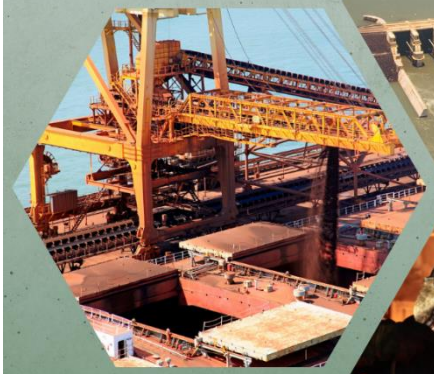
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT MANUAL



2021

CSN

Dear collaborators;

For CSN, the commitment to health and safety at work is aligned with the Organization's business and must be a Value assumed by all.

We count on the dedication, commitment and responsibility of each employee of the CSN group, to ensure compliance with the practices contained in this Health and Safety Manual, seeking an increasingly safe and healthy environment driven by the challenge of doing well, doing more, doing forever.

Helena Guerra

DIRECTORATE OF SUSTAINABILITY,
ENVIRONMENT, HEALTH AND SAFETY AT
WORK

INTRODUCTION

CSN's Occupational Health and Safety Management System has guidelines and actions with the objective of contributing to the reduction of accidents and diseases in the work environment of its Steel, Mining, Logistics, Cement and Energy businesses in the search for the construction of solutions that contribute to the preservation of the quality of life of employees and the sustainability of the business.

The CSN Occupational Health and Safety Management System is based on three objectives that guide all our actions: A safe environment, Awareness of risks and Improvement in the performance of processes.

Thus, this management system was based on 10 priority elements to describe the CSN Group guidelines:

Strategic Element 01 – Commitment and Leadership
Strategic Element 02 – Communication
Strategic Element 03 – Standards and Procedures
Strategic Element 04 – Behavioral Development
Strategic Element 05 – Risk Management
Strategic Element 06 – Change Management
Strategic Element 07 – Legal Requirements
Strategic Element 08 – Planning
Strategic Element 09 – Management of Service Providers
Strategic Element 10 – Skills and Competencies Management

CSN has a Directorate of Sustainability, Environment, Health and Safety at Work, which is in constant search of innovations and has the necessary means to ensure proper management through operational, control and sustainability indicators procedures.

In the pursuit of formal commitments, definition of objectives and goals through responsible leadership, with management practices, performance indicators, continuous improvement and legal compliance.

The occupational health and safety actions in the Organization will be carried out in accordance with:

- Regulatory Standards (of the Ministry of Labor and Employment), aiming at favorable working conditions and protection of the health of workers and suppliers.
- World Workers' Health Action Plan approved by the World Health Organization – who.
- National Policy on Occupational Health and Safety (PNSST).
- ISO45001/2018 – Occupational Health and Safety Management System.
- Organization Code of Ethics.

The guidelines in this Manual are mandatory for all employees and suppliers. All must comply with current legislation, and cases not covered in the Chapters of this Manual must be based on the Regulatory Standards of the Ministry of Labor and Employment and other legislation.

The changes in this field are complex and dynamic, thus, it is understood that the proposal contained in this Manual should be evaluated every two years in order to implement rectifications for its greater effectiveness.

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THE COMPANY

CSN Companhia Siderúrgica Nacional was created by President Getúlio Vargas on April 9, 1941 and privatized in April 1993. It is a large company, with operations in the Steel, Mining, Cement and Logistics sectors in Brazil, the United States and Portugal.

Using the experience acquired in the production and marketing of steel products throughout its existence, CSN consolidates itself as a modern company and able to satisfy its customers, in Brazil and abroad, with high quality products, efficient technical and commercial assistance and an adequate environmental protection system; which is continuously updated in order to always be in compliance with the laws and demands of the community in which the company is inserted.

SIDERURGY

CSN operates throughout the steel production chain, from the extraction of iron ore to the production and marketing of a diverse line of steel products that include flat, coated, galvanized, pre-painted, metal sheets and long steels (rebar and wire rod). The Company has units in Volta Redonda and Porto Real, both in the State of Rio; and in Araucária, Paraná. Abroad, it has units in Portugal (Lusosider) and Germany (SWT).

In addition, the company has a strong steel distributor, Prada Distribuição, and a unit specialized in packaging, Prada Embalagens (SP).

MINING

CSN Mineração S.A., CSN's main subsidiary in the sector, is the second largest iron ore exporter in Brazil and the sixth in the world.

CSN Mineração's high-quality assets are found in the Quadrilátero Ferrífero, with emphasis on the Casa de Pedra mine in Congonhas (MG).

Iron ore products intended for export are transported by MRS to the Port of Itaguaí (TECAR), in the State of Rio de Janeiro.

In addition, CSN has the Arcos mine, also in Minas Gerais, which produces three types of limestone, used as a raw material for the manufacture of steel and for the production of clinker, the main input for cement.

In Rondônia, ERSA, controlled by CSN, produces tin, a raw material for tinplate.

CEMENT

CSN started cement production in 2009 and today is among the sales leaders in the State of Rio de Janeiro. In 2015, the new cement plant located in Arcos (MG) started operating, bringing the company's installed capacity to 4.3 million tons.

The combination of blast furnace slag, resulting from the steelmaking process at the Presidente Vargas Plant, and the clinker, produced at the limestone mine in Arcos, transformed CSN into one of the most competitive cement players in the country. The synergy between the business and the integrated logistics of the factories and distribution centers strategically located allow to offer a differentiated service to the consumer market.

LOGISTICS

CSN is one of the few Brazilian companies that have integrated logistics (highway, railroad, port) covering its operations throughout the national territory. About 10% of all rail operations in Brazil are of inputs and products of the Company.

CSN manages two terminals in the Port of Itaguaí, in Rio de Janeiro: the solid bulk terminal (Tecar) and the container terminal (Sepetiba Tecon). Tecar has the capacity to export 45 million tons of iron ore per year and that is where the coke and mineral coal used in the steel process arrive. Sepetiba Tecon is a cargo concentrator port (Hub Port), being the largest container terminal in Rio de Janeiro and one of the largest in Brazil in its segment.

In the railway sector, the Company has a stake in MRS Logística, on the Minas Gerais – Rio de Janeiro – São Paulo axis. In addition, it controls FTL (Ferrovia Transnordestina Logística), RFFSA's former northeast network, and Transnordestina Logística S.A. (TLSA), which will connect the Piauí hinterland to the ports of Pecém (CE) and Suape (PE).

