GRUPO AÇO CEARENSE

2025 Sustainability Report



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GRUPO AÇO CEARENSE

Welcome

About the Report

Message from Leadership

2025 Highlights

Materiality





ABOUT THE REPORT

GRI 2-1, 2-2, 2-3, 2-5, 2-14

Welcome to Grupo Aço Cearense's 2025 Sustainability Report. Published annually, it transparently presents the company's main projects and initiatives, as well as its operational and financial performance, from an environmental, social, and governance (ESG) perspective.

This report was prepared in accordance with the Global Reporting Initiative (GRI), a widely recognized international standard for sustainability reporting. It covers January 1 to December 31, 2025, the same period as the company's financial statements.

The information in this report was reviewed and approved by the Group's vice-presidents and president. Comments, questions, and feedback about this report may be sent to comunicacao@acocearense.com.br.

MESSAGE FROM LEADERSHIP GRI 2-22

2025 was a year marked by global geopolitical challenges and transformations that called for even greater resilience, boldness, and courage. Against this backdrop, we strengthened our conviction that sustainable growth is built on a holistic perspective, operational excellence, innovation, and responsibility.

We believe our work is most effective when it creates value for both the company and society. That is why we continue to invest in initiatives that create opportunities and strengthen communities, combining environmental responsibility with the economic and financial sustainability of our business.

The progress we made throughout the year reflects our commitment to people, processes, and technology as we work to enhance our competitiveness, strengthen our operations, and prepare Grupo Aço Cearense for future challenges and opportunities.

> *"At SINOBRAS, we achieved record production at the steel mill, producing 548,000 metric tons of crude steel; stabilized production at Rolling Mill 2; and began expanding the wire drawing facility to increase our production capacity.*
>
> *On the social and environmental front, we reaffirmed our position as the largest metal scrap recycler in Brazil's North and Northeast regions, recycling more than 500,000 metric tons of material during the year. We also retained the GHG Protocol Gold Seal, which recognizes the quality and compliance of our greenhouse gas emissions inventory."* – **Ian Corrêa**, Vice President of Operations.



Ian Corrêa
Vice President of Operations for Grupo Aço Cearense

Vilmar Ferreira
President of Grupo Aço Cearense

Aline Ferreira
Vice President of Sales and Finance for Grupo Aço Cearense

At SINOBRAS Florestal, we continued to invest in expanding our rectangular furnaces and adopting technologies for forestry operations. We operate the largest natural enemy laboratory in northern Brazil, dedicated to controlling crop pests and reducing the use of chemical pesticides. We also run a breeding program to develop eucalyptus clones adapted to the climatic conditions of the Cerrado, the biome where our plantations are located, and have successfully developed and patented our own clone.

We increased our production capacity to **1.5** million metric tons per year



At Aço Cearense, we made significant progress in our industrial, commercial, and logistics operations. We increased productivity by automating product removal on the tube production line with robotic arms. We strengthened operational excellence by applying Lean and Kaizen methodologies with support from our continuous improvement teams.

"On the commercial front, we consolidated our e-commerce operations, streamlining the customer journey. These efforts were complemented by integrated logistics and the expansion of our own fleet with more efficient, less polluting vehicles.

Together, these initiatives helped increase our production capacity to 1.5 million metric tons per year and enabled us to deliver approximately 1.3 million metric tons of steel products to more than 20,000 customers nationwide.

We recognize that sustainable results also depend on people and contribute to our country's development. That is why we support our employees' development through training initiatives and efforts to strengthen our organizational culture. Our teams' commitment is essential to achieving ever-higher levels of performance grounded in safety, excellence, respect, and continuous learning." – **Aline Ferreira**, Vice President of Sales and Finance.

The projects supported by the Aço Cearense Institute reached more than

350,000

people in 2025

We seek to sustain the company's growth with an eye on the future, building a legacy as enduring as steel. Our steadfast values and committed employees make this journey possible. We extend our sincere thanks to everyone whose hard work helps shape our history. You share in the achievements presented transparently in this Sustainability Report.

We hope you enjoy the report!

Vilmar Ferreira
President of Grupo Aço Cearense

2025 HIGHLIGHTS



Revenue of
BRL **7.2** billion

Production capacity increased to
1.5 million
metric tons per year

Greenhouse gas emissions inventory awarded the
GHG PROTOCOL GOLD SEAL

Increase of
200%
in the production of natural enemies to control crop pests, reducing the use of pesticides

Approximately
1.3 million
metric tons of products delivered to **more than 20,000 customers**

More than
18,000 suppliers

More than
5,400
direct jobs and more than 140,000 indirect jobs

More than
350,000
people benefited from projects supported by the Aço Cearense Institute

MORE EFFICIENT
detection of impurities in metal scrap using cameras connected to an AI neural network

MATERIALITY

GRI 2-12, 2-13, 2-14, 2-23, 2-24, 3-1, 3-2

Grupo Aço Cearense's approach to social, environmental, and governance issues is guided by its materiality matrix, which identifies and prioritizes the ESG topics most relevant to the company. Updated in 2025 to consider both positive and negative impacts, the matrix guides decision-making.

It is revised to reflect developments in the business, changes in the regulatory environment, evolving stakeholder expectations, and global progress on ESG issues. The current version follows GRI recommendations and incorporates input from the company's stakeholders. The aim was to understand how the company's operations affect society, the environment, and the economy.

The process was divided into four stages:

1. **SUSTAINABILITY CONTEXT:** analysis of Grupo Aço Cearense's activities and relationships. This stage included comparisons with other companies and an assessment of external factors shaping the ESG landscape to identify best practices in sustainability. The result was a comprehensive list of topics for the materiality matrix.

2. **IDENTIFICATION AND ASSESSMENT OF IMPACTS:** based on the topics mapped, the impacts associated with the company's operations were analyzed. Each impact was assessed for severity and scope, considering factors such as its extent, likelihood, and potential for mitigation.

3. **REVIEW AND CALIBRATION:** the analysis from the previous stage was validated and refined through interviews with representatives of the Group's strategic areas and questionnaires completed by employees, suppliers, and customers. Their input helped refine the impacts identified and confirm the relevance of the topics.

4. **DEFINITION OF MATERIAL TOPICS:** in the final stage, the topics most relevant to the company and its stakeholders were prioritized. The process produced a list of ten material topics that guide sustainability management and the preparation of this report. The list was approved by the Group's vice-presidents and president.

Material topics GRI 302

- CLIMATE CHANGE
- WATER AND EFFLUENTS
- WASTE AND THE CIRCULAR ECONOMY
- BIODIVERSITY
- HEALTH AND SAFETY
- LOCAL COMMUNITIES
- HUMAN CAPITAL
- SUPPLY CHAIN
- ETHICS AND GOVERNANCE
- INNOVATION



ESG Journey Working Groups

Based on the materiality matrix, the company established a working group (WG) for each material topic. The working groups propose actions and monitor selected performance indicators.

Each is led by an employee with a strategic role in the relevant area. Known as the group's "mentor," this person guides the initiatives, drives their progress, and keeps them on course. The other members, known as "guardians," promote coordination across areas to ensure the proposed initiatives continue to advance.

GRUPO AÇO CEARENSE

Grupo Aço Cearense

About Us

Operational Excellence

Financial Results



ABOUT US

GRI 2-1, 2-6

Grupo Aço Cearense is a privately held group of companies with integrated operations in steel sales, metalworking, steelmaking, forestry focused on producing bioreductants for its own use, and steel product logistics. Founded in 1979 as Ferro OK, the business has evolved over more than 46 years to become an industry leader in Brazil's North and Northeast regions.

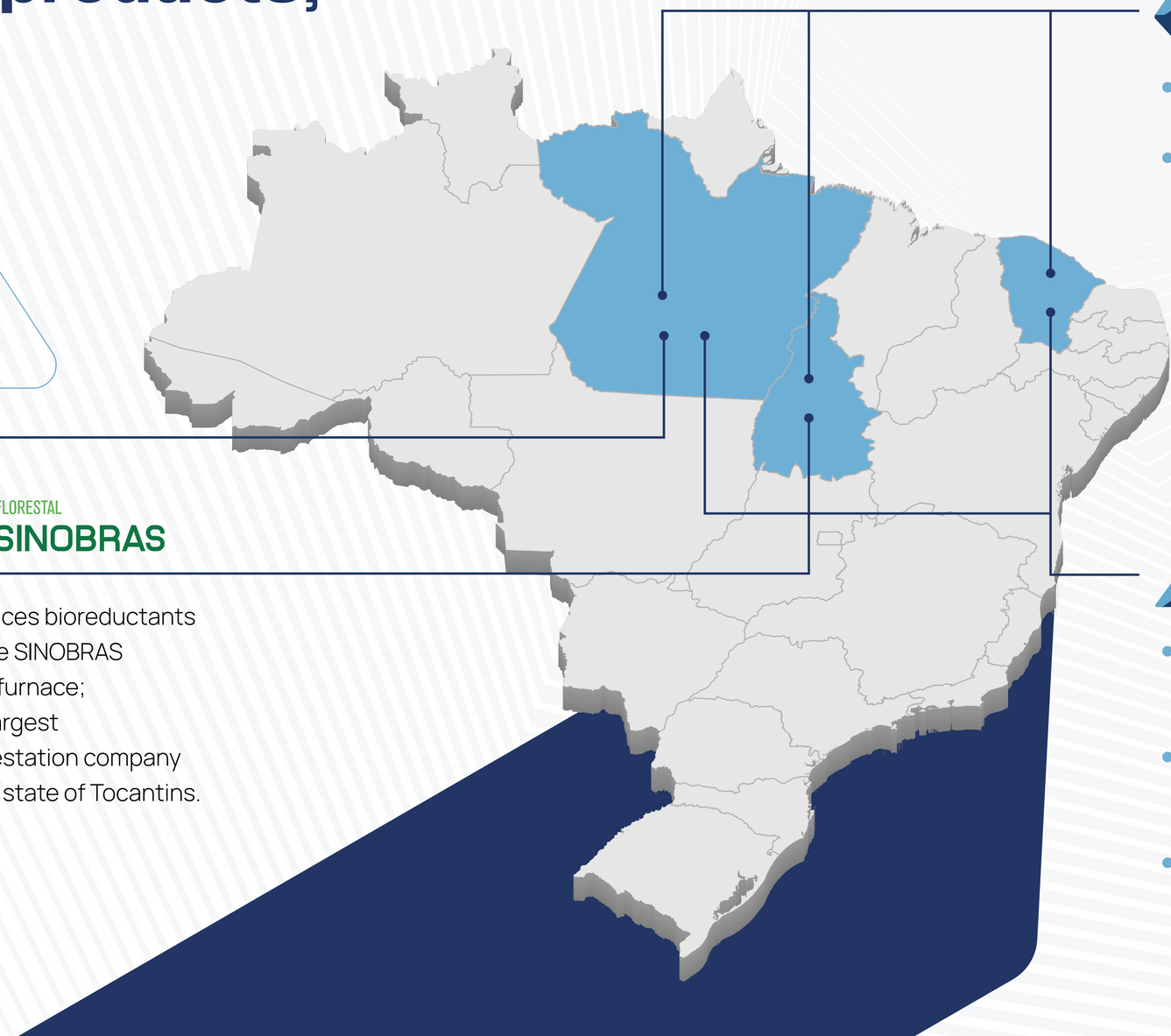
The Group's value chain extends from primary steel production to the supply of finished products to a range of markets throughout Brazil. Its industrial products and solutions primarily serve construction, general industry, industrial equipment manufacturing, and consumer goods. The Group's administrative and institutional headquarters are in Fortaleza (CE).

Grupo Aço Cearense has integrated operations in steel sales, metalworking, steelmaking, forestry, and steel product logistics.



Our companies, products, and services GRI 2-6

Grupo Aço Cearense comprises SINOBRAS, SINOBRAS Florestal, Aço Cearense, and the Aço Cearense Institute. Learn more about each of them:



SINOBRAS

- Produces long steel products for construction;
- The largest recycler of metal scrap in Brazil's North and Northeast regions.

FLORESTAL SINOBRAS

- Produces bioreductants for the SINOBRAS blast furnace;
- The largest reforestation company in the state of Tocantins.

Instituto AÇO CEARENSE

- Promotes social transformation and inclusion;
- Helps strengthen communities in the regions where the Group operates.

AÇO CEARENSE

- Has five facilities combining industrial, commercial, and logistics capabilities;
- Produces flat steel products and items used in construction and other sectors;
- The largest manufacturer of welded pipes in South America.



Learn more about the SINOBRAS products.

SINOBRAS GRI 2-6

SINOBRAS is the Group's steel mill, operating in the long steel segment. Founded in 2006, it is located in Marabá (PA). Its products are widely used in construction: rebar (straight, bent, spooled, coiled, and in rolls), wire rod, trusses, welded wire mesh, woven mesh, column mesh, and annealed wire. These products are used as internal reinforcement for reinforced concrete and in the steel structures of buildings, warehouses, and bridges.

In 2025, the consolidation of the new rolling division increased the plant's rolled steel production capacity to 850,000 metric tons per year (see page 23). An on-site substation with a capacity of 100 MVA, connected to the 230 kV main grid, supplies power to the plant.

SINOBRAS uses a high proportion of metal scrap as a raw material in its long steel production. The scrap is collected from supplier partners in several states.

Integrated steel production process

FORESTRY
Production of bioreductants

1

Bioreductant

BLAST FURNACE
Pig iron production

2

Pig iron is produced using bioreductants as an energy source, together with iron ore, fluxes, and sinter produced through the reuse of internal co-products

Liquid pig iron

STEELMAKING
Steel production

Pig iron and scrap metal are transformed into steel in an electric arc furnace

3

Billet

ROLLING
Hot rolling of billets into rebar, coils, and wire rod

4

WIRE DRAWING
Cold forming of steel wire into welded wire mesh, trusses, column mesh, and annealed wire

5

SINOBRAS Florestal GRI 2-6

SINOBRAS Florestal produces bioreductants for the steel mill's blast furnace. The company manages the entire eucalyptus production cycle, from planting through harvesting, as well as the carbonization of the harvested wood. Its production units cover more than 48,000 hectares in the Tocantins municipalities of São Bento do Tocantins, Araguatins, and Ananás. To increase productivity, the company maintains a tree breeding program.

More than
48,000
hectares of forest land in Tocantins

In 2025, SINOBRAS Florestal expanded its carbonization capacity to a total of 48 rectangular furnaces. These furnaces represent a technological advance over traditional kilns, enabling higher productivity and greater sustainability. A project to install sensors in some of the furnaces was launched to control carbonization automatically by adjusting internal temperature and oxygen levels. The aim is to improve process efficiency and reduce CO_2 emissions.

Technology is also used extensively in plantation management. SINOBRAS Florestal operates the largest laboratory for natural enemies in northern Brazil.

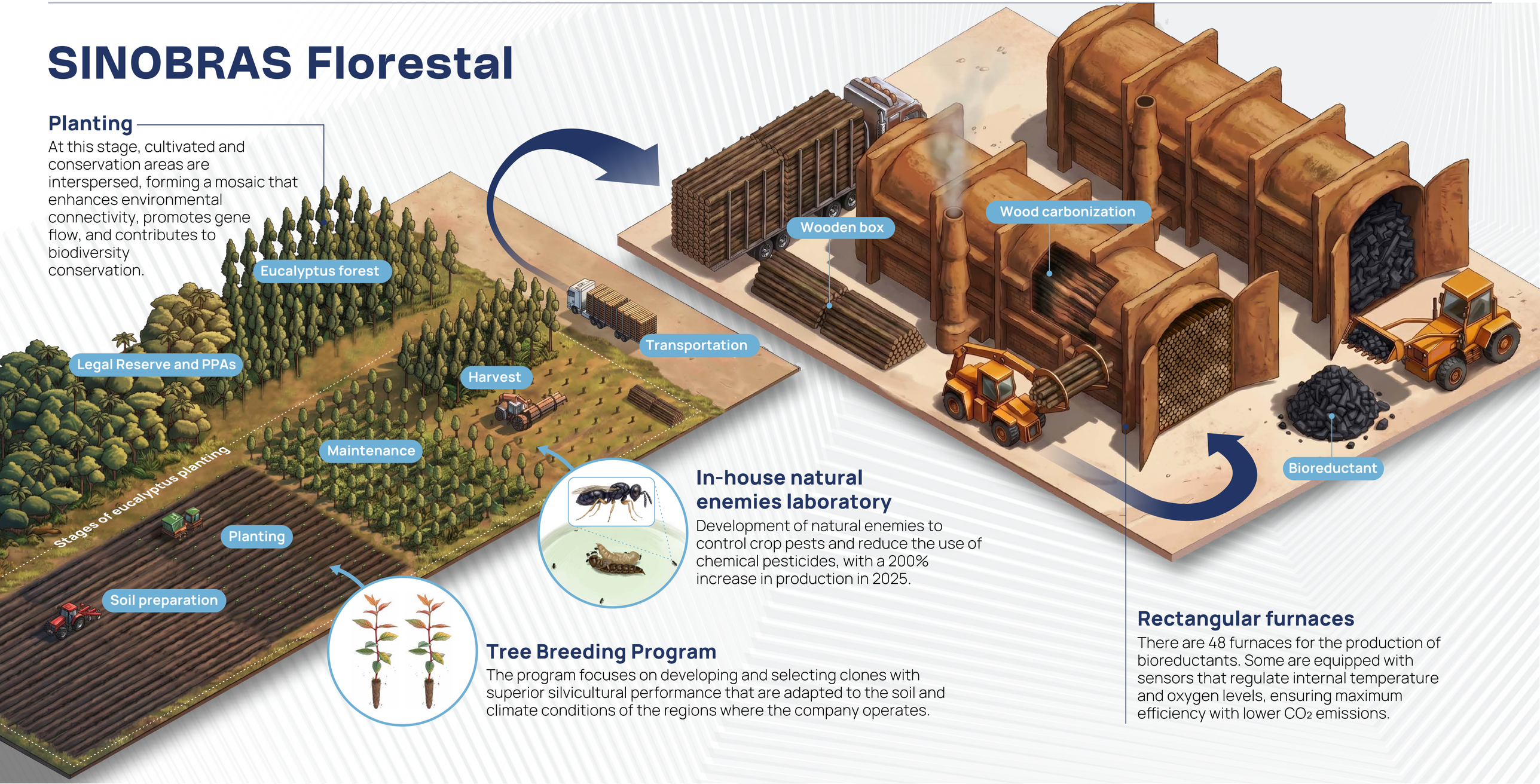


Learn more
about SINOBRAS Florestal in the infographic on the next page.

SINOBRAS Florestal

Planting

At this stage, cultivated and conservation areas are interspersed, forming a mosaic that enhances environmental connectivity, promotes gene flow, and contributes to biodiversity conservation.



In-house natural enemies laboratory

Development of natural enemies to control crop pests and reduce the use of chemical pesticides, with a 200% increase in production in 2025.

Tree Breeding Program

The program focuses on developing and selecting clones with superior silvicultural performance that are adapted to the soil and climate conditions of the regions where the company operates.

Rectangular furnaces

There are 48 furnaces for the production of bioreductants. Some are equipped with sensors that regulate internal temperature and oxygen levels, ensuring maximum efficiency with lower CO_2 emissions.



Learn more about Aço Cearense products.

Aço Cearense GRI 2-6

Aço Cearense was the Group's first company, initially founded to sell its products. Today, it has three commercial facilities in Fortaleza (CE), two industrial facilities in Caucaia (CE), and two logistics facilities—one in Caucaia (CE) and the other in Marabá (PA). By combining commercial, industrial, and logistics capabilities, the company offers services tailored to each customer's business needs, such as split orders and product credit. Its ability to meet specific customer needs is one of its distinguishing features.

Aço Cearense is the largest manufacturer of welded pipes in South America. It also manufactures profiles, flat sheets, roofing sheets, wainscoting, stainless steel sheets, and drawn products for construction and other sectors. Its production capacity is 676,000 metric tons.

Logistics GRI 2-6

Logistics operations are managed across the Group to serve all its companies. The goal is to provide customers with fast, flexible, and secure deliveries. Investments and operational changes gave this division fresh momentum in 2025. See **page 23** for more information.

Production process for flat steels and related products

Aço Cearense produces flat steel and related products and is the largest manufacturer of welded tubes in South America. Its products are used in construction and other sectors.

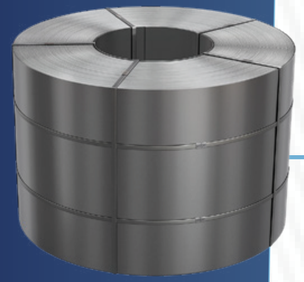
Grupo Aço Cearense is one of the largest cargo handlers at the PecÉm Industrial and Port Complex in Ceará.



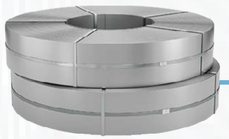
Caucaia

CE

STEEL COIL

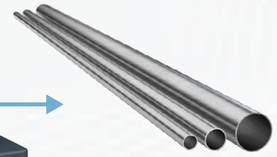






Slit coil





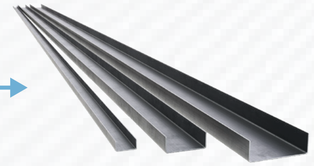
Welded steel tube





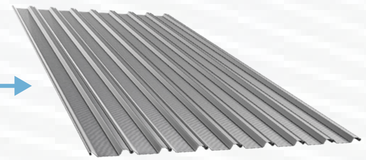
Cut-to-length sheet



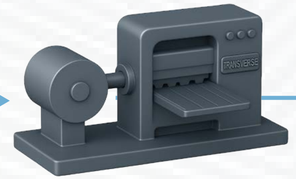


Steel profile





Corrugated steel roofing sheet



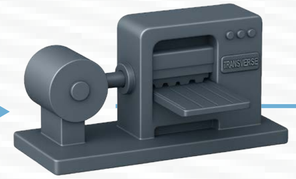


Roller shutter slat





Narrow coil





Steel frame profile

Aço Cearense Institute GRI 2-6

Since 2010, the Institute has worked to promote social transformation and inclusion. It supports projects and causes in health, education, culture, sports, social services, entrepreneurship, and the environment. Over 15 years of operation, it has invested more than BRL 40 million in social initiatives in Ceará, Pará, and Tocantins, benefiting more than 1 million people. Its activities help strengthen communities in the regions where the Group operates.



BRL **40** million
invested in social initiatives over 15 years

Learn more
about the Group's social initiatives on page 55.



Purpose, mission, vision, and values

PURPOSE

To contribute to our country's development by supporting our customers' growth.

MISSION

To operate in the steel market sustainably, with agility and excellence.

VISION

To surprise the market with the way we do business, delivering results that sustain our financial stability.

