



Statement BR23/00000174

Verification Statement

tCO₂/tpig iron indicator of the year **2022** of

CITYGUSA SIDERURGIA LTDA.

José Leandro Ribeiro, Road, s/n - Várzea Alegre, Pedro
Leopoldo, MG- ZIP Code: 33255-130.Brazil.

checked according to *CO₂ Emission Data Collection Guide*
WSA, Version 11 according to the requirements of

Worldsteel Association (WSA)

For the following activities:

"Steel industry - production of charcoal-fired pig iron"
CO₂ intensity of **0.162 tCO₂/t pig iron.**

Lead Auditor: Thiago Milagres

Authorized by

Thiago Dorreto

National Manager

Date: July 14, 2023

SGS do Brasil Ltda.

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SGS was contracted by Citygusa Siderurgia, here called "Customer", José Leandro Ribeiro, Road, s/n - Várzea Alegre, Pedro Leopoldo, MG- ZIP Code: 33255-130. Brazil, to verify direct and indirect CO₂ emissions according to:

Worldsteel Association (WSA)

CO₂ emission declaration for the period 2022.

Roles and Responsibilities

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

It is the responsibility of SGS to express an independent opinion on the verification of GHG emissions provided for in the GHG Declaration.

SGS verified third parties of the GHG statement provided in relation to the principles of ISO 14064-1:2018 and ISO 14064-3:2019 and the Brazilian GHG Protocol Program in the period from 01/01/2022 to 31/12/2022. The verification was based on the scope of verification, objectives, and criteria agreed upon between the Client and SGS on 06/19/2023 and 06/20/2023.

Confidence Level

Verification with a reasonable confidence level.

Organization Limits and Scopes

Checked period: 2022.

Place of activity: Citygusa Siderurgia LTDA

Description of primary activities: Steel industry - production of charcoal-fired pig iron.

Description of the main processes:

- Steel industry - production of charcoal-fired pig iron.

The accounting of emissions for the Citygusa Siderurgia Inventory is carried out under the operational control approach.



Calculation methodology

This Inventory covers the emissions of Scope 1 and Scope 2 in its entirety, and partially the emissions of Scope 3, according to the sector methodology of the Worldsteel Association based on the ISO 14.404 methodology and the GHG Protocol. Scopes 1, 2, and 3 include emission and carbon content factors based on specific analyses of raw materials and information provided by suppliers.

Objective

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

- Whether CO₂ emissions are in line with the organization's statement.
- Whether the reported data is correct, complete, consistent, transparent, and free of errors or omissions.

Criteria

Criteria according to which verification is performed are the principles of ISO 14064-3:2019 and the Worldsteel Association (WSA).

Materiality

The materiality required for verification was considered by SGS as 5%.

Conclusion

The customer provided the GHG declaration based on the requirements of ISO14064-1:2018 and the CO₂ Emission Data Collection Guide WSA, Version 11. The GHG information for the period 2022 containing the emissions presented in the tables below was verified by SGS with a reasonable level of confidence, in line with the agreed scope of verification, objectives, and criteria.

Emissions intensity for pig iron production Citygusa Siderurgia LTDA:

	No Credits (WSA)
S1 + S2 [tCO ₂ /tpig iron]	0.162
S1+S2+S3 [tCO ₂ /tpig iron]	1.214

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