ENERGY

CSN Energia develops its energy management and commercialization activities in synergy with the Thermoelectric Cogeneration Center installed at the Presidente Vargas Plant, in Volta Redonda, in addition to directly managing the interests of the hydroelectric plants of Itá (SC) and Igarapava (MG), acting in several activities within the scope of these consortia.

CSN Energia is responsible for the interface between the needs that involve the consumption of electric energy of the Group's industrial units and the agents of the sector (Ministry of Mines and Energy (MME), National Electric Energy Agency (ANEEL), National System Operator (ONS), Electric Energy Trading Chamber (CCEE), transmitters, distributors, etc.).

CSN MISSION, VISION, VALUES and POLICY

Mission

Act in an integrated and innovative way, generating development in a sustainable and perpetual way.

Vision

To be the most respected and globally recognized national group strengthening the meaning of **Being Brazilian**.

Our Values

- Our path is one of respect for life, ethics and the planet
- Our focus is on operational excellence
- Our solutions are innovative and integrated
- Our strength comes from people who make a difference
- Our pride is TO BE CSN

Our Essence

DO WELL

DO MORE AND

DO IT FOREVER

SUSTAINABILITY, ENVIRONMENT, HEALTH AND SAFETY POLICY

SUSTAINABILITY

POLICY

CSN – Companhia Siderúrgica Nacional, based on its values and essence in "*Doing well, Doing more and Doing forever*", aligned with the needs and expectations of its stakeholders, acts purposefully in the development of innovative and sustainable solutions that add value to the Steel, Mining, Logistics, Cements and Energy businesses. Through the proactive incorporation of best socio-environmental, competitive, ethical and governance practices in its decisions and the strengthening of the culture of prevention and control of health and safety risks, respect for the environment and the ethical and safe behavior of its direct and indirect employees, CSN **ALWAYS** undertakes to:

Business Sustainability (Sustentabilidade do Negócio in English)

Incorporate sustainability in the decisions of the CSN Group as a principle that guides its business throughout its life cycle, considering the protection of the environment and biodiversity, the conscious use of natural resources and actions for the migration and adaptation to climate change as differentials to act at the forefront of the development of innovative processes, products and solutions, in order to prevent and mitigate negative impacts and enhance the generation of positive impacts on local communities. In addition, align their practices with national and international commitments, such as the Sustainable Development Goals (SDGs) and the Human Rights Guiding Principles (POs) and maintain, through leadership, each employee responsible for protecting the environment and for their performance in Occupational Health and Safety, through self-care and safe behavior.

Transparent and Inclusive Company (Empresa Ética, Transparente e Inclusiva in English)

Communicate with clarity, transparency and timeliness, their performance on issues related to the environment, health and safety at work and their social performance, valuing the maintenance of the relationship based on dialogue with local communities, reconciling the viability of their business and local development, materialized by investing in socio-environmental programs and projects that collaborate to conserve the environment and improve living conditions in the places where we are present. Follow the principles of good governance, ethics and integrity, respecting human rights and proactively combating the practices of child, forced or slave-like labor, harassment and discrimination in all its forms throughout our value chain. Encourage a diverse and inclusive work environment, with respect to free trade union association and the right to collective bargaining, keeping permanently open and internalizing the demands of communication channels with internal and external audiences.

Continuous Improvement (Melhoria Contínua in English)

Ensure that all its employees and partners seek to continuously improve the performance of their activities through safe, healthy and quality of life work and consider the environmental aspects, the health and safety risks of all and innovation as an integral part of their tasks, so that efforts to achieve constant improvement are also reflected in the working conditions and well-being of all, in accordance with reputable standards of health, environmental protection, quality of life and safety at work.

Environmental Protection, Pollution Prevention and Accidents (Proteção ao Meio Ambiente, Prevenção da Poluição e Acidentes in English)

Consider the protection of the environment and the prevention of accidents and negative environmental impacts as strategic pillars in the construction of its objectives and goals, seeking to influence our entire production chain. Develop and encourage environmental protection and pollution prevention programs, fostering the circular economy through the sustainable and conscious use of natural resources, the preservation of biodiversity. Manage aspects and controls of mitigation of impacts and risks to the environment, health and safety at work in a structured manner.

Respect for Legislation (Respeito à Legislação in English)

Comply with current legislation regarding the protection of the Environment, Health and Safety at Work and seek, whenever possible, to exceed our obligations, anticipating challenges arising from potential regulatory changes.

Educate and Train (Educar e Treinar in English)

Train, qualify, educate, raise awareness, and encourage our employees to adopt an innovative, participative, and committed behavior for the high performance execution of their activities, with a vision of sustainable development and social responsibility, by implementing a culture that encourages them to constantly experience concern for the environment, biodiversity, and the health and safety of all.

This Sustainability, Environment, Health and Safety Policy was approved by the Chief Executive Officer on 12/10/2020, effective immediately and valid for an indefinite period.

A presente Política de Sustentabilidade, Meio Ambiente, Saúde e Segurança, foi aprovada em [illegible] de dezembro de 2020.

Benjamin Steinbruch

OBJECTIVES

Define guidelines capable of subsidizing the organization in the direction of objectives and goals of excellence so that all work-related injuries and illnesses are avoided and business results are increased.

Define minimum guidelines capable of supporting each unit in the development of actions that will meet local needs and characteristics capable of involving and training employees.

Define management as responsible for safety and health performance, the competencies necessary for all hierarchical levels to perform their duties efficiently.

Define enough basic Occupational Health and Safety rules so that all service providers can subsidize their accident prevention actions during the term of their contract.

Define concepts and minimum requirements for safety management of critical risks.

Define actions so that the Safety and Health of employees are integrated in all business management processes.

EL01 COMMITMENT AND LEADERSHIP

In this chapter, CSN reinforces the engagement and visible and understandable commitment of all employees, own or third parties, to achieve and maintain excellence by enhancing the role of managers in Occupational Health and Safety and clarifying the role of SESMT Professionals.

Characteristics

It is the responsibility of all employees and service providers to comply with the guidelines, Occupational Health and Safety.

It is up to the managers, the proper management of their teams, aiming at high performance and ensuring the exercise of this responsibility, emphasizing that the care in Occupational Health and Safety are considered in the management of all organizational processes and in the relationship with all stakeholders.

The manager, through operational discipline and his/her presence, exercises a management through his/her example, with preventive attitudes and behaviors to demonstrate the real value to life.