VALUES

- Humility
- Focus and determination
- Integrity
- Safe work
- Faith in God
- Respect and transparency

Our History

1979

Ferro OK, the Group's first company, is founded in Fortaleza (CE) to sell steel products.

1984

Ferro OK becomes Aço Cearense. The new sales and marketing strategy aims **to expand distribution throughout Ceará**.

1997

The Group opens its first industrial facility, in Caucaia (CE), Aço Cearense Industrial, to manufacture flat steel products.

2006

SINOBRAS, the first integrated steel mill in northern and northeastern Brazil, is established in Marabá (PA) to produce **long steel products**. **SINOBRAS Florestal** is also established in Tocantins, **to grow eucalyptus** for bioreductants used at the steel mill.

2008

Aço Cearense Industrial increases its production capacity by 35%, and steelmaking and rolling operations begin at SINOBRAS.

2010

Wire drawing operations begin at SINOBRAS. **The WMA Institute**, later renamed the Aço Cearense Institute, is established.

2020

The Group publishes its first GHG emissions inventory.

2022

SINOBRAS **establishes itself as the largest recycler of metal scrap** in northern and northeastern Brazil.

2023

Aço Cearense Logística is established **to coordinate the logistics operations across the Group**.

2025

SINOBRAS expands production with new rolling and wire drawing facilities.

Learn more about the history of Grupo Aço Cearense.



OPERATIONAL EXCELLENCE

The pursuit of excellence in management reflects the company's values and its commitment to providing products and services that add value to its customers' businesses. To this end, the Group works to establish safe, sustainable processes that support its operations and strengthen the reputation and credibility of its brands.

The Operational Excellence Program (OEP) is one example. Led by the Innovation area, it encompasses all Group departments. In 2025, the program gained momentum by encouraging improvements to workflows and processes throughout the Group, expanding its previous concentration on the productivity of assets and equipment.

Focused Improvement Working Groups (FIWGs) were therefore formed to address bottlenecks in industrial operations.

The initiative aims to reduce costs, raise productivity, and strengthen Grupo Aço Cearense's competitiveness. The working groups use Lean Manufacturing to identify and reduce waste while creating value for customers, and Kaizen to pursue continuous improvement.

In 2025, the FIWGs carried out projects that included reducing average setup time and introducing Overall Equipment Effectiveness (OEE) in steelmaking, rolling, and wire drawing. Programs such as Champions of Setup were also developed, along with pillars covering Maintenance, Logistics, Education and Development, Autonomous Management, and Focused Improvement Management, to support the Operational Excellence Program as a whole.

Working groups are formed to address bottlenecks in industrial operations.

Production expansion

The Group's continuing pursuit of operational excellence has enabled it to expand production capacity. In 2025, investments were made at every stage of steel production.

Learn about the improvements at each stage of the production process:

- **Blast furnace:** steel production begins in the blast furnace. Charcoal is used to heat and reduce iron ore, producing liquid pig iron. To improve energy efficiency, SINOBRAS installed two injectors equipped with post-combustion technology. They enable controlled injection of oxygen (O_2) into the upper part of the furnace, above the combustion zone, promoting the oxidation of carbon monoxide (CO) into carbon dioxide (CO_2). This reaction releases additional heat inside the furnace, improving thermal efficiency and productivity while reducing specific fuel consumption. It also helps reduce greenhouse gas emissions per metric ton of pig iron produced.
- **Steel mill:** in an electric arc furnace, metal scrap and pig iron are transformed into steel, which is then cast into billets—solid, semi-finished products. In 2025, SINOBRAS advanced the modernization of this stage, with a project to replace 80% of the continuous casting equipment. The project was completed in June 2026. During the reporting period, steel mill production reached a record: 548,000 metric tons. The target for the next cycle is 560,000 metric tons.



Grupo Aço Cearense also has a partnership with Vale to build a new integrated steel mill in Marabá (PA). Studies and technical planning for the project progressed in 2025. Expanding steel mill production is important to the Group's competitiveness. The company currently purchases billets on the market to supply the subsequent rolling and wire drawing stages.

Following these investments, the Sales and Logistics divisions worked together to make use of the new installed capacity. Approximately 1.3 million metric tons of steel products were shipped to the domestic market in 2025.

548,000
metric tons: record steel mill production

- **Rolling:** billets are rolled into wire rod, coils, bars, and CA50 rebar in coils, among the products sold by the Group. In 2025, production stabilized at SINOBRAS's Rolling Mill 2, which began operating in the previous cycle. This raised rolling capacity from 380,000 to approximately 850,000 metric tons per year.

- **Wire drawing:** wire rod is processed into a range of products sold to the Group's customers. SINOBRAS completed Phase 1 of its wire drawing plant expansion in 2025. The expansion increased finished-product capacity from 102,000 to 200,400 metric tons per year. The company also began purchasing equipment for phase 2, which is expected to increase the facility's production by a further 60% and be completed in 2027.

- **Pipes:** Aço Cearense Industrial also manufactures welded steel pipes. They are manufactured by forming sheet metal. The company installed robotic arms to remove finished products automatically from two machines. The investment increased productivity and reduced ergonomic risks for employees.

Stages of steelmaking

BLAST FURNACE
Production begins in the blast furnace, where iron ore and fluxes are used to produce pig iron.

STEEL MILL
Pig iron and scrap are transformed into steel, which is cast into billets.

WIRE DRAWING
Wire rod produced at Rolling Mill 2 is cold-worked into drawn products, including welded mesh, column mesh, trusses, and annealed wire.

ROLLING
This is the stage where billets are turned into wire rod, coils, bars, and CA50 rebar in coils, among the products sold by the Group. This stage comprises:

- Rolling Mill 1: uses blast furnace gas to reheat and roll billets into straight rebar in diameters from 8 mm to 25 mm; and
- Rolling Mill 2: produces CA50 rebar in diameters from 6.3 mm to 12.5 mm; wire rod from 5.5 mm to 16 mm; and and spooled rebar from 10 mm to 16 mm.



More bioreductants for steel production

GRI 3-3 [Innovation]

Increasing bioreductant production is another Grupo Aço Cearense goal. To this end, SINOBRAS Florestal completed the construction of 20 new rectangular furnaces, bringing the total to 48. Technological innovations have also increased productivity in the carbonization process (see page 26).

Bioreductants are produced by carbonizing eucalyptus wood and are used in the blast furnace during steel production. In 2025, investments in forestry technology also made seedling planting more efficient. The replanting rate was below 10% during the period, generating savings of approximately BRL 3 million.

SINOBRAS Florestal aims to make Grupo Aço Cearense self-sufficient in bioreductants. Its own production currently supplies approximately 43% of the Group's consumption.

Through its forestry operations, SINOBRAS Florestal has become the largest reforestation company in Tocantins.

INNOVATION

GRI 3-3 [Innovation]



Grupo Aço Cearense's innovation structure was updated in 2025 with the creation of an Innovation Center.

Organizational ambidexterity shapes Grupo Aço Cearense's approach to innovation. The Group pursues operational excellence and efficiency while exploring innovative solutions across three horizons: incremental (H1): short-term innovation that sustains the business and operational efficiency; adjacent (H2): short- and medium-term innovation that expands areas of operation or markets; and disruptive (H3): long-term innovation that creates new technologies, behaviors, and solutions.

To better support these investments, Grupo Aço Cearense updated the structure of its Innovation area in 2025. It established a Development Center with a multidisciplinary team to increase the impact of initiatives at more competitive costs and support value creation.

The main pillar for initiatives in this area is the ***Inovar* (Innovate) Program**. The program supports organizational ambidexterity internally by encouraging a culture of innovation and externally through the company's relationships with the broader innovation ecosystem. It connects the Group with startups, scientific and technological institutions (ICTs), units of the Brazilian Industrial Research and Innovation Company (EMBRAPII), innovation hubs, and other partners. In the digital sphere, the company also operates OCA Lab, a laboratory that collaboratively researches and develops business opportunities.

Internally, the Group launched the **Digital Transformation Program** to establish a unified method for developing solutions. The program aims to equip employees to work in innovative ways, in line with guidelines set by the Information Technology (IT) department. It promotes a stronger, more integrated digital culture while giving the Group's divisions autonomy within their respective governance structures.

Participating employees, known as "digital transformers," receive training in tools such as generative AI, software development, and dashboards. This enables them to build their own indicator dashboards and help develop solutions for their areas' needs. The company also created the role of "digital partner:" a professional dedicated full-time to digital transformation in a specific area, with an analytical approach and a focus on business results.

In 2025, Grupo Aço Cearense had 64 digital transformers across 46 areas. A total of 50 digital initiatives were completed; 68% saved more than five hours per month.

Solutions that deliver results

40,000
parasitoid releases to combat the caterpillar in 2025

Grupo Aço Cearense continuously monitors its projects to determine whether they qualify for incentives under the Lei do Bem, a federal program for companies that invest in research, development, and technological innovation. The company has incorporated an artificial intelligence (AI) agent into its Inovar Program to perform this assessment automatically.

Used at the initial stage of the incentive application process, the technology makes analyses faster, more consistent, and more reliable. AI has reduced the operational effort and time required for validation interviews, strengthening governance over innovation projects receiving incentives. The Group's maturity in managing innovation earned it a place in a book published by the Ministry of Science, Technology, and Innovation (MCTI) to mark 20 years of the Lei do Bem (the Brazilian Innovation Law), enacted in 2005.

Grupo Aço Cearense manages innovation proactively to maximize the positive impacts of its investments while mitigating potential risks, such as increased energy consumption and industrial waste generation. The effectiveness of these measures is tracked through process automation tools that monitor and optimize operations.

The spread of an innovation culture and Grupo Aço Cearense's investments in transformative solutions have improved results in this area.

Forestry

SINOBRAS Florestal is conducting a pioneering tree breeding program to develop eucalyptus clones adapted to the climatic conditions of the Cerrado, the biome where its plantations are located. It works in partnership with the Forest Research Society (SIF).

The company has one patented clone and four others undergoing registration. The clones are being developed to increase timber yields and productivity, reducing the need to expand planting areas. Making these cultivars available on the market also encourages forestry investment in the region.

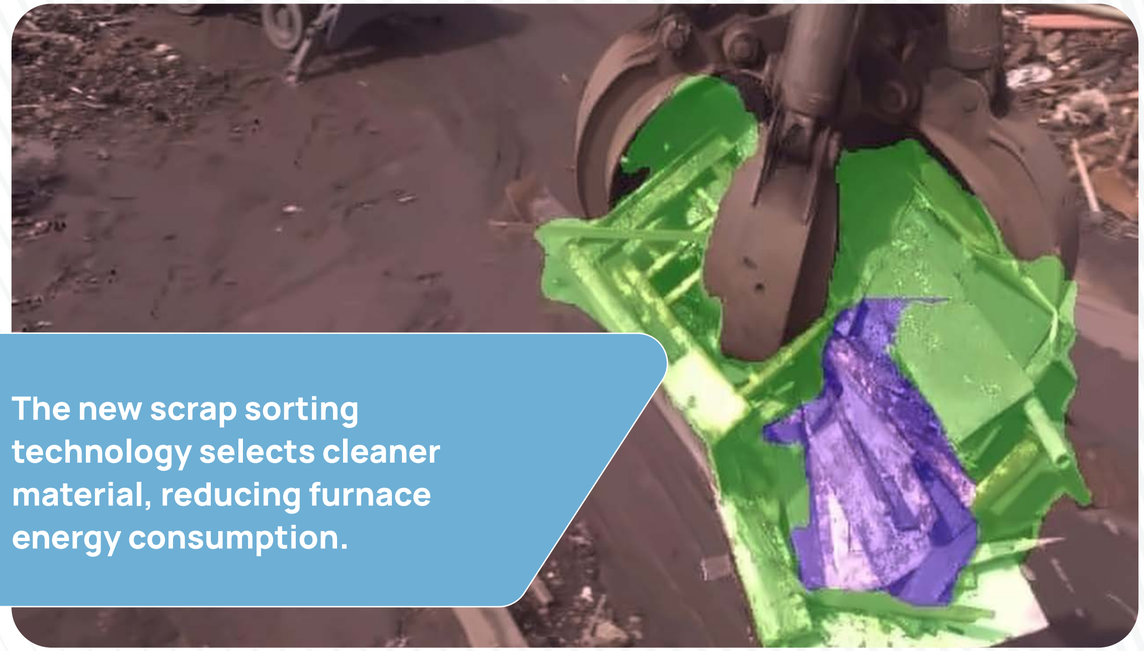
SINOBRAS Florestal also invests in research and the development of natural enemies to control plantation pests and reduce the use of chemical pesticides. The laboratory established for this purpose is the largest in northern Brazil. Parasitoid production increased by 200%, with more than 40,000 releases to control caterpillars in 2025. The laboratory is also researching ways to control other pests, including psyllids and brown marmorated stink bug.



Logistics and industry

Grupo Aço Cearense has introduced high-resolution cameras connected to an AI neural network to identify impurities such as dirt, plastic, wood, and rubber as metal scrap is unloaded. The system is integrated with a control tower that enables detailed analysis in real time.

As a result, scrap sorting, previously based on visual judgment, has become more efficient. The technology provides suppliers with visual evidence of impurities, helping prevent improper freight payments for substandard material. Cleaner raw materials also reduce furnace energy consumption and deliver significant productivity gains at the steel mill.



The new scrap sorting technology selects cleaner material, reducing furnace energy consumption.



Expansion of the digital channel

Grupo Aço Cearense's online store serves consumers in Ceará who need products quickly, with prompt delivery by the company's own fleet.

The brand's digital presence strengthens the company's institutional profile and modernizes the purchasing experience. Studies are underway to scale up the operation and gradually extend service to other states.

Logistics

Since 2023, Grupo Aço Cearense has managed logistics operations across all its companies in an integrated manner. This approach was essential to distributing nearly 1.3 million metric tons of steel to the Brazilian market in 2025, using approximately 57,000 vehicles.

During the year, the Group expanded and modernized its fleet. It purchased 105 new trucks equipped with the latest technology, bringing its own fleet to 312 vehicles. Fleet renewal prioritized vehicles with more fuel-efficient engines and lower emissions.

A centralized control tower now manages the fleet's logistics. It monitors routes and vehicle data for both the company's own trucks and contracted vehicles operating throughout Brazil. The operation uses AI and the Internet of Things to monitor fuel consumption and driver behavior in real time.



Logistics fleet expansion and modernization: 105 new trucks equipped with the latest technology, bringing the fleet to 312 vehicles.

The company also redesigned its logistics operations so that trucks delivering finished products to customers return to the factory carrying metal scrap. This has reduced the number of trucks traveling empty and lowered fuel consumption per metric ton transported.

For imported raw materials used in part of Aço Cearense's production, the Group has begun the process of obtaining Authorized Economic Operator (AEO) certification. The certification would allow the company to accelerate customs clearance and streamline its import logistics

High-volume production

The Group studied production and delivery flows with a view to implementing a pull-based production system. By linking finished-product output to customer demand, this model improves inventory management.

Theory of Constraints

Grupo Aço Cearense also applies best practices based on the Theory of Constraints. In 2025, it carried out layout projects at both micro and macro scales to improve the physical arrangement of work areas, generating benefits across several operations.

FINANCIAL RESULTS GRI 201-1

According to statistics from the Aço Brasil Institute, Brazil produced 33.4 million metric tons of crude steel in 2025, down 1.4% from 2024. Imports fell by 7.4%. Domestic sales declined by 0.2% to 21.2 million metric tons. Exports totaled 10.7 million metric tons, down 1.6% from the previous year.

Grupo Aço Cearense produced 1,217,859 metric tons of steel in 2025, up 12.4% from 1,083,829 metric tons in 2024. Sales volume rose from 1.050 million to 1.259 million metric tons, an increase of 19%. Net revenue reached BRL 6.4 billion, up 13.4% from BRL 5.7 billion in 2024. The increase reflected higher sales volume, despite a lower average selling price. Gross margin fell from 27% in 2024 to 18% in 2025.

Net income rose to BRL 324 million in 2025, from BRL 182 million in the previous fiscal year. EBITDA was BRL 321 million, with a margin of 5%, compared with BRL 810.7 million and of 14% in 2024. Despite higher sales volume, the lower average selling price reduced gross profit by 22.9%. Operating expenses also rose by 24.6%. Gross debt increased by 95%, while cash and cash equivalents fell by BRL 95 million. In 2024, that balance had increased by BRL 183.2 million.

Direct economic value generated (BRL)



Economic value distributed (BRL)

	2024[1]	2025
Operational costs	4,692,303.31	5,845,756.00
Employee salaries and benefits	478,548.00	498,777.00
Remuneration of third-party capital	1,300,267.00	807,653.00
Return on equity	12,562.00	250,000.00
Payments to the government (by country)	359,999.00	801,282.00
Investments in the community	4,096.69	7,993.00
Total	**6,847,776.00**	**8,211,461.00**

Retained economic value (BRL)

	2024	2025
Total	**171,931.00**	**68,813.00**

1. The financial data for 2024 have been updated from the previously published version. GRI 2-4

Socioeconomic *impact*

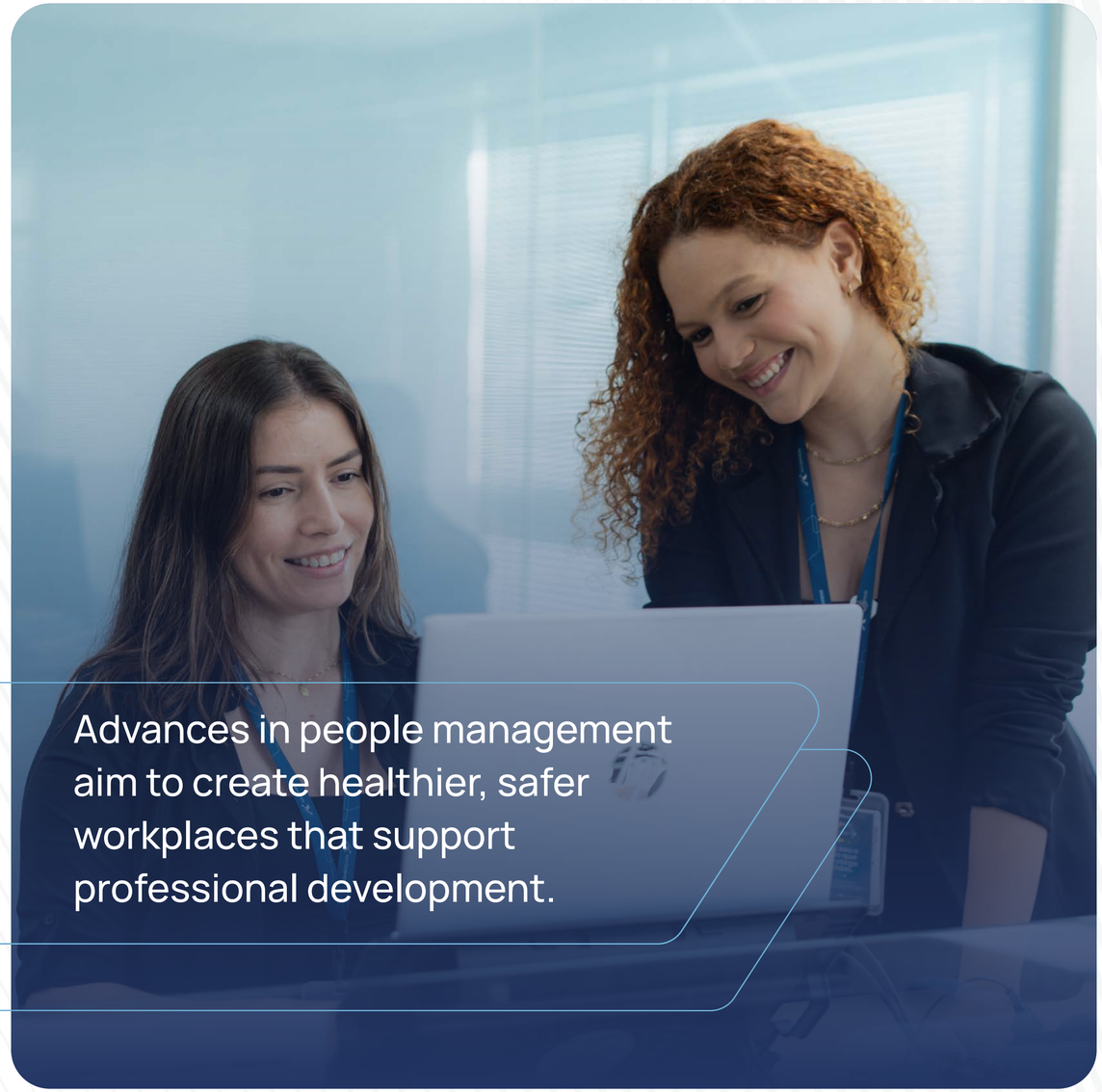
People Management

Customers

Suppliers and Partners

Community Development





PEOPLE MANAGEMENT

GRI 3-3 [Human Capital]

Grupo Aço Cearense began a comprehensive restructuring of its people management practices in 2024, bringing together initiatives related to organizational culture, internal communication and development, and talent engagement and succession.

A data-driven approach accelerated this work. By developing and using tools to automate processes such as headcount calculations, organizational chart creation, recruitment, and training, the company has advanced the digital transformation of people management.

As part of this effort, the company selects professionals to act as technology liaisons in different departments. Known as digital partners, they identify each department's needs and work with the IT department to develop solutions. The first digital partner works with HR.

Automation gives managers and leaders across the Group faster access to information about their teams. Dashboards display real-time data on engagement, development, retention, absenteeism, and open positions, supporting decisions informed by data and aligned with business strategy.

These advances aim to create healthier, safer workplaces that support professional development and recognize employees' essential role in the company.

Engagement and communication

Internal engagement and communication initiatives gained momentum in 2025. They aimed to encourage more direct, transparent, and frequent interaction between leaders and their teams.

