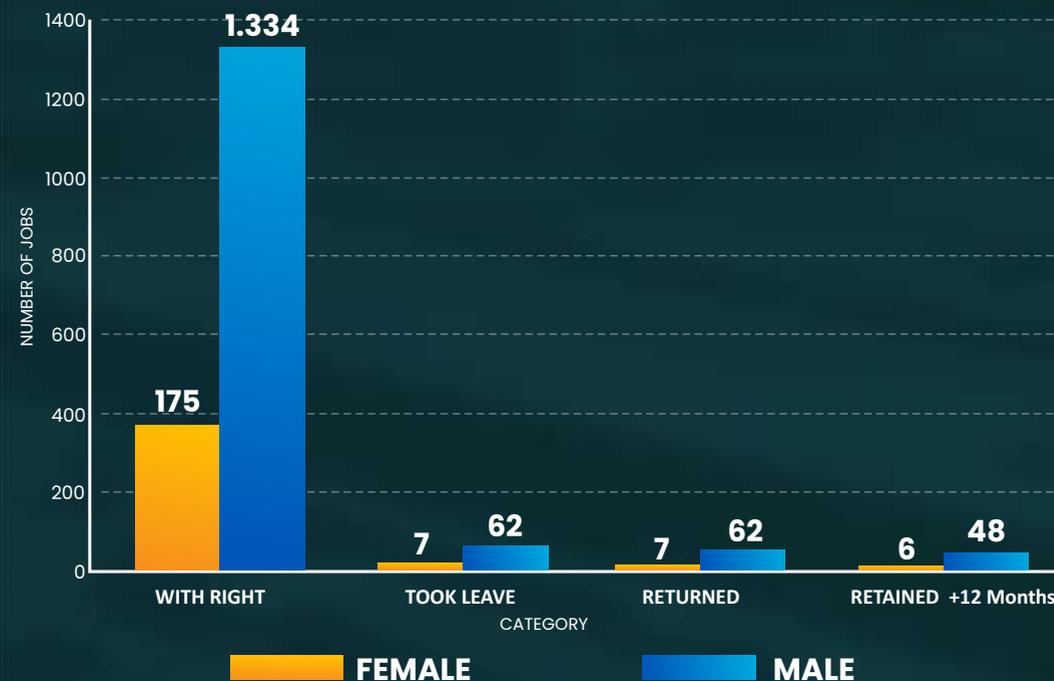
AVB ensures to all employees the right to maternity and paternity leave, as provided by Brazilian labor law. The systematic monitoring of this benefit aims to ensure equity, inclusion, and the promotion of responsible parenthood, reflecting the company's commitment to social sustainability and the value of family bonds.

In 2024, a total of 1,509 employees were identified as eligible for maternity or paternity leave, comprising 175 women and 1,334 men. Of these, 69 employees actually took leave during the analyzed period (7 women and 62 men).

All employees who took leave returned to their duties at the end of the legal period, resulting in a return-to-work rate of 100% for both women and men. In total, 6 women and 48 men remained with the company for at least 12 months after their return, representing a post-leave retention rate of approximately 92.9% for women and 77.4% for men.

These indicators demonstrate the effectiveness of AVB's practices in welcoming and reintegrating employees, contributing to the maintenance of a work environment that respects parenthood, promotes healthy relationships, and strengthens mutual trust between the company and its employees.

## MATERNITY/PATERNITY LEAVE INDICATORS 2024



## Indicadores de Licença Maternidade/Paternidade (Comparativo)

YEAR	TOOK LEAVE			RETURNED TO WORK AFTER LEAVE			REMAINED FOR 12 MONTHS AFTER RETURN			RETURN RATE REMAINING AT LEAST 12 MONTHS		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
2022	10	56	66	10	56	66	10	56	66	100%	100%	100%
2023	8	37	45	8	37	45	4	32	36	50%	86%	80%
2024	7	62	69	7	62	69	6	48	54	93%	77%	78%



## Collective Bargaining Agreement. [GRI 401-3]

Aço Verde do Brasil (AVB) values transparent dialogue and collective construction as pillars of its labor relations. Collective bargaining is recognized as a key instrument to ensure the rights of employees and to strengthen the bonds between the company and its professionals, fostering a more balanced and sustainable work environment.

During the 2024 cycle, 100% of AVB employees were covered by collective labor agreements, negotiated with representative unions from various professional categories present in the organization. This reinforces AVB's commitment to freedom of association, mutual respect, and union representation in decent working conditions.

The collective bargaining process is conducted on principles of negotiation, aiming to maintain harmonious and constructive labor relations. At AVB, this process is marked by mutual trust, resulting in fair agreements aligned with the company's strategies and the well-being of its employees.

Even in cases involving temporary or third-party service providers—who are not formally included in collective labor agreements—AVB follows good labor practices and requires that contracted companies also comply with the laws and labor rights internally adopted by AVB.

The collective agreements signed cover a wide range of strategic topics for the well-being and appreciation of workers, including:

- Annual salary adjustments based on inflation indicators and specific negotiations;

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- Child Care assistance for female employees with children up to age 5 years and 11 months;

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- Recognition of qualified professionals with technical education from institutions such as SENAI, with proper registration and certification;

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- Health standards, occupational safety, and protection in cases of work-related accidents;

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- Workday conditions, rules for overtime, and compensation systems;

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- Prevention and combating of discrimination of any kind;

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- Among other topics related to labor rights and the promotion of an inclusive and safe work environment.



# 4



## OCCUPATIONAL HEALTH AND SAFETY





# 04. OCCUPATIONAL HEALTH AND SAFETY.

## Occupational Health and Safety Management System. [GRI 403-1 | GRI 403-2]

AVB – Aço Verde do Brasil recognizes health and occupational safety as non-negotiable values and essential pillars for the sustainability of its operations. Although it has not yet formally implemented a Health and Safety Management System (HSMS) according to ISO 45001, the company is committed to advancing in this direction.

Currently, the company adopts a systematic approach to managing occupational risks, covering both routine and non-routine activities. The preventive processes include:

ROUTINE ACTIVITIES	NON-ROUTINE ACTIVITIES	APPLICATION OF CONTROL HIERARCHY	TECHNICAL QUALIFICATION AND MONITORING
<p><b>Preliminary Risk Analysis (PRA):</b> Early assessment of risks before starting activities.</p> <p><b>Work Permit (WP):</b> Formal authorization with specific control measures for safe task execution.</p> <p><b>Inspections and Safety Approaches:</b> Frequent verifications to identify and correct unsafe conditions.</p> <p><b>Safety Talk:</b> Daily safety discussions and reflections.</p>	<p><b>Risk Management Program (RMP):</b> Identification, assessment, and control of risks from non-routine operations.</p> <p><b>Technical Safety Reports:</b> Analysis of specific risks by qualified safety professionals.</p> <p><b>Preliminary Hazard Analysis (PHA):</b> Evaluation of potential hazards and their consequences.</p>	<p><b>Elimination and Substitution:</b> Preference for solutions that remove or replace agents with safer alternatives.</p> <p><b>Engineering Controls:</b> Physical barriers, automation, layout redesign, risk signaling, and technical.</p> <p><b>Administrative Controls:</b> Standardized procedures, checklists, and monitoring routines.</p> <p><b>Personal Protective Equipment (PPE):</b> Use of appropriate PPE based on risks identified in activities.</p>	<p><b>Regular Training and Qualification:</b> Mandatory for all workers, following a training matrix.</p> <p><b>Technical Updates for the HSE Team:</b> Through courses, certifications, and technical events.</p> <p><b>Internal and External Audits:</b> Aligned with current legislation and international standards such as ISO 45001.1.</p> <p><b>Health Condition Assessments:</b> Monitoring of indicators and health exams for workers.</p> <p><b>Equipment Management:</b> Periodic assessments of processes, equipment, and tools.</p>

## Risk Management and Worker Participation.

The processes of identifying, reporting, and responding to hazards and incidents are conducted in a structured manner, with systematic analysis of data and the sharing of lessons learned. These analyses also guide preventive and corrective actions, reinforcing a commitment to continuous improvement.

AVB encourages active participation from all workers in safety management. Reports of hazards, near misses, and unsafe conditions can be made through various channels, such as internal systems, suggestion boxes, direct communications with leadership, or even anonymously via reporting channels.

No form of retaliation or penalty is allowed against workers who exercise their right to report incidents or contribute to safety improvements. This commitment is formalized in the Code of Conduct and Ethics and in the internal Right to Refuse Procedure, which guarantees legal and institutional support.

### INCIDENT INVESTIGATION

All undesired events, including near misses, are investigated according to the internal Incident Communication and Investigation Procedure, with:

- Immediate notifications;
- Involvement of the operational team and multidisciplinary input;
- Application of the 5 Whys, Cause-and-Effect Diagrams, and TASC methods;
- Classification and categorization of root causes;
- Implementation of action plans with responsible parties and verifications;
- Effectiveness assessments;
- Sharing of lessons learned with full organization-wide engagement.

### INCIDENT INVESTIGATION

AVB adopts the PDCA cycle (Plan, Do, Check, Act) as the foundation for improving its HSMS (Health and Safety Management System). Opportunities for improvement are identified through:

- Performance results;
- Incident and near-miss investigations;
- Health monitoring results and occupational risk exposures;
- Suggestions and feedback from workers via the CIPA and communication channels.

## Prevention and Mitigation of Health and Safety Impacts at Work.

[GRI 403-7]

Aço Verde do Brasil (AVB) adopts a preventive, systematic, and integrated approach to mitigate significant impacts related to health and occupational safety, covering not only its direct operations, products, and services, but also its commercial relationships, including suppliers and contracted service providers. AVB's Health and Safety Management (HSM) is based on principles of anticipation, recognition, assessment, and risk control, with consolidated practices that ensure the protection of workers' physical and mental integrity, as described below:

- **Continuous identification and assessment of hazards and risks:** Tools such as Preliminary Risk Analysis (PRA) and the Risk Management Program (RMP) are used to systematically map physical, chemical, biological, ergonomic, and accident-related risks. The objective is to eliminate or mitigate the root causes of risks, promoting safety and ergonomics.
- **Incorporation of safety criteria in new processes and technologies:** Tools such as Preliminary Risk Analysis (PRA) and the Risk Management Program (RMP) are used to systematically map physical, chemical, biological, ergonomic, and accident-related risks. The objective is to eliminate or mitigate the root causes of risks, promoting safety and ergonomics.
- **Continuous training of employees and third parties:** Mandatory and specific training is provided according to the risk profile of each activity. These actions strengthen safety culture and prevent occupational accidents and diseases.
- **Strict management of third-party contractors and service providers:** Companies are subject to qualification and performance evaluation processes in HSM. Access to AVB's operational areas is conditional on health and safety requirements, reflecting responsibility throughout the entire value chain.
- **Occupational health monitoring.** AVB carries out control programs, preventive actions, and health campaigns, with a focus on diagnosing occupational health risks. Employees undergo periodic medical exams and, when necessary, are referred for additional monitoring and specialized support.
- **Emergency management and incident investigation:** TAl non-compliances are recorded, analyzed, and treated individually, identifying root causes and implementing corrective and preventive actions, ensuring organizational learning and continuous improvement.

These guidelines are part of AVB's ongoing commitment to preserving life, promoting health and building a safe and sustainable work environment. Responsible and transparent actions in OHS reaffirm the organizational culture focused on valuing people and respecting life in all phases of the production process.

# Occupational Health Services.

[GRI 403-3 | GRI 403-4 | GRI 403-6]

AVB maintains a robust and integrated structure for Occupational Health Services, focused on prevention, continuous care, and the promotion of employee well-being. These services are an essential part of the Occupational Health and Safety Management System (HSMS), with a strategic role in identifying, controlling, and mitigating risks typical of industrial and operational activities.

The service is delivered by a multidisciplinary team composed of occupational physicians, nurses, nursing technicians, psychologists, and nutritionists, ensuring humanized, qualified care aligned with the specific needs of the sector.

## MAIN AREAS OF FOCUS:

- Employee Health Surveillance:** Continuous monitoring of Employee Health through periodic exams and specific actions related to exposure to physical, chemical, and ergonomic hazards.
- Implementation of PCMSO:** The Occupational Health Medical Control Program is carried out based on risks identified in the work environment, ensuring clinical and occupational health monitoring of exposed employees.
- Integrated Action with Safety and Hygiene:** Participation in technical inspections, environmental assessments, and the definition of preventive and corrective actions in synergy with other occupational safety areas.
- Management of Leaves and Return to Work:** Technical follow-ups of medical leave cases, with a focus on rehabilitation, reintegration, and adaptation of activities, considering the health status and individual limitations of workers.
- Health Promotion and Preventive Education:** Campaigns, educational actions, and guidance on the correct use of PPE, healthy habits, nutritional practices, ergonomics, and the prevention of chronic and occupational diseases.
- Action in Incident and Occupational Disease Investigations:** Participation in root cause analysis and clinical assessments, contributing to action plans for exposed workers.
- Participation in Committees and Multidisciplinary Programs:** Involvement in internal groups focused on ergonomics, health, and quality of life, reinforcing the culture of health and safety.

The quality of services is continuously monitored through clinical protocols, internal audits, and indicators such as absenteeism rates, leave frequency, and response times. The team is constantly trained, with technical updates and adherence to best practices in occupational health.



# Expanded Access to Health Services.

[GRI 403-6]

AVB adopts strategies to ensure that all workers have facilitated access to health services, such as:

**ON-SITE CARE, WITH IN-HOUSE CLINICS AND HEALTH SHIFTS BY WORKSCHEDULE;**

**SIMPLIFIED SCHEDULING FOR EXAMS AND MEDICAL APPOINTMENTS;**

**MOBILE HEALTH SERVICES AND CAMPAIGNS IN OPERATIONAL AREAS;**

**DIRECT CHANNELS FOR LISTENING, GUIDANCE, AND REFERRALS;**

**PRIORITIZATION OF URGENT OR SENSITIVE CLINICAL CARE.**

These actions reinforce AVB's commitment to the comprehensive care of its employees, promoting a safer, healthier, and more welcoming work environment.

These initiatives also strengthen AVB's organizational culture, fostering active engagement and promoting quality of life and well-being. By improving quality of life and stimulating individual well-being, AVB encourages a more engaged, productive workforce and healthier, more sustainable relationships.



# Privacy and Confidentiality of Health Information.

The company adopts strict policies to protect personal health data, in accordance with the General Personal Data Protection Law (LGPD – Law No. 13,709/2018), medical ethics standards, and good governance practices. Access to clinical information is restricted to occupational health professionals, and the data is stored with encryption and traceability, for exclusive use for legal and healthcare purposes.

In addition, AVB maintains guidelines that ensure that no health data or participation in services is used for discriminatory or professionally restrictive practices. The company provides periodic training on ethics, confidentiality, and respect for health conditions, in addition to providing secure and anonymous reporting channels.





# Worker Participation and Consultation on OSH. [GRI 403-4]

AVB maintains structured mechanisms to ensure the active participation of workers in the management of Occupational Health and Safety (OHS), thereby strengthening a culture of prevention and open dialogue.

## MAIN INITIATIVES:

### INTERNAL ACCIDENT PREVENTION COMMITTEE (CIPA):

Composed of elected and appointed representatives, CIPA focuses on the identification of risks, the monitoring corrective measures, and the drafting the Risk Map. Meetings are held monthly, and records are kept in accordance with legal requirements.