The Professionals of the SESMT - Specialized Service in Medicine and Occupational Safety are technical support for all managers, especially in the legal, behavioral and systemic technical aspects, so that everyone can exercise their responsibilities with excellence.

Requirements

EL01.01 - Role and Responsibility of Managers

1.1.1 Establish requirements to demonstrate the engagement and commitment of managers to achieve and maintain excellence.

1.1.2 The units shall describe in their guidelines and operational procedures the responsibilities of the People Managers at all hierarchical levels, not limited to:

a) It is the responsibility of senior management to provide material and human resources for the proper implementation of the Management System and for the continuous improvement of OHS practices and performance.
b) It is the responsibility of managers to ensure that OHS aspects are considered in the management of all organizational processes and in the relationship with all stakeholders.
c) It is the responsibility of the managers to manage and control the implementation, maintenance and improvement of the OHS Management System.
d) It is the responsibility of managers to demonstrate their commitment to the Company's Sustainability Policy, through the correct understanding and deployment with their employees.
e) It is the responsibility of managers to comply and ensure that their team complies with the guidelines established in the Consequence Management element *(see EL03 – Standards and Procedures).*

f) It is the responsibility of managers to establish a follow-up plan for the risk survey study and its impacts, through a support and requirement for a systemic and consistent process and its recommendations.
g) It is the responsibility of managers (supervisors and leaders) to ensure that work standards and procedures are known, understood and practiced by everyone in their management area and to ensure that all people assume responsibilities under the OHS aspects related to their activities.
h) It is the responsibility of the managers to continuously evaluate the preventive behavior of the employees of the work fronts, through dialogue, and give the appropriate feedback of these evaluations, as directed by hr. In this process, leaders should be open to suggestions for improvement.
i) It is the responsibility of managers to identify the knowledge and skills needs of their team and plan to meet these needs.
j) It is the responsibility of managers to participate directly in the process of motivation, awareness and sensitization and give due recognition for OHS performance.
k) It is the responsibility of contract managers to ensure that service providers comply with the Company's Sustainability Policy as well as the OHS Management Elements.
l) It is the responsibility of managers to ensure the reporting of OHS results to their subordinates, suppliers and the CSN Board of Directors through Committees / Meetings, as well as to ensure that there is an effective communication process focused on incident prevention throughout the company.
m) It is the responsibility of managers to ensure the inclusion of their subordinates and participation in meetings with OHS themes.
n) It is the responsibility of managers to ensure that any changes involving people, facilities, technology or work process are adequately managed by focusing on prevention and continuous performance improvement.
o) It is the responsibility of managers to conduct all investigations, analyzes, treatment and communication of losses (actual or potential) and deviations, involving damage to Health, Safety or the Environment.
p) It is the responsibility of managers to ensure the planning, execution and verification of applicable legal requirements and Occupational Health and Safety.
q) It is the responsibility of managers and leaders to listen to the suggestions and/or complaints of their own employees and suppliers to improve OHS practices and performance.
r) It is the responsibility of managers and leaders to develop and maintain the training and aptitude of the people under their leadership.
s) It is the responsibility of managers to ensure that they will not have employees without periodic medical fitness.

> ***Note1:*** *For this manual, Supervisors, Coordinators, Managers and General Managers are considered People Managers.*

EL01.2 – Role of the OHS Professional

1.2.1 Establish the requirements for participation of the OHS professional in the company's Management System.

1.2.2 The guidelines of the unit must reinforce the responsibilities of Health and Safety professionals, not limiting them to:

a) The OHS professional must technically advise managers and leaders in the continuous improvement of organizational processes based on legal requirements, procedures and best practices available, establishment of objectives and performance improvement programs based on benchmarks (practices and metrics), in the definition and execution of the risk and impact studies plan, as well as in the implementation of its recommendations.
b) The OHS professional must keep up to date with the standards, procedures and best practices of prevention and correction. It must have in-depth knowledge of all legislation applicable to products, services, processes, and activities. Keep up to date with social and technical trends in OHS in order to identify in advance the threats and/or opportunities to the Company's operations and report to managers constantly the current changes and trends.
c) The OHS professional must influence the entire Company in behavioral development focused on prevention and systemic management based on the Organization's Sustainability Policy and Management Elements.
d) Assist managers and leaders to keep their teams qualified and motivated for the improvement of OHS performance and in the relationship with external stakeholders (government agencies, universities, press, etc.) in order to ensure the positive evolution of the Organization's image perception.
e) Assist contract managers in establishing contracting and contract monitoring requirements in order to ensure that suppliers comply with the company's Sustainability Policy.
f) Assist technically in the management of changes involving people, facilities, technology and work processes in order to ensure the prevention of risks and impacts and the continuous improvement of OHS performance.
g) Assist area managers with verifications of Occupational Health and Safety requirements and field inspections involving all areas, processes and functions of the company in order to monitor performance with the issuance of an alert in any deviations and propose measures to enhance continuous improvement.

EL02 COMMUNICATION

In this chapter, CSN aims to reduce risks through efficient communication with all stakeholders in the Company's activities, processes, products and services.

Characteristics

The communication of OHS information is essential so that employees and suppliers can perform their activities in a clean, safe and healthy manner.

Communication between leader and subordinate, between contract manager and supplier, between company and customer and others must occur in both directions, in order to ensure that the message transmitted is adequately understood.

For each interested party, a periodicity and a preferred communication channel (who and how) are defined to ensure the effectiveness of the process.

> **Note1:** *Stakeholders not limited to these: shareholders, investors, employees, customers, suppliers of products and services, relevant public bodies, unions, close community, insurance companies and society in general.*

Situations that may cause crises are anticipated and analyzed in advance. A specific communication and action process is defined for each situation identified. Special attention is given to emergency situations arising from accidents.

> **Note2***: Information and relevant aspects of OHS are not limited to these: internal -objectives and goals, rates, performance evolution, relevant deviations and losses, relevant decisions, changes in the facilities in the processes in the Company's products or services, etc. and external - legal requirements, threats and opportunities, relevant losses, lessons learned in other organizations that may be applied in the Company etc.*

Requirements

EL02.1 – Effective Communication and Consultation

2.1.1 Establish requirements to ensure effective communication of OHS related guidelines with all stakeholders.

2.1.2 The manager must ensure the effectiveness of the communication processes, so that relevant OHS information and aspects can flow to interested parties in a clear and objective manner, not limited to:

a) Determine the communication process according to the interested party and consider the frequency, the means to be used, relevant access levels and methods of measuring the efficiency of understanding.
b) Establish process for receiving, recording and responding to communications received from external stakeholders.

c) Establish a method that identifies situations that may cause image crises for the Company and establish mitigation actions and anticipate a communication process that aims to minimize these impacts.
d) Establish a process to assess the effectiveness of communication between the Company and each stakeholder.
e) Establish tools that make it possible to consult all employees (own and suppliers) on the aspects of OHS in each unit.