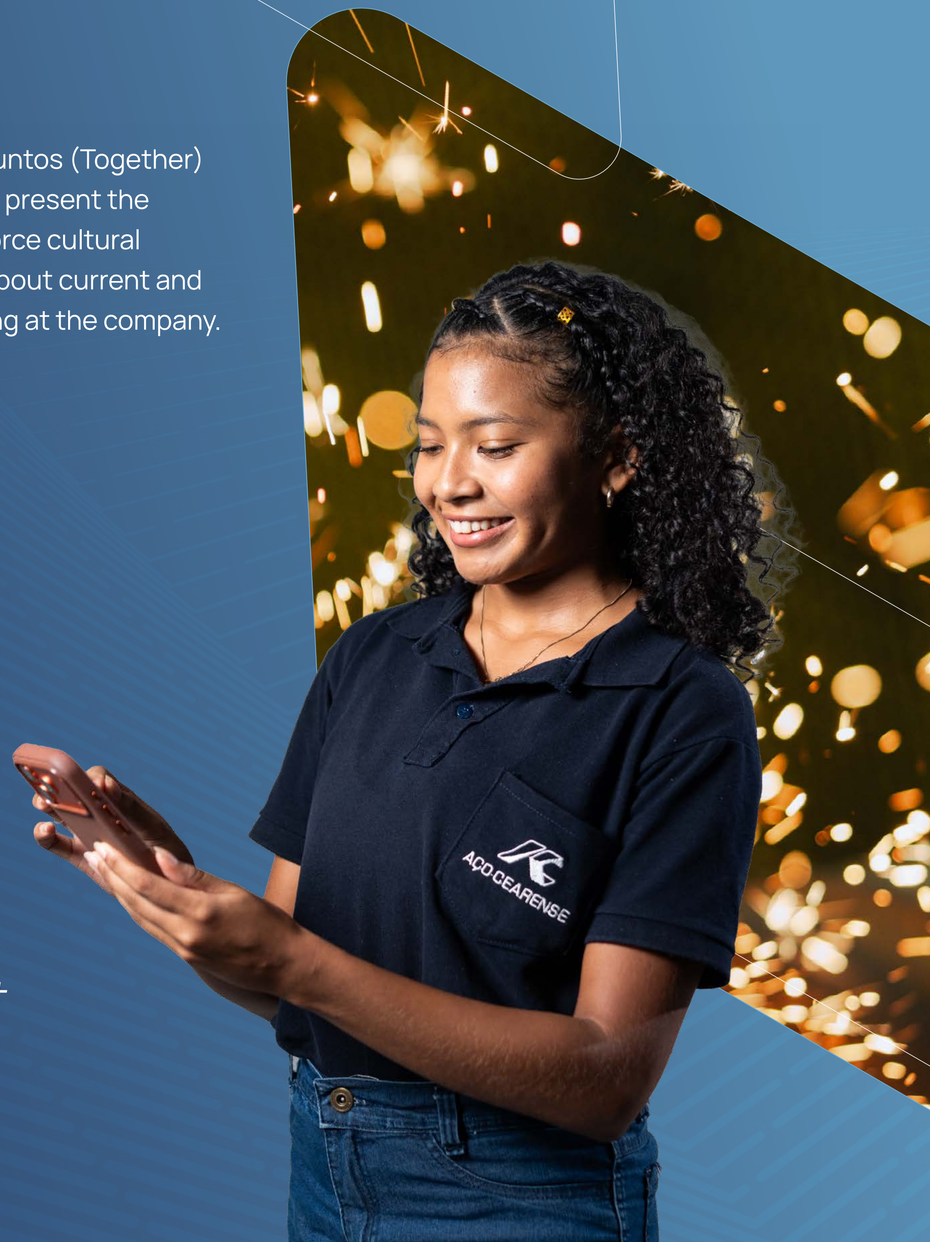
Grupo Aço Cearense's main tool in this area is *Acontece+*, which connects employees and strengthens internal communication. It is available through an app, a portal, and corporate TV. The platform presents information, documents, and news in an accessible format and provides access to internal service portals for areas such as HR, IT, Legal, and Facilities. It also encourages employees to share achievements, lessons learned, and best practices, making information easier to access and promoting listening, interaction, and recognition across teams.

Acontece+ helps strengthen organizational culture by making the Group's strategic objectives more visible and keeping employees informed about information security, mental health, and workplace safety. These topics are covered through audiovisual programs, podcasts, live streams, posts, and events to encourage engagement.

In 2025, *Acontece+* reached a 96% active-user rate, and engagement increased by 190%. The platform includes features designed to encourage participation, such as department avatars, a timeline where employees can post updates, and recognition cards linked to the pillars of the Group's culture and values. It also includes accessibility features. The tool received national recognition at the Best HR awards: Grupo Aço Cearense placed first in the Digital category for communication with employees.

Other initiatives included *Café com Cultura* (Coffee with Culture), a bimonthly event where employees present topics relevant to the business; the annual Juntos (Together) Convention, where leaders present the Group's strategy and reinforce cultural alignment; and podcasts about current and strategic aspects of working at the company.

190%
increase in engagement among *Acontece+* users



Employees

GRI 2-7, 2-30, GRI 3-3 [Human Capital], 401-1

Grupo Aço Cearense expanded its workforce from 5,023 to 5,437 employees. All employees are covered by the collective bargaining agreements or collective labor agreements applicable to their job categories and work locations.

Through human capital management, the Group creates and maintains income-generating opportunities, provides ongoing training, strengthens internal engagement, and works to retain talent. To support these outcomes, the company has made institutional commitments that extend beyond regulatory compliance and seek to promote employee growth and strengthen its internal culture.

The company also monitors potential gaps in professional development and the risk of employee turnover. To mitigate these risks, it monitors performance indicators in collaboration with leaders.

It assesses the effectiveness of its measures by systematically tracking training hours, assessment completion rates, and employee participation. Employee views on these initiatives are gathered through internal surveys and meetings led by business partners, HR professionals who work with the Group's various areas.

5,437
employees in Grupo Aço Cearense's workforce



Employees by region and gender[1, 2, 3, 4] GRI 2-7

	2024			2025		
Region	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
North	1,969	271	2,240	2,175	298	2,473
Northeast	2,290	493	2,783	2,393	571	2,964
Total	**4,259**	**764**	**5,023**	**4,568**	**869**	**5,437**

1. Consolidated data for Aço Cearense Comercial, Aço Cearense Logística, Aço Cearense Industrial, SINOBRAS, and SINOBRAS Florestal as of the end of the reporting period. The Group reports employee data by headcount, based on actual payroll records at the end of the reporting period each December.
2. The Northern Region includes SINOBRAS in Pará and SINOBRAS Florestal in Tocantins. The Northeastern Region includes Aço Cearense Comercial, Industrial, and Logística in Ceará.
3. Grupo Aço Cearense does not employ workers under intermittent or on-call arrangements without a guaranteed minimum number of working hours.
4. The 2024 data were adjusted to reflect the reclassification of employees by contract type and gender. GRI 2-4

Employees by type of contract and gender[1, 2] GRI 2-7

	2024[3]			2025		
Gender	**Indefinite term/full-time**	**Fixed-term/ part-time**	**Total**	**Indefinite term/full-time**	**Fixed-term/ part-time**	**Total**
Men	4,206	53	4,259	4,502	66	4,568
Women	654	110	764	728	141	869
Total	**4,860**	**163**	**5,023**	**5,230**	**207**	**5,437**

1. Permanent employment contracts cover the organization's permanent employees.
2. Fixed-term contracts cover temporary employees, including young apprentices and interns hired for training programs or to meet specific seasonal needs.
3. The 2024 data were adjusted to reflect the reclassification of employees by contract type and gender. GRI 2-4

Employees by type of contract and region GRI 2-7

	2024[1]			2025		
Region	**Indefinite term**	**Fixed term**	**Total**	**Indefinite term**	**Fixed term**	**Total**
North	2,179	61	2,240	2,385	88	2,473
Northeast	2,681	102	2,783	2,845	119	2,964
Total	**4,860**	**163**	**5,023**	**5,230**	**207**	**5,437**

1. The 2024 data were adjusted to reflect the reclassification of employees by contract type and gender. GRI 2-4

Employees by type of employment and region GRI 2-7

	2024[1]			2025		
Region	**Indefinite term**	**Fixed term**	**Total**	**Indefinite term**	**Fixed term**	**Total**
North	4,206	53	4,259	2,385	88	2,473
Northeast	654	110	764	2,845	119	2,964
Total	**4,860**	**163**	**5,023**	**5,230**	**207**	**5,437**

1. The 2024 data were adjusted to reflect the reclassification of employees by contract type and gender. GRI 2-4

Number of employees and hires, by age group GRI 401-1

	2024[1]				2025			
Age group	**Hires**	**Rate of new hires**	**Terminations**	**Turnover rate**	**Hires**	**Rate of new hires**	**Terminations**	**Turnover rate**
Under 30 years old	839	63	535	62	913	67	570	64
30-50 years old	460	34	296	34	427	31	295	33
Over 50 years old	36	3	34	4	24	2	31	3.00
Total	**1,335**	**100**	**865**	**100**	**1,364**	**100**	**896**	**100**

Number of employees and hires, by gender GRI 401-1

	2024[1]				2025			
Gender	**Hires**	**Rate of new hires**	**Terminations**	**Turnover rate**	**Hires**	**Rate of new hires**	**Terminations**	**Turnover rate**
Men	1,063	80	169	20	1,051	77	202	23
Women	272	20	696	80	313	23	694	77
Total	**1,335**	**100**	**865**	**100**	**1,364**	**100**	**896**	**100**

Number of employees and hires, by region GRI 401-1

	2024[1]				2025			
Region	**Hires**	**Rate of new hires**	**Terminations**	**Turnover rate**	**Hires**	**Rate of new hires**	**Terminations**	**Turnover rate**
Ceará	694	52	493	57	734	54	529	59
Pará	595	45	340	39	541	40	326	36
Tocantins	46	3	32	4	89	6	41	5
Total	**1,335**	**100**	**865**	**100**	**1,364**	**100**	**896**	**100**

1. The 2024 figures were revised and recalculated, updating the data previously reported. GRI 2-4

Contractors GRI 2-8

Grupo Aço Cearense engages contract workers for ancillary and operational support activities, including cleaning, security, maintenance, and construction. The SINOBRAS and Aço Cearense facilities reported an average of 1,800 contract workers during the reporting period. This figure is based on the average number of workers supplied by partner service providers during the period.

There were no seasonal fluctuations or significant changes in the usual number of workers who were not employees. Temporary increases occurred among construction workers during specific periods of modernization, construction, or expansion of company facilities and internal areas.

Contract worker management is handled by a dedicated unit (Third-party Management) within the Legal and Compliance Department. The unit coordinates the receipt and validation of these workers' documents in conjunction with the Specialized Services in Safety Engineering and Occupational Medicine (SESMT), Medical, and Legal teams. Data is consolidated in an integrated electronic system. Internal rules determine which documents must be validated according to the work performed.

In 2025, the facility reported a monthly average of 398 workers engaged indirectly through service providers. They worked primarily in forestry operations, employee transportation, site security, and machinery and equipment maintenance. In 2025, the Group launched a project to expand contract worker management specifically at SINOBRAS Florestal. The project includes a dedicated operating procedure scheduled for completion in 2026.



The company reported that 1,800 workers were engaged through partner companies, on average.

Training and development GRI 404-1, 404-2

Grupo Aço Cearense provides ***Trilhar* (Follow the Pathway)**, a learning platform offering courses and training programs to all employees.

In 2025, the platform offered 624 courses and learning modules. It had 4,032 users and recorded 28,881 visits. Nearly 9,000 training sessions were completed. In the next cycle, the Group plans to introduce Evolution, a new internal training management system. The system is being developed in partnership by the Human Resources and Innovation teams.

Other initiatives to build skills and share knowledge include:

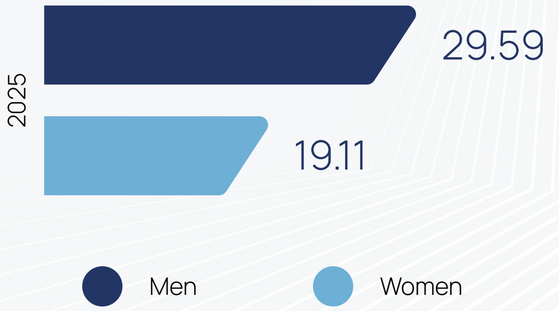
- ***Multiplicar* (Multiply)** , which trains employees to become in-house instructors; and
- ***EducaAço* (Steel Education)**, which helps Group employees complete elementary and secondary education. The Group expects to expand *EducaAço* in the next cycle to include technical training for employees.
- The **Leadership Development Plan (LDP)**, introduced in 2025, establishes a Leadership Pathway focused on strategic skills for employees in management positions.



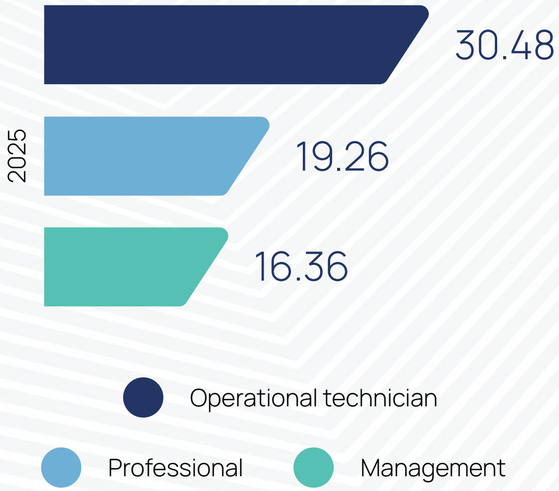
624 courses
and learning modules
offered in 2025

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.

Average hours of training, by gender[1] GRI 404-1



Average hours of training, by employee category[1] GRI 404-1



Performance Management

Grupo Aço Cearense encourages and monitors employee training through performance management and Individual Development Plans.

The Group continues to run its Performance Management program. In 2025, it brought managers and employees in other roles into a single performance evaluation cycle. This change streamlined the process and reduced the time needed for feedback and internal communication. Leaders also took a stronger role in monitoring Individual Development Commitments (IDCs). To support them, the Group created a menu of competency-based actions guided by the 70/20/10 model: 70% learning through practical experience, 20% through interaction with colleagues and mentors, and 10% through formal education.

Percentage of employees receiving regular performance and career development reviews by employee category[1] GRI 404-3

	2024	2025
Management (%)	92	89
Professional (%)	72	86
Operational technician (%)	74	92

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.

Percentage of employees receiving regular performance and career development reviews by gender[1] GRI 404-3

	2024		2025	
	Men	Women	Men	Women
Percentage	70.93	76.56	70.62	84.98

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.



Succession

In 2025, the company began identifying potential successors for management and director positions. This initiative reduced the need to recruit externally for these roles while recognizing employees' potential and strengthening their engagement with the organizational culture and the business. The Group expects to extend this mapping to senior-level professionals in the next cycle.

In 2025, it also standardized performance review cycles across all positions, streamlining the process and reducing the time required to provide feedback.

Talent attraction and development GRI 201-3, 404-2

Grupo Aço Cearense is committed to creating jobs and generating income in the communities where it operates. To this end, it continues to run the ***Crescer* (Grow) Project**, which offers free vocational courses related to the Group's operations in partnership with the National Industrial Apprenticeship Service (Senai).

In 2025, the project launched four classes. Three trained participants for roles at SINOBRAS in Marabá (PA): press operator, wire drawing operator, and maintenance operator. At Aço Cearense in Ceará, a training program prepared young people to enter the workforce.

The *Crescer* Project cut the time needed to select new hires by 50% and achieved a 45% placement rate in positions considered critical to the business.

A technical training program for young apprentices was also launched in Marabá in 2025. Participants spend six months studying at Senai, followed by six months of practical training at SINOBRAS. The initiative will be extended to Aço Cearense in the next cycle.

45%
placement rate in positions considered critical to the business

The *Crescer* Project was recognized by AEVO in its Intrapreneurship Awards. It placed third in the Diversity and Inclusion category and also received a Best HR award.





The Remuneration team safeguards methodological consistency in the corporate remuneration policy and supports managers and coordinators in making fair decisions.

Remuneration GRI 2-19, 2-20

Grupo Aço Cearense structures employee remuneration according to internal governance criteria and market practices. Its aim is to maintain external competitiveness, internal equity, and organizational sustainability. The Group's remuneration policy applies at every organizational level, including board members, executives, and operational teams.

Senior management sets and validates salary guidelines, considering the importance of each role, talent retention needs, and balance across organizational levels. Shareholders' perspectives are also considered. Employee views and requests are monitored continuously through collaboration among business unit leaders, HR business partners (BPs), and the Remuneration team. The information gathered helps improve existing policies.

Every two years, the Group engages independent external consultants to conduct salary surveys. Their market comparisons, analyses of trends, and independent technical benchmarks inform the company's salary ranges and job structure. The most recent survey began in 2025 and is expected to be completed in 2026.

Remuneration for Grupo Aço Cearense's Board members and senior executives is not currently governed by specific guidelines on fixed and variable pay, sign-on bonuses or recruitment incentives, severance payments, or the recovery of bonuses and incentives (clawbacks). It does not include retirement benefits. A dedicated remuneration policy is being developed for these roles. It is intended to link pay to the company's economic, environmental, and people management performance.

Benefits GRI 401-2, 201-3

Grupo Aço Cearense's benefits policy applies only to full-time employees. It includes:

- Life insurance
- Health insurance plan with medical and hospital coverage
- Dental insurance plan
- Meal vouchers or a basic food basket
- Transportation vouchers, transportation allowances, and contracted transportation for industrial and forestry operations
- Daycare assistance
- Pharmacy plans and special commercial plans
- Wellness platform



Disability and incapacity benefits are provided through insurance policies and benefits required by law. Parental leave is granted in accordance with Brazilian law. The Group does not have a share buyback plan.

Employees may also join a private pension plan, to which the company contributes up to 5% of their salary. Participation is voluntary; 10.25% of employees were enrolled in 2025. Participation in the pension plan ends when an employee retires or leaves the company.

Inclusion and accessibility

GRI 2-23, 405-1, 405-2, 406-1

The company has formal policies to promote inclusion, diversity, and accessibility. Its Code of Ethics and Conduct affirms full adherence to the United Nations (UN) Universal Declaration of Human Rights.

The Code also affirms the Group's respect for diversity at every level of the workplace. Employees are remunerated without discrimination based on gender, race, ethnic or social origin, religion, age, physical condition, sexual orientation, nationality, political opinion, or union membership. The company does not tolerate discriminatory conduct by employees or suppliers.

To uphold these commitments, the Group maintains initiatives such as its Inclusion **Program for People with Disabilities**. Women represent 16.4% of the company's workforce and hold 45% of senior management positions.

The Group has taken steps to reinforce its commitment to an increasingly diverse, equitable, and inclusive workplace. No cases of discrimination were reported in 2025. The company recognizes that a range of experiences and perspectives contributes directly to innovation, performance, and the sustainability of its operations and business.

At the MT Magazine—Marcia Travessoni—awards, Aline Ferreira, Vice President of Sales and Finance, was recognized for the second consecutive time in the Women of Impact category, which celebrates women whose career paths inspire others.



Key initiatives during the year included:

- Strengthening **inclusive practices** in recruitment and selection;
- Updating onboarding videos to include subtitles;
- Holding of five *Papo com Elas* (Chat with Women) sessions—discussion circles with psychologists on topics related to women's lives and work;
- Improving accessibility in the *Acontece+* app for people with hearing and visual impairments;
- Providing Brazilian Sign Language interpretation at corporate events; and
- Continuously monitoring diversity indicators to support data-driven decisions.

Percentage of employees, by employee category and gender[1] GRI 405-1

	2024[2]		2025	
	Men	Women	Men	Women
Managers				
Number	179	43	117	44
Percentage	80.63	19.37	72.67	27.33
Professional				
Number	233	230	307	276
Percentage	50.32	49.68	52.66	47.34
Operational technician				
Number	3,829	500	4,158	579
Percentage	88.45	11.55	87.79	12.21
Total				
Number	4,241	773	4,582	899
Percentage	84.58	15.42	83.59	16.40

1. Consolidated financial data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. The data for 2024 were restated to include the percentage distributions by employee category and demographic group, in accordance with GRI guidelines. The previous report presented only absolute values.

Percentage of employees, by employee category and age group[1]

GRI 405-1

	2024[2]	2025
	Percentage	Percentage
Managers		
Under 30 years old	6.76	7.38
30-50 years old	77.93	77.49
Over 50 years old	15.32	15.13
Professional		
Under 30 years old	38.23	36.38
30-50 years old	56.59	57.84
Over 50 years old	5.18	5.78
Operational technician		
Under 30 years old	43.31	17.27
30-50 years old	47.79	70.45
Over 50 years old	8.89	12.27
Total		
Under 30 years old	41.22	24.63
30-50 years old	49.94	65.73
Over 50 years old	8.84	9.64

Percentage of employees from underrepresented and/or vulnerable groups by employee category[1] GRI 405-1

	2024[2]	2025
	Percentage	Percentage
Black		
Managers	0.90	1.85
Professional	2.16	2.43
Operational technician	4.11	1.82
Indigenous		
Managers	0.00	0
Professional	0.00	0
Operational technician	1.41	0.45
Brown		
Managers	90.09	89.67
Professional	81.43	80.78
Operational technician	86.88	92.27
Asian		
Managers	0.00	0
Professional	0.43	0
Operational technician	0.53	0

1. Consolidated financial data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. The data for 2024 were restated to include the percentage distributions by employee category and demographic group, in accordance with GRI guidelines. The previous report presented only absolute values.

Occupational health and safety

GRI 3-3 [Health and safety], 403-1, 403-7, 403-8



People's health, safety, and well-being are strategic priorities for Grupo Aço Cearense. Its Safety Policy formalizes this commitment and states that workplace safety takes precedence over all other organizational objectives.

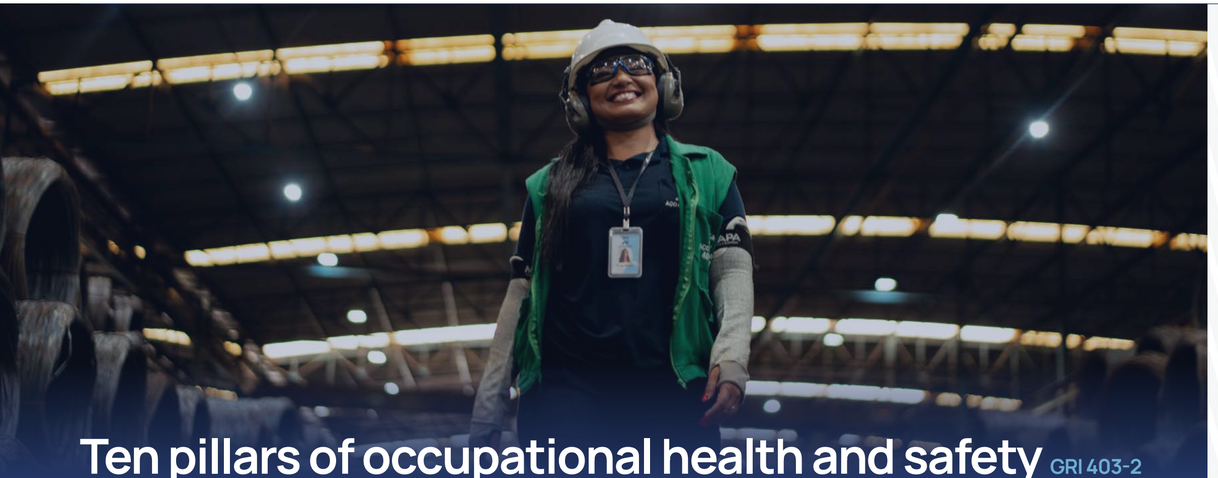
The Group maintains an occupational health and safety (OHS) management system that complies with applicable laws and regulations, including the Regulatory Standards (NRs) issued by the Ministry of Labor and Employment (MTE). It also follows recognized international guidance, including that of the American Conference of Governmental Industrial Hygienists (ACGIH) and the International Labour Organization (ILO). Senior management and the Board of Directors oversee this area, reflecting its importance to sustainability and business continuity.