### SAFETY COMMITTEE

Weekly meetings with representatives from operational, maintenance, and safety areas to analyze occurrences, assess preventive actions, and define action plans.

### DAILY SAFETY DIALOGUES (DSDS)

Conducted in all operational areas to promote listening and active participation of workers on work-related risks and preventive actions.

### PARTICIPATORY INSPECTIONS AND FIELD AUDITS

Activities aimed at directly involving workers in observing behaviors and identifying unsafe conditions.

### SUGGESTION AND REPORTING CHANNELS

Availability of physical and digital tools for reporting risks, suggestions, and accidents.

### TRAINING WITH PARTICIPATORY METHODOLOGIES

Encourages experience sharing and critical reflection on occupational health and safety practices.

### ERGONOMICS AND HEALTH COMMITTEES

With active worker participation, guiding effective ergonomic and health interventions.

When workers are not directly represented through formal committees, such as outsourced workers, AVB promotes integration through DSDs, suggestion channels, and other communication tools.



## Promoting Health and Well-Being. [GRI 403-6]

AVB expands its health initiatives beyond legal obligations, promoting comprehensive health and well-being for employees and their dependents. The main initiatives include:

- ✓ **UNIMED Health Plans:** Provides broad coverage and access to medical specialties.
- ✓ **On-site Clinic:** Offers clinical care for spontaneous complaints and immediate support for general Employee Health.
- ✓ **Health and Prevention Campaigns:** Includes vaccination, blood pressure checks, rapid testing, care for workers with chronic conditions, and health promotion actions.
- ✓ **Psychological and Nutritional Support:** Emotional health and nutrition support through lectures, workshops, and personalized guidance.

- ✓ **AVB Clinic:** Inaugurated in 2024 in partnership with SALUS7, the clinic strengthens integrated occupational health management, with quality, efficiency, and humanized care.
- ✓ **Partnerships with Pharmacies and Clinics:** Providing discounts and expanding access to services outside the workplace.
- ✓ **Self-care Incentive Programs:** Physical activities, educational campaigns, nutritional guidance, and quality-of-life focused actions.

AVB offers digital and physical channels for employee scheduling, guidance, and participation of employees in health services, while ensuring the confidentiality of personal and medical information through secure systems and privacy policies.

# Training and Engagement of Workers in Occupational Health and Safety. [GRI 403-5]

AVB – Aço Verde do Brasil adopts a structured and continuous approach to training its workers in health and occupational safety, promoting a strong prevention culture, compliance with legal requirements, and the reduction of occupational risks.

All employees, both internal and third-party workers, go through technical and behavioral training programs in OHS, which include:

## INTEGRATION OF NEW WORKERS

Conducted before the start of activities, covering the main risks of the work environment, proper use of Personal Protective Equipment (PPE), internal safety regulations, emergency procedures, and AVB's safety culture.

## MANDATORY AND SPECIFIC TRAININGS

vided in accordance with Regulatory Standards (NRs), such as NR-10, NR-12, NR-33, NR-35, among others, in addition to specific training for the risks associated with each function and area of operation.

## UPDATES AND REFRESHERS

Held periodically, focusing on the review of procedures, updates on past incidents, new technologies, and improvements in work processes.

## SAFETY CAMPAIGNS AND DIALOGUES

Activities such as Daily Safety Dialogues (DSDs), quick training sessions, and awareness campaigns addressing occupational health and safety themes.

To ensure training effectiveness, AVB adopts participatory and hands-on methodologies, using case studies and dynamic activities that promote knowledge retention and worker engagement.

All training is recorded and monitored through control systems that ensure traceability of information such as workload, content delivered, attendance, and performance evaluation. Training sessions are conducted by qualified instructors, including safety technicians and engineers, physicians, or certified professionals, in accordance with legal requirements.

### TRAINING AND ENGAGEMENT OF WORKERS IN OCCUPATIONAL HEALTH AND SAFETY:

RISK AND HAZARD ANALYSIS, THROUGH THE RISK MANAGEMENT PROGRAM (RMP);

UPDATES ON LEGAL REQUIREMENTS AND CHANGES IN REGULATORY STANDARDS;

THE INTRODUCTION OF NEW TECHNOLOGIES, PROCESSES, OR EQUIPMENT;

THE OCCURRENCE OF INCIDENTS, NEAR MISSES, OR MISCONDUCT;

REGULAR PERFORMANCE EVALUATIONS AND BEHAVIORAL OBSERVATIONS;

SUGGESTIONS FROM WORKERS, INTERNAL COMMITTEES, AND THE INTERNAL ACCIDENT PREVENTION COMMITTEE (CIPA).

This information feeds into the Annual Training Plan, which organizes mandatory and complementary courses by area, function, target audience, and required periodicity. These courses are planned according to available resources including instructors, infrastructure, and materials.

The plan is designed to ensure accessibility and full coverage of all target groups—including employees, interns, apprentices, and third-party workers. When necessary, training is carried out outside normal working hours and with proper cost compensation, ensuring legal compliance and labor agreements. AVB ensures that required training is provided free of charge, without any cost to employees.

Training effectiveness is monitored through periodic evaluations and practical assessments following each session, along with other feedback mechanisms and assessments (such as satisfaction surveys and performance improvement observations). Training outcomes are regularly reviewed to identify gaps and ensure continuous improvement.

# Workplace Accidents. [GRI 403-9]

AVB – Aço Verde do Brasil maintains its commitment to the physical integrity and health of workers through a systematic health and safety management approach. Accident prevention is based on recognized methodologies, regulatory standards, and a culture of valuing life in the workplace.

## TYPES OF ACCIDENTS

In 2024, the most frequent workplace accidents at AVB were related to injuries to the hands, fingers, and feet—body parts most exposed in industrial environments. The main types of accidents reported were:

- Crushing or Pinching Injuries:**  
 Caused by contact with moving parts of machinery or failures to apply mechanical protections.
- Cuts and Lacerations:**  
 Resulting from the handling of sharp tools or metallic parts with burrs, especially in maintenance activities.
- Contusions and Foot Injuries:**  
 Caused by falling objects or improper use/lack of safety footwear.
- Sprains and Strains:**  
 Caused by slips, trips, and incorrect load handling or movement.
- Thermal or Chemical Burns:**  
 Less frequent but more severe, occurring during exposure to hot surfaces or chemical agents.

All accidents are subjected to root cause analysis, focusing on reinforcing protective measures, continuous training, and work procedure improvements.



## EXPOSURE DATA AND INDICATORS

In 2024, a total of 4,026,038 work hours by direct employees was recorded, with a monthly average of 287,574.14 hours. This total serves as the basis for calculating accident frequency and severity indicators.

**Frequency Rate (FR)**  
 $(\text{NUMBER OF LOST-TIME ACCIDENTS} \times 1,000,000) / \text{TOTAL HOURS WORKED}$

**Severity Rate (SR)**  
 $(\text{TOTAL DAYS LOST} \times 1,000,000) / \text{TOTAL HOURS WORKED}$

These indicators, calculated according to internationally recognized methodology, include permanent employees and third-party workers, considering only lost-time and commuting accidents.

## EXPOSURE DATA AND INDICATORS

- PRELIMINARY RISK ANALYSIS (PRA)
- RISK MANAGEMENT PROGRAM (RMP)
- CRITICAL RISK MATRIX
- HISTORY OF ACCIDENTS AND NEAR MISSES
- SAFETY INSPECTIONS AND BEHAVIORAL AUDITS
- EMPLOYEE CONSULTATIONS

These practices reinforce risk anticipation and the definition of effective controls, strengthening preventive culture.

## SERIOUS ACCIDENTS: CAUSES AND CORRECTIVE MEASURES

Accidents with serious consequences in 2024 were mainly caused by mechanical and operational hazards.

The most frequent causes included:

- Contact with moving machine parts during energy isolation failures;
- Unsafe handling of tools and cutting parts;
- Falling objects due to poor material storage;
- Unintentional approach of limbs to hazardous areas due to missing protective devices.

These events were analyzed using methodologies such as the 5 Whys and Ishikawa Diagram, resulting in corrective actions such as improvements in machine guarding, procedure revisions, and reinforcement of training on energy isolation protocols.

## HIERARQUIA DE CONTROLES APLICADA

- APPLIED CONTROL HIERARCHY**  
Modernization of equipment with greater automation and safety.
- ENGINEERING CONTROLS:**  
Machine shielding, installation of sensors, and energy isolation devices.
- ADMINISTRATIVE CONTROLS:**  
Procedure updates, specific training, and strict work permit systems (PT) and lockout/tagout (LOTO).
- PPE:**  
Provision of high-performance equipment, such as anti-perforation footwear and cut-resistant gloves.

## APPLIED CONTROL HIERARCHY

AVB conducts statistical analyses to identify recurring patterns and factors. In 2024, the highlights were:

**4** Critical Potential Incidents (CPI), all resulting in leave. **43** Near misses, which contributed to revisions of procedures and preventive measures.

The company also tracks employee tenure, position duration, and age to support targeted prevention actions.

## ACCIDENT REPORTING AND LEGAL COMPLIANCE

All accidents are recorded through the official Work Accident Report (CAT), distinguishing between:

- Lost-time accidents: involving worker leave;
- Non-lost-time accidents: without worker leave.

These data feed into safety reports discussed in internal committees and are used to support technical analyses for guiding action plans.

## CHEMICAL HAZARD MANAGEMENT: The identification of chemical hazards is based on:

- PRODUCT INVENTORY AND SDSs
- ENVIRONMENTAL ASSESSMENTS AND INSPECTIONS
- CONSULTA COM FORNECEDORES

Among the main identified agents are industrial gases, acids and bases, solvents, metal fumes, and lubricating fluids. The measures adopted include substitution of hazardous substances, adequate ventilation, specific PPE, and training on chemical emergencies.

### WORK ACCIDENTS

YEAR	HOURS WORKED			FREQUENCY RATE			ACIDENTES CPT			CPT ACCIDENTS		
	AVB	THIRD PARTIES	TOTAL	AVB	THIRD PARTIES	TOTAL	AVB	THIRD PARTIES	TOTAL	AVB	THIRD PARTIES	TOTAL
2022	3.361.592	1.662.596	5.024.188	1,49	0,00	1,00	5	0	5	0	0	0
2023	3.287.618	824.179	4.111.797	3,65	1,21	3,16	12	1	13	1	1	2
2024	3.443.744	1.029.169	4.472.914	1,16	0,00	0,89	4	0	4	0	0	0

# Occupational Diseases. [GRI 403-10]

In 2024, AVB – Aço Verde do Brasil maintained its commitment to the health and well-being of its employees, with no officially recognized cases of occupational disease recorded among formal employees. This outcome reflects ongoing investments in preventive measures, health promotion programs, and integrated care focused on quality of life in the workplace.

Periodic medical evaluations conducted by the Occupational Health department helped identify health conditions that, although not classified as occupational diseases, may be influenced by aspects of daily work life. Among these factors are stress, long working hours, shift work, and psychosocial issues—challenges widely recognized in today's corporate environment.

## STRENGTHENED MEASURES IN 2024:

With a focus on health promotion and disease prevention, AVB reinforced the following initiatives during the period:

### LECTURES AND TRAINING ON MENTAL HEALTH AND WELL-BEING

With practical guidance for stress reduction and the promotion of healthy habits.

### WORKPLACE GYMNASTICS PROGRAM AND PHYSICAL ACTIVITY INCENTIVES

Aiming to combat sedentary lifestyles and prevent metabolic diseases.

### PERIODIC MONITORING OF WORKERS' HEALTH

With enhanced clinical and occupational exams to detect early signs of cardiovascular and psychological changes.

### PSYCHOLOGICAL AND EMOTIONAL SUPPORT

Through the creation of listening channels and the encouragement of professional psychological care.

### NUTRITIONIST CONSULTATIONS

With services especially focused on cases of obesity, hypertension, and diabetes, as well as the collaborative creation of healthy menus in the company cafeteria.

These actions were aimed at formal employees of the organization. Workers without a direct employment relationship were not directly monitored in 2024 and are therefore not included in the statistics in this report.

It is important to note that the data presented exclusively reflects the reality of employees with active contracts during the period analyzed. Temporary workers, third-party contractors, and service providers were excluded from the sample to ensure methodological consistency and comparability of indicators over time.

## METHODOLOGIES AND CRITERIA

### OCCUPATIONAL MEDICAL EXAMS

Pre-employment, periodic, return-to-work, and dismissal exams; focus on mental health of workers.

### PSYCHOSOCIAL FACTORS

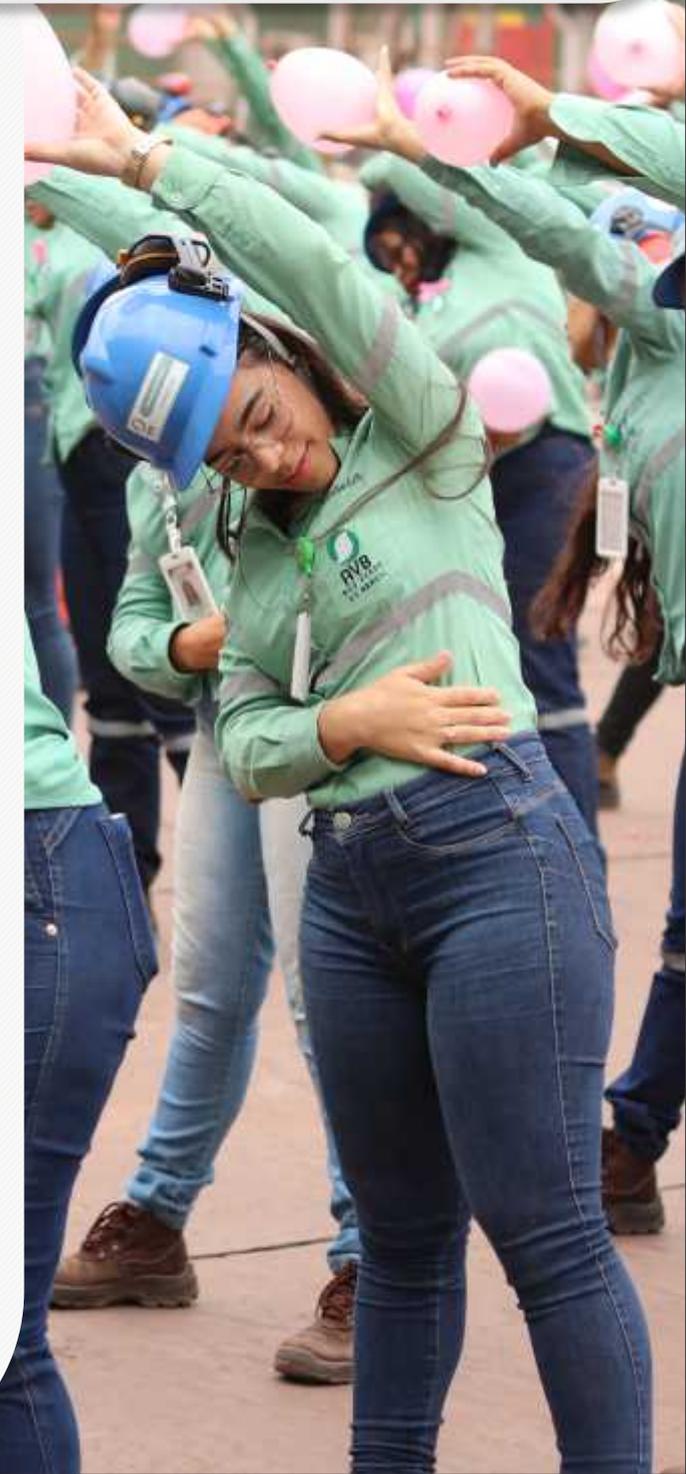
According to the Ministry of Labor and Social Security; focus on workers' mental health.

