

A team of professionals
specialized in the
management of steel

People and Teams



- The challenge of transforming the Gerdau Group into a world class international company resulted in the definition of new human resources strategies. The management of people is now carried out on the basis of global policies, adjusted to the needs of each business operation.

- The Group has also invested in the development of new competencies in its employees, such as cultural flexibility and networking, that are essential to the Company's aspirations on the world market and to the consolidation of a team of professionals specialized in the management of steel.

- The values that inform the Company's practices are the same ones that have sustained it for more than 100 years, and are based on respect for people, overcoming challenges and continuous learning. They encourage the active participation of employees, delegation of work, total dedication, an entrepreneurial spirit and a sense of personal responsibility for results.

- The internal environment is monitored and fine-tuned by means of annual opinion surveys that demonstrate growing indexes of approval and satisfaction among employees.

DEVELOPING LEADERS

- The Gerdau Group believes that growing levels of efficiency cannot be achieved without secure leaders with attitudes and performance that meet the best world standards. To achieve this, Gerdau encourages the ongoing development of its leaders, with the aim of making them capable of transforming the Company rather than merely guiding their teams.

- The inter-operation exchange program is one of the activities aimed at building global talents. The Group also encourages the continued education of its executives with full scholarships for Master of Business Administration (MBA) courses at the best universities in the world.

- The building of future leaders begins with the programs for trainees and interns. Located in strategic areas, they work in partnership with experienced teams, gaining knowledge and practical know-how. They represent the renewal of the Company, not only for the operation in which they are beginning their careers, but as potential resources for the Company's other operations.

ATTRACTING TALENTS

- With a policy of attracting, developing and retaining high-performance people, the Gerdau Group practices permanent recruitment. It is always on the lookout for new talents on the market and focuses on people who bring innovative solutions to the business and encourage the updating of the internal culture.

- The Company encourages self-training, based on the belief that employees are responsible for their own growth. It also understands that the development of people is not limited to their professional life and the Company's activities. For this reason, employees are also encouraged to develop a commitment to the communities where they live.

PERFORMANCE MANAGEMENT

■ Performance analysis, carried out annually among the executives, verifies results obtained, level of commitment to the Company's values and degree of conformity with the practices of the Management System. It is based on the evaluation of achieved targets and results within a coaching perspective, essential for the transformation of employees' potential into distinguished performance.

STRATEGIC REMUNERATION

■ Remuneration consists of a fixed portion, in keeping with best market practice, and a variable portion designed to reward the achievement of short and long term results.

■ The market benchmarks for fixed remuneration are constantly monitored, guaranteeing the competitiveness of the Group in the attraction and retention of talent. The values for the variable remuneration are proportional to the impacts of individual contributions to the business, and are defined by clear guidelines that encourage employees to meet challenging targets.

WORKPLACE CONTRACT ADMINISTRATION

■ Workplace relations are managed with the aim of constructing trusting, long term relationships.

■ In relation to the contracting of outsourced services, the Group's policy is to seek contracts that bring advantage to both parties and guarantee excellence in the services provided.

TOTAL SAFETY

■ Total safety in the work environment is part of the Gerdau Group's core values, demonstrating its commitment to the quality of life of its employees.

■ As an absolute priority, this topic involves all functional levels up to the top administration in the ongoing improvement of safety standards. Each year, investments are made in the updating of accident-prevention technology and in the training of employees to ensure that activities are always carried out in a safety-conscious manner.

CAREER AND SUCCESSION MANAGEMENT

■ The personal development and career planning programs are carried out in an individualized manner for each talent, encouraging the establishment of a relationship based on commitment and involvement in the aims of the Company.

BENEFITS

■ The benefits programs are continuously updated and suited to the local realities of the group's operations, meeting the specific needs of each region.

■ One of the highlights in this area is the private pension plan in Brazil and in North America, which aims to complement retirement benefits in order to maintain living standards for employees and their families.

INDICATORS

Staff	
Number of employees	18,955
Outsourcing	6,681
Dependents	46,534
Trainees and interns	957

Training and development	
Investment (million R\$)	15.6
Total training hours (million)	1.4
Training hours per employee	72

Safety	
Investment (million R\$)	10.9

Benefits	
Health	
Cost (million R\$)	26.6
Private pension fund	
Cost (million R\$)	21.2

INTERNAL COMMUNICATION

- An essential element in the management of people and teams, internal communication prioritizes the integration of employees into the business. It reinforces the Company's values, mission and vision and the feeling of motivation and identification at all levels, while encouraging the recognition and celebration of results obtained.

- Communication is based on consistency between words and actions, freedom of expression, respect, dignity, transparency and honesty.

- At the industrial units, internal communication is carried out mainly by means of systems of visible and operator-focused management, in which targets and results are shared and tracked by the entire team.