OHS practices, procedures, and standards apply to all employees and contractors under the Group's operational control. They cover administrative, operational, and support activities in yards, offices, industrial facilities, logistics operations, and forestry operations.

OHS management involves identifying, assessing, and controlling risks to people's health and safety. The main risks monitored include workplace accidents; illnesses associated with exposure to physical, chemical, biological, ergonomic, and psychosocial hazards; and operational incidents that could affect the environment or people's safety.

The Group also has a specialized occupational health department. It provides occupational health services and conducts pre-employment, periodic, return-to-work, post-employment, and supplementary medical examinations. It also manages accidents and sick leave and runs health promotion programs. Awareness campaigns held throughout the year, in line with the Ministry of Health's calendar, complement preventive measures and encourage healthy habits among workers.

> The Safety Policy establishes that the Group and its employees share responsibility for maintaining a safe workplace.



Ten pillars of occupational health and safety GRI 403-2

Grupo Aço Cearense has adopted ten pillars for occupational safety and health (OSH) management:

- Leadership and management
- Compliance with the law
- Training
- Performance management
- Enforcement/ inspections
- Risk analysis and assessment
- Investigation of adverse events
- Barriers/protective devices
- Third-party management
- Process engineering

Accident prevention GRI 3-3 [Health and safety], 403-2, 403-7

In addition to the Safety Policy and the OHS measures applied in daily operations, the following tools are integrated into occupational risk management (ORM) to identify hazards and prevent accidents:

- **Required documents and forms:** Critical Task Analysis (CTA), Preliminary Risk Analysis (PRA), Task Refusal (TR), Work Permit (WP), Technical Report on Workplace Environmental Conditions (TRWEC), and Occupational Health Medical Monitoring Program (PCMSO).
- **Initiatives that promote a safety culture and employee input:** Safety Dialogue, Safety Time, Golden Rules, and safety mentor groups.
- **Measures that support accident prevention:** Safety Inspection, Workplace Safety Incident reporting, Lockout System, and Internal Safety Audit.

Based on the health and safety risks identified and assessed, Grupo Aço Cearense applies a hierarchy of controls in the following order: eliminate hazards; implement collective protection measures; establish administrative controls; and use personal protective equipment (PPE).

Employees and contractors can report hazards directly to their managers or the SESMT, or through paper or electronic forms. The Safety Policy and other internal mechanisms formally protect workers from retaliation.

The Group also investigates accidents involving people, other incidents, and near misses. Its internal Adverse Event Analysis procedure establishes criteria for classifying and recording these events in the system to help prevent recurrence.



Formal committees made up of employees from different areas monitor risks and propose preventive measures.

OHS training and development

GRI 403-5

Grupo Aço Cearense provides ongoing OHS training at no cost to all employees and contractors under its operational control. Training preferably takes place during regular working hours or is compensated as overtime.

The training cycle begins with mandatory orientation, which explains accident prevention tools in clear language. New employees then take part in a 90-day mentoring program, with assessments of their performance on the job after 45 and 90 days.

Training on regulations and job-specific hazards is provided by internal specialists or consultants. It covers the Regulatory Standards applicable to work at the Group's companies, including: NR-12 (Machinery), NR-13 (Pressure Vessels), and NR-23 (Fire Safety). Effectiveness is assessed through learning evaluations, observation of work practices, indicators of deviations, and feedback from operational areas and CIPA/CIPATR.

Formal training is complemented by national campaigns such as Green April, which raises awareness of workplace health and safety, and Yellow May, which promotes traffic safety. The Group also runs internal campaigns on critical tasks and its ongoing Safe Behavior program.

Built around six pillars of individual and collective responsibility, Safe Behavior was developed jointly by management and workers in early 2025. It was formalized during the Internal Week for the Prevention of Work-Related Injuries (SIPAT) and is being prepared for implementation throughout 2026 alongside the Group's other preventive initiatives.

Employee participation in safety management GRI 403-4

In accordance with NRs 1 and 5 of the Ministry of Labor and Employment, employees actively participate in OHS management and in identifying risks and hazards. Participation is encouraged through CIPA/CIPATR, Daily Safety Dialogues (DDS), performance meetings, the Risk Situation/Safety Incident Reporting tools (OST/RST), and the Task Refusal (RT) process.

Formal committees bring together employees from different areas, including CIPA/CIPATR members. They monitor risks, propose prevention plans and inspections, organize SIPAT, and develop measures to prevent moral and sexual harassment. The committees meet monthly and may hold special meetings following serious accidents or when risks are imminent.

Safe Behavior Mandala

In 2025, Grupo Aço Cearense held a broad discussion on safe behavior. An employee survey received approximately 3,000 responses.

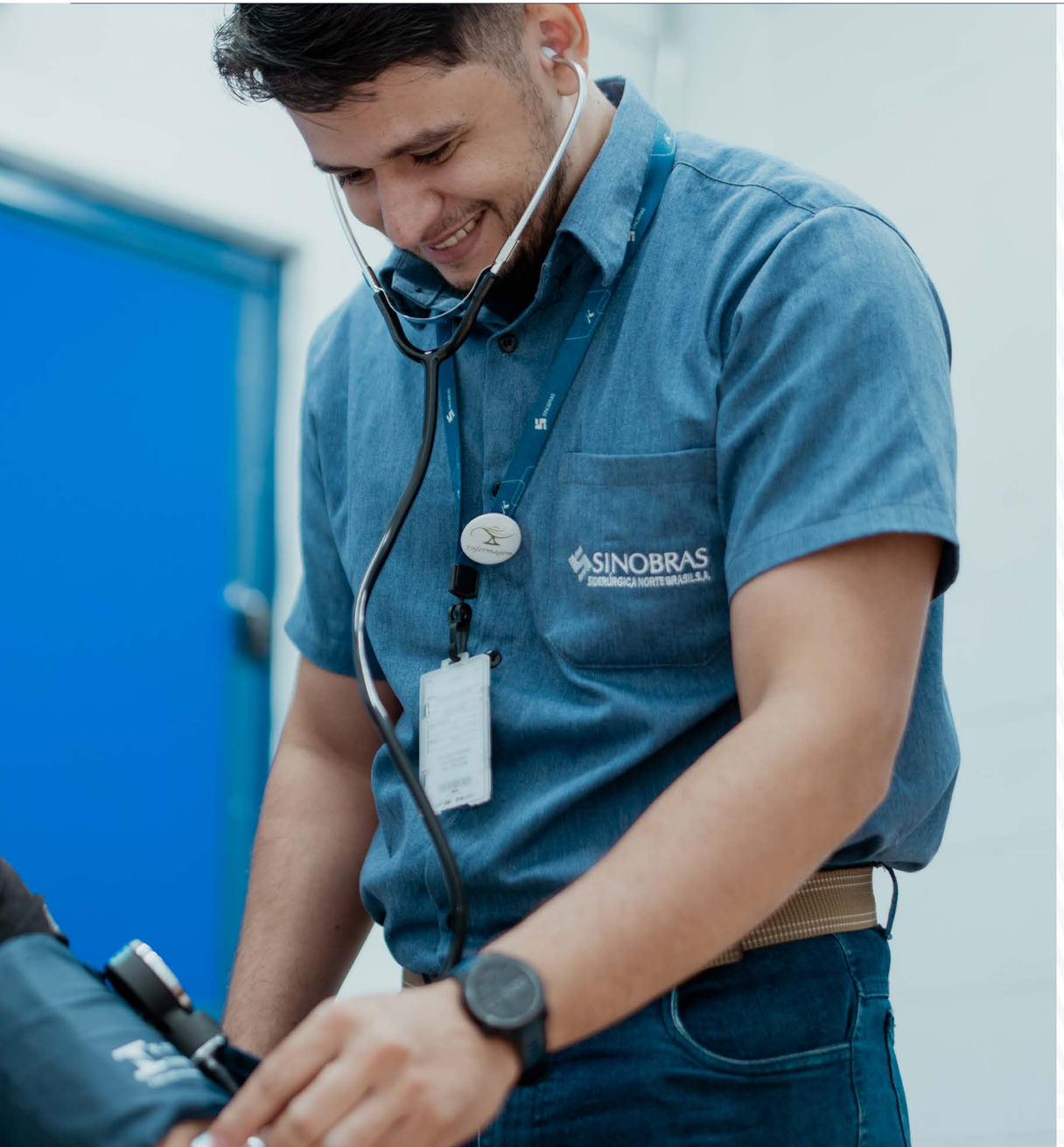
The findings informed the Safe Behavior Mandala, which has six pillars:



The mandala was presented at SIPAT and will guide safety campaigns in 2026.

Safe behavior: preventing alcohol and drug use GRI 403-3

In 2025, SINOBRAS implemented the Program for the Prevention of Alcohol and Other Drug Abuse (PAD). The program provides guidance and includes random breathalyzer testing at the entrance, using devices that deliver immediate results. It aims to encourage healthy, safe behavior and maintain a workplace free of hazards that could lead to accidents.



Health promotion GRI 403-3, 403-6, 403-10

Employee health and well-being are central to Grupo Aço Cearense's OHS management. A multidisciplinary team of physicians, nurses, occupational health technicians, and speech-language pathologists implements the PCMSO in coordination with the company's Risk Management Program. On-site outpatient clinics provide first aid and urgent care, including for conditions unrelated to work. Employees also have access to the benefits listed on page 42.

Employees and contractors have ongoing access to health services, and each facility manages its own initiatives. Clinical information, medical records, and test results are kept strictly confidential. The data is stored in restricted-access systems and handled only by authorized healthcare professionals.

The company also offers voluntary programs that promote physical and mental health. Key initiatives include: *Saúde de Aço* (Health of Steel) Program, which provides medical, nutritional, and physical activity guidance for people with comorbidities and chronic conditions; gym partnerships; mental health campaigns and emotional support; smoking prevention; vaccinations; check-ups; and the PAD.

These services are readily accessible during working hours, and remote appointments are available. Workplace health and well-being initiatives are selected according to each facility's epidemiological profile, aggregate absenteeism indicators, the PCMSO, public health campaigns, and feedback from CIPA/CIPATR.

The Group also guarantees non-discrimination. Employees may not be treated unfavorably—through termination demotion, restricted opportunities, or changes to pay—because of a health condition or participation in a health initiative. No individual targets are set for participation.

Mental health in focus

In 2025, the company surveyed employees with support from a specialist consulting firm to identify and map psychosocial risks. The findings informed action plans tailored to each area's needs. An internal mental health committee was also established, with representatives from Human Resources, Legal, and Industrial Operations.

The ***Conte com a Gente*** **(Count on Us) Program** offers psychological counseling and support related to personal development, healthy relationships, quality of life, legal matters, and financial education. A 24-hour support line is available to all employees.

In 2025, the program produced educational content, including podcasts, on mental and financial health and addressed gambling. The *Acontece+* app also introduced an avatar for health and well-being topics (see page 33).

The main reported outcomes of *Conte com a Gente* are:

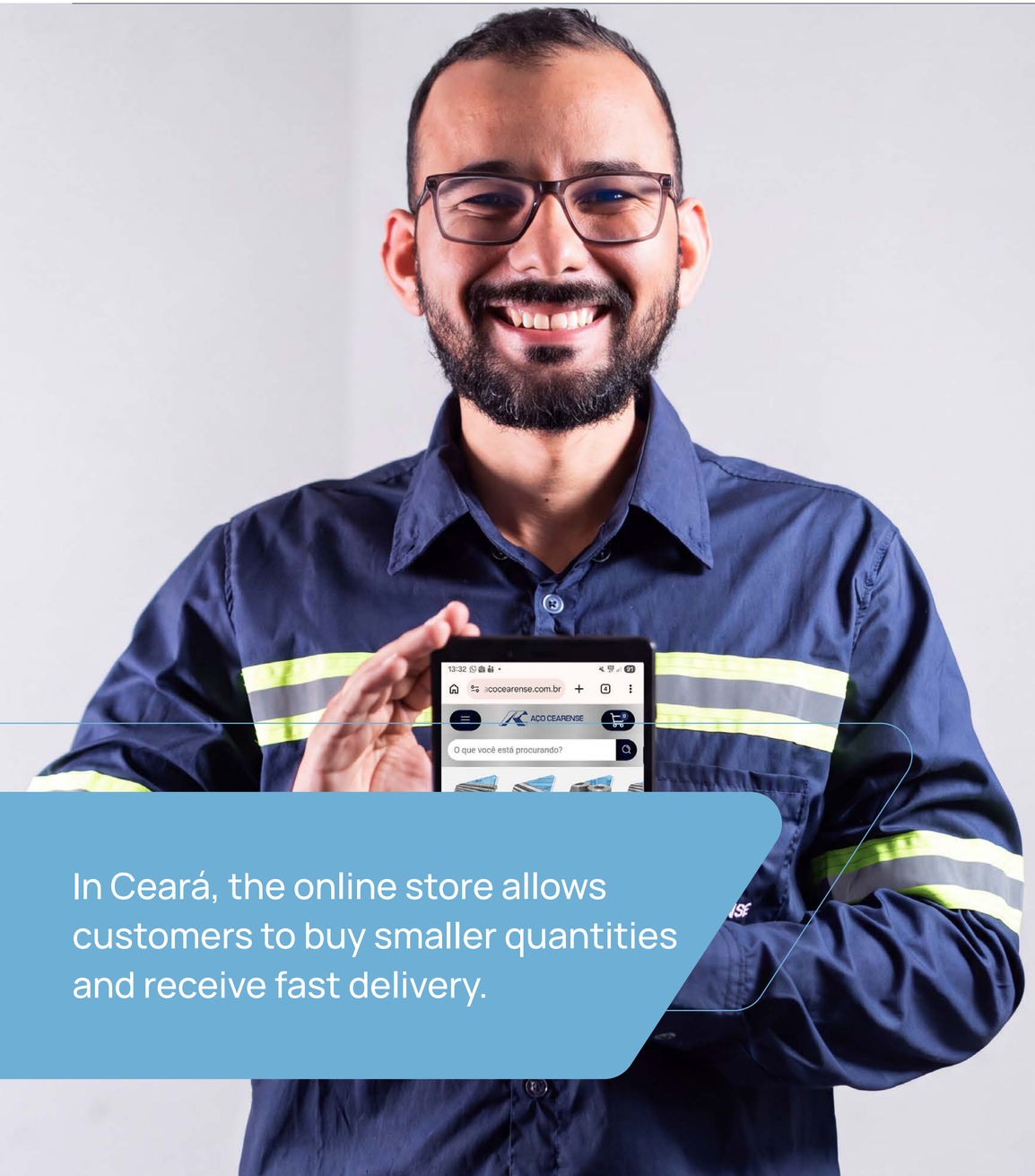
- Stronger sense of safety and belonging, with employees more confident about seeking support when they feel vulnerable;
- Stronger connections between employees and the company, reflected in greater engagement and belonging; and
- A culture of care and overall health, with broader discussion of mental health and well-being at work.



3rd place in the ABRH-CE Ser Humano Award for *Conte com a Gente*

In 2025, *Conte com a Gente* received external recognition. The program placed third in the Organizational Excellence category of the ABRH-CE Ser Humano Award and second among large companies in the Empresas que Cuidam Award, sponsored by Unimed Fortaleza.

At the Ser Humano Awards, the Group's Director of Human Resources, Breno Barros, was a finalist in Ceará's Outstanding HR Professional category. Grupo Gestão RH also named him among Brazil's most admired CHROs, ranking him first in the Northeast.



In Ceará, the online store allows customers to buy smaller quantities and receive fast delivery.

CUSTOMERS

GRI 2-6, 415-1, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

Listening closely and actively to customers has been part of Grupo Aço Cearense's mission since its founding. In a commodity market such as steel, customer relationships and high-quality services that complement the products sold are competitive strengths. Responsive service, delivery within agreed deadlines, access to credit, and flexibility to sell smaller quantities have become key strengths of the company.

The Group maintains several communication channels to provide customers with clear, accurate information. Customers can request quotes through a dedicated section of the company's website. Another tool, the Customer Portal offers a simple, personalized purchasing experience. Customers in Ceará can also buy smaller quantities through the online store and receive fast delivery (see page 28).

The Group's expansions in 2024 and 2025, particularly Rolling Mill 2 (read more on page 23), enabled it to broaden its customer base, especially in construction and steel cutting and bending. The company has consequently worked to understand these new customers' needs and develop solutions suited to their requirements.

SUPPLIERS AND PARTNERS

GRI 2-6, 2-23, 2-24, 3-3 [Supply chain], GRI 3-3 [Health and safety], 204-1

Grupo Aço Cearense has a diverse supply chain. Its suppliers provide raw materials essential to the business, including iron ore, metal scrap, steelmaking inputs, and bioreductants. They also supply electricity, machinery, industrial equipment, logistics services, flat steel from Brazil and abroad, consumer goods, and maintenance materials used in industrial operations.

36.98%
of the total volume of purchases made from local partners in the states of Ceará, Pará, and Tocantins

The company prioritizes local suppliers in its commercial operations. In 2025, they accounted for 36.98% of total purchases. Through training and development programs, the Group also helps these suppliers build the capacity to meet its requirements and those of other potential large customers.

Relationships with these stakeholders are managed transparently and objectively. In 2025, the Group began drafting a Supplier Code of Conduct covering the prevention of slave labor and broader integrity and compliance standards. The Code is expected to be released in 2026.

Social and environmental considerations in the supply chain

GRI 3-3 [Supply chain], 308-1, 408-1, 408-2, 409-1, 414-1, 414-2

To prevent and mitigate supply chain risks, the Group uses formal processes to evaluate and approve suppliers against technical, legal, social, and environmental criteria. It also monitors documentation on environmental permits and compliance with tax and labor requirements.

Contracts contain provisions establishing commitments and integrity mechanisms. These provisions prohibit child labor, forced labor, and degrading working conditions; uphold freedom of association; address harassment and discrimination; and protect human rights, privacy, and personal data in accordance with Brazil's General Personal Data Protection Law (LGPD).

When negative impacts or deviations are identified, the Group requests corrective action plans and may temporarily block or suspend a supplier's registration. In critical cases where mitigation is not possible, it ends the business relationship.

Grupo Aço Cearense applies additional checks to its bioreductant supply chain, which it considers more exposed to human rights risks, including child and forced labor, as well as labor and environmental risks. It conducts periodic audits of these suppliers.

During site visits, the Group checks forestry permits and the operating licenses required by environmental authorities. It also monitors working conditions, compliance with minimum-age and apprentice safety requirements, the use of protective equipment, and the adequacy of rest areas. To verify that workers are paid in accordance with the law, the Group withholds from suppliers an amount corresponding to social security contributions for contract workers. The supplier receives this amount after submitting reports confirming that the required payments have been made.

In 2025, the Group implemented a digital compliance monitoring system for these suppliers. Already used for contractors engaged by the company, the system validates bioreductant suppliers' documents online. This allows the e-mail-based process to be discontinued and provides greater legal certainty when approving suppliers in this segment.

Grupo Aço Cearense also requires all bioreductant and metal scrap suppliers to sign a Declaration of Commitment to Social and Environmental Responsibility during selection and registration.

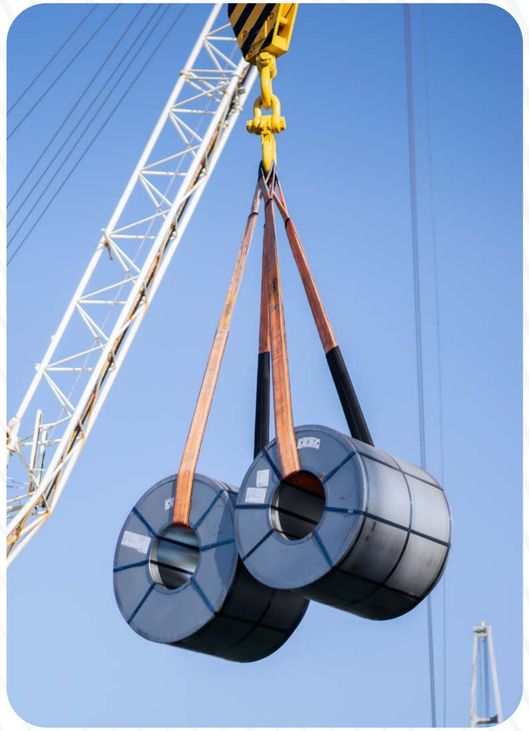
The Group assesses the effectiveness of its supplier management initiatives through internal audits, document reviews, and indicators such as the share of suppliers evaluated, the proportion with current documentation, and the number of nonconformities recorded. As part of continuous improvement, the company is considering refinements to its ESG criteria and ongoing monitoring throughout the contract term.



100%
of metal scrap and bioreductant suppliers have signed a Declaration of Commitment to Social and Environmental Responsibility

Partners in the value chain GRI 2-6, 2-29

Grupo Aço Cearense maintains several business relationships it considers significant because they influence its operations, strategy, impacts, and risk management. They include:



- **Customers and sales channels** (direct sales, distributors, consumers, and digital channels);
- **Critical service providers** (solutions for the Integrity Program, such as a reporting channel);
- **Energy sector agents and partners** (contractual and corporate relationships for the supply and self-generation of electricity);
- **Government and regulators** (institutional relationships regarding licensing and legal compliance);
- **Strategic and industrial partnerships** (expansion projects and joint investments);
- **Sector-specific entities and associations** engaged in institutional representation;
- **Third-sector organizations** (partnerships led by the Aço Cearense Institute);
- **Logistics and distribution partners** (in-house operations and third-party contractors for transportation and warehousing);
- **Companies hired** for construction, engineering, assembly, and industrial maintenance;
- **Shareholders and investors** (Board meetings and sustainability reports).

Membership associations GRI 2-28

Active participation in industry associations helps the company stay abreast of initiatives related to the development of the steel industry, logistics infrastructure, and Brazil's industrial competitiveness. Transparent engagement with these organizations is strategic to monitoring market trends, technological advances, and regulatory developments in the sector.

The organizations in which the Group participates include the Aço Brasil Institute—the main representative body for Brazilian steel producers—and the Association of Companies of the Pecém Industrial and Port Complex (AECIPP), which works to strengthen and integrate Ceará's industrial and port hub.