### CONTINUOUS MONITORING

With updated information to support strategic decisions in occupational health and safety.

### RESPECT FOR INFORMATION CONFIDENTIALITY

Ensuring the privacy and confidentiality of individual data.





# 5



## STRATEGIES AND SUSTAINABILITY PRACTICES



# 05. STRATEGIES AND SUSTAINABILITY PRACTICES. [GRI 2-22]

## Sustainable Development: The Guiding Commitment of AVB.

AVB has stood out as a reference in the industrial sector, especially for how well it integrates sustainability into its operations and strategies. AVB's growing involvement in sustainable initiatives demonstrates a deep and ongoing commitment to sustainable development, reflecting a long-term vision that goes beyond immediate economic performance. AVB's focus on sustainability is evident in its annual engagement in new initiatives that not only meet the company's strategic sustainability goals, but also help shape and influence the future of the industry.

AVB's prominence in the sustainability landscape is largely the result of its ability to generate and apply innovative ideas based on its own sustainable DNA. This excellence reflects a strong organizational culture aligned with ESG (Environmental, Social, and Governance) principles and is reinforced by decisions and actions at all levels. This approach ensures that AVB not only achieves its sustainability goals but also inspires others to adopt similar practices, creating a positive multiplying effect.

Furthermore, by aligning its operations with the principles of sustainability, AVB contributes to the achievement of the global Sustainable Development Goals (SDGs), demonstrating that economic development can, and must be, compatible with social progress and environmental preservation.



## Sustainability Strategies and Practices.

Sustainability is embedded in AVB's daily routine, guiding our management processes and future vision. We understand that we can only achieve our purpose—to be the best steelmaker in the country—if we operate our business based on sound environmental, social, and governance practices.

AVB, aligned with the Sustainable Development Goals (SDGs), has developed specific objectives that are pillars of its sustainable growth strategy. These goals were carefully developed through a collaborative process that involved consultations with stakeholders and participation from various areas within the company. Thus, AVB ensures that its sustainability plans are in harmony with the global sustainability goals, reflecting its firm commitment to social, environmental, and economic responsibility.

Each of these guidelines establishes a reality that AVB is committed to achieving in order to help build a sustainable future. They address themes such as quality of life for employees, environmental responsibility, and business ethics. They also include a commitment to continuous improvement in processes and products that are increasingly sustainable, reducing environmental impact while generating fair and lasting value.

In this way, AVB has built an agenda that includes short-, medium-, and long-term goals, addressing a large portion of the SDGs.



# Practices Aligned with the UN Sustainable Development Goals.

[GRI 2-22 | GRI 2-23]

Below, we present AVB's progress in 2024, highlighting how its actions remain strongly aligned with the United Nations Sustainable Development Goals (SDGs). The table below is organized into categories ranging from the use of renewable energy and climate change mitigation to initiatives in education, training, and local community engagement. Each listed project reinforces AVB's commitment to sustainability and social responsibility, showing how these actions actively contribute to building a fairer, more resilient, and more sustainable future.

Furthermore, internal initiatives focused on well-being, diversity, and employee development remain prominent, reinforcing the company's role as an agent of transformation in the workplace and the communities where it operates. In 2024, AVB invested in mental health programs, leadership training, and inclusion policies that strengthen the organizational culture and foster a healthier, more collaborative work environment.

Among the year's highlights are the consolidation of partnerships with technical and higher education institutions, aimed at enhancing the professional potential of young people in situations of social vulnerability. These actions not only reduce the environmental impact of AVB's production activities but also create real opportunities for social inclusion and mobility.

AVB's performance in 2024 reaffirms its commitment to a corporate agenda guided by ethical and sustainable values. By integrating ESG practices into its business strategy, the company significantly strengthens its brand and, at the same time, generates shared value for employees, communities, and stakeholder groups. These outcomes demonstrate that responsible and well-planned growth is essential for ensuring the future of the next generations. Responsável é possível e essencial para o futuro das próximas gerações.



NURSERY OPERATED ENTIRELY BY FEMALE LABOR



1st CLASS COMPRISED ENTIRELY OF PERSONS WITH DISABILITIES (PWD) IN THE INTRODUCTION TO INDUSTRIAL OPERATION COURSE



AVB HOSTED MR. NERY, A PROFESSIONAL DRIVER WITH AUTISM

## Practices Aligned with the UN Sustainable Development Goals. [GRI 2-22 | GRI 2-23]

SDG ALIGNMENT	ACTION DESCRIPTION – AVB PROGRESS IN 2024	ELIGIBLE PROJECTS	CATEGORIES
 	<p>Continuous annual forestry investment (new plantations, forest maintenance), seeking forest self-sufficiency for the production of its own charcoal for use in AVB's blast furnaces.</p>	<p>Biological Asset</p>	<p>Renewable Energy</p>
 	<p>Adaptation of AVB's thermoelectric infrastructure to use blast furnace gas as fuel. AVB inaugurated a thermoelectric plant with a generation capacity of 11MW of renewable energy with zero carbon emissions, by harnessing energy contained in gases from the steel mill's blast furnace processes.</p>	<p>Thermoelectric 1</p>	
 	<p>Equipment designed for the pre-heating of scrap to be loaded into the LD converter with the aim of increasing steel mill production. With 100% heated scrap, the energy required to melt it in the LD converter is lower, allowing increased metallic load and steel weight, thereby enhancing steel mill productivity.</p>	<p>Scrap Pre-heating</p>	<p>Climate Change</p>
  	<p>The implementation of a new slag crusher will bring significant benefits to our steel mill operation. The new equipment will allow the reuse of slag, reducing waste disposal and improving the quality of the final product by ensuring more consistent aggregates, which improves operational efficiency and environmental sustainability. These benefits contribute to more efficient, economical, and sustainable production.</p>	<p>Slag Crusher</p>	<p>Circular Economy</p>
 	<p>Apprenticeship programs focused on technical education and first employment with SENAI and IFMA in Açailândia-MA. AVB, in partnership with SENAI, graduated the first technical classes in the State of Maranhão. Continuous education programs are ongoing at our operational.</p>	<p>Continuing Education</p>	<p>Education and Training</p>

## Practices Aligned with the UN Sustainable Development Goals.

SDG ALIGNMENT	ACTION DESCRIPTION – AVB PROGRESS IN 2024	ELIGIBLE PROJECTS	CATEGORIES
 	<p>It is an initiative aimed at improving educational conditions and promoting the well-being of students, teachers, and the entire school community, with the goal of providing school supplies to municipal public schools in Açailândia. In this way, the project seeks to ensure that students can attend classes regularly, fostering an environment conducive to educational development and personal growth through the donation of both individual and shared school materials. In 2024, the IAVB “School Partners” Project benefited 3,453 students from 17 municipal public schools in Açailândia.</p>	<p>School Partners Project</p>	<p>Local Community Engagement</p>
  	<p>The project's objective is to promote the development and strengthening of social assistance, health, and well-being services in various areas within the communities where we operate. This is achieved through a day of social action, offering medical, psychological, and dental care, vaccinations, as well as wellness and beauty services. Additionally, basic food baskets are distributed to vulnerable communities. In 2023, two activities were carried out as part of the project, benefiting a total of 478 people.</p>	<p>Volunteering</p>	
 	<p>This initiative aims to provide special care to vulnerable groups through the donation of personal hygiene kits to elderly care homes, ensuring improved quality of life, health, and well-being. In 2024, one activity was carried out as part of the project, benefiting a total of 77 elderly individuals.</p>	<p>Caring Project</p>	
 	<p>The primary objective of the project is to raise awareness among company and third-party drivers on a range of important topics relevant to the profession. In 2024, a total of 273 drivers received training through the project.</p>	<p>On the Right Track Project</p>	
	<p>Through this project, free physical activity programs are offered to the population of Açailândia, with guidance from specialized professionals. The initiative aims to promote a healthier lifestyle for individuals in the communities where we operate.</p>	<p>Active Life Project</p>	

## Practices Aligned with the UN Sustainable Development Goals.

SDG ALIGNMENT	ACTION DESCRIPTION – AVB PROGRESS IN 2024	ELIGIBLE PROJECTS	CATEGORIES
	<p>Through a partnership with the Municipal Theater of Açailândia, the project aims to ensure free and accessible access to theatrical performances, promoting and encouraging cultural inclusion among vulnerable groups.</p>	<p>The “Theater All Year Round” Project</p>	<p>Engagement in the Local Community</p>
	<p>This project enables the organization of a street race with the goal of encouraging physical exercise and supporting educational initiatives in the municipality.</p>	<p>Corridaço (“Big Race”)</p>	
	<p>An incentive of R\$ 250.00 is provided to employees with children up to 12 years of age for purchase of school supplies. Through this project, we encourage our employees to keep their children properly enrolled in school, thereby promoting access to education.</p>	<p>School Supplies Purchase Credit</p>	<p>Internal Initiatives</p>
	<p>A fixed amount applies to all positions and is accepted at any establishment that provides food services, using the MasterCard network.</p>	<p>Meal Card</p>	
	<p>An extensive network of doctors across a wide range of specialties with statewide coverage is available to serve employees and their families, with cost-sharing for examinations, consultations, and general procedures.</p>	<p>Health Plan (Unimed)</p>	

## Practices Aligned with the UN Sustainable Development Goals.

SDG ALIGNMENT	ACTION DESCRIPTION – AVB PROGRESS IN 2024	ELIGIBLE PROJECTS	CATEGORIES
	<p>In partnership with PASI insurance provider, this benefit involves the delivery of a thoughtfully prepared basket containing a kit for both the mother and the newborn, in celebration of the birth of our employees' children.</p>	<p>Birth Basket</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Internal Initiatives</p>
	<p>Conversation circles on mental health are held with employees. In addition, a toll-free support hotline (0800) is available, providing access to a network of psychologists offering psychological assistance to employees and their families. In-person sessions are also offered twice a week for employees, either by appointment or on a walk-in basis.</p>	<p>Project SupportOnline and In-Person Psychological Assistance</p>	
	<p>Study incentive program aimed at training professionals in fields of interest to the company. It applies to all Engineering and Industrial Administrative areas. The program offers a subsidy of 60% of the monthly tuition fee, limited to R\$ 500.00 per month, with a total of 30 scholarships available.</p>	<p>Scholarship</p>	
	<p>Seeking to increase the number of female employees and recognizing the significant value this group brings to both its production and administrative activities, AVB introduces the Florescer Project. This initiative includes actions aimed at supporting current female employees and the attracting new talent to the company. The project also proposes the organization of conversation circles to identify areas for improvement specific to this audience. Through this initiative, AVB aims to encourage its female employees to flourish alongside the organization, empowering them to reach their full potential both professionally and personally.</p>	<p>Project Florescer</p>	
	<p>While inclusion involves creating effective mechanisms not only for hiring but also for retaining diverse talent—such as encouraging applications from marginalized segments of society, and implementing changes in selection processes and organizational culture to ensure these groups feel welcomed—AVB has developed the Projeto Para Todos AVB (AVB For All Project). This project aims to promote the inclusion of vulnerable groups (LGBTQIA+ community, women, elderly, people with disabilities, and Black individuals) in the workplace and to increase the number of employees from these groups.</p>	<p>Project For All</p>	

# Remediation of Negative Impacts.

[GRI 2-25 | GRI 2-26]

AVB – Aço Verde do Brasil adopts a structured approach to prevent, mitigate, and remediate negative impacts arising from its operations. Through tools such as the Needs and Expectations Matrix of Stakeholders and the Due Diligence Matrix, the organization carries out a systematic mapping of potential impacts — whether positive or negative — resulting from its activities.

Based on this analysis, mitigation measures and corrective actions are prioritized through socio-environmental projects and programs. These initiatives include actions related to quality of life, education, and training, and improvements in community infrastructure. This process is not unilateral: AVB constantly seeks to engage with affected stakeholders and incorporate their feedback proactively.

The process of designing, reviewing, and continuously improving these mechanisms is led by corporate governance, with involvement from Senior Management, and being supported by external consultants and experts who ensure impartiality in evaluating the effectiveness of actions and monitoring the results of the adopted remedies. Monitoring is carried out in partnership with the Ethics Committee, ensuring that actions are aligned with the specific needs of each stakeholder group.

Positive impacts identified are enhanced through the improvement of the existing situation, while negative impacts are mitigated by the best available strategies, considering technical, social, and environmental criteria.



# Advisory and Damage Remediation Mechanisms.

To ensure transparency and respect for human and institutional rights, AVB offers various communication and advisory channels accessible to all stakeholders. Among them:



**Internal System SoftExpert:** Centralizes policies approved by the board;



**Direct channel between leadership and employees;**



**Institutional Website:** Provides the organization's main policies to internal and external audiences;



**Whistleblower Channel;**



**Ombudsman and "Contact Us" Channel;**



**Exclusive email for the Ethics Committee;**  
comite.etica@ferroeste.com.br

The Whistleblower Channel is operated by a specialized team, available 24 hours a day, 7 days a week, in Portuguese, English, and Spanish, with accessibility features such as adapted visual display, sign language translation, and voice support. Service is provided by trained psychologists, ensuring a welcoming, impartiality, and confidentiality for the whistleblower. Anonymity is ensured, and when the person chooses to identify themselves, confidentiality is maintained throughout the investigation process.

# Data and Performance in 2024.

In 2024, 71 complaints were recorded through AVB's official channels. Of these, 48 were classified as valid reports and 23 were considered improper, not constituting violations of internal or legal norms. The valid complaints included various types, such as: Physical Aggression, Other Misconduct, Moral and Sexual Harassment, Violation of Environmental Laws, and General Worker-related Reports.

All received reports were analyzed, investigated, and handled in accordance with the institutional protocol, ensuring confidentiality, impartiality, and providing feedback to the whistleblower — always respecting the principles of justice and compliance.

# Compliance with Laws and Regulations. [GRI 2-27 | GRI 307-1 | GRI 419-1]

AVB – Aço Verde do Brasil reaffirms its commitment to legal compliance in conducting its activities in a responsible, ethical manner, in strict observance of applicable laws and regulations. In 2024, no significant cases of non-compliance were identified that caused relevant impacts, such as suspension or embargo of activities, or those cases involving amounts greater than 1% of the company's net equity.

In addition, in 2024, nine labor-related infraction notices were issued, totaling R\$ 69,972.31, all considered unfounded by the company and duly contested through administrative and/or judicial channels. The company maintains that its practices are in compliance with current legislation and continues to monitor each case until its final resolution.

