May 17, 2011

LEED 2009 - For New Construction and Major Renovations

Gerdau is a proud member of the U.S. Green Building Council (USGBC) and takes an active role in supporting a greener built environment through the implementation of the Leadership in Energy and Environmental Design (LEED) Certification Program. Gerdau recognizes the impact that the built environment has on our natural environment, economy, health and productivity and supports the USGBC in their efforts to promote green construction and to maximize both economic and environmental performance.

The products and services that Gerdau provides can be utilized to meet specific LEED 2009 credits in the following ways:

MR Credit 4: Recycled Content

Gerdau mills manufacture products using the electric arc furnace and continuous casting process for the production of the basic steel that is further processed into finished products. The main component of raw material for the electric arc furnace steelmaking process is recycled steel scrap, which is categorized as pre-consumer, post-consumer or home scrap (scrap generated and recycled at the mill) based upon the source. The amount of pre-consumer and post-consumer content is dependent upon the sources and requirements for each plant and product type. A small percentage of non-recycled raw materials (e.g., pig iron, direct reduced iron and ferro-alloys) are also used based on the metallurgical requirements.

The intent of this credit is to increase demand for building products that incorporate recycled content materials, thereby reducing the environmental impacts resulting from extraction and processing of virgin materials.

Achieving LEED credit points requires the project to use materials with recycled content such that the sum of post-consumer recycled content plus ½ the pre-consumer content constitute at least 10% (1 point) or 20% (1 additional point), based on cost, of the total value of the materials in the project.

In addition to the pre-consumer and post-consumer recycled content used in the MR Credit 4, the Total Recycled Content can be determined as a sum of all of the recycled components including pre-consumer, post-consumer and home or revert scrap. The Total Recycled Content is then used in MR Credit 5 and is a valuable indicator of the impact that the steel industry has on supporting green construction practices.

To obtain recycled content values based upon mill location and product type, see attached tables.

MR Credit 5: Regional Materials

Gerdau operates 17 steel mills producing a wide range of steel construction products, and 47 downstream fabrication facilities across North America. Based on the location of your project, Gerdau can assist in developing a procurement strategy to maximize the regional materials credit to greatest extent possible.

The intent of this credit is to increase demand for materials and products that are extracted/harvested/recovered and manufactured within the region, thereby supporting the use of indigenous resources and reducing the environmental impacts resulting from transportation.

Achieving LEED credit points requires the project to use materials or products that have been **EITHER** "extracted, harvested or recovered" **AND** manufactured within 500 miles of the project site for a minimum of 10% (1 point) or 20 % (1 additional point) based, on cost, of the total project materials value. For purposes of this credit evaluation, steel produced from recycled scrap can be considered to be either "recovered or harvested". Also, for purposes of this credit evaluation, "manufactured" is determined to be the location of fabricator's facility unless the material is delivered directly to the project site from the mill.

The USGBC currently allows the recovery/harvested location to be determined using one of two methodologies provided the selected methodology is used consistently for the specific project and documented in the project submittals. Gerdau therefore recommends the following.

1. For projects that are located less than 500 miles from the mill, consider the recovery/harvest point as the mill location. The Regional Material Value can be calculated using 100% of the recycle content (recovered/harvested scrap) of the product used.

2. For projects that are located more than 500 miles from the mill, consider the recovery/harvested location as the individual scrap collection locations that fall within the project 500 mile radius. Gerdau can provide a regional percentage value based on which of our scrap providers are located within 500 miles of the project. The Regional Material Value can be calculated using the reported regional percentage of the recycle content (recovered/harvested scrap) of the product used. Please contact Bhaskar Yalamanchili at bhaskar.yalamanchili@gerdau.com or at (813) 207-2394 for project specific information.

ID Credit 1: Innovation in Design

The intent of this credit is to provide design teams and projects the opportunity to achieve exceptional performance above the requirements set by the LEED Green Building Rating System and/or innovative performance in Green Building categories not specifically addressed by the LEED Green Building Rating System. This credit has two Pathways for earning points, PATH 1 for Innovation in Design and PATH 2 for Exemplary Performance.

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Under PATH 1, projects can achieve significant, measurable environmental performance using a strategy not addressed in the LEED 2009 for New Construction and Major Renovations Rating System. One point is awarded for each innovation achieved. No more than 5 points under ID Credit 1 may be earned through PATH 1.

Under PATH 2, an exemplary performance point may be earned for achieving double the credit requirements and/or achieving the next incremental percentage threshold of an existing credit in LEED. One point is awarded for each exemplary performance achieved. No more than 3 points under ID Credit 1 may be earned through PATH 2.

Gerdau is available to support your project team through our Integrated Team approach giving you the benefit of leading subcontractor participation and knowledge thereby reducing project build time, as well as industry leading expertise and experience in project detailing and fabrication. Gerdau is available to develop innovative, project specific solutions to minimize waste, improve environmental performance and help you achieve additional LEED ID Credit 1 points.

If you need any further information please contact the undersigned.

Sincerely,

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2010 Recycled Steel Content for All Products by Mill

Mill	Post-consumer Scrap Content %	Pre-consumer Scrap Content %	Home or revert Scrap %	Total Recycled Content %	Non Recycled Content %	*Products Produced
Beaumont, TX	73.4	9.0	7.0	89.3	10.7	W
Beaumont, TX	81.3	9.9	7.7	99.0	1.0	R
Calvert City, KY	83.8	11.6	3.0	98.4	1.6	M, S
Cambridge, Ontario	74.2	19.2	5.3	98.8	1.2	M, R
Cartersville, GA	79.4	16.4	2.1	97.9	2.1	M, S
Charlotte, NC	88.0	5.5	5.5	98.9	1.1	M, R
Jackson, TN	88.1	7.3	3.5	98.9	1.1	M, S
Jacksonville, FL	85.2	6.1	6.3	97.6	2.4	R, W
Joliet, IL	84.4	6.1	7.9	98.4	1.6	SBQ
Knoxville, TN	87.3	8.2	3.4	98.9	1.1	R
Selkirk, Manitoba	89.1	3.9	5.5	98.6	1.4	M, R, SBQ
Midlothian, TX	89.1	1.3	8.6	99.0	1.0	M, R, SBQ, S
Petersburg, VA	88.0	0.9	10.1	99.0	1.0	S
Rancho Cucamonga, CA (Tamco)	82.0	13.0	4.0	99.0	1.0	R
Sayreville, NJ	91.6	4.7	2.6	98.9	1.1	R
St Paul, MN	85.6	5.2	8.3	99.0	1.0	M, R, SBQ
Whitby, Ontario	92.1	6.9	0.0	99.0	1.0	M, R, S
Wilton, IA	84.7	5.5	7.9	98.1	1.9	M, R
All Mills	84.3	7.2	6.8	98.3	1.7	

Product Abbreviations: Merchant (M), Rebar (R), Special Bar Quality (SBQ), Structural (S), Wire Rod (W)