COMMUNITY DEVELOPMENT

GRI 3-3 [Local communities], 203-1, 203-2, 413-1, 413-2

Supporting the development of the communities where Grupo Aço Cearense operates is a corporate commitment. Job creation and income generation are among the ways the company supports these communities, but it recognizes the need to do more. For this reason, it founded the Aço Cearense Institute in 2010 to help build a more just country with greater opportunities.

The institute supports initiatives in health, education, social services, sports, culture, entrepreneurship, and the environment. The SDGs related to its activities are:



the initiatives receiving ongoing guidance and support are located in the three states where the Group operates: Fortaleza, Caucaia, São Gonçalo do Amarante, Amontada, Marco, and Tauá in Ceará; Marabá in Pará; and São Bento do Tocantins in Tocantins.

Investments funded through the institute's own resources and tax incentives go to nonprofit civil society organizations. In 2025, the institute contributed more than BRL 5.6 million to projects in these municipalities. It supported 121 institutions, benefiting more than 350,000 people. Since its founding, it has allocated more than BRL 41 million to 476 organizations, benefiting more than 1.1 million people.

The effectiveness of these initiatives is monitored through technical reports and periodic financial statements submitted by the beneficiary organizations. The institute's goals also include making funding allocations more effective through sound evidence, gathered through context mapping and a diagnostic assessment conducted with all partner institutions.

The aim is to understand how the projects have strengthened their management, expanded access to rights, and contributed to social change in these regions. All our work is grounded in direct engagement, active listening, and ongoing collaboration with local communities to ensure transparency and continually improve the initiatives we support.

More than
BRL 5.6 million
contributed by the Aço Cearense Institute in 2025



Context mapping and community assessment

GRI 413-1

The Aço Cearense Institute conducted an in-depth analysis of beneficiaries in the areas where the Group operates to improve the governance of these investments. This work will provide a clearer picture of local needs.

In a perception survey of children, adolescents, and young adults from communities participating in the Group's initiatives, 27% reported behavioral changes, 23% reported learning gains, 15% reported improved academic performance, 10% reported entering the workforce, 4% reported spiritual growth, 3% reported improvements in their surroundings, 3% reported a greater sense of responsibility, and 2% reported improvements in mental health. The remaining 14% did not respond.

The assessment of these areas covered socioeconomic, educational, and public safety indicators. The results are presented in the table below:

State	Ceará	Pará	Tocantins
Unemployment rate (%)	7.5	7.4	4.3
Recipients of the Continuous Benefit Payment	333,533	272,457	168,987
Recipients of the *Bolsa Família* family allowance program	1,526,973	1,392,678	47,582
Recipients of the Closed-Season Benefit for Artisanal Fishers	11,443	246,370	5,331
Illiteracy rate (%)	11.5	6.9	7.8
Out-of-school youth rate (%)	19.9	24.6	18.5
Homicides	2,970	2,115	535
Cases of violence against women	24,130	186,169	2,720
Femicide	23	58	40
Sexual crimes	2,154	5,589	102
Human rights violations against children and adolescents	7,358	4,621	2,058
Reports of child labor	58	32	4

27% of participants
in the Group's initiatives reported positive behavioral changes

23%
experienced an expansion of their learning



Projects supported GRI 203-2

Get to know a few of the initiatives the Aço Cearense Institute supported in 2025:

fighting hunger; nutrition, and health

- **Pact Against Hunger:** provides financial and institutional support to this movement, which works to change legislation and combat food waste to permanently eradicate hunger in Brazil.

- ***Ceará Sem Fome* (Ceará Without Hunger) Program:** in partnership with the Government of Ceará, the program invested in the creation of 30 classes for the *Amor na Massa* (Baking with Love) course, training 435 vulnerable individuals in the field of baking in 2025.

- **Psychological support in communities:** the institute began providing free psychological services on a biweekly basis to assist partner organizations and communities struggling with the pressures of social vulnerability.

Employability, education, and women's empowerment

- **Eco-Friendly Soap Factory:** a social enterprise supported by the institute, which trains vulnerable women to turn used cooking oil into eco-friendly cleaning products. The project, which is already active in the three states, combines environmental education with direct income generation and women's empowerment.

523 participants
4,936 liters of oil collected
123.4 million liters of water saved, preventing the emission of **46.15 tCO_2e**

- ***O Que Não Nos Disseram* (What They Did Not Tell Us):** an educational project aimed at raising awareness among women and discussing the urgent need to confront and combat domestic violence. The information is presented during meetings with journalist Andressa Meireles.

411 participants

* Data compiled by Saboaria Ecológica.











Dignity, sanitation, and social infrastructure

- ***Favela 3D* Program:** a partner in this program run by the NGO Gerando Falcões, which aims to turn favelas into environments that are Dignified, Digital, and Developed. In 2025, the initiative took place in the former Favela do Inferninho—currently known as Beco do Céu—in Fortaleza (CE). The initiative focused on sanitation and housing and helped more than 90% of the community's residents enter the workforce. It also engaged Group employees, more than 1,500 of whom made voluntary monthly donations. During the year, 489 jobs were created and 2,517 people received training.

489
jobs created and 2,517 citizens trained

- ***Água Camelo* (Camel Water) Project:** designed to combat diseases associated with inadequate sanitation, the project brings innovative water purification technology to the Anacé Indigenous community near the Port of Pecém (CE). Three water distribution points equipped with advanced filters were installed, directly benefiting approximately 1,000 people who previously lacked access to safe drinking water.

- **Donation of steel products:** the company supports community infrastructure by donating its own steel products to renovate facilities run by NGOs, as well as educational facilities and shelters.

Sports and community integration

- ***Movimente* (Move) Project:** in the São Bento (TO) region, the project offers jiu-jitsu classes for the community, discussion groups for mothers of children with disabilities, and psychological counseling.

Environment

Climate Change

Circular Economy

Water Management

Biodiversity





CLIMATE CHANGE

GRI 3-3 [Climate change], 305-4

Investing in clean technologies and production methods that enable steel production with greenhouse gas (GHG) emissions below the average for conventional steel mills is an important objective for the company. Two factors are central to this approach: using recycled scrap to produce steel and using bioreductants from renewable sources—derived from eucalyptus plantations—to fuel the blast furnace (see page 15).

Grupo Aço Cearense makes its decisions in accordance with current climate change legislation. Its measures include systematic monitoring of Scope 1, 2, and 3 GHG emissions; continuous improvements in energy efficiency; the use of renewable energy and biomass; control of fugitive emissions; process modernization; and internal training.

SINOBRAS's GHG emissions per metric ton of steel produced are one-tenth of the national industry average.

Monitoring results are compiled each year in the corporate GHG emissions inventory. Prepared in accordance with the guidelines of the Intergovernmental Panel on Climate Change (IPCC) and the Brazilian GHG Protocol Program, the inventory has received the program's Gold Seal, awarded to organizations that measure and publicly disclose their emissions and have their inventories verified by an independent third party.

In 2025, the inventory recorded total Scope 1, 2, and 3 emissions of **757,956.88** tCO_2e for Grupo Aço Cearense. This was higher than the 2024 total of **497,330.60** tCO_2e. The increase reflected higher production and operational activity and a methodological revision to the allocation of logistics emissions.

SINOBRAS's emissions intensity, calculated by dividing its total Scope 1 and 2 emissions by the volume of steel it produced, was 0.19 tCO_2e per metric ton of steel, unchanged from the previous year.

Climate change is discussed by senior leadership, in internal forums, and with technical departments. The company also considers the expectations of customers, regulators, investors, and society.

0.19 tCO_2e per metric ton of steel produced was the GHG emissions intensity in 2025—the same as in 2024



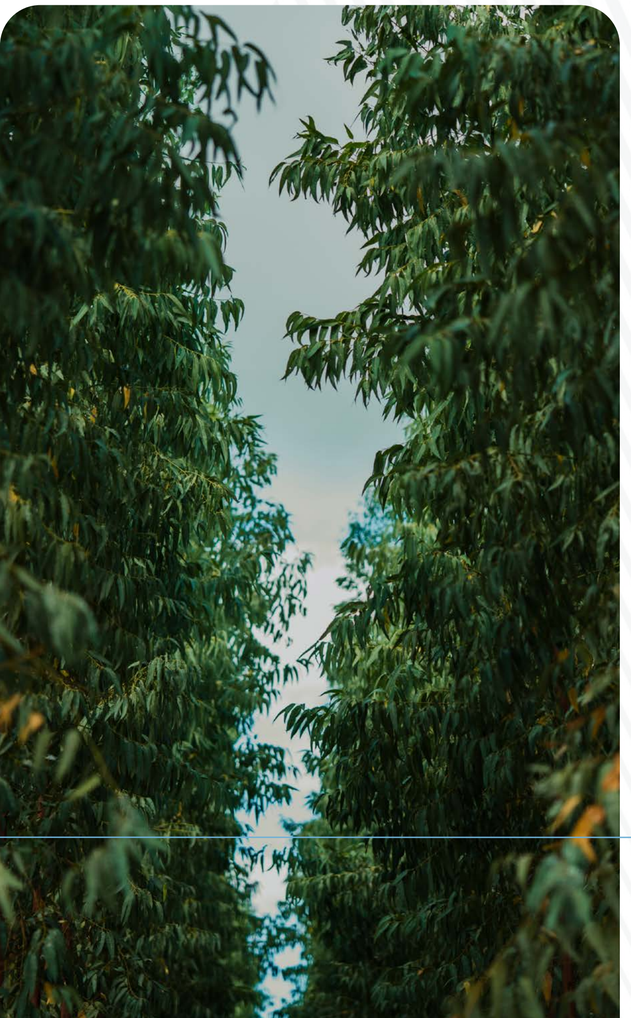
Participation in COP30

COP30, the first UN Climate Change Conference held in Brazil, took place in Belém (PA) and gave Grupo Aço Cearense an opportunity to discuss sustainable practices in the steel and forestry sectors.

The company highlighted its sustainable practices in the Amazon. Topics discussed at the event included recycling metal scrap to supply the company's furnaces, managing byproducts efficiently, and the socioeconomic impact of its operations.

Corporate Decarbonization Plan

GRI 3-3 [Climate change], 201-2



To advance its emissions management, Grupo Aço Cearense is preparing to develop a Corporate Decarbonization Plan grounded in scientific and methodological principles. The plan will identify indicators to monitor and targets to meet by 2050.

It is expected to establish an emissions baseline, project future scenarios, identify reduction opportunities, prioritize initiatives by cost and mitigation potential, and set out a short-, medium-, and long-term roadmap. It will provide a basis for integrating climate considerations into corporate decision-making. The plan will be developed with internal technical expertise and support from a specialized consulting firm.

Management of impacts

GRI 3-3 [Climate change], 201-2

Climate change is a strategic issue for Grupo Aço Cearense because of the potential adverse impacts associated with its industrial and forestry operations and the opportunities created by the transition to a low-carbon economy.

Most of the adverse impacts are potential and could arise over the medium to long term. They include GHG emissions from production processes; energy and fuel consumption in logistics and across the value chain; exposure to physical risks such as extreme weather; and changes in rainfall patterns and water stress, particularly in forestry operations. The Group also faces regulatory risks related to public policy, carbon pricing, and the requirements of the Brazilian Emissions Trading System (SBCE).

These risks could increase operating costs, including through investments in assets and technologies, and affect competitiveness and long-term planning. Grupo Aço Cearense does not yet have dedicated systems for climate-related financial modeling, carbon pricing, or projections under different regulatory scenarios. The decarbonization plan is expected to address this gap.

The opportunities shown in the figure below, which the company is already pursuing, can improve efficiency, mitigate regulatory risks, strengthen its ESG strategy, and provide access to new sources of sustainable financing.

Climate change

From eucalyptus plantations to the final steel product, the Group invests in solutions that generate low greenhouse gas (GHG) emissions.







Renewable forests

SINOBRAS Florestal produces bioreductants from planted eucalyptus forests.

Forests capture carbon from the atmosphere. In 2025, they accounted for the removal of more than

982,000
metric tons of CO_2e

Emissions intensity
10 times lower
than the Brazilian steel industry average.

Charcoal-fired blast furnace

The injection of bioreductant fines enables this co-product to be used while improving process efficiency, contributing to lower emissions intensity.

GAF

Blast furnace gas (BFG) generated during the process is reused in the billet reheating furnace at Rolling Mill I, partially replacing Liquefied Petroleum Gas (LPG) and reducing GHG emissions from the operation.

Electric arc furnace

The use of liquid pig iron in the charge and oxygen injection for post-combustion increase process efficiency and reduce electricity consumption.

Recycled scrap accounts for **70%** of the metallic charge in the electric arc furnace, reducing demand for natural resources and emissions associated with steel production.

Sustainable results

GHG emissions intensity of **0.19 tCOe** per metric ton of steel produced in 2025.

470,000+
metric tons of recycled scrap metal.

In 2025, more than **44,000** metric tons of sinter were used in pig iron production, promoting the use of steelmaking byproducts and strengthening circularity in the production process.

95% of byproducts are sent for co-processing and reuse.

Scope 1 emissions[1] GRI 305-1

	2024		2025[2]	
Category	**Total emissions (tCO_2e)**	**Biogenic emissions (t)**	**Total emissions (tCO_2e)**	**Biogenic emissions (t)**
Aço Cearense[3]	3,321.65	273.49	5,941.49	723.69
SINOBRAS	75,110.41	483,394.57	84,697.23	622,949.33
SINOBRAS Florestal	196,097.22	230,800.45	422,954.75	230,709.09
Total	**274,529.28**	**714,468.51**	**513,593.48**	**854,382.11**

1. Gases considered are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). The company selected 2024 as the base year for comparison purposes, as it has not yet set an emissions reduction target. Emissions were calculated using the GHG Protocol methodology and guidelines from the Intergovernmental Panel on Climate Change (IPCC).
2. The increase recorded in 2025 should be considered in light of four main factors: expansion of the forestry base, growth in production and operational activity, improvements to the inventory methodology, and better data quality and traceability.
3. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Scope 2 emissions[1] GRI 305-2

	2024[2]	2025
Category	**Total emissions (tCO_2e)**	**Total emissions (tCO_2e)**
Aço Cearense[3]	1,195.82	1,032.64
SINOBRAS	20,534.16	17,773.35
SINOBRAS Florestal	12.44	10.49
Total	**21,742.42**	**18,816.48**

1. The gas used in the calculation is carbon dioxide (CO_2). The company selected 2024 as the base year for comparison purposes, as it has not yet set an emissions reduction target. Emissions were calculated using the GHG Protocol methodology and guidelines from the Intergovernmental Panel on Climate Change (IPCC).
2. The figures for total emissions in 2024 were adjusted due to a change made in the calculation methodology. GRI 2-4
3. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Scope 3 emissions[1] GRI 305-3

	2024[2]		2025[3]	
Category	**Total emissions (tCO_2e)**	**Biogenic emissions (t)**	**Total emissions (tCO_2e)**	**Biogenic emissions (t)**
Aço Cearense[4]	29,256.83	2,745.60	33,419.45	4,423.74
SINOBRAS	159,873.52	3,047.44	189,605.56	4,317.09
SINOBRAS Florestal	1,471.01	55.31	2,521.92	10.23
Total	**190,601.40**	**5,848.35**	**225,546.92**	**8,751.05**

1. Gases considered are carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O). The company selected 2024 as the base year for comparison purposes, as it has not yet set an emissions reduction target. Emissions were calculated using the GHG Protocol methodology and guidelines from the Intergovernmental Panel on Climate Change (IPCC).
2. The figures for total emissions in 2024 were adjusted due to a change made in the calculation methodology. GRI 2-4
3. The increase observed in 2025 is due to methodological improvements to the inventory and improvements in data quality and traceability.
4. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Production, import, and export of SDO (in metric tons of CFC-11 equivalent)[1] GRI 305-6

	2024	2025
Aço Cearense[2]	0.0105	0.0070
SINOBRAS	0.0798	0.0262
SINOBRAS Florestal	0.0066	0.0066
Total	**0.0969**	**0.0398**

1. The hydrochlorofluorocarbons included are HCFC-22, HCFC-124, and HCFC-141b. This total relates exclusively to refrigerants used in air conditioning systems and for building and industrial maintenance at the company's facilities. The base year used was 2024. The company uses it for comparison, as it has not yet set an emissions reduction target. Emissions were calculated using the GHG Protocol methodology and guidelines from the Intergovernmental Panel on Climate Change (IPCC).
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions[1, 2, 3] (mg/Nm³) GRI 305-7

	2024		2025	
	Aço Cearense[4]	SINOBRAS	Aço Cearense[4]	SINOBRAS
Particulate matter	-	477	-	346.5
NO_X	18.1	508.23	1,427	690.77
SO_X	132.3	54.04	0.00	53.19
CO_2 concentration	2.8%	-	2.6%	-
O_2 concentration	-	38.44%	-	54.9%

1. At SINOBRAS Florestal, air emissions from equipment and processes are not measured separately.
2. Persistent organic pollutants (POPs), volatile organic compounds (VOCs), and hazardous air pollutants (HAPs) were not monitored because these categories do not apply to the fuel and emission source analyzed.
3. The analyses follow the methods established by CONAMA Resolutions No. 382/2006 and No. 436/2011, with monitoring carried out by a specialized laboratory.
4. Aço Cearense refers solely to Aço Cearense Industrial. Aço Cearense Comercial has no industrial, thermal, or combustion activities, so this indicator does not apply to its operations.



Energy efficiency

Energy efficiency is one of the pillars of Aço Cearense Group's sustainability strategy and contributes directly to increasing its competitiveness, reducing environmental impacts, and strengthening low-carbon steelmaking. Through continuous improvement of production processes, technological modernization, and the valorization of renewable energy sources, the company seeks to maximize the utilization of resources used in its operations.

In 2025, the company expanded the use of energy recovered from biogenic blast furnace gas, which fuels the billet reheating furnace at Rolling Mill 1. That year, the process accounted for 890,000 GJ of renewable energy consumed in-house—more than the operation's fossil fuel consumption—and strengthened the circularity of the company's production processes.

Using this renewable energy source recovers energy from a steelmaking byproduct, reduces dependence on fossil fuels, and improves overall operational efficiency. As a result, renewable sources accounted for approximately 39% of SINOBRAS's total energy consumption, reflecting progress toward more sustainable production.

Alongside energy recovery from process gases, SINOBRAS continues to optimize electricity consumption through operational monitoring, management of its largest energy users, and ongoing improvements to the efficiency of production equipment and systems.



890,000 GJ
of renewable energy consumed internally

Energy consumption within the organization (GJ) GRI 302-1

	2024[1]			2025		
	Aço Cearense[2]	SINOBRAS	SINOBRAS Florestal	Aço Cearense[2]	SINOBRAS	SINOBRAS Florestal
Diesel	23,911.81	110,366.04	43,481.96	69,465.81	178,279.45	94,530.59
Gasoline	1,150.68	5,727.73	521.43	1,632.52	5,313.02	2,474.39
LPG	1,319.15	551,281.60	-	1,102.30	685,816.35	-
Jet fuel	8,189.18	-	-	6,480.94	-	-
Acetylene	795.26	-	-	563.77	0.11	10.88
Total	**35,366.08**	**667,375.37**	**44,003.39**	**79,245.34**	**869,408.93**	**97,015.86**

1. The figures for Aço Cearense were adjusted due to a change in methodology. GRI 2-4
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Total fuel consumption within the organization from renewable sources (GJ)[1] GRI 302-1

	2024		2025	
	Aço Cearense[2]	SINOBRAS	Aço Cearense[2]	SINOBRAS
Ethanol	4.28	-	9.59	25.56
Blast furnace gas/ Biogenic gas (WSA)	-	551,281.53	-	890,449.62
Total	**4.28**	**551,281.53**	**9.59**	**890.475.18**

1. SINOBRAS Florestal does not use these fuels. Therefore, it is not included in this table.
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Energy consumption by energy source (GJ) GRI 302-1

	2024[1]			2025		
	Aço Cearense[2]	SINOBRAS	SINOBRAS Florestal	Aço Cearense[2]	SINOBRAS	SINOBRAS Florestal
Electricity	74,770.81	1,322,908.46	794.34	79,736.49	1,387,269.21	790.83
Total	**74,770.81**	**1,322,908.46**	**794.34**	**79,736.49**	**1,387,269.21**	**790.83**

1. The figures for Aço Cearense were adjusted due to a change in methodology. GRI 2-4
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Energy consumption within the organization (GJ) GRI 302-1

	2024[1]			2025		
	Aço Cearense[2]	SINOBRAS	SINOBRAS Florestal	Aço Cearense[1]	SINOBRAS	SINOBRAS Florestal
Non-renewable fuels consumed	35,366.08	791,939.99	43,481.96	79,245.34	869,408.93	96,840.66
Renewable fuels consumed	4.28	551,295.18	-	9.59	890.475.18	-
Electricity, heating, cooling and steam purchased for consumption	74,770.81	1,322,908.30	794.34	79,736.49	1,387,269.21	790.83
Total	**110,141.17**	**2,666,143.46**	**44,276.30**	**158,991.42**	**3,147,153.32**	**97,631.49**

1. SINOBRAS figures were revised due to a methodological change. GRI 2-4
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Energy consumption outside of the organization (GJ) GRI 302-2

	2024[1]			2025		
	Aço Cearense[2]	SINOBRAS	SINOBRAS Florestal	Aço Cearense[1]	SINOBRAS	SINOBRAS Florestal
Non-renewable fuels consumed	76,470.13	317,997.21	5,009.76	437,763.49	447,394.29	1,372.63
Petrochemical industry inputs and products	30.46	0.60	0.16	0.98	0.81	0.12
Total	**76.500.59**	**317,997.81**	**5,009.92**	**437,764.47**	**447,395.10**	**1,372.75**

1. SINOBRAS figures were revised due to a methodological change. GRI 2-4
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.



Energy intensity (GJ)[1, 2, 3] - GRI 302-3

	2024[4]	2025
Aço Cearense	0.15	0.22
SINOBRAS	2.53	2.53
SINOBRAS Florestal	0.018	0.018

1. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.
2. Energy intensity is not calculated for activities outside the organization.
3. To calculate intensity, the metric used for Aço Cearense was: metric tons of products invoiced for Aço Cearense; metric tons of crude steel produced at the steel mill for SINOBRAS; and metric tons of bioreductant produced for SINOBRAS Florestal.
4. The 2024 energy intensity figures were recalculated following a change in methodology. **GRI 2-4**

Reduction of energy consumption (GJ)[1] GRI 302-4

	2024	2025
Replacement of 270 W metal halide lamps with 150 W LED lamps	995.274	1164.4704

1. Estimated figures based on the replacement of 270 W metal halide lamps with 150 W LED lamps at Aço Cearense Industrial e Comercial. The calculation considers the difference in the lamps' rated power and their average usage. The reported reductions result solely from energy efficiency gains.