## COMPLIANCE INDICATORS 2024

### NON-COMPLIANCE CASES

NON-COMPLIANCE CASES	TOTAL NUMBER OF CASES
Cases in which fines were applied.	0
Cases in which non-monetary sanctions were applied.	0

FINES APPLIED	TOTAL MONETARY AMOUNT (R\$)	TOTAL NUMBER OF FINES
Non-compliance with laws.	R\$ 1.733.171,02	14
Non-compliance with regulations.	0	0

### Environmental Compliance [GRI 307-1]

CATEGORY	TOTAL MONETARY AMOUNT (R\$)	NON-MONETARY SANCTIONS	ONGOING PROCESSES/ TERMS OF ADJUSTMENT OF CONDUCT (TACs)
Non-compliance with Environmental Laws and Regulations	R\$ 64.256,00	0	0

### Socioeconomic Compliance [GRI 307-1]

CATEGORY	TOTAL MONETARY AMOUNT (R\$)	NON-MONETARY SANCTIONS	ONGOING PROCESSES/ TERMS OF ADJUSTMENT OF CONDUCT (TACs)
Non-compliance with Labor Laws and Regulations	R\$ 69.972,31	9	0
Non-compliance with Socioeconomic Regulations	0	0	0

# Systematic Management of Legal Compliance. [GRI 2-27]

To ensure the continuous fulfillment of legal obligations, AVB implemented procedure AVB-PG-100-014, which establishes a systematic routine of monitoring, analysis, and verification of compliance with applicable legislation in the areas of Environmental Management, Social Responsibility, and Labor. This procedure aims to ensure that operations are aligned with legal requirements and reduce legal risks.

Through a specialized system, the company maps applicable legislation, clearly defining obligations relevant to its activities. Managers in each area are responsible for monitoring and documenting compliance with these obligations, always keeping the platform information up to date whenever changes occur.

### THE SYSTEM COVERS THE FOLLOWING AREAS:

- Environment:** Compliance with environmental legislation, such as licensing, emission control, waste management, among other areas.
- Social Responsibility:** Compliance with standards related to human rights and the social impact of activities.
- Labor Legislation:** Ensuring compliance with health and occupational safety standards as well as workers' rights.
- Other Applicable Requirements:** Covering technical standards and regulations specific to AVB's activities, products, and services.

The legal compliance management team conducts periodic reviews, monitoring new regulatory requirements and legislative updates. Representatives of the management systems are responsible for updating legal requirements in the monitoring system and supporting the areas in verifying the continued fulfillment of obligations, ensuring integrity and responsibility of the organization across all levels.

# Participation in **Associations and Initiatives.** [GRI 2-28]

AVB's strategic participation in associations and initiatives enables not only the exchange of knowledge and collaboration with other industry stakeholders, but also strengthens its commitment to mitigating negative impacts and pursuing a more sustainable future.

These partnerships reflect the organization's priority of aligning its operations with the highest standards of environmental and social responsibility, contributing to the development of a more conscious and resilient business ecosystem.



**Aço Brasil Institute:** The organization represents Brazilian steel-producing companies.



**InPacto:** By joining the National Pact Institute for the Eradication of Slave Labor, we commit to promoting decent work and preventing and eradicating slave labor or labor practices analogous to slavery.



**World Steel Association (WSA):** One of the largest and most dynamic industrial associations in the world. Its members account for approximately 85% of global steel production.



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



**ResponsibleSteel Association:** A multi-stakeholder certification for the industry, with the mission of maximizing steel's contribution to a sustainable society.



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



# ESG Highlights.

Aço Verde do Brasil has stood out in the Brazilian steel sector not only for the quality of its products but, above all, for its strong commitment to ESG principles — Environmental, Social, and Governance. In a scenario increasingly driven by sustainability and corporate responsibility, AVB has established itself as a national benchmark by adopting innovative practices that reduce environmental impact, promote social well-being, and ensure ethical and transparent management. This commitment has earned the company several awards and recognitions, both in Brazil and internationally, highlighting its leadership in sustainable initiatives within the steel sector. See below for some of our awards.



ESG BREAKTHROUGH AWARD 2021 – S&P GLOBAL PLATTS.



WE ISSUED THE FIRST GREEN BOND IN THE STEEL SECTOR.



EXAME AWARD – ESG BEST OF 2024.



GHG PROTOCOL SEAL.



FRIENDLY COMPANY SEAL 2023.



GLOBAL RECOGNITION BY WORLDSTEEL.



RECEIVED A "B" CLIMATE SCORE FROM CDP!



WINNERS OF THE ESG BEST AWARDS.



# 6



## ENVIRONMENTAL PERFORMANCE AND CLIMATE CHANGE



# 06. ENVIRONMENTAL PERFORMANCE AND CLIMATE CHANGE.

## Materials. [GRI 301-1 | GRI 301-2 | GRI 301-3]

AVB – Aço Verde do Brasil adopts a responsible management approach to the use of materials, recognizing their strategic relevance for both environmental and operational sustainability. The conscious consumption of raw materials not only ensures greater quality and safety in the delivery of final products but is also aligned with the organization's environmental commitments and the expectations of its stakeholders.

Efficient management of inputs begins with the selection and approval of suppliers, prioritizing those who meet AVB's sustainability standards and values. The company continuously seeks to use sustainable inputs, promoting the reuse of recyclable materials and mitigating the environmental risks associated with its operations.

The storage and control of raw materials are carried out in specific warehouses organized strategically. The process is managed based on the FIFO (First In, First Out) system, using overhead cranes and electric forklifts, contributing to the reduction of fossil fuel consumption and minimizing greenhouse gas emissions from operations.

Additionally, the ongoing training of employees and managers reinforces AVB's commitment to the efficient use of natural resources, as well as the reduction of consumption and the optimization of each material's application in the production process.

### MAIN RAW MATERIALS USED:

- Silicon Iron
- Manganese Silicon Iron
- Calcitic Lime
- Dolomitic Lime
- Dolomitic Limestone
- EAF Electrodes
- Calcitic Limestone
- LPG (Liquefied Petroleum Gas)
- Iron Ore
- Coke Coal

## Non-Renewable Materials Used. [GRI 301-1]

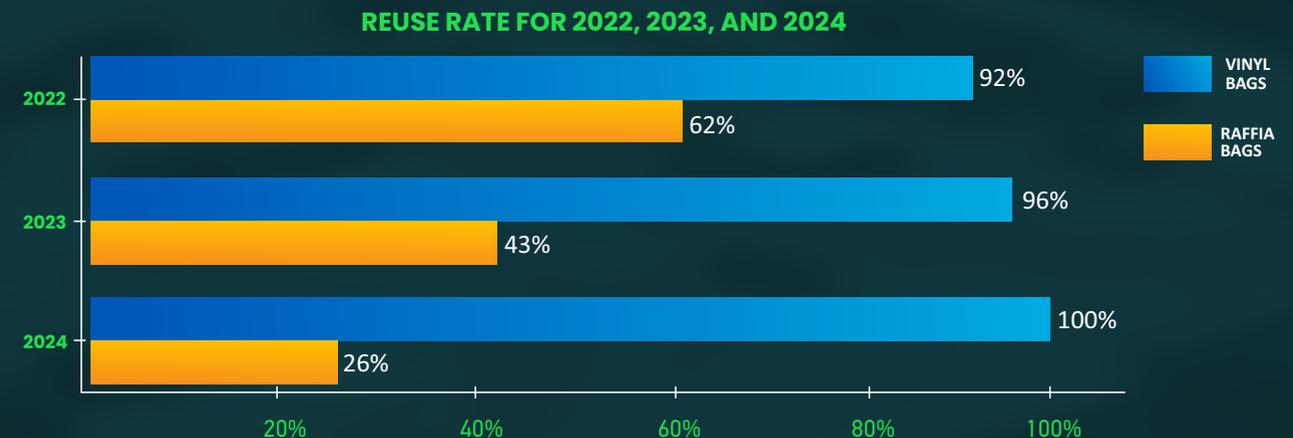
TYPE OF SCRAP MATERIAL	2022	2023	2024
(t) Consumption of primary extracted raw materials during the period	635.888	735.262	835.076
% of primary extracted raw materials consumed during the period	95,9%	96,6%	96,4%
(t) Consumption of non-primary extracted raw materials during the period	27.715	26.065	30.858
% of non-primary extracted raw materials consumed during the period	4,1%	3,4%	3,6%

## Recycled Raw Materials. [GRI 301-2]

TYPE OF SCRAP MATERIAL	2022	2023	2024
Input of external scrap (Purchased) (t)	77.012	74.453	47.910
Input of internal scrap (Reused)	37.970	24.754	37.504
Recycled Materials (Metallic)	33%	25%	43,9%

## Recovered Packaging. [GRI 301-3]

Raw materials packaging is recovered for internal reuse or returned to suppliers through reverse logistics processes. This model contributes to a circular economy and reduces improper waste disposal.



# Energy.

[GRI 302-1 | GRI 302-3 | GRI 302-4]

AVB – Aço Verde do Brasil's energy management focused on efficient and responsible use of resources, in line with the company's environmental commitments and low-carbon strategy. In 2024, the organization's total energy consumption reached 2,596,174 gigajoules, reflecting the industrial and logistics operations associated with green steel production.

## ENERGY CONSUMPTION BY SOURCE

From the total energy consumed, the majority refers to electricity acquired from external sources, representing the following total:

**2.497.195 (GJ)**

The consumption of fossil fuels (non-renewable) relating to **Diesel, LPG, Gasoline and Kerosene** corresponded to:

**98.978 (GJ)**

FUEL	CONSUMPTION (GJ)	FUEL	CONSUMPTION (GJ)	CONSUMPTION PERCENTAGE (GJ)	
Diesel	73.813	Gasoline	4.353	Diesel – 74,6%	Gasoline – 4,4%
GLP	17.467	Kerosene	3.345	GLP – 17,6%	Kerosene – 3,4%

AVB also has its own electricity generation. In 2024, the company generated through its internal thermoelectric unit:

**37.683 (MWh)** Approximately **135.658 (GJ)**

## ENERGY EFFICIENCY INDICATORS

AVB's energy intensity — measured by the ratio between energy consumption and crude steel production — was 16.40 GJ per ton of crude steel produced. This indicator includes both fuel consumption and electricity use, considering operational limits.

### INITIATIVES FOR POSITIVE ENERGY EFFICIENCY INDICATORS

**Internal energy generation** to reduce dependence on external sources.

**Route and operational layout optimization**, minimizing the movement of mobile equipment and, consequently, reducing diesel oil consumption.

**Adoption of electric forklifts for internal transport**, contributing to reduced emissions associated with fossil fuel use.

### COMMITMENTS TO ENERGY EFFICIENCY AND TRANSITION

Continuous improvement in energy performance is part of AVB's strategy for transitioning to a low-carbon economy. The company invests in clean technologies and renewable energy sources while raising awareness among operational teams about rational energy use.

AVB remains committed to rigorous energy consumption monitoring, the pursuit of new sustainable alternatives, and the implementation of best practices.



TERMOELÉTRICA

FOX



## ELECTRIC ENERGY CONSUMPTION

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

	2022	2023	2024
Diesel	71.060	70.445	73.813
Kerosene	3.037	4.051	3.345
Gasoline	2.627	2.671	4.353
GLP	7.699	6.325	17.467

Consumption of fuels by the organization from renewable sources (in Gigajoules and Liters) and types of fuels used:

	UNIDADE	2022	2023	2024
Ethanol	L	1.324	0	84
	GJ	32	0	2

## TOTAL ENERGY CONSUMPTION (GJ)

	2022	2023	2024
	2.075.743	2.215.344	2.497.195

## ENERGY INTENSITY

	2022	2023	2024
	18,62	19,67	16,40

\*For crude steel, the denominator GJ/t is used

# Water and Effluents. [GRI 303-1 | 303-2 | 303-3 | 303-4 | 303-5]

Responsible management of water resources is one of the environmental pillars of Aço Verde do Brasil (AVB). In accordance with current legislation and the commitments assumed in our environmental licenses, we ensure the collection, use, treatment, and reuse of water in our operations efficiently and sustainably.



## Water Sources:

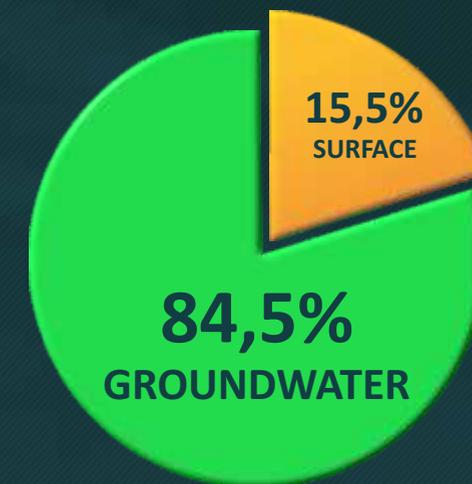
AVB collects water from two distinct sources:

**SURFACE:** Rio Pequiá, with an authorized flow rate of up to 11,760 m<sup>3</sup>/day.

**GROUNDWATER:** Four tubular wells, each with an authorized flow rate of 2,160 m<sup>3</sup>/day, located in the river basins of Rio Gurupi and the Itapecuru Geological Formation.

All withdrawals have regular permits issued by the State Secretariat for the Environment (SEMA), in accordance with Federal Law No. 9.433/1997 and CONERH Resolution No. 57/2019.

AUTHORIZED FLOW RATES BY TYPE OF WITHDRAWAL (%/m<sup>3</sup>/day)



## Consumption and Efficiency.

Thanks to our closed-loop reuse system, we achieved highly optimized water consumption in 2024. Below are the volumes captured in comparison with the previous year:



Totalling **1,663 megaliters** in the year, with losses only due to evaporation, **resulting in 100% reuse** of the captured water.

Annual hydrodynamic tests in groundwater wells have shown an excellent level of sustainability, with the following percentages of water permanence:

WELL 01	WELL 02	WELL 03	WELL 04
87,07%	70,08%	55,05%	90,07%

All are above the safety limit of 30%, as per SEMA guidelines. For surface water capture, monitoring reports in recent years show an annual consumption average of only 20.81% of the authorized flow rate, ensuring the preservation of the hydrographic basin and to sustainable access to water for other users.

## Water Treatment and Reuse.

The water used in AVB's industrial processes — such as equipment cooling, temperature control in rolling, and sealing of the reheating furnace — undergoes a series of treatment stages, including:

- Decantation and removal of scale (coarse and fine);
- Pressure filtration;
- Removal of oil/grease;
- Temperature reduction via cooling towers;
- Chemical treatment and quality control (purge and replenishment).

This closed-loop process ensures total water reuse in less critical operational activities, with a treatment efficiency of:

**76,37%**

## Monitoring and Legal Compliance.

AVB conducts rigorous water quality monitoring, in accordance with CONAMA Resolutions No. 357/2005 and No. 430/2011, as well as GM/MS Ordinance No. 888/2021. Analyses are carried out by third-party laboratories accredited by Inmetro (ABNT NBR ISO/IEC 17025:2017), at the following points:

- **Rio Pequiá:** semiannually, upstream and downstream of the intake;
- **Underground wells:** annually;
- **Jurisdictional water bodies (such as Água Branca Stream);**
- **Oil-water separators (inlet and outlet).**

All results were within the legally established limits.

## Environmental and Social Benefits.

Our water management model yields significant

- Reduction in volumes of abstracted water;
- Preservation of surface and groundwater sources;
- Conservation of water in the aquifer;
- Preservation of regional hydrography;
- Creation of a reuse culture in our operational environment.



