

Compliance Policy

Gerdau has a legal and moral commitment to conduct business ethically and with integrity. Therefore, the company expects the same commitment from their employees, suppliers, service providers, and anyone they do business with, or plan to do business with.

Compliance management is an individual obligation of each of Gerdau's employees, including senior management. Therefore, having knowledge of and complying with Gerdau's code of ethics, its policies and guidelines, and state legislation and/or regulation, is required.

Gerdau's code of ethics is the foundation that supports the company's behavior and demonstration to the commitment of conducting business ethically, which it passes on to its customers, shareholders, employees and its community.

Gerdau has created internal policies and guidelines governing its code of ethics, in order to reinforce its values in achieving excellence with integrity in its normal course of business.

Gerdau provides educational programs and awareness trainings in order to promote a globally, common culture of ethical behaviors and integrity, between its employees and its business partners. These programs and trainings are based on Gerdau's code of ethics, applicable laws and regulations, and anti-corruption laws.

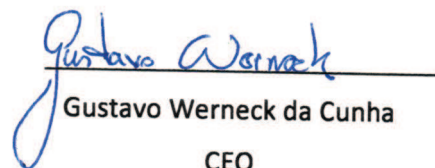
Gerdau repudiates any unethical practice or disregard for laws and regulations in force in the countries in which it operates, whether on the part of its employees or by third party partners. Any ethical noncompliance is considered a serious violation for the company and may result in disciplinary sanctions, including the termination of contracts and employment.

Gerdau supports, disseminates and promotes the use of its ethics channel via email or telephone, not only for its employees, but also by third parties. Therefore, any suspicious, unethical behaviors or situations related to non-compliance of Gerdau's code of ethics, its policies and guidelines, and state legislation and/or regulation, should be immediately communicated through Gerdau's ethics channel, which guarantees anonymity, confidentiality, and non-retaliation.

São Paulo, December 5th 2018.



Claudio Johannpeter
Chairman



Gustavo Werneck da Cunha
CEO