Learn more
See the GHG emissions and energy consumption inventory data on page 64.

CIRCULAR ECONOMY

GRI 3-3 [Waste and the circular economy], GRI 306-1, 306-2

Circular economy practices are part of Grupo Aço Cearense's day-to-day operations. The company seeks opportunities to recover value from waste and byproducts generated by its industrial, logistics, commercial, and forestry activities.

In managing this material topic, the Group seeks to maximize the positive impacts of reverse logistics, the return of byproducts to the steelmaking cycle, and the sale of recyclables. At SINOBRAS, using metal scrap to produce steel supports the reuse of raw materials and sustains a value chain involving thousands of people. At Aço Cearense, the Zero Landfill project diverted 94.6% of waste from landfills in 2025.

Across its operations, Grupo Aço Cearense manages waste responsibly, prioritizing legal compliance, material traceability, and environmentally sound final disposal. The company monitors each stage, from generation to disposal, and records the data in the National Information System on Solid Waste Management (SINIR).

516,875.55
metric tons
of metal scrap purchased to supply the steel mill

The waste generated goes through the following stages:

MATERIAL SEPARATION: sorting, processing, packaging, and temporary storage.

DATA RECORDING: consolidation of information in the company's systems.

DELIVERY: shipment to specialized companies licensed to collect, transport, and dispose of the materials. These suppliers must submit the required technical documentation, including a Certificate of Compliance (CTF) from the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA), SINIR registration, and environmental permits, for review by the Sustainability team. Each stage is documented through the Waste Transport Manifest (MTR), weighing tickets and invoices where applicable, and disposal certificates.

The Group also provides education on waste management for employees, suppliers, partners, and neighboring communities. These initiatives encourage proper waste separation, selective collection, and shared environmental responsibility.

Potential adverse impacts arise from improper handling or disposal, which could contaminate soil and water, create environmental liabilities, and harm the company's reputation. These risks apply both to its own operations and to transportation and final disposal by third parties.



Circularity in the production process

The integration of Grupo Aço Cearense's production processes allows circularity practices to be applied at every stage. This supports more efficient management of waste and gases generated during steel production. Using recycled materials also makes the company's operations more sustainable.

The following initiatives illustrate its circular economy practices:

INDUSTRIAL PHASE

- **Using metal scrap** as a raw material for steel production **promotes recycling and returns this material to the production cycle**, while supporting a value chain involving thousands of people.
- Steel production byproducts—blast furnace dust, mill dust, blast furnace sludge, and mill scale—**are reused in sintering.** The resulting sinter is then **used to produce liquid pig iron**.
- Blast furnace gas is reused in the billet reheating furnace at Rolling Mill 1, reducing the need for fossil fuels (LPG).
- Byproducts that cannot be used in the Group's processes are sent to partner companies for co-processing.

Waste management GRI 301-1, 301-2, 306-1, 306-2

In 2025, SINOBRAS Florestal and Aço Cearense used 1,301,574.04 metric tons of non-renewable materials and 133,729.45 metric tons of renewable materials, for a total of 1,435,303.49 metric tons. These quantities are tracked through the corporate management system. Recyclable raw materials totaled 454,704.14 metric tons, equivalent to 31.67% of the total.



Each Group unit monitors every stage of waste management. See more details below:

SINOBRAS

Inputs: ore, metal scrap, fluxes, chemical inputs, fuels, oils, maintenance materials, administrative supplies, and charcoal. These resources are used in ironmaking, steelmaking, sintering, rolling, heavy maintenance, plant shutdowns, and operational support.

Outputs: slag; mineral and metal waste; hazardous waste, including spent oil and contaminated materials; administrative and organic waste; dust; sludge; and packaging.

Potential impacts: improper waste management can cause adverse impacts, particularly in industrial activities that generate large volumes of solid waste.

Preventive measures: optimization of blast furnace, steelmaking, rolling, and wire drawing processes. The company also implements strict controls in its waste management practices to prevent negative impacts. The controlled transfer of byproducts between Group units for internal reuse also reduces risks associated with external handling.

Circularity: internal recycling of ferrous scrap; re-refining of oil; reverse logistics for light bulbs, tires, and batteries; use of slag as a subbase in civil engineering; and reuse of mill scale, blast furnace dust, mill dust, and sludge in sintering.

The facility also incinerates non-recyclable hazardous waste and disposes of residual waste as part of its treatment process.

FLORESTAL SINOBRAS

Inputs: fuels, lubricating oils, greases, machinery maintenance supplies, administrative supplies, and forestry inputs such as seedlings, fertilizers, and pesticides.

Outputs: spent lubricating oils, contaminated materials, pesticide containers, light bulbs, batteries, construction waste, organic waste, office waste, and forestry waste.

Potential impacts: soil and water contamination if waste is improperly managed. No significant upstream or downstream impacts were identified, given the vertically integrated process in which eucalyptus is converted into a bioreductant for SINOBRAS's exclusive use.

Preventive measures: reducing waste at its source through good forestry management practices, control of input use, machinery maintenance, and environmental training.

Circularity: reuse of charcoal residue in production and recycling of forestry residues into wood chips.

AÇO CEARENSE

Industrial activities

Inputs: metallic and non-metallic raw materials, lubricating oils, greases, fuels, auxiliary chemicals, packaging, and maintenance supplies. These materials are used in metallurgical processes, processing, manufacturing, storage, equipment maintenance, and administrative activities.

Outputs: industrial waste, including dust and sludge; metal waste and scrap; spent oils; contaminated materials and packaging; construction waste; administrative waste; and organic waste.

Potential impacts: soil and water contamination if waste is improperly managed, occupational hazards, and increased demand for landfill capacity. Potential upstream impacts relate to the characteristics of purchased inputs; downstream impacts relate to the packaging of products sold.

Preventive measures: procurement planning to avoid surpluses, process optimization to reduce losses, and gradual replacement of hazardous materials.

Circularity: recycling of metal scrap, re-refining of spent oils, shipment of recyclables to cooperatives, and reverse logistics for light bulbs, tires, and batteries, with sorting and storage monitored throughout.

Business activities

Inputs: administrative supplies, including office supplies, packaging, and support materials.

Outputs: general administrative waste, packaging, and occasional electronic waste.

Potential impacts: the unit does not conduct industrial activities or thermal processes and therefore does not generate significant industrial waste.

Preventive measures: selective collection programs, training, Environment Week activities, and collection campaigns for electronic waste and used cooking oil for reuse.

Logistics activities

Inputs: fuels, oils, maintenance and packaging materials, handling supplies, and administrative supplies.

Outputs: minor maintenance waste, secondary packaging, and administrative waste.

Potential impacts: low. No significant upstream or downstream impacts were identified in the value chain.

Preventive measures: more efficient use of packaging materials and reduction of administrative waste.



Total weight of hazardous waste generated by the company's own operations, excluding effluents (metric ton)[1]

	2024[2]	2025
Batteries	0.84	9.61
Pesticide packaging	4.11	3.49
Light bulbs and batteries	0.06	0.14
Oily waste	2.40	1.70
Exhaust dust	7,034.96	6,511.82
Lubricating oil	23.46	26.08
Materials contaminated with oils and greases	322.39	402.12
Electronics	0.36	15.30
Septic	-	4.21
Class I	55.51	38.47
Blast furnace dust	3,974.54	4,575.77
Blast furnace sludge	3,057.91	10,371.84
Contaminated metal scrap	2,795.21	1,830.20
Total	**17,271.75**	**23,790.75**

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. Waste data were recalculated following the reclassification of blast furnace dust from nonhazardous to hazardous waste. Historical figures were adjusted accordingly. GRI 2-4

Total weight of non-hazardous waste generated by the company's operations, excluding effluents (metric tons)[1]

	2024[2]	2025
Mill scale	15,965.59	20,455.59
Wood	320.13	760.14
Cardboard	128.78	146.18
Plastic	75.44	164.46
Tires	31.33	32.67
Refractories	1,446.40	1,642.33
Aluminum and copper scrap	80.48	161.37
Cafeteria waste and food scraps	13.00	15.55
Dust and non-recyclable materials	211.46	198.57
Slag	65,461.49	79,836.83
Wire drawing iron powder	455.68	460.17
Sweeping waste	344.98	342.37
Leather gloves	9.81	8.14
Metal scrap	10,700.43	11,234.86
Drums	36.75	29.60
Fluff	10,785.35	12,091.60
Ore fines	30,084.37	36,373.20
Big bags	188.54	243.58
Civil construction	544.13	121.72
General waste	24.90	24.37
Electrical scrap	1.99	2.09
Internal ferrous and steel scrap	49,529.74	58,147.25
Bioreductant fines (grinder)	7,551.35	6,912.76
PCI mill tailings	552.74	4,043.47
REC 2	4,614.74	3,363.95
PPE	11.00	9.43
Total	**199,170.60**	**236,822.25**

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. Waste data were recalculated following the reclassification of blast furnace dust from nonhazardous to hazardous waste. Historical figures were adjusted accordingly. GRI 2-4

Total weight of hazardous and non-hazardous waste generated by the company's operations (metric tons)[1,3]

GRI 306-3

	2024[2]	2025
Hazardous waste	17,271.75	23,790.75
Non-hazardous waste	199,170.60	236,822.25
Total	**216,442.35**	**269,613.00**

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. Waste data were recalculated following the reclassification of blast furnace dust from nonhazardous to hazardous waste. Historical figures were adjusted accordingly. GRI 2-4
3. The divergence between the total volume generated (GRI 306-3) and the amounts allocated (GRI 306-4 and 306-5) stems from the first cycle of comprehensive consolidation via primary bases. Contributing factors include timing differences between invoices and waste transport manifests, occasional estimates of waste generated, and limitations in weighbridge traceability. The reported figures reflect the best information available for the period. The organization is implementing a plan to standardize its operational data sources and improve the consistency of these metrics in future reports.

GRI 306-4: Waste diverted from disposal

Total weight of hazardous waste diverted from disposal, by recovery operation (metric tons)[1,3]

		2024[2]			2025		
Type of recovery	**Hazardous waste**	**Total weight within the organization**	**Total weight outside the organization**	**Total**	**Total weight within the organization**	**Total weight outside the organization**	**Total**
Recycling	Batteries	0.00	0.84	0.84	6.17	0.00	6.17
	Pesticide packaging	0.00	4.11	4.11	0.00	3.49	3.49
	Light bulbs and batteries	0.00	0.06	0.06	0.00	0.00	0.00
	Oily waste	0.00	2.40	2.40	0.00	1.70	1.70
	Electronics	0.00	0.36	0.36	0.00	15.3	15.3
	Contaminated metal scrap	0.00	2,795.21	2,795.21	0.00	1,830.20	1,830.20
Other recovery operations	Oily effluent	0.00	431.49	431.49	0.00	638.15	638.15
	Lubricating oil	0.00	23.46	23.46	0.00	26.08	26.08
	Exhaust dust	0.00	6,237.74	6.237.74	0.00	11,882.36	11,882.36
	Blast furnace dust	4.76	0.00	4.76	0.00	0.00	0.00
	Materials contaminated with oils and greases	0.00	0.00	0.00	0.00	402.12	402.12
	Blast furnace sludge	0.00	3.00	3.00	0.00	1,330.53	1,330.53
	Bioreductant fines 2[4]	0.00	7,796.52	7,796.52	0.00	9,131.22	9,131.22
Total		**4.76**	**17,295.19**	**17,299.95**	**0.00**	**25,267.32**	**25,267.32**

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. The waste data were recalculated due to the reclassification of blast furnace and exhaust dust, which was previously considered nonhazardous and is now classified as hazardous. Historical figures were adjusted accordingly. GRI 2-4
3. The divergence between the total volume generated (GRI 306-3) and the amounts allocated (GRI 306-4 and 306-5) stems from the first cycle of comprehensive consolidation via primary bases. Contributing factors include timing differences between invoices and waste transport manifests, occasional estimates of waste generated, and limitations in weighbridge traceability. The reported figures reflect the best information available for the period. The organization is implementing a plan to standardize its operational data sources and improve the consistency of these metrics in future reports.
4. A group comprising blast furnace dust, blast furnace sludge, bioreductant fines, and waste from the fines injection mill. This figure is already included in the components reported under GRI 306-3; reporting it separately would result in double counting.

Total weight of nonhazardous waste diverted from disposal, by recovery operation (metric tons)[1.3]

		2024[2]			2025		
Type of recovery	**Non-hazardous waste**	**Total weight within the organization**	**Total weight outside the organization**	**Total**	**Total weight within the organization**	**Total weight outside the organization**	**Total**
Other recovery operations	Slag	0	35,247.07	35,247.07	0	97,222.06	97,222.06
	Fluff	0	16,522.15	16,522.15	0	2,115.18	2,115.18
Preparation for reuse	Wood	0	320.13	320.13	0	749.83	749.83
Recycling	Cardboard	0	128.78	128.78	0	144.7	144.7
	Plastic	0	75.44	75.44	0	164.46	164.46
	Tires	0	31.33	31.33	0	32.67	32.67
	Drums	0	36.75	36.75	0	29.6	29.6
	Leather gloves	0	9.81	9.81	0	8.14	8.14
	Big bags	0	188.54	188.54	0	243.58	243.58
	Metal scrap	0.00	10,700.43	10,700.43	0	11,234.86	11,234.86
	Refractories	933.33	493.34	1,426.67	1,565.81	76.52	1,642.33
	Ferrous scrap	49,431.30	0.00	49,431.30	58,130.30	16.95	58,147.25
	Aluminum and copper scrap	0	80.48	80.48	0	161.37	161.37
	Electrical scrap	0	0	0	0	2.09	2.09
	Bioreductant fines (grinder)	7,515.35	0	7,515.35	6,795.46	0	6,795.46
	Construction	0	0	0	0	121.72	121.72
	Mill scale	8,734.02	0	8,734.02	10,429.40	0	10,429.40
	REC	0.00	0	0.00	0.00	3,363.95	3,363.95
	Ore fines	30,084.37	0	30,084.37	36,373.20	-	36,373.20
	PPE	-	0.32	0.32	-	9.43	9.43
	Wire drawing iron powder	0	0	0	0	460.17	460.17
Total		**96,698.37**	**63,834.57**	**160.532.94**	**113,294.17**	**116,157.28**	**229,451.45**

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. The waste data were recalculated due to the reclassification of blast furnace and exhaust dust, which was previously considered nonhazardous and is now classified as hazardous. Historical figures were adjusted accordingly. GRI 2-4
3. The divergence between the total volume generated (GRI 306-3) and the amounts allocated (GRI 306-4 and 306-5) stems from the first cycle of comprehensive consolidation via primary bases. Contributing factors include timing differences between invoices and waste transport manifests, occasional estimates of waste generated, and limitations in weighbridge traceability. The reported figures reflect the best information available for the period. The organization is implementing a plan to standardize its operational data sources and improve the consistency of these metrics in future reports.

Total weight of nonhazardous waste directed to disposal (metric tons) [1] GRI 306-5

		2024[2]	2025
Operation	**Non-hazardous waste**	**Total weight outside the organization**	**Total weight outside the organization**
Landfill containment	Cafeteria waste and food scraps	13	15.55
	Wire drawing iron powder	455.68	0
	Civil construction	544.13	0
	Sweeping waste	344.98	342.37
	Non-recyclables	211.46	198.57
	General waste	24.9	24.37
Total		**1,594.15**	**580.86**

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. All waste generated in 2024 was directed to disposal outside the organization.

Total weight of hazardous waste directed to disposal (metric tons) [1, 3] GRI 306-5

		2024[2]	2025
Operation	**Hazardous waste**	**Total weight outside the organization**	**Total weight outside the organization**
Incineration (without energy recovery)	Class I	50.29	38.47
	Septic	0	4.21
Landfill containment	Sludge from the oil filtration process	322.39	0
Total		**372.68**	**42.68**

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. All waste generated in 2024 was directed to disposal outside the organization.

3. The divergence between the total volume generated (GRI 306-3) and the amounts allocated (GRI 306-4 and 306-5) stems from the first cycle of comprehensive consolidation via primary bases. Contributing factors include timing differences between invoices and waste transport manifests, occasional estimates of waste generated, and limitations in weighbridge traceability. The reported figures reflect the best information available for the period. The organization is implementing a plan to standardize its operational data sources and improve the consistency of these metrics in future reports.

Learn more
Learn more about the types of waste generated and how each is treated on page 71.

WATER MANAGEMENT

GRI 3-3 [Water and effluents], 303-1, 303-2

Grupo Aço Cearense manages water in accordance with applicable laws and public policies, as well as United Nations Sustainable Development Goal 6 (Clean Water and Sanitation). The company continuously monitors its water consumption and seeks to increase recirculation rates. It is also considering setting quantitative targets for water management.

Water is withdrawn for industrial processes, including cooling and cleaning, as well as for human consumption, forestry activities, and administrative purposes, from:

- Surface water sources, including rivers, streams, and reservoirs;
- Groundwater sources, including tubular wells; and
- Third-party network via public utilities.

Positive impacts of water management include rainwater reuse and industrial water recirculation. More than 98% of the water used in SINOBRAS's production processes is reused. These practices reduce runoff and help conserve regional water sources.

Potential adverse impacts over the medium and long term include pressure on water availability in water-stressed regions, such as Ceará, and risks to water quality. To prevent and mitigate these impacts, industrial facilities use their own reservoirs and reuse rainwater. For other water withdrawals, the Group uses only licensed sources. It also operates water treatment plants (WTPs) and conducts regular laboratory monitoring, preventive maintenance, and internal awareness campaigns.



The Group identifies impacts by monitoring the volumes of water withdrawn, consumed, and discharged; conducting periodic laboratory analyses of water quality; and assessing water risks by watershed. These assessments use public tools such as WRI's Aqueduct Water Risk Atlas and WWF's Water Risk Filter, which account for seasonal climate patterns and local water availability.

The Group engages with environmental agencies on permits and water rights and with employees and local communities in sensitive areas through environmental education and awareness activities. No suppliers or customers with significant impacts related to this topic were identified.

Total water withdrawal in all areas, by source (ML)[1]

			2024	2025
Company	**Source**	**Water-stressed area**	**Freshwater (total dissolved solids ≤1,000 mg/L)**	**Freshwater (total dissolved solids ≤1,000 mg/L)**
Aço Cearense[2]	Surface water	Yes	68.85	6.54
	Groundwater	Yes	3.39	71.13
	Third-party water	Yes	0.14	0.48
SINOBRAS	Surface water	No	850.59	907.99
SINOBRAS Florestal	Surface water	No	229.73	19.24
	Groundwater	No	87.55	18.81
Grupo Aço Cearense	**Total**		**1,240.25**	**1,024.19**

1 There is no water intake from other types of water.
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Water consumption[1] GRI 303-5

		2024	2025
Company	**Water-stressed area**	**Freshwater (total dissolved solids ≤1,000 mg/L)**	**Freshwater (total dissolved solids ≤1,000 mg/L)**
Aço Cearense[2]	Yes	28.63	32.01
SINOBRAS	No	796.08	907.99
SINOBRAS Florestal	No	66.28	38.05
Grupo Aço Cearense	**Total**	**890.99**	**978.05**

1. There is no water intake from other types of water.
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Responsible disposal

GRI 3-3 [Water and effluents], 303-1, 303-2



Grupo Aço Cearense sets minimum standards for wastewater discharge based on applicable legal requirements and sound operational practices. These standards aim to prevent adverse impacts on water resources, protect aquatic ecosystems, and safeguard human health. To uphold them, the company maintains internal guidelines for water quality monitoring, conducts inspections, and carries out preventive monitoring.

The wastewater generated is primarily domestic and is directed to the company's own wastewater treatment plants (WWTPs) or equivalent systems. All discharges comply with applicable licenses and permits, and no significant actual impacts from surface runoff have been identified.

Some Group facilities do not discharge wastewater into water bodies. This includes Aço Cearense's sales division and certain administrative and logistics areas. At these facilities, wastewater enters the public sewer system, which is operated by licensed utilities responsible for meeting minimum quality standards.

Water discharge to all areas, by source (ML)[1, 2, 3] GRI 303-4

Company	Source	Water-stressed area	2024 Freshwater (total dissolved solids ≤1,000 mg/L)	2025 Freshwater (total dissolved solids ≤1,000 mg/L)
Aço Cearense[4]	Surface water	Yes	39.84	38.52
	Third-party water	Yes	4.36	4.72
Grupo Aço Cearense	**Total**		**44.20**	**43.24**

1. At SINOBRAS Florestal, there is no significant wastewater discharge. Water used to cool the furnaces in industrial operations evaporates, while water used in forestry operations is absorbed into the soil and returns naturally to the water cycle. Water from administrative activities is directed to a septic system with a drain field.
2. There is no discharge into other types of water.
3. At SINOBRAS, water from backwashing the filters at the Water Treatment Plant (WTP) is discharged. The flow rate of this discharge cannot currently be measured.
4. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.



The Group operates in the Amazon, Cerrado and Caatinga biomes.

BIODIVERSITY

GRI 3-3 [Biodiversity], 101-1, 101-2, 101-7

Grupo Aço Cearense's production facilities are located in regions of high biological diversity, characterized by savanna formations, native vegetation, forest fragments, areas associated with water bodies, and typical terrestrial ecosystems. In this context, the company recognizes the importance of conserving biodiversity and managing natural resources sustainably, particularly in its eucalyptus plantations, given the nature and potential impacts of its activities.

The Group operates in three biomes:

- **Amazon:** SINOBRAS operations in Marabá (PA);
- **Cerrado:** SINOBRAS Florestal, in São Bento do Tocantins (TO), Araguatins (TO), and Ananás (TO); and
- **Caatinga:** Aço Cearense, in Caucaia (CE).

Taking the characteristics of each biome into account, the company's environmental management program includes the following biodiversity initiatives:

- Biannual fauna monitoring campaigns in your forest operations, with the objective of gathering information about the biological diversity present in the areas under your management and monitoring possible ecological changes over time. This initiative encompasses five faunal groups, through controlled captures, sightings, and camera traps. The data supports environmental management and biodiversity conservation.

- A mosaic approach to eucalyptus planting, with cultivated areas interspersed with fragments of native vegetation and Permanent Preservation Areas (PPAs) to improve ecological connectivity. The Group maintained 1,392.69 hectares of PPAs and 18,713.02 hectares of Legal Reserves, exceeding legal requirements.

- Safeguards that include strict controls and demarcation before vegetation clearance, prior removal of wildlife, use of certified inputs, and property patrols to prevent poaching and illegal fishing. Speed limits on internal roads and signs warning of wildlife crossings are also in place in specific sections. Monitoring identified species classified as Near Threatened, Vulnerable, and Endangered by the International Union for Conservation of Nature (IUCN). Measures to prevent soil erosion and compaction, including contour planting, retention basins and the retention of forest residues.