# Interaction with Stakeholders.

Engagement actions related to water resource management include:

## INTERNAL TRAINING ON BEST PRACTICES AND CONSCIOUS WATER USE;



## ENVIRONMENTAL EDUCATION PROGRAMS AND WORKSHOPS FOR THE COMMUNITY;



The company maintains as a core guideline the assurance of legal compliance and continuous improvement in the efficient use of water, following Management Procedure PG-032-003, establishing itself as a sustainability reference in the steel industry.

AVB's performance in 2024 regarding the water and effluent management indicator demonstrates operational and environmental maturity aligned with the principles of sustainability and a commitment to preserving water resources.



# Key Highlights.

Community engagement and environmental education initiatives reinforce the company's social responsibility and strengthen its sustainable practices. Key highlights include:

## 1. OPERATIONAL EFFICIENCY AND RATIONAL USE

The total intake of 1,663 megaliters, combined with a 100% reuse system of industrial water, illustrates an operational model with maximum water efficiency. The closed-loop system and the use of treated water for lower-quality needs demonstrate responsibility in the allocation of water resources.

## 2. REGIONAL WATER SECURITY

AVB demonstrated its commitment to preserving hydrographic basins by maintaining low water intake levels from authorized sources—especially from the Rio Pequiá (only 20.81% of water withdrawal used during critical periods). This reinforces the company's role as a conscious water user.

## 3. ENVIRONMENTAL COMPLIANCE AND GOVERNANCE

Strict control over the quality of water captured and returned to the environment is conducted by accredited laboratories, in accordance with national standards and legislation. In addition to ensuring legal compliance, AVB's water management reflects its commitment to sustainability and corporate governance.

## 4. POSITIVE ENVIRONMENTAL IMPACTS

The use of decantation, oil-water separation, filtration, and cooling technologies enables AVB to return water to the environment without pollutants—minimizing environmental risks. These actions contribute to the preservation of water resources and aquatic ecosystems.

## 5. ENGAGEMENT AND RESPONSIBILITY

Transparent practices and stakeholder engagement—through training, internal awareness actions, and public events—expand the company's positive environmental impact. These actions contribute to building a culture of environmental awareness among employees and the community.

# Emissions. [GRI 305]

Aço Verde do Brasil (AVB) reaffirms its commitment to low-carbon operations through the systematic development of its Greenhouse Gas (GHG) Emissions Inventory, aligned with the guidelines of the Brazilian GHG Protocol Program and the CO<sub>2</sub> Report by the World Steel Association.

The inventory includes direct (Scope 1) and indirect emissions (Scopes 2 and 3) throughout the entire value chain, following internationally recognized methodologies.

Emissions are expressed in metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) and encompass all gases defined by the Intergovernmental Panel on Climate Change (IPCC), including carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

(Em 2024, não foram identificadas alterações significativas que exigissem o recálculo de dados históricos no escopo do inventário.)

## EMISSIONS SCOPE 1, SCOPE 2 E SCOPE 3

AVB's direct emissions (Scope 1) originate from emission sources under the company's direct control, such as industrial processes, stationary and mobile combustion, fugitive emissions, and waste treatment. In 2024, there were no significant changes in the quantification methodology of emissions. AVB also separately reports its biogenic emissions, totaling 1,007,875.98 tCO<sub>2</sub>e in 2024.

Scope 2 emissions refer to electricity purchased by AVB. The calculation was based on the location-based approach, using national emission factors from the Brazilian electricity matrix.

Scope 3 emissions include indirect emissions throughout the value chain, such as goods and services acquired, business travel, and employee commuting. In 2024, these Scope 3 categories did not generate reportable emissions due to the reporting period.

In 2024, emissions calculations were performed using data on activities and GHG emission factors recommended by the GHG Protocol and recognized international sources.

# Direct and Indirect GHG Emissions in Tons of CO<sub>2</sub>.

[GRI 305-1 | GRI 305-2 | GRI 305-3]

	2022	2023	2024
<b>SCOPE 1</b>	36.551	43.551	37.115
STATIONARY COMBUSTION	486	420	1.134
MOBILE COMBUSTION	5.120	5.055	5.188
FUGITIVE EMISSIONS	13	5	8
INDUSTRIAL PROCESSES	30.930	38.025	30.728
SOLID WASTE AND LIQUID EFFLUENTS	0,8	0,8	57,25
<b>SCOPE 2</b>	0	0	0
LOCATION-BASED APPROACH	9.147	7.401	12.754
MARKET-BASED APPROACH	0,00	0,00	0,00
<b>SCOPE 3</b>	36.671	45.002	54.900
PURCHASED GOODS AND SERVICES	39.146	44.806	54.797
WASTE GENERATED IN OPERATIONS	0,8	0,8	1,36
BUSINESS TRAVEL	140	196	102
<b>TOTAL LOCATION-BASED</b>	<b>84.985</b>	<b>95.955</b>	<b>104.769</b>
<b>TOTAL MARKET-BASED</b>	<b>75.838</b>	<b>88.553</b>	<b>92.015</b>

### CALCULATION TOOLS



# Emissions Intensity. [GRI 305-4]

AVB uses the emissions intensity metric, which represents the ratio between GHG emissions and gross steel production (tCO<sub>2</sub>e/t gross steel). In 2024, the indicators were:

**0.21 tCO<sub>2</sub>e/t gross steel (location-based – GHG Protocol)**

**0.18 tCO<sub>2</sub>e/t gross steel (market-based – GHG Protocol)**

**0.17 tCO<sub>2</sub>e/t gross steel (World Steel Association)**

These indicators account for Scope 1 and 2 emissions, as well as specific categories from Scope 3 (purchased goods and services, waste, and business travel), reflecting AVB's operational efficiency.

In addition to adopting consolidated metrics, AVB continuously seeks to reduce its emissions intensity through better operational practices and technologies. Monitoring Scope 1 and 2 emissions and relevant Scope 3 categories allows the company to identify decarbonization opportunities across its production chain. These results highlight AVB's performance in producing low-carbon steel, aligned with the best global practices for sustainability in the steel sector.



## SCOPES 1, 2 AND 3 INCLUDED IN THE INTENSITY INDEX

### SCOPE 1

STATIONARY COMBUSTION	0,094	0,113	0,074
MOBILE COMBUSTION	0,001	0,001	0,002
FUGITIVE EMISSIONS	0,013	0,013	0,010
INDUSTRIAL PROCESSES	0,000	0,000	0,000
SOLID WASTE AND LIQUID EFFLUENTS	0,080	0,099	0,061

### SCOPE 2

LOCATION-BASED APPROACH	0,000	0,000	0,000
MARKET-BASED APPROACH	0,024	0,019	0,025

### SCOPE 3

PURCHASED GOODS AND SERVICES	0,101	0,117	0,110
WASTE GENERATED IN OPERATIONS	0,101	0,116	0,110
BUSINESS TRAVEL	0,000	0,000	0,000

CO<sub>2</sub> INTENSITY PER TON OF GROSS STEEL – GHG PROTOCOL "LOCATION BASED"

CO<sub>2</sub> INTENSITY PER TON OF GROSS STEEL – GHG PROTOCOL "MARKET BASED"

CO<sub>2</sub> INTENSITY PER TON OF GROSS STEEL – WORLD STEEL ASSOCIATION

	2022	2023	2024
SCOPE 1	0,094	0,113	0,074
STATIONARY COMBUSTION	0,001	0,001	0,002
MOBILE COMBUSTION	0,013	0,013	0,010
FUGITIVE EMISSIONS	0,000	0,000	0,000
INDUSTRIAL PROCESSES	0,080	0,099	0,061
SOLID WASTE AND LIQUID EFFLUENTS	0,000	0,000	0,000
SCOPE 2	0,000	0,000	0,000
LOCATION-BASED APPROACH	0,024	0,019	0,025
MARKET-BASED APPROACH	0,000	0,000	0,000
SCOPE 3	0,101	0,117	0,110
PURCHASED GOODS AND SERVICES	0,101	0,116	0,110
WASTE GENERATED IN OPERATIONS	0,000	0,000	0,000
BUSINESS TRAVEL	0,000	0,001	0,000
CO <sub>2</sub> INTENSITY PER TON OF GROSS STEEL – GHG PROTOCOL "LOCATION BASED"	0,219	0,249	0,210
CO <sub>2</sub> INTENSITY PER TON OF GROSS STEEL – GHG PROTOCOL "MARKET BASED"	0,196	0,229	0,185
CO <sub>2</sub> INTENSITY PER TON OF GROSS STEEL – WORLD STEEL ASSOCIATION	0,183	0,216	0,174

## GASES INCLUDED IN THE CALCULATION [GRI 305-4]

GASES	2022	2023	2024
CO2	84.985,37	95.819,54	104.614,54
CH4	12,23	56,44	70,43
N2O	74,2	73,6	77,15
SF6	0	0	0
NF1	0	0	0
HFC	12,98	5,02	7,27
PFC	0	0	0

This table (305-2.c) includes all gases, i.e., the sum of all gases found in Scopes 1, 2, and 3. Only CO<sub>2</sub> is included in Scope 2's calculation.

## Ozone-Depleting Substances. [GRI 305-6]

AVB neither uses nor emits ozone-depleting substances (ODS), in accordance with the Montreal Protocol. The company's procurement policy prioritizes inputs with low or zero ozone depletion potential (ODP), reinforcing its environmental commitment.

## Other Significant Atmospheric Emissions. [GRI 305-7]

AVB conducts periodic monitoring of its atmospheric emissions, including NOx, SOx, and particulate matter (PM), based on isokinetic sampling performed by accredited laboratories. Control actions include the use of bag filters and gas scrubbers.

### ATMOSPHERIC EMISSIONS:

YEAR	NOx	SOx	MP*
2022	37,54	5,71	5,17
2023	33,12	6,04	29,58
2024	58,74	6,04	24,04

The source of the emission factors is the sum of the results from AVB's atmospheric emissions monitoring campaigns, conducted through isokinetic sampling. The data are obtained from sampling reports prepared by third-party laboratories accredited to perform this service. Compliance is ensured with the main environmental legislation regulating industrial air emissions—CONAMA Resolution No. 382 of 2006—which establishes emission limits for stationary sources, thereby promoting the commitment of industries to sustainable development.

\*\* Particulate Matter.

## Emissions Reduction Strategy. [GRI 305-5]

In line with its sustainable vision, AVB achieved, in 2024, a reduction of 0.04 tCO<sub>2</sub>e/t of gross steel compared to the previous year. This result stems from the consolidation of strategic mitigation actions, focused on technological innovation and operational efficiency. Key initiatives include:

- Exclusive use of renewable charcoal in blast furnaces, eliminating the use of fossil coke;**
- Generation of renewable electricity from blast furnace gas recovery;**
- Reuse of steelmaking slag in cement production;**
- Replacement of diesel forklifts with electric models;**
- Reduction of business travel, through virtual meetings;**
- Reuse of internal scrap in the production process;**
- Implementation of biochar production units, using forest residue pyrolysis.**

The main reductions were observed in Scope 1 and in the business travel category of Scope 3. So far, AVB has adopted direct mitigation strategies, without resorting to credit compensation or carbon offsets.



# Waste. [GRI 3 | GRI 306-1 | 306-2]

Solid waste management is a key pillar in building a sustainable future, especially in the context of a growing population and industrialization. AVB recognizes the direct impact of waste management on public health, the environment, and the quality of life in communities. Implementing proper management practices helps reduce environmental impacts, fosters a circular economy, and improves the efficient use of natural resources.

Aço Verde do Brasil (AVB) adopts a systematic and responsible approach to waste management, recognizing the importance of mitigating environmental impacts throughout the entire value chain. Waste control and management take into account the life cycle of raw materials and inputs used, based on operational activities at the industrial plant, as well as upstream and downstream effects in its production chain.



## Waste in the industrial process:



### Waste in the industrial process:

Oil and grease, lamps, batteries, electronic waste, among others;



### Recyclable Waste:

Paper/cardboard, plastics, glass, metals, among others;



### Non-hazardous Waste:

Granulated blast furnace slag, ladle slag, blast furnace mud, biochar, biochar milling waste, limestone fines, primary refining slag, secondary refining slag, steelmaking slag, iron ore fines, among others.

# Inputs and Activities Generating Waste.

Among the main raw materials used are iron ore, coal, limestone, water, chemical products, and steel scrap. These inputs, as they go through processes such as the blast furnace, steelmaking, rolling, and equipment maintenance, result in various types of solid, liquid, and gaseous waste. **Notable outputs include slag, dust, contaminated filters, residual oils, packaging, and the emission of gases such as CO<sub>2</sub>, SO<sub>x</sub>, and NO<sub>x</sub>.**

AVB is committed to responsible waste management. We continuously seek to improve our practices for separating, collecting, transporting, treating, and properly disposing of solid waste, aiming to minimize negative impacts on the environment.

## Input, Activity, and Output Flows:

### Inputs:

Minério de ferro, carvão vegetal, calcário, água, produtos químicos e sucata metálica.

### Activities:

Alto-forno, aciaria, laminação, manutenção e logística.

### Outputs:

Escórias, carepas, óleos, poeiras, efluentes e gases de combustão.

# Investments in Technology and Circular Economy.

Recognizing the serious environmental impacts of poor waste management (such as soil and water contamination, greenhouse gas emissions, and disease proliferation), AVB invests in technologies, research, and development to improve waste management, generating added value and reducing the product life cycle impacts.

A concrete example is the implementation of an internal briquetting plant, which transforms industrial by-products (dust, slag, mill scale) into a valuable composite. This circular innovation demonstrates AVB's commitment to circular economy practices and to reducing dependence on natural resources.

## Significant Impacts Associated with Waste.

AVB acknowledges relevant impacts related to landfill depletion, air, soil, and water contamination, as well as changes in surface and groundwater resources. These impacts originate from both upstream and downstream activities.

### UPSTREAM:

Main impacts arise from mining (generation of tailings and potentially contaminated waste rock), charcoal production (generation of ash and atmospheric emissions), and transportation of raw materials (vehicular emissions).

### Downstream:

Waste is associated with rolling processes and the use of AVB products in the construction and automotive industries, where the generation of mill scale, residual oils, and contaminated waste is observed, as well as post-consumer waste like scrap vehicles and leftover rebar.

## Management Measures and Circularity.

AVB adopts various measures to prevent, minimize, and treat the waste generated, with a focus on circularity and material valorization:

**Extensive reuse of metallic scrap in blast furnace**, steelmaking, and rolling processes, reducing the use of virgin raw materials, saving energy, and lowering emissions;

**Processing and transformation of waste into coproducts**, such as through the briquetting and slag granulation process;

**Proper and responsible waste disposal**, prioritizing recycling and reuse over final disposal in landfills, following internal policies;

**Strict control** over waste generation, segregation, storage, and final disposal, with the support of specialized third-party companies, which ensures compliance with environmental legislation.

## Waste Treatment and Disposal.

The collection and treatment of waste follow specific criteria according to its nature:

**Hazardous Industrial Effluents:** When not treated internally, these effluents are sent to external specialized units for proper refining and treatment.

**Sanitary Effluents:** Directed to third-party Wastewater Treatment Plants (WWTPs), where they undergo physical-chemical and biological processes.