EL03 STANDARDS AND PROCEDURES

In this chapter, CSN defined the basis for standardizing clean, safe and healthy work practices through standards and procedures, involving routine or non-routine work, for operational and administrative activities.

Characteristics

The procedures consolidate a series of updated information about the processes, considering the clean, safe and healthy way to perform one or more tasks, and for clear provision of their control parameters.

Order, cleanliness and housekeeping are the basis for conducting operational procedures.

A continuous process of monitoring legal requirements and internal procedures is conducted in order to ensure advance knowledge of the requirements and to maintain adequate standards and procedures.

OHS procedures are developed and made available to serve as a reference for conducting projects and carrying out routine or non-routine activities.

Procedures and standards are controlled to be kept up to date, available and accessible.

Requirements

EL03.1 – Control of Standards and Procedures

3.1.1 Establish requirements to ensure the elaboration and control of standards and procedures, explaining the requirements of Health, Safety at Work in order to define clean, safe and healthy ways to perform one or more tasks.

3.1.2 The units must define the processes that may cause significant risk or impact to people, processes and the environment (see EL05 – Risk Management) and document in operational procedures not limited to:

a) Explain in the operational procedures the conclusions of the risk and impact studies and the possible consequences of non-compliance with the established standards.
b) Operational procedures must be concise and objective with measures to be applied to correct and/or avoid deviations that may result in losses to health, safety and the environment.
c) There must be procedures that ensure employees the right to refuse certain activities, if any situation of serious and imminent risk of accident is identified.
d) Establish a method to define which procedure to use based on the potential damage x frequency of exposure.

Be a reference for Elaboration

e) Define minimum OHS guidelines for the preparation or review of equipment and facilities projects.

f) Maintain legal OHS requirements and other corporate requirements that the Organization has written continuously identified. The requirements considered applicable should be used as a minimum reference for the definition of standards and procedures.
g) Maintain national or international standards associated with continuously identified good OHS practices. When practicable, these standards should be used as references for the elaboration of standards and procedures.

Documentation control

h) Documented standards and procedures must be controlled in order to keep them always updated, available and accessible, respecting an adequate level of approval and control of the confidentiality of information.
i) Periodic reviews of standards and procedures must be carried out in order to ensure their adherence to practices and prioritize activities of greater risk.

Use of procedures

j) Train own employees and third parties regarding the culture and discipline of compliance with standards and procedures.
k) A program must be established and implemented considering the general OHS requirements for the execution of activities, with the purpose of preserving people's lives, ensuring their physical integrity, protecting their health, in addition to environmental precepts and care.

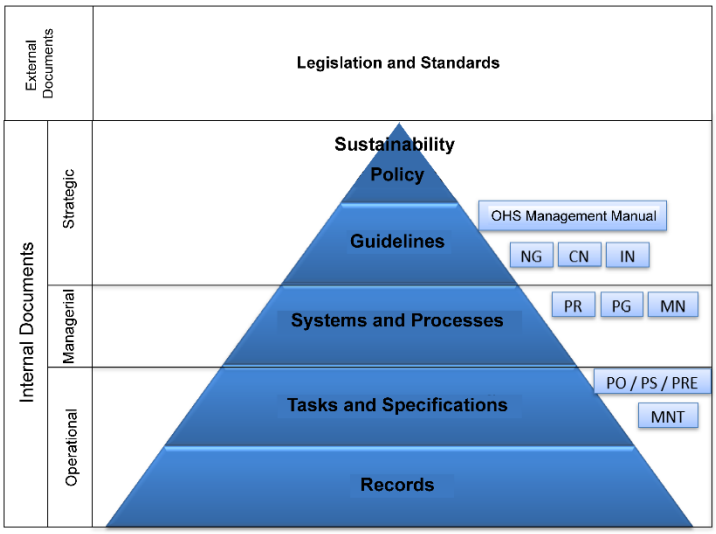
Concepts of external documents:

LEGISLATION - External document that establishes the legal acts regarding a certain subject from which the company defines its internal use standards. ***Examples:*** Laws, Provisional Measures, Ordinances, Labor Legislation, Regulatory Standards

TECHNICAL STANDARD - External document that establishes a set of criteria and requirements, in order to define the principles for the realization or evaluation of a product or service of the company.

Examples: Standards of ABNT, ISO.

Concepts internal documents:



Policies and Guidelines: Set of intentions and guidelines that express the major objectives of the organization as well as its rules of procedure. Its main objective is to offer coherence and alignment to conducts and action plans, conditioning their execution and guiding decision making.

OHS Management Manual: Integrated collection of the ten Management Elements that support the OHS Management System and other complementary information, in order to facilitate the understanding and achievement of the defined purposes.

NG (General Standard): Instrument used for disclosure of guidelines, which cover specific areas or the Company as a whole, such as: General Administration, Human Resources, Sustainability, Finance, Sales, Purchasing, Import, Export, Travel, Investments etc.

CN (Normative Circular): Instrument used for disclosure of subjects, containing recommendations or reports of general interest of the company, of a temporary nature, and must be distributed simultaneously to several recipients.

IN (Normative Instruction): Instrument used for disclosure of subjects, containing specific recommendations or reports of interest.

PG (Management Procedure): Documentary guidelines that describe particularities applied to the units, with descriptions of macro activities and responsibilities.

PO (Operational Procedure): Procedure describing an operational activity. It is prepared by people directly or indirectly linked to the execution of the activity and must be described in a way that includes all the information necessary for the proper execution of the task.

PR (Procedure): Instrument used to describe the tasks, which cover certain Company processes and explain how they should be performed. It is the normative instrument that details, particularizes and explains the various steps involved in a process. Corresponds to the sequential detailing of the workflow.

PS (Sustainability Procedure): document that specifically describes the activities/processes related to Management Systems with general guidelines of the unit, referring to compliance with regulatory standards, legislation or corporate procedure.

RG (Registration): It is the document that expresses results obtained from the activities performed.