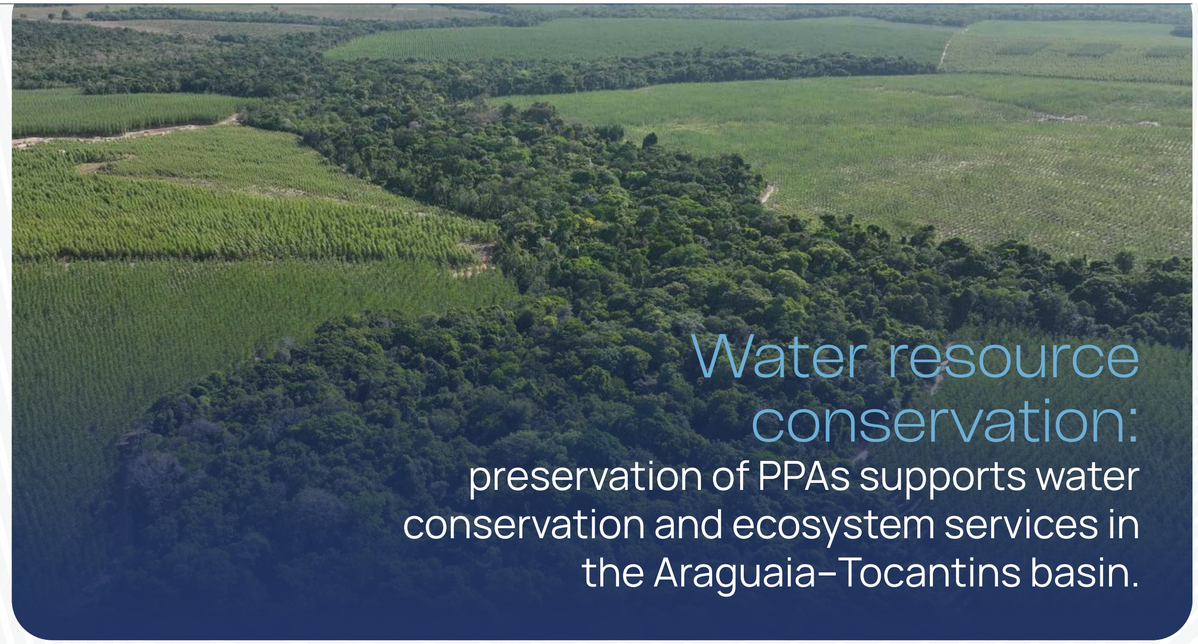
- Continuous monitoring using satellite imagery and structured forest fire prevention and response programs, including firebreak maintenance and property surveillance. The company also conducts annual environmental education campaigns for neighboring communities.

- Maintenance and investments in the development of natural enemies (see page 27).

- Conservation efforts in reclassified PPAs that help protect more than 100 springs feeding major rivers in the Araguaia–Tocantins basin. This initiative supports water conservation and the maintenance of ecosystem services.

These initiatives also contribute to climate protection: areas of native vegetation act as carbon sinks and help safeguard water resources. Eucalyptus grown by the Group also contributes to carbon sequestration and provides a renewable bioreductant for its industrial operations.

The Group also works to preserve local ecosystem services through institutional partnerships, including one with the Marabá (PA) Zoobotanical Foundation.
In 2025, no social conflicts or negative impacts on the community were reported.



Water resource conservation:

preservation of PPAs supports water conservation and ecosystem services in the Araguaia–Tocantins basin.

The company takes a preventive approach to operational and environmental risk management. This includes monitoring impacts, using natural resources responsibly, minimizing waste, addressing climate change, training employees and partners, incorporating contractual provisions and adopting mitigation measures, even where scientific evidence of potential harm is lacking.

GRI 2-23

The Group is developing an internal biodiversity policy to establish common goals and comprehensive timelines for related initiatives. A working group is defining concepts and preparing technical studies to support the policy's formal drafting. The proposed reference for this process is the Kunming–Montreal Global Biodiversity Framework.

Ecosystem services GRI 101-8

Each operational unit maps and manages the ecosystem services relevant to its area:

SINOBRAS

Availability of water resources essential to production; regulation of air and water quality; indirect support for local biodiversity and the ecosystem services associated with the planted forests in its supply chain; contribution to climate regulation through the use of renewable charcoal; and support for environmental education and conservation initiatives.

FLORESTAL SINOBRAS

Availability of surface water and groundwater; protection of springs and waterways through regulation of the water cycle; soil conservation and erosion control; maintenance of biodiversity and ecological connectivity; carbon sequestration and storage; and the scenic value of natural areas, environmental education and interaction with the environment.

AÇO CEARENSE

Regulation of air quality and climate; assimilation of atmospheric emissions and waste; and environmental stability in urban and industrial areas. The company also considers its interactions with local communities and the urban environment, as well as environmental awareness and quality of life in the regions where it operates.

Impact management

GRI 3-3 [Biodiversity], 101-4, 101-5, 101-6, 101-7

The main potential negative impacts of Grupo Aço Cearense's operations on biodiversity are associated with SINOBRAS Florestal, whose forestry activities interact directly with the Cerrado biome and areas of ecological sensitivity.

The unit covers 48,653.47 hectares, including extensive remnants of native vegetation and ecological corridors. Ecosystem integrity in the region is declining rapidly under pressure from land-use change and habitat fragmentation, which the company seeks to mitigate through its actions.

SINOBRAS Florestal is located in the Araguaia–Tocantins basin, an area vulnerable to extreme weather events, erosion and sedimentation. To help protect the region's water balance, the company manages surface runoff and periodically conducts laboratory tests of surface water and groundwater.

The project is located outside conservation areas and Indigenous territories. The nearest protected area is the traditionally occupied Apinajé Indigenous Territory, approximately 20 km from the Group's operations.

The main factors considered in managing biodiversity impacts are land-use change; potential habitat fragmentation; interactions with native flora and fauna; changes in pollination, nutrient cycling and gene flow; use of agricultural inputs; risks of soil and water degradation; and the physical effects of internal roads, harvesting and heavy machinery traffic.



The assessment draws on fauna surveys, physicochemical soil analyses, erosion mapping, surface water and groundwater tests, and technical field inspections.

The Group also assesses the potential introduction of invasive alien species associated with eucalyptus cultivation. Although cultivation is restricted to managed commercial areas, the transport of seedlings, machinery, supplies and vehicles presents a potential risk of accidental biological dispersal. Strict controls on unwanted regeneration help mitigate this risk.

Within its value chain, the products and services most relevant to biodiversity impact management are those directly associated with forestry operations: agricultural inputs, forest transport, fuels, lubricants and operational field services. The assessment was based on technical information shared by internal multidisciplinary teams, environmental regulators and specialized consultants.

The supply chain impacts and products assessed are confined to the state of Tocantins, Brazil. The information was compiled from field surveys, Rural Environmental Registry (CAR) data and internal monitoring reports.

The Group's other facilities have less direct interaction with natural ecosystems and, consequently, a lower potential impact on biodiversity.

Land use GRI 101-6

In 2025, SINOBRAS Florestal converted 1.875,01 hectares to expand its eucalyptus forestry operations. The area comprises new plantings on rural properties acquired in Tocantins, where part of the native Cerrado vegetation was converted to productive forestry use in compliance with requirements for the preservation of PPAs and Legal Reserves. The Group's operations do not involve harvesting, extracting or managing native wild fauna or flora.

Pollution GRI 101-6

Pollution sources are monitored and classified according to the nature of each Group facility.

The SINOBRAS steel mill in Marabá (PA) is considered the most significant source because its manufacturing operations generate greenhouse gas (GHG), particulate matter and combustion gas emissions; industrial effluents treated on-site; and waste such as slag, scale and lubricating oils, which are directed to circular economy uses or co-processing.

SINOBRAS Florestal generates air emissions from wood burning and carbonization, as well as hazardous waste, including pesticide containers and oily waste. The company monitors air quality in the surrounding area but does not take separate quantitative measurements for each source.

Aço Cearense's facilities primarily generate administrative wastewater, which is treated in septic tanks with drainage pits. They also generate GHG emissions associated with logistics and energy consumption, and solid waste that is sorted at the source.



GRUPO AÇO CEARENSE

Corporate *governance*

Governance Structure

Ethics, Integrity, and Compliance

Approach to Tax



GOVERNANCE STRUCTURE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-16, 2-18, 2-24

The company has intensified its governance and management efforts to strengthen controls, improve processes and reinforce its commitment to integrity and sustainability.

Corporate governance, alongside social and environmental considerations, is a pillar of Grupo Aço Cearense's sustainability strategy. The company continually works to strengthen best practices, improve processes and implement mechanisms that promote transparency, ethics, integrity and long-term value creation.

The Group's governance structure is headed by the General Meeting, its highest decision-making body. It comprises representatives of the first and second generations of the controlling family, who actively participate in managing the business. This model supports a long-term perspective and decisions aligned with responsible growth, sustainability and business continuity.

The Board of Directors is responsible for strategic direction and oversight of corporate management. Its six members are appointed by shareholders at a General Meeting for three-year terms. Although business decisions and strategic direction are currently concentrated in the offices of the President and Vice Presidents, the Group is restructuring its governance to expand the Board's role, including its involvement in ESG matters. This process is expected to be completed by 2027. Some Board members also hold executive positions, including the Group's founder, who serves as both Chairman of the Board and CEO.

The executive management team is responsible for operations. Its broad view of the business enables it to implement the strategies set by the Board of Directors and oversee the Group's activities. Its responsibilities include promoting efficiency, innovation and sustainability, and guiding and monitoring the ESG agenda to ensure alignment with corporate strategy and internal guidelines. Issues are assessed according to the severity of the scenarios identified by the advisory committees listed below or by the company's technical departments. Based on these assessments, the company defines measures to mitigate risks, correct deviations and manage impacts responsibly, in line with its sustainability strategy.

In recent years, the company has strengthened its governance and management practices by creating a Governance Committee and establishing a team dedicated to improving corporate processes, supported by specialized consultants. This initiative seeks to reinforce controls, improve processes and strengthen the organization's ability to implement, oversee and advance its commitments to ethics, integrity, responsible conduct and sustainability.

It also supports the development of more mature corporate processes and more effective internal guidelines. The work spans the strategic, tactical and operational levels, helping to ensure that corporate guidelines, policies and standards are communicated and implemented across all Group companies. Its goal is to foster a culture of transparency, accountability, ethics and corporate responsibility.

Members of the Executive Board



VILMAR FERREIRA
CEO of Grupo Aço Cearense



ALINE FERREIRA
Vice President of Sales and Finance



IAN CORRÊA
Vice President of Operations



MARIE FERREIRA
Advisor to the CEO



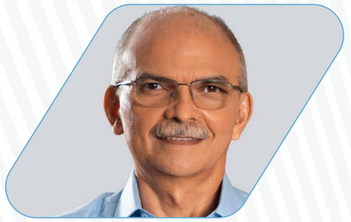
ROSEMEIRE MATOS
Administrative Director



MAJU FERREIRA
Legal and Compliance Director



CINTHIA CAVALCANTI
Information Technology and Digital Transformation Director



EDGARD CORRÊA
Procurement and Logistics Director



MILTON LIMA
Industrial Director



OSMIR PELEGRINI
Chief Financial Officer



RICARDO DIAS
Sales and Marketing Director



BRENO BARROS
Human Resources Director



CLÁUDIO LUSTOSA
International Business and Governance Director

Another development during the year was the consolidation of three bodies that support senior management:

Advisory committees GRI 2-9, 2-13

- **Ethics Committee:** Promotes integrity and ethical conduct by helping to create a respectful, transparent and safe work environment, as described on the following pages.

- **Privacy and Information Security Committee:** Oversees compliance with rules and regulations on personal data protection and information security, as well as relevant legal requirements and stakeholder expectations.

- **Tax Committee:** Monitors and provides guidance on fiscal and tax matters to help align the Group's practices with legislation and industry best practices. Although already operating, the committee is still in the final stages of development.

ETHICS, INTEGRITY, AND COMPLIANCE

GRI 2-15, 2-24, 2-27, 3-3 [Ethics and governance]

Grupo Aço Cearense conducts its operations and business with integrity and transparency, in full compliance with the Brazilian laws and regulations applicable to its industry. These principles are formalized in its Code of Ethics and Conduct, which sets out rules to ensure that the company's interactions are guided by fairness, corporate responsibility and respect for human rights.

The Code applies to all employees and external parties with whom the Group interacts. The Board of Directors monitors compliance with its guidelines and works to keep them current and aligned with corporate governance best practices. The Compliance and Human Resources teams reinforce these guidelines throughout the company by advising employees, answering questions and supporting compliance.

The guidelines are also put into practice through anticorruption and data protection policies, as well as third-party due diligence processes. These processes are being structured to address risk management and value chain integrity, covering ethical, legal, social and environmental matters. All decisions are approved by senior management after validation by the appropriate authorities.



Integrity and Compliance Program

The Integrity and Compliance Program seeks to foster a culture of ethics and compliance with laws, policies and guidelines. It addresses potential negative impacts involving harassment, discrimination, conflicts of interest, abuse of power and failures to protect personal data in the context of human rights, among other issues.

A corporate structure is in place to manage the program, supported by communications and training throughout the year. In 2025, these activities were revamped to make them more interactive. The Ethics Committee sets the program's guidelines and actions and oversees its operation.

The Legal and Compliance Department monitors and assesses compliance with established standards across the company's value chain, including suppliers and third parties, to help uphold ethical principles at every level of the business. Through these efforts, Grupo Aço Cearense seeks to foster a safe, inclusive and respectful work environment and strengthen its institutional reputation.

External advisors GRI 2-23, 2-24

Grupo Aço Cearense's corporate responsibility commitments, formalized in its Code of Ethics and reflected in other corporate policies, draw on international documents and guidelines, including the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and International Labour Organization (ILO) conventions.



Ethics Channel

GRI 2-25, 2-26, 3-3 [Ethics and governance]

The Group's Integrity and Compliance Program includes an Ethics Channel for reporting suspected misconduct, irregularities and violations of company policies or Brazilian law, including potential impacts on human rights and the environment. It is available to internal and external audiences, who may submit reports anonymously through www.contatoseguro.com.br/grupoacocearense or by calling 0800 810 8426.

An Investigation Committee examines all reports in accordance with the principles of confidentiality, impartiality and respect. The person submitting a report is kept informed of the investigation's progress and outcome. Following the investigation, case reports are sent to the Ethics Committee, which determines the appropriate measures.

In 2025, the Group completed its transition to a new platform, a process begun in the previous reporting cycle. The company assessed the severity of the reports received as low. Through its AI in Compliance project, the Group began using artificial intelligence in a structured manner to speed up investigations of reports received through the channel. The technology automatically transcribes interviews, increasing the team's productivity.

The Jurianalytics Project has also strengthened data-informed management in the Legal and Compliance Department. All reports received were recorded in an information and analysis dashboard. This allows the department to cross-reference data and plan targeted actions, such as identifying areas with the highest number of reports and providing training tailored to each one.

Improvements to the channel are informed by active listening to the stakeholders directly involved, particularly employees, suppliers and communities. Their experiences, perceptions and needs are taken into account in the design, review, operation and ongoing improvement of reporting channels and remediation practices.

In addition to the Ethics Channel, the company maintains preventive processes involving its Human Resources, Legal and Environmental departments. These departments review procedures and strengthen internal controls based on their own assessments, regardless of whether formal reports are received.

Complaints received in 2025 GRI 2-16, 2-25

The Ethics Committee assesses the effectiveness of the reporting mechanisms using quantitative indicators, including the number of reports, average investigation time, recurrence rates and percentage of cases resolved. It also conducts qualitative assessments of the clarity of reports and the appropriateness of responses. The findings are compiled in periodic reports that inform senior management's decisions and improvements to company controls.

In 2025, the Group received 144 reports of alleged violations of the Code of Ethics. Most concerned behavioral matters, which accounted for 98 cases. The remaining reports concerned illegal acts, conflicts of interest, violations of laws or regulatory standards, information security and life-threatening situations. Of the total, 47 cases were found to be substantiated and 28 unsubstantiated.

On the other hand, the demands and concerns deemed crucial to Grupo Aço Cearense's business are received and addressed at the executive level. The Executive Board consolidates this information and forwards it to the Ethics Committee when deliberation or strategic guidance is needed.

Conflicts of interest GRI 2-15

Grupo Aço Cearense takes measures to prevent and mitigate conflicts of interest in accordance with its Code of Ethics. Reports received through the Ethics Channel are reviewed under internal procedures. If an actual or potential conflict of interest is identified, the case is referred to the Ethics Committee for deliberation. The committee recommends appropriate measures and ensures that the case is handled properly. Cases are not publicly disclosed.

Legal innovation

The Legal and Compliance Department strengthened its internal governance through the Legal Design Thinking innovation project. Developed in partnership with the Group's Innovation division, the project identified opportunities for the executive management team to act across different areas of the company.

One resulting initiative was the Legal Mapping Project (Majur), which identified 119 internal departmental processes. These were assessed and monitored for opportunities for continuous improvement, including the use of technology to increase efficiency.

The Group also implemented a Contract Lifecycle Management system to strengthen contract controls. Automated templates reduce the time needed to prepare contracts, while the system improves traceability during approval by the business units.

These initiatives earned Grupo Aço Cearense the Infinite Certification for Legal Innovation at the AB2L Lawtech Experience for the second consecutive year, in recognition of industry best practices. Both initiatives were also certified at the 9th Congress on Best Practices for Legal Departments, organized by Intelijur.



APPROACH TO TAX

GRI 201-4, 207-1, 207-3

Grupo Aço Cearense complies strictly with tax laws and cooperates proactively with inspections and audits, providing the information requested. Where appropriate, it takes preventive measures, such as submitting formal inquiries and requests for clarification to the relevant authorities.

The company takes a collaborative and transparent approach in its dealings with municipal, state and federal tax authorities. This approach seeks to mitigate risks, strengthen tax compliance and provide greater legal certainty for its operations.

The Group also participates in industry associations and professional organizations, including the Federation of Industries of the State of Ceará (FIEC), which facilitate dialogue between the private sector and government. Through these organizations, it contributes to discussions of fiscal and regulatory policies affecting the steel industry, guided by ethics, legality, transparency and a commitment to sustainable development.

The Group maintains a collaborative and transparent approach in its dealings with tax authorities.

Tax management GRI 207-2, 207-4

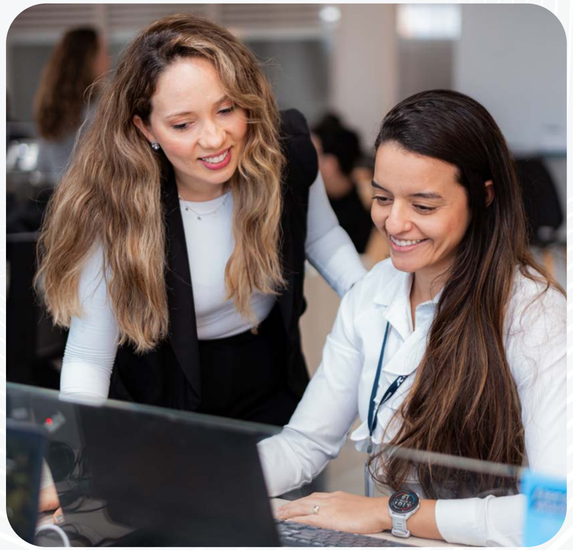
Grupo Aço Cearense's tax strategy is the responsibility of the Vice President of Finance, who reports directly to the Board of Directors. Both receive guidance from the Tax Committee, which is currently being formally established (see page 86).

The Group's approach to tax is integrated across the organization. The tax area works closely with the Controller's Office, Legal Department and Compliance Department, and tax matters are incorporated into financial planning.

The Group takes a conservative approach to tax risk management. It periodically analyzes changes in legislation, court decisions and tax liabilities. When necessary, it submits formal inquiries to tax authorities and develops contingency plans.

Periodic internal audits assess the effectiveness of internal controls and the tax governance structure. Their findings are reported to the Audit Committee, with ultimate oversight by the Board of Directors.

During the reporting period, the total amount of taxes assessed and reported, in accordance with the guidelines on tax governance and tax allocation within Brazil, was BRL 20,273,077.60.



Financial assistance received from government GRI 201-4

	2024				2025			
	Subsidy for research and development (*Lei do Bem*)	Subsidies for investments – State (ICMS)	Subsidies for investments – federal (IRP)	Total	Subsidy for research and development (*Lei do Bem*)	Subsidies for investments – State (ICMS)	Subsidies for investments – federal (IRP)	Total
Aço Cearense[1]	980,073.74	267,300,957.33	-	268,281,031.07	518,921.67	335,348,329.28	11,470,596.02	347,337,846.97
SINOBRAS	1,100,592.22	379,461,560.20	78,254,741.83	458,816,894.25	-	323,026,325.86	-	323,026,325.86
SINOBRAS Florestal	-	4,317,148.18	-	4,317,148.18	-	7,020,497.28	-	7,020,497.28

1. Aço Cearense comprises the following companies: Aço Cearense Logística, Industrial e Comercial.

GRUPO AÇO CEARENSE

Annexes

GRI Supplementary Information

GRI Content Index

Credits



GRI SUPPLEMENTARY INFORMATION

GRI 2-1 Organizational details

The scope of this report covers the following Group entities: SINOBRAS – Siderúrgica Norte Brasil S.A.; SINOBRAS Florestal Ltda.; Aço Cearense Industrial Ltda.; Aço Cearense Comercial Ltda.; Aço Cearense Logística Ltda.; and the Aço Cearense Institute. Each entity is legally independent and operates under its respective legal structure while remaining aligned with the Group's corporate strategy.

The reporting scope differs from that of the consolidated financial statements, which also include Aços Prime Ltda. and W Steel Serviços Ltda. These companies are excluded from this report while they are gradually integrated into the Group's guidelines, practices and management systems. Their inclusion is expected in future reporting cycles.

GRI 2-13 Delegation of responsibility for managing impacts

The Group's president and vice presidents review and approve the information in this Sustainability Report, including the identification of material topics. They assess and validate the sustainability content based on its relevance and alignment with the company's strategic guidelines. These responsibilities currently remain at the executive level, without the involvement of the Board of Directors. The Group regards this arrangement as part of the ongoing consolidation and improvement of its governance and management practices.

2-18 Evaluation of the performance of the highest governance body

The Group does not have a formal, structured process for evaluating how members of its highest governance body oversee the management of impacts on the economy, the environment and people. Its performance is assessed indirectly through ongoing monitoring of organizational and strategic indicators and the results of individual departments. The Group has not adopted specific ESG targets or a formal ESG performance evaluation model for the governance body. It will assess the formalization of these processes in future reporting cycles.