**Hazardous Waste:** Temporarily stored in certified facilities and sent for co-processing, incineration, or specific treatment.

**Recyclable Waste:** Segregated, sorted, and sent to licensed companies, in accordance with CONAMA Resolution 275 and ABNT NBR 10004.



# Total Waste Generation. [GRI 306-3]

WASTE GENERATED	2022	2023	2024
Hazardous Waste (t)	3,72	26,34	600,14
Non-Hazardous Waste (t)	7.409,43	49.871,41	286.216,27

WASTE NOT SENT FOR FINAL DISPOSAL	2022	2023	2024
Hazardous Waste (t)	0	25,48	0
Non-Hazardous Waste (t)	0	49.370,54	207.608,21

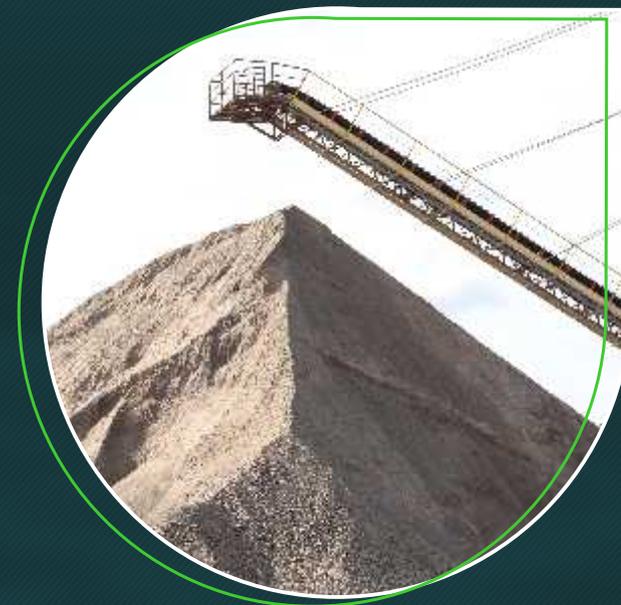
  

WASTE SENT FOR FINAL DISPOSAL	2022	2023	2024
Hazardous Waste (t)	3,72	0,86	600,14
Non-Hazardous Waste (t)	7.409,43	500,87	78.608,06

INCINERATED WASTE (t)	2022	2023	2024
	3,72	0,86	0,003

\*Incineration refers exclusively to healthcare waste, which requires thermal treatment due to sanitary and safety concerns.



# Recovered Waste. [GRI 306-4]

(PREPARATION FOR REUSE, RECYCLING, AND OTHER OPERATIONS):

WASTE	WITHIN THE ORGANIZATION (t)	OUTSIDE THE ORGANIZATION (t)
<b>Hazardous</b>	<b>0</b>	<b>600,14 (total)</b>
Preparation	0	40,2
Recycling	0	0
Other recovery	0	559,9

WASTE	WITHIN THE ORGANIZATION (t)	OUTSIDE THE ORGANIZATION (t)
<b>Non-Hazardous</b>	<b>207.680,97</b>	<b>78.132,10 (reuse)</b>
Recycling	0	12,6
Other Recovery	0	390,6

# Waste with Final Disposal. [GRI 306-5]

(INCINERATION AND OTHER OPERATIONS):

WASTE	DISPOSAL METHOD	WITHIN THE ORGANIZATION (t)	OUTSIDE THE ORGANIZATION (t)
<b>Hazardous</b>	Incineration (no energy)	0	0,003
	Other disposal methods	0	600,137

WASTE	DISPOSAL METHOD	WITHIN THE ORGANIZATION (t)	OUTSIDE THE ORGANIZATION (t)
<b>Non-Hazardous</b>	Incineration (no energy)	0	23.996,30
	Other disposal methods	0	54.611,76

\*Result estimated from the difference between total disposal and volumes declared for incineration.

## Biodiversity. [GRI 3 | GRI 304-1 | 304-2 | 304-3 | 304-4]

AVB and its subsidiaries are fully committed to preserving local fauna and flora, in accordance with Laws No. 12.651/2012 and 9.605/1998. The site's jurisdiction includes two surface water bodies, Rio Pequiá and Córrego Água Branca, with banks ranging from 10 to 15 meters in width. The industrial unit is dedicated to preserving these natural resources of great ecosystemic importance, as well as their banks, covering approximately 122.84 hectares of designated Permanent Preservation Area (APP).

The municipality of Açailândia – Maranhão (MA) is part of the Amazon biome, known for its richness and diversity of tree species, such as ipe. The Maranhão Amazon rainforest also hosts a significant number of epiphytic species (plants that grow on other plants) and shrubs, creating a highly biodiverse ecosystem.

Botanical species in the area include the Açaí (*Euterpe oleracea*), Ucuuba (*Virola surinamensis*), Murumuru (*Astrocaryum murumuru*), and Jenipapo (*Genipa americana*). In the herbaceous layer and stream edges, species like Aguapé (*Eichhornia crassipes*) and Samambaia (*Thelypteris interrupta*) are common. Local fauna includes mammals such as coati, agouti, sloth, and capybara; birds like the barn owl, burrowing owl, hummingbird, white-throated toucan, and spotted puffbird; and reptiles such as caiman, iguana, and boa constrictor.

In addition, Aço Verde do Brasil currently manages a total of 77,147.8 hectares of eucalyptus plantation, highlighting its role in supplying raw materials for biocarbon production through controlled reforestation. AVB operates in the municipalities of Grajaú/MA and Barra do Corda/MA.

## Management of Biodiversity Impacts. [GRI 304-2]

Biodiversity impact management comprises a set of strategies and practices essential for nature conservation and the sustainable use of resources. Therefore, Aço Verde do Brasil focuses on preventing impacts (such as avoiding fossil fuels), minimizing unavoidable impacts, restoring degraded areas, and/or compensating for impacts when necessary. Environmental Impact Studies (EIA) help identify significant environmental impacts and support strategies to minimize them through mitigation measures and/or environmental programs.

To ensure the quality and conservation of natural resources, AVB's environmental team conducts continuous environmental monitoring, including surface water quality, flow rate, atmospheric emissions, noise, and odors. It also performs quantitative and qualitative monitoring of local biodiversity. Awareness campaigns on biodiversity are also promoted with employees through environmental dialogue meetings (DDMA), information distribution, and restrictions on hunting and predatory fishing, especially during campaigns related to this topic. In 2024, the central theme of Environment Week was the Day of Biodiversity (May 15), with the motto: "Preserving is caring, destroying is forgetting."





## Conservation of Fauna and Flora in Areas of Influence. [GRI 304-4]

The company has adopted a “wildlife sighting” project, whereby employees who observe a species on-site can photograph it via the internal system. The environmental team will catalog and, together with the fire brigade, relocate the animal back to its natural habitat.

At Aço Verde do Brasil, during the onboarding process, new employees are given the opportunity to plant a tree in common areas of the company, thereby making their first environmental contribution.

Regarding wildlife, the applied methodology for the census is based on transect sampling, using camera traps and occasional sightings. On Sibéria Farm (one of the company's forest blocks), five mammal species were identified: *Cerdocyon thous* (crab-eating fox), *Dasyus sp.* (armadillo), *Mazama americana* (red brocket deer), *Pecari tajacu* (collared peccary), and *Tamandua tetradactyla* (lesser anteater).

Regarding birdlife (Avifauna), the methodology used was fixed-point listening, a method aimed at estimating bird species abundance in a given area and recommended for studies covering entire bird communities. According to the methodology, the researcher remains seated on the ground for 20 minutes, recording the species seen or heard within a 50-meter radius.

Additionally, species lists were developed using the Mackinnon Listing method (Ribon, 2010), which records birds based on their vocalizations or visual cues during transects at a speed of 1 km/h and no area demarcation. Identified species include: *Cathartes aura* (turkey vulture), *Jacana jacana* (wattled jacana), *Chrysolampis mosquitus* (ruby-topaz hummingbird), among others.

These methodologies allowed for a detailed evaluation of species diversity and abundance in the studied areas, significantly contributing to the knowledge of the local bird population. The combination of listening points and Mackinnon lists made it possible to record both resident and migratory species, offering key data for conservation planning.



Regarding the floristic survey, mapping was conducted through the distribution of sampling units randomly distributed within the boundaries of the project implementation area and its access routes, encompassing a total of 18 sampling units, each measuring 20x20 meters (200 m<sup>2</sup>). From the center of each sample, 10 meters were measured to the left and 10 to the right.

The applied methodology was simple random sampling, and the results recorded 219 individuals, distributed across 103 species, 92 genera, and 35 taxonomic families, including species such as *Myracrodruon urundeuva* (Aroeira), *Copaifera langsdorffii* (Copaíba), *Myrcia tomentosa* (Goiabinha), *Handroanthus albus* (Yellow ipê), *Hymenaea courbaril* (Jatobá), and *Acrocomia aculeata* (Macaúba).

In addition, the Mackinnon Listing method (Ribon, 2010) was used as a second methodology. It consists of recording bird species through sound and visual cues during transects at an average speed of 1 km/h, with no defined area boundaries. As a result, in the studied areas, bird species such as *Cathartes aura* (Turkey vulture), *Jacana jacana* (Wattled jacana), and *Chrysolampis mosquitus* (Ruby-topaz hummingbird), among others, were identified.

# Valuing Natural Habitats. [GRI 304-4]

In order to ensure the preservation of local fauna and flora, the organization not only complies with permanent preservation areas and legal reserves in accordance with environmental laws but also creates ecological corridors. These corridors significantly enhance ecosystem resilience, increasing their adaptive capacity to climate change and other environmental stresses. They may serve as refuges for native species, helping maintain the biological diversity of Cerrado remnants within the farm areas. Various species of fauna and flora, including decomposer microorganisms, find suitable habitats for survival, reproduction, and perpetuation.

Currently, the organization has implemented around 6.44 hectares of ecological corridors, with plans for expansion by 2033. The company adopts a biodiversity offset process grounded in solid sustainability principles, with strategically selected locations, independent verification, and a long-term conservation commitment to affected ecosystems. AVB farms, located in the north-central region of Maranhão, show native vegetation cover ranging from 32.9% to 51.9%.

Recognizing that forestry activities have greater impacts on local biodiversity compared to agricultural activities, and in exceptional cases where compliance with the Forest Code is not viable at the project site, the organization reallocates legal reserve areas from other company farms with similar environmental characteristics, as authorized by the competent environmental agency.

The organization promotes synergies through actions that simultaneously protect biodiversity and combat climate change, using a preventive, integrated, and adaptive environmental management approach that includes ecological corridor construction, the planting of native species, and other initiatives.

Although the cultivation of exotic species such as eucalyptus does not directly meet the requirements of benefit sharing under the law, AVB pays special attention to situations where traditional knowledge may be associated with such use, whether for research, conservation, or environmental programs.

Mapping and monitoring of local biodiversity are carried out on AVB farms, which have permanent preservation and legal reserve areas where native vegetation is monitored. This mapping helps identify potential genetic resources subject to specific regulations.

Whenever access to native genetic resources is necessary for research or development, the company performs prior registration with SISGEN (National System for the Management of Genetic Heritage), ensuring legal compliance with Brazilian legislation.

AVB also establishes partnerships with research institutions: partnerships are formed with universities and research centers to ensure that any activity involving genetic resources on the farms is supported by formal agreements that ensure fair and equitable benefit sharing, where applicable.

Environmental and sustainability teams at AVB farms receive regular training on biodiversity, ABS (Access and Benefit Sharing), and relevant legislation, strengthening the organization's culture of compliance.

The company performs regular audits to ensure legal and environmental compliance on rural properties, including monitoring potential uses of genetic resources.

AVB also supports and facilitates research and development projects in partnership with academic institutions. One such example is the “Environmental Partners” program, which aims to raise awareness among employees, volunteers, and the surrounding community about the prevention and control of forest fires. In addition, the company continuously promotes environmental education and technical training with rural communities and schools near the farms. These actions help revive traditional forest management practices and the medicinal uses of native plants, as well as the voluntary conservation of biodiversity promoted by AVB, which contributes to preserving native ecosystems and maintaining ecological corridors and habitats for local fauna and flora.

To determine biodiversity impacts from its operational units, the company defines its impacts through environmental studies, including Environmental Impact Assessments (EIAs), Environmental Aspects and Impacts Surveys (LAIA), mapping of preserved native areas, and the use of geoprocessing tools for monitoring of native flora and fauna. The company believes that this contributes not only to environmental quality but also to the well-being of neighboring communities.

Environmental projects aimed at conservation and education include the Spring Protection Project and the restoration of APPs (Permanent Preservation Areas), essential to ensuring water quality for communities near AVB's operations. These projects also promote environmental education, sustainable tourism, and the connection between people and nature. Environmental education initiatives, tree planting campaigns, restoration of ecological corridors, and partnerships with local governments and conservation units are part of AVB's broader environmental action. The recovery of vegetation cover in APPs and Legal Reserves (RLs) is also focused on restoring the functionality of native habitats.





# 7



## IMPACTS ON THE LOCAL COMMUNITY



# 07. IMPACTS ON THE LOCAL COMMUNITY.

[GRI 413-1 | GRI 413-2]

AVB recognizes the importance of acting in a socially responsible manner in the regions where it operates, promoting local development and building relationships based on respect, cooperation, and dialogue with civil society. Its commitment to the sustainable development of communities is reflected in the implementation of structured social initiatives and the continuous monitoring of social impacts related to its operations.

In 2024, AVB conducted impact assessments, stakeholder engagement, and community development programs in 55 of the 69 operations evaluated, demonstrating the consolidation of a culture of social responsibility integrated into its business strategy.

To identify and manage positive and negative social impacts, AVB adopts the Social Due Diligence Matrix, a tool that allows the mapping of risks of risks, opportunities, and relevant social impacts in the company's area of influence. Based on this matrix, controls, procedures, policies, documents, and actions are developed to maximize positive impacts and mitigate adverse effects.

In addition, AVB's Social Responsibility Policy ensures continuous engagement with local communities, fostering transparent relationships based on dialogue, respect, and active listening.

AVB's social engagement also translates into partnerships with local organizations. These partnerships aim to enhance the reach and effectiveness of social initiatives. Collaborative efforts with community leaders are key to addressing challenges related to community development, strengthening local ties, and improving communication. AVB believes that achieving sustainable local development is only possible through mutual understanding and cooperation among all sectors of society.



## Positive Social Impacts and 2024 Highlights.



**R\$ 790.000**

Invested in projects through tax incentive laws;



**R\$ 6.429.437**

Invested with own funds in actions and infrastructure of the AVB Institute;



**54.503**

People supported through social projects;



**92**

Social actions carried out;



**53**

Meetings and forums held with the community and strategic partners;



**5.076**

Positive perceptions collected in completed social projects.

## Main Risks and Social Impacts Identified in the Due Diligence Matrix.

Lack of community engagement in actions and projects;

Fragility in dialogue with unions and employer entities;

Budgetary limitations for new investments and partnerships;

Lack of promotion of the well-being of the population of Açailândia;

Exclusion of vulnerable groups (such as women, low-income populations, and ethnic-racial groups);

Income concentration;

Low incentive for the development of local suppliers;

Deficiencies in environmental management (emissions, water, waste);

Weak implementation of AVB's social responsibility policies and principles;

Failure to meet social and sustainability goals;

Risks related to asset security (unauthorized entry, use of weapons, etc.);

Inappropriate price quotation practices.