EL03.2 – OHS Procedures for Routine Activities

3.2.1 Each unit manager must establish minimum requirements to define safe work practices, in a clean and healthy way for routine activities, not limited to:

a) Procedures must be developed for activities considered routine in order to control the risks ensuring the health and physical integrity of exposed employees.
b) Procedures must be developed for order maintenance, cleaning and storage.
c) The need to develop new procedures for conducting activities involving both the internal and external environment to the Organization must be continuously identified.

EL03.3 – Procedure and indication of PPE and CPE

3.3.1 Establish requirements for the selection, use and maintenance of Personal Protective Equipment (PPE) and Collective Protection Equipment (CPE):

Personal Protective Equipment (PPE)

a) The PPE needs for each position must be identified. For this purpose, risk and impact studies should be used *(see EL05 – Risk Management).*
b) Indicate use of PPE based on the selection of equipment and its suppliers; acquisition according to specification; tests, when applicable; conservation in conditions of use; and proper disposal after end of useful life, CA – Certificate of Approval; INMETRO Certification, when applicable.
c) Provide signaling at all locations with indication of PPE required according to risks.
d) Train all employees, suppliers and visitors in the mandatory use and conservation of PPE.
e) The use of PPE should be encouraged through educational programs.

Collective protective equipment (CPE)

f) The needs for the installation or provision of collective protective equipment (CPE) for each area and activity must be identified. To this end, existing risk studies should be used (see EL05 – Risk Management).
g) Prioritize the installation of EPC - collective protection equipment.

EL03.4 – Activities Risk Analysis Tools

3.4.1 Establish basic requirements for the preparation and implementation of Risk Analysis Tools for activities and tasks with potential risks with losses (personal, environmental or material), which do not have a procedure, during the execution of activities in the Organization.

3.4.2 Each unit should develop a specific procedure with a methodology based on the degree of maturity of the audience present that allows:

a) That the issuers (own and suppliers) are qualified, qualified, authorized to carry out a risk analysis of the task.
b) that there is a risk analysis before the start of activities that do not have an operational procedure, proposing preventive measures to the identified risks.
c) To be developed formally, by completing a specific form that can be filed.
d) That has validity according to the duration of the activity, and must be updated if there is any change in the scenario and or additional risks.

e) That the completed document may be available at the service location for eventual consultation by the executing team or any other interested party.
f) Have control measures defined in advance and implemented to mitigate the identified risks.
g) That allows the performers to suspend the service and until the control measures are implemented and the risks under control.
h) To periodically analyze the effectiveness of Risk Analysis through routine inspections or formal audits.

EL03.5 – Special Work Permit – SWP

3.5.1 Establish the minimum requirements for the control of the Special Work Permit (SWP) process for activities considered special due to their criticality.

3.5.2 Each unit must have established a formal Special Work Permit (SWP) procedure for all critical activities *(see EL05 – Risk Management)* and that allows:

i) That the risks and impacts involved in the activity to be performed are guaranteed to be properly identified, communicated and controlled.
j) Has defined the roles and responsibilities of managers according to the formal hierarchy of the company and severity of risk.
k) That the person responsible for ensuring the implementation of the control measures and final issuance of the SWP is appointed.
l) That the leader of the team performing the services participates in the process of issuing the SWP, being co-responsible for issuing the permission.
m) To be developed formally, by completing a specific form that can be filed.
n) That the completed document may be available at the service location for eventual consultation by the executing team or any other interested party.
o) That allows the performers to suspend the service and until the control measures are implemented and the risks under control.
p) That the names of all performers authorized to perform the activity be listed.
q) That there is the closure of each SWP at the end of the activities and that the conditions of the site, facilities and equipment involved in the service have their risks under control.
r) That issuers (own and suppliers) are trained and authorized to perform a risk analysis of the task.
s) To periodically analyze the effectiveness of Risk Analysis through routine inspections or formal audits.

EL03.6 – Register and Analyze Incidents

3.6.1 - Each unit shall establish and implement the minimum requirements capable of recording, investigating and analyzing personal and material incidents.

3.6.2 - Determine the underlying OHS deficiencies and other factors that may be causing or contributing to the occurrence of incidents through an appropriate methodology for the various types of incidents.

3.6.4 It is the responsibility of the manager advised by the OHS professional to prevent and minimize losses and promote continuous learning and in the conduct of improving the process of investigations, analyzes, treatment and communication of losses (actual or potential) and deviations in OHS.

3.6.5 The results of incident investigations shall be documented and kept on file for 30 years.

3.6.6 Develop a specific procedure for standardization of dissemination of lessons learned considering EL02 – Communication, prevent and minimize losses and promote continuous learning.

3.6.7 The Organization shall establish the criteria for the description, monitoring and measurement criteria of the Occupational Health and Safety indicators.

EL03.7 – Consequence Management

3.7.1 Establish guidelines and criteria to be adopted for Consequence Management, aiming at conduct compatible with compliance with any CSN Group Occupational Health and Safety Guidelines, Standards and Procedures by all employees and third parties.

3.7.2 Develop a Management tool used by managers to define and establish behavioral guidelines and objective criteria for the formal accountability of employees when they commit acts or adopt conduct not compatible with the Occupational Health and Safety standards of the CSN group.

3.7.3 Consequence management should address criteria involving critical risks and consider them as “Non-Negotiable Rules”.

> ***Note1:*** *Non-negotiable rules are clear guidelines that can be complied with by all employees of the company and its suppliers.*
>
> ***Note2:*** *CSN Critical Risks: Vehicles and Mobile Equipment; Blocking of Hazardous Energies; Services in Electricity; Cargo Handling; Working at Height; Hot Work; Contact with Mobile Parts; Hazardous Chemicals; Confined Spaces and Flammable Liquid Gases.*

3.7.4 Each unit / company must implement and follow these Corporate Non-Negotiable Rules and may add the other Non-Negotiable Rules that they deem necessary for their business/risk with the definition of administrative sanctions for non-compliance.

3.7.5 Failure to comply with the Non-negotiable Rules, whether corporate or local, is a serious misconduct: behavioral guidelines for Occupational Health and Safety that define non-negotiable practices to be complied with.

3.7.6 Failure to comply with any OHS guidelines, rules and procedures, characterizes high defaulter: behavioral guidelines of Occupational Health and Safety not considered as Non-negotiable Rules and that puts the life or the collectivity at risk.

3.7.7 Each unit must provide forms of recognition for good practices developed for the health and safety of employees.

EL04 BEHAVIORAL DEVELOPMENT

In this chapter, CSN aims to establish requirements for the behavioral development of its own employees and suppliers, focused on prevention and continuous improvement in OHS.