GRI 2-21: Annual total compensation ratio

Grupo Aço Cearense compiled compensation data separately for each operating unit, using average annual total compensation. This method differs from the median measure specified in the GRI Standards because of current limitations in extracting data from its systems.

The calculation includes base salary, cash allowances, bonuses and variable compensation. No employee categories were excluded, and no full-time equivalent adjustments were applied at the units reported.

Operational unit	Average employee compensation as a percentage of the highest-paid individual's compensation	Annual change in the highest-paid individual's compensation (%)	Average annual change in other employees' compensation (%)
SINOBRAS	22.13	-11.51	3.60
SINOBRAS Florestal	16.19	5.20	5.92
Aço Cearense Industrial	7.80	16.30	7.46
Aço Cearense Comercial	8.23	5.27	5.26
Aço Cearense Logística	13.40	9.50	9.20

GRI 101-3: Access and benefit-sharing
Grupo Aço Cearense's activities include steel production, forest management, industrial processing, logistics and the sale of steel products. Because its operations do not involve access to, research into or commercial development of genetic resources, genetic heritage or associated traditional knowledge, national and international rules on access and fair and equitable benefit-sharing (ABS) do not directly apply to its business model.

The Environment, Sustainability, Compliance and Legal areas jointly monitor legal requirements in this area as a preventive measure. No cases of noncompliance were recorded during the reporting period. As part of its voluntary efforts to preserve natural and territorial heritage, SINOBRAS Florestal takes ongoing measures to protect, monitor and manage archaeological sites and conservation areas identified in its licensing studies in Tocantins. The other industrial and commercial companies maintain programs focused on environmental education, conservation of local ecosystems and community relations in their areas of influence.

GRI 202-1: Ratios of standard entry-level wage by gender compared to local minimum wage
At SINOBRAS and SINOBRAS Florestal, the lowest wage paid to both men and women is equal to the current minimum wage. At Aço Cearense, the lowest wage paid to both men and women is 106.66% of the current minimum wage.

The company has an Outsourcing Management department and an internal policy requiring the hiring of outsourced workers to comply with Brazil's Consolidation of Labor Laws (CLT). The wage benchmark for these workers is the current minimum wage or the minimum wage applicable to their occupational category, ensuring compliance with legal rights and obligations.

For this disclosure, major operating units are defined as segments, divisions or areas that perform functions critical to the Group's success. These functions generate revenue, support infrastructure and help ensure business continuity.

GRI 205-3: Confirmed incidents of corruption and actions taken
In 2025, there were no confirmed incidents of corruption, and no contracts were terminated or not renewed because of corruption-related violations. No corruption-related legal proceedings were brought against the organization or its employees during the period.

GRI 308-2: Negative environmental impacts in the supply chain and actions taken
Grupo Aço Cearense is implementing a systematic process to map environmental impacts in its supply chain. As an initial step, it conducted a pilot assessment with a sample of 23 suppliers.

The initiative aims to develop a due diligence method for identifying, assessing and monitoring social, environmental, economic and integrity risks in the supply chain. The assessment covers compliance with applicable environmental legislation, waste management, environmental licenses and permits, sustainability practices and other factors relevant to responsible supplier management.

Its findings will inform improvements to supplier qualification and monitoring criteria and support the gradual introduction of measures to mitigate and manage identified risks. The Group plans to expand the assessment in phases, bringing ESG criteria further into procurement and supply chain management while promoting transparency and sustainability in its business relationships.

The expansion is underway, with the aim of covering the entire supply chain by 2028.

GRI 401-3: Parental leave

	2024[1]	2025
Total number of employees that were entitled to parental leave		
Men	4,240	4,591
Women	774	901
Total number of employees that took parental leave		
Men	143	161
Women	22	30
Total number of employees that returned to work in the reporting period after parental leave ended		
Men	143	161
Women	22	30

	2024[1]	2025
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work		
Men	137	161
Women	17	30
Rate of return (%)		
Men	100	100
Women	100	100
Rate of retention (%)		
Men	100	100
Women	100	100

1. Since this is the first reporting cycle for this disclosure, the retention rate is not yet available.

GRI 403-9: Work-related injuries

In 2025, the company's employees sustained 24 work-related injuries with serious consequences. These were associated with mechanical hazards involving machinery and equipment, material handling, and activities involving mechanical and electrical energy. In response, the company adopted measures based on the hierarchy of controls, including reviews of operating procedures, more targeted training, improved machine safeguards, engineering modifications, administrative controls and the use of personal protective equipment (PPE).

All rates presented were calculated per 1,000,000 hours worked. They cover all employees and third-party contractors under the company's operational control, with no groups of workers excluded. The underlying data came from internal systems and were compiled in accordance with Brazilian law and the practices set out in the ILO Code of Practice on recording and reporting occupational accidents and diseases. They reflect the extent of the injuries sustained and support organizational learning.

Work-related injuries[1]

	2024		2025	
	Employees	Rates	Employees	Rates
Aço Cearense[2]				
Number of hours worked	3,953,320	-	5,045,969.22	
Number of fatalities as a result of work-related injury	0	0.00	0	0.00
Number of high-consequence work-related injuries (excluding fatalities)	8	2.03	19	3.76
Number of recordable work-related injuries (including fatalities)	10	2.53	21	4.16
SINOBRAS				
Number of hours worked	3,660,525.27	-	3,685,402.48	-
Number of fatalities as a result of work-related injury	0	0.00	0	0.00
Number of high-consequence work-related injuries (excluding fatalities)	7	1.91	3	0.81
Number of recordable work-related injuries (including fatalities)	12	3.28	13	3.53
SINOBRAS Florestal				
Number of hours worked	303,040.35	-	359,309.18	-
Number of fatalities as a result of work-related injury	0	0.00	0	0.00
Number of high-consequence work-related injuries (excluding fatalities)	2	6.60	2	5.57
Number of recordable work-related injuries (including fatalities)	0	0.00	0	0.00

1. The rates were calculated based on 200,000 hours worked. No worker is excluded from this content.
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

Work-related injuries[1]

	2024		2025	
	Workers who are not employees	Rates	Workers who are not employees	Rates
Aço Cearense[2]				
Number of hours worked	657,895	-	834,240.00	-
Number of fatalities as a result of work-related injury	00	0.00	0	0.00
Number of high-consequence work-related injuries (excluding fatalities)	1	1.52	0	0.00
Number of recordable work-related injuries (including fatalities)	1	1.52	0	0
SINOBRAS				
Number of hours worked	3,125,000.00	-	2,399,100.00	-
Number of fatalities as a result of work-related injury	0	0.00	0	0.00
Number of high-consequence work-related injuries (excluding fatalities)	1	0.32	0	0.00
Number of recordable work-related injuries (including fatalities)	5	1.60	2	0.83
SINOBRAS Florestal				
Number of hours worked	861,222.83	-	932,092.00	-
Number of fatalities as a result of work-related injury	0	0.00	0	0.00
Number of high-consequence work-related injuries (excluding fatalities)	0	0.00	1	1.04
Number of recordable work-related injuries (including fatalities)	0	0.00	0	0.00

1. The rates were calculated based on 200,000 hours worked. No worker is excluded from this content.
2. Aço Cearense comprises the following companies: Aço Cearense Industrial and Aço Cearense Comercial.

GRI 405-1: Diversity of governance bodies and employees

Percentage of members of the governance body, by gender[1]

	2024[2]			2025		
	Men	Women	Total	Men	Women	Total
Board of Directors						
Percentage	46.43	53.57	100.00	50.00	50.00	100.00
Executive Board						
Percentage	75.00	25.00	100.00	75.00	25.00	100.00

GRI 404-2 Programs for upgrading employee skills a and transition assistance programs

The Group supports employees through the termination process in full compliance with applicable labor laws, including the payment of severance benefits and completion of the required administrative procedures. During the reporting period, the company had no additional formal programs for outplacement, pre-retirement planning, or post-employment retraining aimed at helping former employees remain employable outside the company.

Percentage of individuals within the organization's governance bodies, by age group[1]

	2024[2]	2025
	Percentage	Percentage
Board of Directors		
Under 30 years old	0.00	0.00
30-50 years old	46.43	66.67
Over 50 years old	53.57	33.33
Executive Board		
Under 30 years old	0.00	0.00
30-50 years old	25.00	40.00
Over 50 years old	75.00	60.00

Percentage of individuals from minority and/or vulnerable groups within the governance body[1]

	2024[2]		2025	
Minority/vulnerable group within the governance body	Brown	Indigenous	Brown	Indigenous
Board of Directors				
Percentage	75.00	0.00	100.00	0.00
Executive Board				
Percentage	75.00	0.00	80.00	20.00

1. Consolidated financial data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.
2. The 2024 data were restated to show the percentage breakdown by employee category and demographic group, supplementing the information previously disclosed and improving comparability between reporting periods.

GRI 405-2: 405-2 Ratio of basic salary and remuneration of women to men

Ratio of basic salary and remuneration of women to men by employee category[1]

	2024	2025
Managers		
Ratio of basic salary: women to men	0.54	0.73
Professionals		
Ratio of basic salary: women to men	0.96	0.94
Operational technician		
Ratio of basic salary: women to men	0.88	0.88

1. Consolidated data for Aço Cearense Comercial, Logística, Industrial, SINOBRAS, and SINOBRAS Florestal.

GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

The company maintains a transparent and respectful relationship with the unions representing its employees and contract workers. Union representatives have free access to its facilities and are able to exercise their collective bargaining rights. In 2025, no violations of freedom of association or collective bargaining rights were identified among employees of Group companies or their service providers.

GRI 411-1: Incidents of violations involving rights of indigenous peoples

No incidents involving violations of Indigenous peoples' rights related to the company's operations were identified. The Group remains committed to respecting human rights and conducts ongoing monitoring and assessments to help ensure that its activities do not adversely affect Indigenous communities within its area of influence.

417-1 Requirements for product and service information and labeling

Grupo Aço Cearense maintains internal procedures for quality control, traceability and regulatory compliance in product identification and labeling. These procedures require the origin of critical materials and inputs, including scrap metal and charcoal, to be tracked through internal records and supplier documentation.

Product composition and the presence of substances that could affect the environment or human health are monitored through laboratory analyses and technical criteria designed to prevent the use of restricted compounds. Safety instructions follow the specifications in applicable technical standards. Procedures for product disposal and its impacts incorporate circular economy practices that promote the recyclability of steel and its return to the production cycle.

Products also bear embossed markings and barcode labels to support safe transport and compliance with requirements established by Inmetro and the Ministry of Development, Industry and Foreign Trade, including specific ABNT certifications for SI 50 and SI 60 products. During the reporting period, 100% of the organization's significant product and service categories were covered by these procedures and assessed for compliance.

GRI CONTENT INDEX

Statement of Use	**Grupo Aço Cearense reported the information cited in this GRI content index for the period from January 1 to December 31, 2025 in accordance with the GRI Standards.**
GRI 1 used	**GRI 1: Fundamentals 2021**

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
General disclosures						
The organization and its reporting practices						
GRI 2: General disclosures 2021	2-1 Organizational details	4, 11, 93				
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4				
	2-4 Restatements of information	30, 35, 36, 64, 66, 67, 68, 73, 74, 75				
	2-5 External assurance	4				
Activities and workers						
GRI 2: General disclosures 2021	2-6 Activities, value chain and other business relationships	11, 12, 13, 14, 16, 17, 51, 52, 54				
	2-7 Employees	34, 35				8, 10
	2-8 Workers who are not employees	37				8
Governance						
GRI 2: General disclosures 2021	2-9 Governance structure and composition	85, 86				5, 16

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 2: General disclosures 2021	2-10 Nomination and selection of the highest governance body	85				5, 16
	2-11 Chair of the highest governance body	85				16
	2-12 Role of the highest governance body in overseeing the management of impacts	8, 85				16
	2-13 Delegation of responsibility for managing impacts	8, 85, 86, 93				
	2-14 Role of the highest governance body in sustainability reporting	4, 8				
	2-15 Conflicts of interest	87, 89				16
	2-16 Communication of critical concerns	85, 89				
	2-17 Collective knowledge of the highest governance body	Sustainable development has become an increasingly frequent topic in discussions among Grupo Aço Cearense's senior management. However, the Group has not yet established a structured process to build shared knowledge of the subject.				
	2-18 Evaluation of the performance of the highest governance body	85, 93				
	2-19 Remuneration policies	41				
	2-20 Process to determine remuneration	41				
	2-21 Annual total compensation ratio	93				

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
Strategy, policies and practices						
GRI 2: General disclosures 2021	2-22 Statement on sustainable development strategy	5				
	2-23 Policy commitments	8, 43, 52, 81, 88				16
	2-24 Embedding policy commitments	8, 52, 85, 87, 88				
	2-25 Processes to remediate negative impacts	88, 89				
	2-26 Mechanisms for seeking advice and raising concerns	88				16
	2-27 Compliance with laws and regulations	No significant instances of noncompliance with laws or regulations were identified, and no fines or non-monetary sanctions were imposed.				
	2-28 Membership associations	54				
Stakeholder engagement						
GRI 2: General disclosures 2021	2-29 Approach to stakeholder engagement	54				
	2-30 Collective bargaining agreements	34				8
Material topics						
GRI 3: Material topics 2021	3-1 Process to determine material topics	8				

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 3: Material topics 2021	**3-2** List of material topics	8				
[Climate change]						
GRI 3: Material topics 2021	**3-3** Management of material topics	60, 62				
GRI 201: Economic Performance 2016	**201-2** Financial implications and other risks and opportunities due to climate change	62				13
GRI 302: Energy 2016	**302-1** Energy consumption within the organization	66, 67				7, 8, 12, 13
	302-2 Energy consumption outside of the organization	67				7, 8, 12, 13
	302-3 Energy intensity	68				7, 8, 12, 13
	302-4 Reduction of energy consumption	68				7, 8, 12, 13
	302-5 Reductions in energy requirements of products and services	The Group's steel products have no energy specifications relevant to their use by customers.				7, 8, 12, 13
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	64				3, 12, 13, 14, 15

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
	305-2 Energy indirect (Scope 2) GHG emissions	64				3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	64				3, 12, 13, 14, 15
	305-4 GHG emissions intensity	60				13, 14, 15
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Grupo Aço Cearense's operating units did not implement any additional, structured and quantifiable initiatives to reduce greenhouse gas (GHG) emissions for which absolute or relative reductions could be calculated under Scopes 1, 2 or 3.				13, 14, 15
	305-6 Emissions of ozone-depleting substances (ODS)	65				3, 12
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	65				3, 12, 14, 15
[Water and effluents]						
GRI 3: Material topics 2021	3-3 Management of material topics	77, 79				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	77, 79				6, 12

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	77, 79				6
	303-3 Water withdrawal	78				6
	303-4 Water discharge	79				6
	303-5 Water consumption	78				6
[Waste and the circular economy]						
GRI 3: Material topics 2021	3-3 Management of material topics	69				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	71				8, 12
	301-2 Recycled input material used	71				8, 12
	301-3 Reclaimed products and their packaging materials	The company operates primarily in the steel industry, producing steel products mainly for the construction, industrial and distribution markets. Given the nature of these activities, it does not operate a formal post-consumer reverse logistics system under its direct control.				8, 12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	69, 71				3, 6, 11, 12
	306-2 Management of significant waste-related impacts	69, 71				3, 6, 8, 11, 12

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 306: Waste 2020	306-3 Waste generated	73, 74				3, 6, 11, 12, 15
	306-4 Waste diverted from disposal	74, 75				3, 11, 12
	306-5 Waste directed to disposal	76				3, 6, 11, 12, 15
[Biodiversity]						
GRI 3: Material topics 2021	3-3 Management of material topics	80, 82				
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	80				6, 14, 15,
	101-2 Management of biodiversity impacts	80				1, 6, 11, 12, 13, 14, 15
	101-3 Access and benefit-sharing	94				1, 15
	101-4 Identification of biodiversity impacts	82				
	101-5 Locations with biodiversity impacts	82				1, 6, 11, 12, 14, 15
	101-6 Direct drivers of biodiversity loss	82, 83				6, 8, 11, 12, 14, 15
	101-7 Changes to the state of biodiversity	80, 82				6, 14, 15
	101-8 Ecosystem services	82				1, 11
[Health and safety]						
GRI 3: Material topics 2021	3-3 Management of material topics	45, 46				
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	45				8

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 403: Occupational health and safety 2018	403-2 Hazard identification, risk assessment and incident investigation	46				8
	403-3 Occupational health services	48, 49				8
	403-4 Worker participation, consultation, and communication on occupational health and safety	47				8, 16
	403-5 Worker training on occupational health and safety	47				9
	403-6 Promotion of worker health	49				3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45, 46				8
	403-8 Workers covered by an occupational health and safety management system	45				8
	403-9 Work-related injuries	95				3, 8, 16
	403-10 Work-related ill health	No cases of work-related ill health or related fatalities were recorded among employees or other workers during the reporting period.				3, 8, 16
[Local communities]						
GRI 3: Material topics 2021	3-3 Management of material topics	55				

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	94				1.5, 8
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	**All members of Grupo Aço Cearense's senior management are from the local community.** For this indicator, the company includes the President, Vice Presidents and Directors, whom it considers members of the Board of Directors. The local community is defined as the Fortaleza Metropolitan Region (CE), where the administrative headquarters and corporate center responsible for the Group's strategic management are located. The key operating units are Aço Cearense Comercial, Aço Cearense Industrial, SINOBRAS and SINOBRAS Florestal. Under the interpretation adopted for this indicator, the executive management team performs corporate functions for the entire Group and is based at the administrative headquarters. The indicator therefore reflects the composition of senior management, rather than only appointments made during the reporting period.				8
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	55				5, 9, 11
	203-2 Significant indirect economic impacts	55, 57				1, 3, 8
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessment and development programs	55, 56				
	413-2 Operations with significant actual and potential negative impacts on local communities	55				1, 2

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
[Supply chain]						
GRI 3: Material topics 2021	**3-3** Management of material topics	52				
GRI 204: Procurement Practices 2016	**204-1** Proportion of spending with local suppliers	52				8
GRI 308: Supplier environmental assessment 2016	**308-1** New suppliers that were screened using environmental criteria	52				
	308-2 Negative environmental impacts in the supply chain and actions taken	94				
GRI 414: Supplier Social Assessment 2016	**414-1** New suppliers that were screened using social criteria	52				5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	52				5, 8, 16
[Human capital]						
GRI 3: Material topics 2021	**3-3** Management of material topics	32, 34				
GRI 201: Economic Performance 2016	**201-3** Defined benefit plan obligations and other retirement plans	40, 42				
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	34, 36				5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	42				3, 5, 8
	401-3 Parental leave	95				5, 8

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 402: Labor/ Management Relations 2016	**402-1** Minimum notice period regarding operational changes	Grupo Aço Cearense gives employees and their representatives at least four weeks' notice before implementing significant operational changes that could substantially affect them.				8
GRI 404: Training and Education 2016	**404-1** Average hours of training per year, per employee	38				4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	38, 40, 98				8
	404-3 Percentage of employees receiving regular performance and career development reviews	39				5, 8, 10
GRI 405: Diversity and equal opportunity 2016	**405-1** Diversity of governance bodies and employees	43, 44, 98				5, 8
	405-2 Ratio of basic salary and remuneration of women to men	43, 99				5, 8, 10
GRI 407: Freedom of association and collective bargaining 2016	**407-1** Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	99				8
[Ethics and governance]						
GRI 3: Material topics 2021	**3-3** Management of material topics	87, 88				

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 205: Anti-corruption 2016	**205-1** Operations assessed for risks related to corruption	Grupo Aço Cearense does not yet have a formal risk management process. Recognizing the importance of the topic, the company is developing procedures to identify, monitor and prevent these risks. The procedures are expected to be completed by 2028.				16
	205-2 Communication and training about anti-corruption policies and procedures	Grupo Aço Cearense is in the final stages of drafting and finalizing its anticorruption policies and procedures, which are expected to be completed by 2027. As of the end of the reporting period, they had not been formally communicated to the governance body.				16
	205-3 Confirmed incidents of corruption and actions taken	94				16
GRI 206: Anti-competitive Behavior 2016	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2025, there were no pending or concluded legal proceedings concerning anti-competitive behavior, antitrust violations or monopolistic practices.				16

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 207: Tax 2019	**207-1** Approach to tax	90				1, 10, 17
	207-2 Tax governance, control and risk management	91				1, 10, 17
	207-3 Stakeholder engagement and management of concerns related to tax	90				1, 10, 17
	207-4 Country-by-country reporting	91				1, 10, 17
GRI 406: Non-discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken	43				5, 8
GRI 408: Child labor 2016	**408-1** Operations and suppliers at significant risk for incidents of child labor	52				5, 8, 16
GRI 409: Forced or compulsory labor 2016	**409-1** Operations and suppliers at significant risk for incidents of forced or compulsory labor	52				5, 8
GRI 410: Security practices 2016	**410-1** Security personnel trained in human rights policies or procedures	The workers responsible for safety at Grupo Aço Cearense are outsourced. The company does not currently track any new human rights training that may be conducted.				16
GRI 411: Rights of indigenous peoples 2016	**411-1** Incidents of violations involving rights of indigenous peoples	99				2

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
[Innovation]						
GRI 3: Material topics 2021	**3-3** Management of material topics	25, 26				
Non-material standards						
GRI 201: Economic performance	**201-1** Direct economic value generated and distributed	30				8, 9
	201-4 Financial assistance received from government	91				
GRI 415: Public policy 2016	**415-1** Political contributions	Grupo Aço Cearense does not make political contributions, in accordance with current law.				16
GRI 416: Consumer health and safety 2016	**416-1** Assessment of the health and safety impacts of product and service	In 2025, no impacts of the Group's products on consumer health and safety were identified within the scope of this report.				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No instances of noncompliance with laws or voluntary codes concerning the health and safety impacts of the organization's products and services were identified.				16

GRI Standard / Other source	Contents	Location	Omission			SDG
			Requirements omitted	Reason	Explanation	
GRI 417: Marketing and labeling 2016	**417-1** Requirements for product and service information and labeling	51, 99				12
	417-2 Incidents of non-compliance concerning product and service information and labeling	In 2025, no instances of noncompliance with laws or voluntary codes on product information and labeling were identified that resulted in penalties, warnings or compliance findings.				16
	417-3 Incidents of non-compliance concerning marketing communications	During the reporting period, no instances of noncompliance with laws or voluntary codes on marketing communications were identified.				16
GRI 418: Customer privacy 2016	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2025, there were no substantiated complaints concerning breaches of customer privacy or losses of customer data.				16

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