These risks are assessed in terms of probability and scope, and when properly controlled, have a low and localized residual impact. The potential scopes are classified as follows:

**5 - National (Brazil)**

**4 - State (Maranhão)**

**3 - Municipal (Açailândia)**

**2 - Community (Pequiá)**

**1 - Internal (AVB - restricted to facilities)**

AVB reaffirms its commitment to promoting a positive social legacy in the communities where it operates, contributing to the development of the local economy, society, and environment. This commitment is supported by effective risk management and mitigation of negative impacts, through the implementation of control measures designed to address and reduce such risks.



## Main Programs, Projects, and Actions for e Mitigating and Enhancing Social Impacts.

### VoluntariAÇO.

We promote volunteer initiatives that strengthen the communities where we operate, contributing to the construction of a fairer and more supportive society. Our initiatives are focused on collective well-being, aligned with AVB's purpose and broader social interests. Volunteering plays a fundamental role in building more collaborative and empathetic communities. According to the UN, approximately one billion people around the world engage in volunteer activities, driven by the desire to generate a positive impact on the lives of individuals and society as a whole.



## School Partners.

The "School Partners" Project was created to support students, teachers, and the school community in Açailândia by providing school supplies and cleaning materials to municipal public schools. The initiative aims to reduce the difficulties faced by students who lack resources to purchase basic materials and ease the budget constraints of schools, ensuring an adequate environment for learning and educational development.



In addition to distributing materials, the School Partners Project also promotes integration between the community and schools through collaborative actions such as fundraising events, cultural activities, and celebrations. These initiatives aim to strengthen the relationships between families and schools, encouraging active family participation in school life and contributing to more inclusive and quality education.



## Technical and Post-Technical Scholarship.

A project focused on offering scholarships for technical and post-technical courses, with the goal of promoting professional qualification in the same municipality. The initiative includes both the training of AVB employees and developing the local labor, contributing to prioritizing the hiring of regional workers.



## On the Right Track.

The "On the Right Track AVB" project primarily aims to raise awareness among company and third-party drivers about the importance of safety, health, and well-being. Through educational and informative actions, the initiative promotes responsible practices in traffic addressing essential topics such as physical and mental health, disease prevention, road safety, and environmental sustainability.



In 2024, the project was expanded to include new topics such as mental health, men's healthcare, safe driving, and ecological practices. The initiative also addressed the prevention of child and adolescent sexual exploitation on the roads and provided psychological and emotional support to drivers. With measurable impact, the initiative reached 273 drivers in 2024 alone and included more than 50 awareness actions.



# Apoiar Project.

The main objective of the Apoiar Project is to strengthen the mental health of employees by creating an effective and accessible support network in the workplace. As of 2024, the initiative includes the direct involvement of psychologists in the various sectors of the company, making the service more in line with the reality of each team. This change in approach has allowed the project to be expanded and to offer more personalized and humanized support.



# Family Visit.



The "Family Visit" Project offers a unique opportunity for our employees to share their work environment with their families. We carry out this initiative three times a year, and so far, we have provided this experience to 120 employees and their dependents, allowing them to gain firsthand insight into our production process.

# Cine AVB Project.



This project is a special initiative held on Children's Day, with the aim of providing moments of fun and leisure for Aço Verde do Brasil (AVB) employees and their dependents. On this day, children and their guardians enjoy a cinema session, and receive snack combos including popcorn and soda, as part of the celebration.

## Cuidar Project.



Care for the elderly is a priority to ensure dignity and well-being for this age group. On December 16, 2024, the AVB Institute, in partnership with the Laryssa Pereira Cutrim Nursing Home and Frei Narciso Baisini Nursing Home, carried out the "Cuidar Project", focused on the care and assistance of 77 elderly individuals.

The action included the delivery of personal hygiene kits and hairdressing services such as haircuts, washing, and hydration treatments. Beyond meeting basic hygiene needs, the project also provided moments of care and affection for the elderly, many of whom are isolated from their families.



The initiative also involved AVB Institute volunteer employees, who dedicated their time and attention to the elderly, fostering conversations, active listening, and emotional interaction. These moments of connection emphasized the value of human bonds and contributed to the emotional well-being of participants, reaffirming the Institute's commitment to actions that promote social inclusion and human dignity.

## Little Steel Warriors Tournament.



Sports play a vital role in children's development, promoting physical, emotional, and social health. Aiming to provide a healthy and interactive environment for children in the community, the AVB Institute held the "Little Steel Warriors" tournament on December 11, 12, and 13, 2024, at the AERCA club in Açailândia, MA.



## III Corridaço



The "Corridaço" is a sports event organized by Aço Verde do Brasil (AVB), conducted through the Sports Incentive Law, aimed at engaging employees and the local community in a street race.

In 2024, with an emphasis on education, the race had a solidarity registration format: participants donated reams of A4 paper, which were directed to public schools in Açailândia (MA). The initiative combined sports and social responsibility, encouraging physical activity and promoting education. The project strengthens AVB's commitment to community development and the future of new generations.

In addition to its social impact, Corridaço fostered integration, well-being, and closer relationships between businesses and the community through sport.





# 8



## OUR PRODUCTS, VALUE CHAIN AND ECONOMIC PERFORMANCE



# 08. OUR PRODUCTS, VALUE CHAIN AND ECONOMIC PERFORMANCE. [GRI 2-6]

## Value Chain.

AVB – Aço Verde do Brasil – plays a leading role in the steel industry, standing out for its low environmental impact in the production of long steel products. Using renewable charcoal (biocarbon) as a reducing agent in pig iron production, the company enables a carbon-neutral production process, and is recognized as a pioneer in the production of “green steel” in Brazil.

In addition to steelmaking, AVB is also active in other strategic fronts, such as sustainable forest management, ensuring the supply of renewable biomass for operations, and circular economy practices, particularly in the reuse of industrial residues.

## Activities, Products and Markets.

Headquartered in Açailândia (MA), AVB began operations in 2015 and has been establishing itself as a reference in the sector due to its sustainable approach. The company's main activities include:

Industrialization and commercialization of steel products: production of rebar, wire rod, semi-finished and by-products.

Import and export of steel products.

Production and commercialization of forest and agricultural products, using environmentally protected and responsibly managed areas.

Renewable energy generation from gases produced in the steelmaking process, such as blast furnace and LD converter gases.

Environmental management and sustainability, with investments in clean technologies and 100% renewable sources.



The industrial plant includes a rolling mill with an installed capacity of 720 thousand tons per year. Highlights from 2024 include:

- 1.7% growth in rolled steel sales compared to 2023;
- Rebars and wire rods as the main products sold;
- 10.7% increase in total volume, including semi-finished products.

All production is carried out using 100% renewable energy and environmental control technologies.

Commercial focus is primarily on the domestic market, with emphasis on:

**Southeast Region:** Main consumer market for AVB products, responsible for a significant share of growth in rolled product sales.

**Customer Demographics:** Client base includes construction companies, transformation industries, and other players in the metallurgical and civil construction sectors.

**Exportation:** Although the main focus is on the domestic market, AVB also exports to specialized markets abroad, leveraging its sustainable production certification.

## Data Related to AVB's Production. [GRI 2-6]

		2024	2023	2022
PIG IRON PRODUCTION	(t)	448.531	401.773	361.566
STEEL PRODUCTION (BILLETS)	(t)	498.267	385.925	387.607
STEEL PRODUCTION (HOT-ROLLED)	(t)	436.762	412.576	362.511
STEEL PRODUCTION (DRAWN)	(t)	25.743	16.490	23.135
STEEL PRODUCTION (STRAIGHTENED)	(t)	46.136	29.395	--

## Financial Performance. [GRI 201-1]

In 2024, despite macroeconomic challenges such as increased steel imports and price pressures in the domestic market, AVB demonstrated resilience and a focus on sustainable growth;

- **Net Revenue:** AVB's net revenue in 2024 was R\$ 1,840.7 million, a 6.8% increase compared to the previous year;
- **Gross Profit:** Gross profit reached R\$ 522.4 million, representing a 1.2% increase compared to 2023;
- **Gross Margin:** Gross margin was 28.4%, a decrease of 1.6 percentage points from the previous year, mainly due to;
- **Annual Growth:** Over the past five years, AVB's revenue has shown an average annual growth rate of 19.6%, reflecting the company's strength and ability to adapt to market changes;
- **Adjusted EBITDA:** In 2024, adjusted EBITDA was R\$ 558.4 million, a 3.8% increase compared to 2023, with an EBITDA margin of 30.3% – a level considered healthy for the sector.

Click the link to access our 2024 results:

<https://ri.avb.com.br/listresultados.aspx?idCanal=91130lku4eHNj7xDJ4AFJg==&linguagem=pt>



# Supply Chain. [GRI 414-1]

AVB's supply chain is structured around sustainability criteria, ensuring operational continuity while maintaining socio-environmental responsibility. Suppliers are selected and monitored according to technical, legal, environmental, and social standards.

## Main Supplier Groups.

### FOREST INPUTS

- Type:** Charcoal (biocarbon) from eucalyptus forests.
- Origin:** Own properties and certified local suppliers.
- Location:** Maranhão, Piauí, Tocantins, and Pará.
- Quantity:** Around 30 suppliers.
- Contractual Relationship:** Long-term contracts.

### RAW MATERIALS AND INDUSTRIAL INPUTS

- Type:** Iron ore, metal alloys, lime, fluxes.
- Origin:** Large mining companies and national distributors.
- Quantity:** Around 15 suppliers.
- Location:** North, Northeast, Central-West, and Southeast.
- Contractual Relationship:** Annual or biennial contracts with indexed price adjustments.

### OUTSOURCED SERVICES

- Type:** Logistics, transportation, maintenance, waste management.
- Quantity:** Around 50 service providers.
- Location:** Maranhão, Pará, and other states.
- Contractual Relationship:** Service contracts, mostly annual.

### INDIRECT MATERIALS AND SUPPLIES

- Type:** PPE, tools, administrative materials.
- Quantity:** Around 20 suppliers.
- Origin:** Regional and national distributors.
- Contractual Relationship:** One-off purchases and continuous supply.

## Supplier Management and Monitoring.

AVB adopts strict policies for supplier qualification, including:

- **Regular audits** (financial, environmental, and social);
- **Ongoing risk assessments**, especially for forest biomass suppliers;
- **Blacklist screening**, ensuring compliance with labor and environmental laws.

In addition to ensuring responsible and secure supply, the company seeks to strengthen its regional supply chain, increasing local content and reducing environmental impact from logistics operations.

## Related Party Transactions.

AVB maintains commercial relationships with companies within affiliated companies, such as MECA and other subsidiaries, for the purchase and sale of products and services.

# Social, Environmental, and Quality Assessment of Our Suppliers. [GRI 308-1 | GRI 414-1]

AVB adopts strict criteria for the qualification of its suppliers, focusing on environmental, social, and quality performance, contributing to the strengthening of an ethical, safe, and sustainable supply chain. The approval process requires the prior registration of all suppliers and a thorough document analysis, ensuring compliance with legal and regulatory aspects.

In the environmental sphere, AVB requires the submission of valid environmental licenses, operating permits, and, when applicable, exemption certificates. These documents are organized in a centralized and computerized system, ensuring full traceability and control of the information. The verification and validation of these documents is carried out jointly by the Environmental and Supply departments, with all communications conducted via corporate email to ensure formalization and process integrity.

In the social dimension, AVB evaluates the information and documents based on compliance with labor laws, health and safety regulations, and human rights, especially ensuring that suppliers respect workers' rights and prohibit any form of discrimination or forced labor in their operations.

All 123 new suppliers contracted by AVB in 2024 were approved under these strict criteria, reinforcing AVB's commitment to responsible and sustainable supplier relationships.

Through this structured approach, AVB ensures that its commercial partners are aligned with the principles and values that guide its operations, amplifying the positive impact of its activities throughout the entire value chain.



# 9

## ECONOMIC PERFORMANCE



# 09. ECONOMIC PERFORMANCE.

[GRI 3 | GRI 201-1]

The year 2024 was marked by new records for AVB. Even in a challenging scenario, characterized by a significant increase in steel imports into the Brazilian market, we reached a milestone of 420 thousand tons of rolled steel sold and served 520 customers, according to the Company’s internal data. We successfully maintained healthy margins, with an adjusted EBITDA margin of 30.3% and a net leverage ratio of 0.8x, as reported in the 2024 financial report.

To strengthen our market position, we reinforced our commercial team in the Northeast region, consolidating efforts to increase sales and improve the quality of delivery and customer service. In addition, we expanded our presence in other strategic regions, enhancing customer loyalty and enlarging our client base, thereby ensuring greater commercial reach.

According to the Brazil Steel Institute (IABr), the apparent consumption of long steel products in Brazil recorded a slight recovery of 1.5% compared to the previous year. However, the volume of imported long steel remained high, accounting for approximately 16% of the total volume—an increase of 7% compared to 2023. This surge continued to exert pressure on prices and negatively impacted the profit margins of the domestic steel industry.

Despite this adverse scenario, AVB achieved a 1.7% increase in the volume of rolled steel sales and a 10.7% growth in total volume, including sales of semi-finished products, according to the 2024 annual financial report. As a result, the company’s net revenue grew by 6.8% in 2024. This growth was driven by logistics and commercial efficiency strategies, increased sales in the Northeast region—which benefits from an optimized logistics radius—and the strengthening of customer loyalty and sales expansion in other regions of the country.

Soundness and disciplined management remain top priorities for AVB, which continues to be a benchmark in cost reduction and the optimization of industrial processes. The Company stands out for combining an efficient environmental management model with a production system focused on quality and financial profitability.

AVB issued the first green bond in the national steel industry, reinforcing its leadership in environmental practices. The proceeds are being allocated to projects related to environmental and climate initiatives within the company’s operations, strengthening the ESG pillar. In recognition of its efforts, AVB was awarded first place in the Exame Best of ESG 2024 awards in the Mining, Metallurgy, and Steel category, reaffirming its commitment to sustainable and governance-focused practices.



# Results.

In 2024, the direct economic value generated by the company was R\$ 2,750,215,000.00, entirely from the domestic market, reflecting the solidity of operations in the national steel sector.

Of this total, R\$ 1,161,048,000.00 was distributed in the form of operational costs, salaries and benefits to employees, payments to capital providers, and taxes to the government. The economic value retained — the difference between the value generated and distributed — was R\$ 231,570,000.00, reinforcing the company's reinvestment capacity and the continuity of AVB's activities.

The company also continues to promote regional socioeconomic development through initiatives led by Instituto AVB. In 2024, over 1,000 people in vulnerable communities were supported by actions with social impact. Highlights include the Projeto Vida Ativa, which promoted health and quality of life for around 75 women attended weekly, and the Projeto Parceiros da Escola, which benefited approximately 3,400 students from 17 public schools in Açailândia (MA) through the donation of school and cleaning supplies.