Characteristics

The exercise of the activity planning cycle, with the appropriate feedbacks and the example of leaders, among others, allows through behavioral dialogues carried out between work performers and behavioral observers the development of appropriate behaviors.

Behavioral dialogues are conducted by employees trained in the techniques of identifying deviations and approaching people with educational guidelines in the search for positive feedback, for preventive behaviors and correction of behavioral deviations.

The main tool for behavioral development in OHS is the proper practice of the planning, monitoring, evaluation and judgment cycle. Through the practice of this cycle, leader and led should seek their mutual development and challenge themselves to achieve better performance in OHS.

Requirements

EL04.1 – Behavioral Development

4.1.1 - Each business unit must have developed a methodology and established in procedures actions that allow:

a) That a program be established to ensure the effectiveness of the application of the methodology considering the reinforcement of the participation of leaders, the participation of own employees and suppliers, the periodicity and locations of these dialogues and the training process of those involved.
b) That are positive for preventive behaviors and inducing the identification of non-preventive behaviors in order to correct them promptly and prevent their recurrence.
c) That it is recorded in order to enable the statistical analysis of the evolution of the teams based on the identified behaviors (preventive and non-preventive).
d) That the forms of recognition of preventive behaviors be defined and focused on continuous improvement.
e) To carry out the Daily Health, Environment and Safety Dialogue, each business unit must develop a methodology and establish procedures and actions that allow:

f) That a program be established to ensure the effectiveness of the application of the methodology considering the reinforcement of the participation of leaders, the participation of own employees and third parties, the periodicity, duration and locations of the realization of the DSMS.
g) The realization of "health, environment and safety – DSMS dialogues" through dialogues, these must be educational and based on relevant HSE information in order to keep teams informed and always attentive to prevention and continuous improvement.

EL04.2 – Right of Refusal

> ***Note1:*** *Right to Refuse Work – "It is the worker's right and duty to interrupt his/her tasks whenever he/she finds evidence that represents serious and imminent risks to his/her safety and health or to third parties, immediately communicating the fact to his/her hierarchical superior who will take the appropriate measures"*

4.2.1 - Each business manager must define a systematic way in which the employee can use their right to refuse a task when faced with an imminent condition of risk to their physical integrity.

4.2.2 - Ensure means of communication that allow the employee to perform a refusal to work in accordance with the criteria of the law in force without any embarrassment or exposure.

4.2.3 - Ensure that the employee is aware of their right to refuse, what tools are available and how to use them.

EL05 RISK MANAGEMENT

In this chapter, CSN aims to establish a system to identify, evaluate, control, minimize or eliminate the risks and impacts related to processes, activities, services and products and their possible consequences for the health and physical integrity of people, and for the safety of facilities and for the image of the Organization.

Characteristics

The identification and analysis of risks and impacts on HSE are carried out using qualitative and/or quantitative methodologies appropriate to each situation.

In this identification and analysis of risks and impacts, it should be considered throughout the life cycle of the projects, from their basic design to their eventual deactivation, through their design, construction, operation and improvement.

The identification and analysis of risks and impacts should be used to direct the management of all activities, routine or non-routine, and processes in order to prevent the occurrence of potential or actual losses.

Throughout this process, the predictability of means of periodic disclosure of high potential risks and the necessary measures to mitigate them are necessary.

Requirements

EL05.1 – Identification, Analysis and Risk Management

5.1.1 - Each business unit must develop a system to follow the methodology established in the procedure (PR1700.08 - OHS RISK management) that allows the mapping of the critical scenarios of its operations based on the following concepts:

a) **Risk:** Combination of the frequency of occurrence and the magnitude of the consequence (s) of a given event dangerous to individuals or social groups or to health and safety. The risk may derive from the activities, facilities, processes or products of the CSN or from external events;
b) **Critical Risk:** Risk that can cause irreparable damage to people, processes, property or the environment or to the emergency shutdown of the system;
c) **Tolerable Risk:** Are all those risks capable of causing moderate or minor damage, classified as Moderate or Acceptable;
d) **Non Tolerable Risks:** Are all those risks capable of causing severe or irreparable damage, classified as Critical or Substantial;

5.1.2 Identify, control, minimize and/or eliminate hazards, risks and impacts of its facilities, processes, activities, products and services and their consequences for the health and safety of people, for the safety of the facilities and for the image of the Company.

5.1.3 Risk Management must follow a hierarchy of controls, where there are decreasing measures of effectiveness to deal with an identified risk, depending on the practicality of implementation. These are:

1. Elimination. (Can the hazard be physically removed?)
2. Replacement. (Can the hazard be replaced by another material or process that is less hazardous?)
3. Isolation. (Separate the hazard or hazardous work practice from other work areas of employees.)
4. Engineering Controls. (Design and / or add physical safety features to the plant or equipment.)
5. Administrative Controls (Training, procedures and approvals, safety signs installed.)
6. Personal protective equipment (PPE) (provision of safety glasses, goggles, helmets, respirators, etc.)

> ***Note1:*** *All risks have specific ways to be controlled or their impacts mitigated. In health and safety, risks must be managed concurrently in two distinct control spheres: The first deals with low consequence but high frequency events and those that are high consequence but low frequency - specifically those injuries and illnesses that can result in loss of life.*
>
> ***Note2:*** *Risk control management requires clarity on what controls really matter (i.e. critical controls). Understanding what these controls need to do to prevent an unwanted event from happening. Decisions on what checks are required to ensure controls are working as expected. Responsibility for implementing controls (i.e. who is responsible for making them work?). Reports on the performance of all critical controls.*

5.1.4 Risk analysis is carried out in all activities (routine or not), in all processes (in the purchase of products or services, production, delivery, etc.) and in all services performed.

5.1.5 That no activity is performed without prior risk assessment and that the appropriate measures are implemented, without being limited to:

a) To ensure the performance of risk analysis throughout the life cycle of the facilities, from its design, construction, acquisition, operation and improvement, to eventual deactivation and decommissioning (facilities that are not part of the assets of the Organization, but are under its use, should also be considered).
b) That in these analyzes acute situations (accidental or intentional) and chronic situations (exposure to occupational agents) are considered.
c) That the survey process and analyses are conducted by adequately trained multidisciplinary teams.
d) The use of qualitative, semi-qualitative or quantitative tools standardized for the entire Organization and consider single criteria of risk acceptability (when there are in local legislation acceptability criteria, these should be adopted when they are more restrictive than those defined by the Organization).

e) That means be adopted so that the analyzes can be filed in a place or system that allows access and consultation by all interested parties.
f) That criteria are defined to establish minimum periodicity and ensure review whenever there are changes in the environment.
g) For more complex analyzes, external support of proven qualification may be contracted.
h) That all situations classified as "not accepted" have prioritized solutions.
i) The conclusions of the analyses must be communicated to all those involved and the recommendations must be implemented in a controlled manner by the manager of the responsible area or by the contract managers.

5.1.6 The identification and analysis of risks and impacts must be reviewed periodically in order to provide updated information for better management of organizational processes.

5.1.7 Discriminate health risks that can often manifest themselves in long-term impacts on the employee.

5.1.8 Ensure that processes and activities that generate significant occupational risks (potential and effective) are guided by specific operational procedures.

EL05.2 – Specific Safety Plan - SSP

5.2.1 Develop Specific Safety Plans - SSP following the guidelines of this manual, current legislation, international standards and good practices in order to ensure that all risks are recognized and implemented measures capable of minimizing or eliminating possible impacts.

Note1*: Specific risks: Mining, Steel, Port and Rail*

5.2.2 Develop effective planning for emergency response in all segments and ensure the best protection for workers and their families, local communities and society in general against possible damage caused by the business.

5.2.2.1 Develop means of implementing a robust emergency preparedness mechanism, and responsibly respond to potential hazards in a manner that is timely and comprehensive with the strengths and vulnerabilities of operations and communities.

EL05.3 – Safety for Critical Risks

5.3.1 Establish General Occupational Health and Safety Requirements for the management of activities considered critical for the purpose of preserving people's lives, ensuring their physical integrity and protecting their health.

Note1*: Critical Activity is one considered with potential risk of fatalities.*

5.3.2 Recognize and constitute security requirements for activities in the CSN business capable of generating a fatality, not limited to:

a) Src 01 Vehicles and Mobile Equipment
b) Src 02 Hazardous Energy Blocking
c) Src 03 Electricity Services
d) Src 04 Cargo Handling
e) Src 05 Work at Height
f) Src 06 Hot Work
g) Src 07 Contact with Moving Parts
h) Src 08 Hazardous Chemicals
i) Src 09 Confined Space
j) Src 10 Flammable Gases and Liquids

5.3.3 Full compliance with health and safety legislation and NR – Regulatory Standards considering the concepts and requirements more restrictive between the legislation and the requirement established in this guideline should be adopted as a basic premise for the preparation of the guidelines.

5.3.4 Critical activities within the SRC with application of risk analysis considering the severity x probability x exposure x existing controls for application of SWP *(see EL04 – Standards and Procedures) and*/or adoption of other additional controls must be pre-defined.

5.3.5 This guideline must be referenced and incorporated into operational procedures with the appropriate responsibilities described and contain General Health and Safety Requirements for each Critical Risk grouped into 03 (three) categories:

a) Safety for people,
b) Safety for plant and equipment
c) Safety for procedures.

5.3.6 Ensure the Safety requirements for People that allow the performers of critical activities to be able, trained and, where required, authorized to carry out their activities;

a) HEALTH: To ensure that people are able to perform critical activities it is necessary to: Perform medical examinations related to the risks of the activities to define the work capacity of each person involved;
b) CAPACITY BUILDING: To ensure that people are trained in the execution of critical activities, all necessary training must be developed in partnership with the Human Resources and Occupational Safety area: The training must take place before the employee assumes his/her function; be carried out by the employer at no cost to the employee; be taught by qualified professionals for this purpose.

5.3.7 Ensure Requirements for Facilities and Equipment that allow the facilities and equipment to meet the technical-legal requirements, have been manufactured in accordance with standards and standards of projects accepted and recognized by the competent bodies, as well as maintained and used within health and safety standards pre-established by the manufacturers;

5.3.8 Ensure Requirements for Procedures that allow the standardization of rules in the execution of activities capable of analyzing and controlling existing risks, without being limited to:

a) PROCEDURE;
b) EMERGENCY RESPONSE PLAN;
c) AUDITS;
d) RISK AREA ACCESS;

5.3.9 Critical risk management is essential for the improvement of safe work environment conditions.

EL05.4 – Process Risk Management

5.4.1 Process risk management encompasses all activities involved in the identification and assessment of risks in industrial plants, throughout their life cycle, in order to ensure that risks to employees, external public, environment and facilities are controlled within the tolerances of the organization.

5.4.2 Through the **RAET – *Risk Assessment and Effective Treatment***, it is possible to consider the process safety for accidents caused by failures in the integrity of process equipment (vessels, towers, pipes, etc.), characterized by ruptures and leaks, leading to loss of containment of dangerous products and consequences such as fires, explosions or acute poisoning (What can go wrong? What are the consequences? How often?).

5.4.2 In the study of the safety of an industrial process, it must contain a risk analysis and management that consists of the implementation of actions to identify and treat the risks and losses that the company is exposed to, during the execution of its work activities, providing guarantees against unwanted events.

5.4.3 A technical committee is responsible for the implementation of actions in order to avoid undesirable events such as: damage to property (fire, explosion, etc.), personal injury (death, mutilation, illness, occupational, etc.), production stoppage (machine breakdown, burning of engines /transformers, etc.), loss of quality (lack of process control, inadequate instruments and machinery, etc.), environmental pollution (inadequate treatment of effluents, gases and solid industrial waste, etc.) and risks to society (leakage of toxic gases, flammable liquids, etc.).

5.4.4 Characteristics of the Process Safety Committee that has some important actions to carry out the process of analysis and risk management of industrial processes:

a) continuously identify the company's exposures to losses (risks);
b) assess the burden derived from the risk and the cost required to be controlled;
c) responding to risks, i.e. planning and coordinating prevention (treatment) activities;
d) maintaining a loss register;
e) identify and record new exposures and reduce communication failures;
f) channel and pass on information, filtering and evaluating it;
g) generate reports on their decisions, including work plans;
h) periodic meetings with other managers/directors.

5.4.5 The attributions of the committee that has some risk control techniques to carry out the process of analysis and risk management of industrial processes where it can be highlighted:

a) risk inspection;
b) loss prevention program;
c) the establishment and maintenance of a loss database;
d) consequence models (risk scenarios);
e) risk analysis techniques (HAZOP, FMEA, What-if, BowTi, etc.);
f) prioritization in risk matrix.