Below is the table showing the components of the economic value generated and distributed by AVB in 2024:

## Direct Economic Value Generated and Distributed. [GRI - 201 - 1]

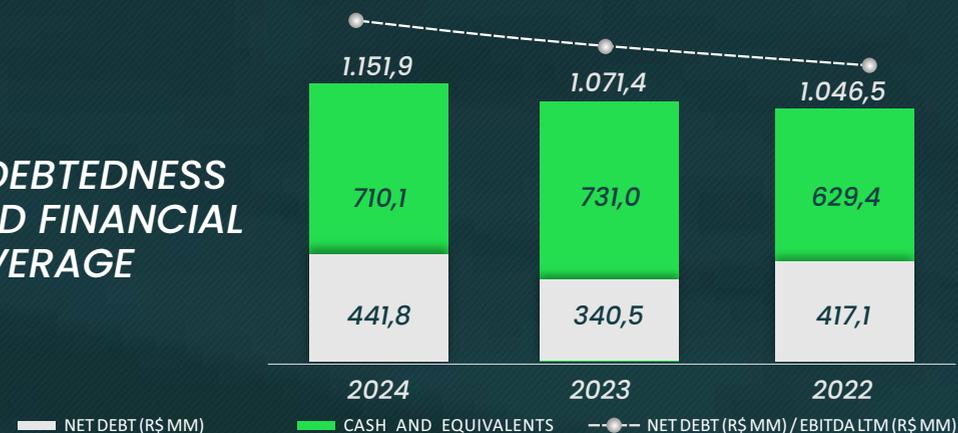
Gross Revenue (R\$ Mil)



### DIRECT ECONOMIC VALUE GENERATED AND VALUE TO BE DISTRIBUTED

VALUE TO BE DISTRIBUTED:	2024	2023	2022
GENERATED VALUE (TO BE DISTRIBUTED) (R\$ Mil)	1.161.048	922.847	1.320.651
DISTRIBUTED ADDED VALUE (R\$ Mil)	645.493	577.455	615.931
RETAINED ADDED VALUE (R\$ Mil)	515.552	345.392	704.720

### INDEBTEDNESS AND FINANCIAL LEVERAGE



### ADJUSTED NET PROFIT (R\$ MM) AND ADJUSTED NET MARGIN (%)



## Final Considerations.

The year 2024 marked a turning point for AVB – Aço Verde do Brasil — more than just an operational cycle, it was the consolidation of a purpose. In each ton of steel produced, each tree cultivated through responsible forestry, each reused residue and each management decision, we reaffirmed our commitment to an industrial model that respects planetary boundaries and drives sustainable development.

Our path is not simple. Transforming the steel industry, a historically emissions-intensive activity, into an example of a circular economy and low carbon emissions requires constant innovation, technical discipline and, above all, long-term vision. By integrating renewable energy, biochar from our own forests, strict emissions management, and continuous investment in operational efficiency, we continue to prove that it is possible to align competitiveness, profitability, and socio-environmental responsibility.

Each advancement achieved in 2024 was only possible thanks to the engagement of our employees, the open dialogue with communities, clients, suppliers, and institutional partners, and the support of shareholders who share this transformative vision. Strong governance, transparent indicators, and continuous improvement are the pillars that sustain the trust in our journey.

The future we envision for AVB goes beyond our company — it is a concrete contribution to a cleaner global steel industry, the strengthening of Brazil's bioeconomy, and the building of a society that understands that development and preservation go hand in hand.

We will continue to move forward with responsibility, innovation, and courage—because we believe that the steel we produce today supports not only physical structures, but also builds bridges to future generations.

***"Yesterday, today, and tomorrow: we take pride in***

Jaime Filipe Justino Lacerda

*Sustainability and Integrated Management System Manager.*



# Sumário de Conteúdo do GRI.

**Declaration of Use** Aço Verde do Brasil reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024, in accordance with the Global Reporting Initiative (GRI) Standards 2021.

"Applicable GRI Sector Standard". "Not Applicable".

GRI Standard	Disclosure	Location	Omission	Reason
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**GENERAL DISCLOSURES**

**"The Organization and Its Reporting Practices"**

	2-1 Organizational Details	6, 10		
	2-2 Entities Included in the Sustainability Report	5		<i>This report primarily covers the units of Aço Verde do Brasil S.A. (AVB), and references its farms (subsidiaries) and the AVB Institute.</i>
	2-3 Reporting Period, Frequency and Point of Contact	5		<i>The reporting cycle is annual; the current reporting period is January 1, 2024 to December 31, 2024.</i>
GRI 2: General Disclosures 2021	2-4 Restatements of Information	5		<i>Information has been included for the following specific content items: [GRI 304] Biodiversity; [GRI 413-2] Operations with significant negative impacts on local communities.</i>
	2-5 External Assurance	5		<i>Bureau Veritas Certification Brazil (Bureau Veritas) was commissioned by AÇO VERDE DO BRASIL S/A to conduct an independent verification of its 2024 Sustainability Report (hereinafter "the Report"), from April 11 to April 17, 2025.</i>

**ACTIVITIES AND WORKERS**

GRI 2: Conteúdos Gerais 2021	2-6 Activities, Value Chain and Business Relationships	6, 79, 80		
	2-7 Employees	26		
	2-8 Workers Who Are Not Employees	26, 28		

**GOVERNANCE**

	2-9 Governance Structure	11		
	2-10 Appointment and Selection of the Highest Governance Body	11		
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	2-18 Evaluation of the Performance of the Highest Governance Body	14		
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**STRATEGY, POLICIES AND PRACTICES**

	2-22 Information on the Sustainable Development Strategy	13, 47		
	2-23 Commitments	15		
	2-24 Embedding of Commitments	16		
GRI 2: General Disclosures 2021	2-25 Processes for Remediation of Negative Impacts	53		
	2-26 Mechanisms for Advice and Raising Concerns	53		
	2-27 Compliance with Laws and Regulations	9, 54		
	2-28 Membership in Associations	55		
	2-29 Approach to Stakeholder Engagement	20		
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**OCCUPATIONAL HEALTH AND SAFETY**

GRI 3: Material Topics	3-3 Management of Material Topics	36		
	403-1 Occupational Health and Safety Management System	36		
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	36		
	403-3 Occupational Health Services	38		

GRI 403: Occupational Health and Safety 2018	403-4 Worker Participation, Consultation and Communication on Occupational Health and Safety	38		
	403-5 Worker Training on Occupational Health and Safety	42		
	403-6 Promotion of Worker Health	38		
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked to Business Relationships	37		
	403-8 Workers Covered by an Occupational Health and Safety Management System	45	All AVB employees are covered by an internal occupational health and safety management system.	
	403-9 Work-related Injuries	43		
	403-10 Work-related Ill Health	45		
	<b>ATTRACTING, DEVELOPING AND RETAINING EMPLOYEES</b>			
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	GRI 401: Employment 2016	401-1 New Employee Hires and Turnover	25, 27	
401-2 Benefits Offered to Full-time Employees That Are Not Offered to Temporary or Part-time Employees		25, 32		
401-3 Parental Leave		25, 33, 34		
404-1 Average Hours of Training per Year per Employee		30		
GRI 404: Training and Education	404-2 Programs for Employee Skill Development and Career Transition Assistance	31		
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GRI 301: Materials 2016	301-1 Materials Used, Disaggregated by Weight or Volume	58		
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GRI 302: Energy 2016	302-1 Energy Consumption within the Organization	59		
	302-2 Energy Consumption Outside the Organization	-	No energy consumption outside the organization.	
	302-3 Energy Intensity	59		
	302-4 Reduction of Energy Consumption	59		
	303-1 Interactions with Water as a Shared Resource	60, 61		

GRI 303: Water and Effluents 2018	303-2 Management of Impacts Related to Water Discharge	60, 61		
	303-3 Water Withdrawal	60, 61		
	303-4 Water Discharge	60, 61		
	303-5 Water Consumption	60, 61	The information on water consumption is based on monitoring data of permissible withdrawal levels under the water-use concessions for both surface and groundwater.	
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	GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-Related Impacts	66	
		306-2 Management of Significant Waste-Related Impacts	66, 67	
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GRI 413: Local Communities 2016	413-1 Operations with Community Engagement, Impact Assessments and Development Program	73 - 77		
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<b>BIODIVERSITY</b>				
GRI 3: Material Topics	3-3 Management of Material Topics	69		

	304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	69
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	69
	304-3 Protected or restored habitats	69
	304-4 Species on the IUCN Red List and national conservation lists with habitats in areas affected by the organization's operations	69, 70, 71
	<b>ENVIRONMENTAL COMPLIANCE</b>	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with Environmental Laws and Regulations	54
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GRI 419: Social Compliance 2016	419-1 Non-compliance with Social Laws and Regulations	54
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GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	83, 84
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GRI 202: Market Presence 2016	202-1 Ratio of the Lowest Wage to the Local Minimum Wage, by Gender	18
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GRI 308: Environmental Supplier Assessment 2016	308-1 New Suppliers Selected Using Environmental Criteria	81
	GRI 414: Social Supplier Assessment 2016	414-1 New Suppliers Selected Using Social Criteria





## INDEPENDENT ASSURANCE STATEMENT

### INTRODUCTION

Bureau Veritas Certification Brasil (Bureau Veritas) was hired by Aço Verde do Brasil S.A. (AVB) to conduct an independent verification of its 2024 Sustainability Report (hereinafter referred to as the Report).

The information published in the report is the sole responsibility of AVB management. Our responsibility is defined according to the scope below.

### SCOPE OF WORK

The scope of this verification was based on the analysis of compliance with the GRI Standards for Sustainability Reporting (GRI Standards), including the Principles<sup>1</sup> of the Global Reporting Initiative™ (GRI) and refers to the financial statements for the period from January 01, 2024 to March 31, 2024.

In geographical terms, we clarify that we verified AVB data and information considering as the main scope the industrial unit, located in Açailândia, in the state of Maranhão. Information related to the farms (Branches) and the AVB Institute are incorporated in a complementary manner, with the purpose of highlighting AVB's social, economic and environmental contribution to the development of the region in which it operates.

### RESPONSIBILITIES OF AVB AND BUREAU VERITAS

The preparation, presentation and content of the Report are the sole responsibility of AVB management. Bureau Veritas is responsible for providing an independent opinion to the Stakeholders, in accordance with the scope of work defined in this statement.

### METHODOLOGY

The assurance included the following activities:

1. Interviews with those responsible for the material issues and the content of the Report;
2. Remote verification of corporate and operational systems and processes used to generate consolidated data and information presented in the Report;
3. Verification of the presentation of information in accordance with the Principles<sup>1</sup> that ensure the quality of the Report, in accordance with the GRI Standards;

1



4. Analysis of documentary evidence provided by AVB for the period covered by the Report (2024);
5. Analysis of stakeholder engagement activities developed by AVB;
6. Assessment of the system used to determine the material aspects included in the Report, considering the context of sustainability and scope of the information published;

The verification level adopted was limited in accordance with the requirements of the ISAE 3000<sup>1</sup>, incorporated into Bureau Veritas' internal protocols.

### LIMITATIONS AND EXCLUSIONS

It was excluded of this verification any information related to:

- Activities not included in the reported period;
- Positioning statements (expressions of opinion, belief, objectives or future intentions) by AVB;
- Accuracy of economic and financial data contained in this Report, extracted from financial statements, verified by independent auditors;
- Inventory of Greenhouse Gas (GHG) emissions, including energy data (verified by independent auditors);
- Data and information from affiliated companies or outsourced employees, over which AVB has no operational control.

The following limitations were applied to this verification:

- The principles of Accuracy and Verifiability were verified on a sample basis, exclusively in light of the information and data related to the material topics presented in the Report;
- The economic information presented in the Report was specifically verified against the GRI Balance and Completeness principles.

### OPINION ON THE REPORT AND THE ASSURANCE PROCESS

- Aço Verde do Brasil S.A. prepared the Report following the Standards and Principles of the GRI Standards, in the "in compliance" option;
- It is our understanding that the AVB Report presents the impacts of the company's activities in a balanced manner;
- We found that AVB constructed its sustainability report reflecting the GRI reporting principles, ensuring a quality sustainability report. The information was presented and demonstrated clearly and the data was verified for its completeness;

2



- Regarding the principle of completeness, we found that the information provided in the Report was sufficient to allow an assessment of the organization's impacts during the reporting period. The financial and socio-environmental impacts were related to the organization's business strategy, considering both the risk and opportunity perspectives of its internal and external flows;
- In 2024, AVB adopted an automated data collection and compilation tool that is compatible with the GRI Accuracy Principle, ensuring the traceability of reported data and indicators. The implementation of this tool contributes significantly to the standardization and unification of data management, resulting in improvements in the verifiability of indicators. However, opportunities for improving the tool were identified in terms of data traceability, which should be adjusted in the next verification cycle to optimize the accuracy and integrity of the process;
- We found that AVB conducted its materiality study in 2022, which included consultations with various stakeholders through interviews, as well as benchmarking in the steel and pulp sectors, resulting in 10 material themes aligned with the company's strategy. AVB states that it intends to conduct a new study for the 2025 cycle.
- Regarding water, AVB used approximately 20% of the authorized grant, demonstrating commitment to water consumption. It was possible to demonstrate control actions for water use, as well as investments to maintain its closed-circuit water system;
- We have highlighted that AVB demonstrates its commitment to social responsibility by carrying out impact assessments, stakeholder engagement and community development programs in a significant majority of its operations, consolidating a culture of social responsibility integrated into the corporate strategy; the adoption of the Social Due Diligence Matrix reflects a systematic approach to mapping social risks, opportunities and impacts. This matrix, aligned with the Social Responsibility Policy, reinforces the company's responsibility to maximize positive impacts and minimize negative ones, promoting proactive and preventive management;
- The data presented to meet the GHG emissions indicators are part of the AVB GHG emissions inventory. This inventory was independently verified by a specialized company. We found that the presentation of the data regarding the inventory followed the GRI Standards;
- Regarding the topic of Biodiversity, we found that AVB carries out preservation initiatives in the industrial scope that encompasses areas of permanent preservation and legal reserves. For this cycle, it was also possible to determine the actions carried out in the forestry scope. We verified the performance monitoring of activities that occur both in environmental protection areas and in areas of high biodiversity value and outside these;



- The inconsistencies found in the Report were adjusted during the verification process and satisfactorily corrected.

### RECOMMENDATIONS

- We recommend improving the data compilation and consolidation tool to ensure the verifiability of all data eligible for reporting.
- Consider in the new materiality study the weighting of each audience consulted, ensuring balanced representation of all audiences.

### CONCLUSION

As a result of our verification process, nothing has come to our attention that would indicate that:

- The information provided in the Report is not balanced, consistent and reliable;
- AVB has not established appropriate systems for collecting, compiling and analyzing quantitative and qualitative data used in the Report;
- The Report does not adhere to the Principles of quality and presentation of information and does not comply with the GRI Standards.

### DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services company specializing in Quality, Health, Safety, Social and Environmental management with over 195 years of experience in independent assessment services.

Bureau Veritas has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their daily activities. We are particularly attentive to preventing conflicts of interest.

The verification team has no other connection with AVB, other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and this verification carried out by our team.

The team that conducted this verification for AVB has extensive knowledge in verifying information and systems involving environmental, social, health, safety and ethics issues, which, combined with experience in these areas, allows us to have a clear understanding of the presentation and verification of good corporate responsibility practices.



## CONTACT

<https://www.bureauveritas.com.br/pt-br/fale-com-gente>



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### **COMMUNICATION CHANNELS**



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