5.4.6 The improvement of modern risk identification and analysis techniques considers the contribution of human, technological, economic and social factors. The application of such techniques for risk management and loss control results in:

a) reformulation of industrial safety management practices;
b) revision of traditional practices and obsolete codes, standards and regulations;
c) development of techniques for hazard identification and quantification;
d) formulation of risk tolerability/acceptability criteria;
e) development and implementation of emergency response systems.

5.4.7 For the phases identification of risks and associated barriers, it must contain an effect that does not compromise the process safety barriers in the future and produces strategies to learn from incidents and accidents in similar facilities.

5.4.8 With RAET we seek elimination with the extinction of the causative agent (danger) or reduction of effect:

a) Reduction of the chance of occurrence of failures that "release" the hazard and turn it into an unwanted event;
b) Establishment and management of barriers that minimize the chance of occurrence or the magnitude of damages;
c) Systems and equipment;
d) Standards and Procedures;
e) Human performance (behavior, knowledge);
f) Periodic evaluation of the effectiveness of barriers/controls.

EL05.5 – Emergency Preparedness and Response

5.5.1 All business units must provide for Emergency Response Plan (PAE) based on the Hazards and Risks survey and its analyzes and specificities.

5.5.2 The director of the business unit must indicate among its employees the person responsible for conducting and establishing the strategies and procedures that must be adopted for the control of emergency situations that may occur during work activities, in order to preserve lives, as well as reduce possible damages, protect the community, minimize environmental impacts and property losses.

5.5.3 Provide a management guide for actions to be taken for all types of emergency conditions that may occur in a particular operation (e.g., fires, sabotage, equipment failures, etc.). It should cover both generic nature emergencies such as storms, floods, etc., and site-specific ones such as chemical spills, etc.

5.5.4 Provide means of periodically auditing the implementation and forms of monitoring provided for in the plan.

EL06 CHANGE MANAGEMENT

In this chapter, CSN aims to ensure that all changes in facilities, technology, processes, work environment and people are carried out in a controlled manner to maintain risks or impacts at acceptable levels and in order to promote the improvement of OHS performance.

Characteristics

All changes in people, facilities, technology or work processes are planned and managed and that it is only effective after its possible risks and potential impacts are considered “acceptable”.

Appropriate change management includes the analysis of prior risks, aspects and impacts on OHS and AM in the various phases of the implementation of the change, documentation, communication, qualification of those involved, adequate levels of technical involvement verification and approval before its effective execution.

These processes are improved always seeking to minimize risks when prioritizing the use of established technologies, cleaner technologies, ergonomic and intrinsically safe technologies.

Requirements

EL06.1 – Change Management

6.1.1 Each business unit must have developed a system defined in a procedure with minimum requirements to ensure that all changes are properly evaluated, authorized, managed with actions that allow:

a) Included among the changes to be managed are: modification of assets; change made to an equipment or facility; change in process conditions, raw materials or inputs used, products produced, and how to perform a task or operation.
b) That all actions resulting from these changes are planned, executed, implemented, documented and communicated with the full control of risks and impacts, aiming at the continuous improvement of Health and Safety performance.
c) Define means for managing change in people, technology, work processes or facilities and reduce their impacts.
d) That defines the concepts every change, even if temporary, of any requirement previously established, should be understood as a change.

6.1.2 Every change must be planned, considering, at least: clear definition of the objective of the change, assessment of risks and impacts involved, interaction with other changes that are happening.

6.1.3 The change management must contain the planning, documentation, necessary communication, the qualification of those involved, the level of approval, the verification steps and the completion of the change.

6.1.4 Promote an effective communication process with all people (own employees and third parties) affected by the change and ensure means to consult the information, documents and records related to the changes.

6.1.5 The execution of any change must be preceded by an adequate analysis of risks and impacts on Health, Occupational Safety and the Environment with recommendations defined in order to ensure conditions at acceptable levels.

6.1.6 The need to carry out risk and impact analysis studies at intermediate stages of the change must be considered.

6.1.7 The implementation of any change must be authorized by the appropriate level of hierarchical management and according to the level of risk and associated impact.

6.1.8 The entire change process must be documented and reviewed/updated whenever they are affected by the changes.

6.1.9 All people (own or third parties) affected by the changes must be trained and adapted regarding the new methods and/or resources in order to keep the risks and impacts to OHS under control.

6.1.10 Establish means to ensure that any change undergoes a compliance check before its completion and that includes at least: the implementation of the recommendations of the risk and impact studies; the review of the documents involved and the level of achievement of the objectives (or effectiveness) of the change.

EL07 LEGAL REQUIREMENTS

In this chapter, CSN aims to ensure the identification, analysis and adequacy to the legal requirements related to Occupational Health and Safety.

Characteristics

Occupational Health and Safety

Ordinance No. 3214 of June 8, 1978 contains the Regulatory Standards – NR, which govern conditions related to Occupational Safety and Medicine.

Adequate management must be carried out to ensure compliance with the applicable legal requirements according to the branch of activity.

Processes are continuously improved when legal requirements are met and provide an intrinsically safe environment.

Requirements

EL07.1 - Legal Requirements Management

7.1.1 Define and establish bases to ensure the identification, analysis and adequacy to the Legal Requirements related to OHS.

7.1.2 An ongoing process of monitoring legal and voluntary requirements shall be conducted in such a way as to ensure advance knowledge of the requirements and to maintain appropriate standards and procedures.

7.1.3 The identification of compliance with Legal Requirements shall cover all facilities, processes and activities of the Organization.

7.1.4 The need for application and adequacy must be considered to ensure compliance with Legal Requirements according to Regulatory Standards

7.1.5 Any change shall be documented and all documents affected by the changes shall be reviewed and updated.

7.1.6 Compliance with the Legal Requirements for the Environment, Health and Safety at Work shall be verified through the scheduled internal audits.

7.1.7 Evaluation of legislation and legal requirements must be done by the computerized system and updated monthly according to the system of local administrators. The system must undergo an annual audit in order to ensure legal compliance.

7.1.8 Standardization will take place through a corporate procedure to guide OHS professionals in the preparation of legal documents.

EL08 PLANNING

In this chapter, CSN aims to establish a system that ensures that strategic, operational and routine actions are planned in order to minimize the impact and keep the hazards and risks of our processes controlled.

Characteristics

Operational planning is the formalization of the following objectives and procedures, through written documents with development methodologies and established implementations developed by first-line managers.

OHS issues should be considered when planning any operational events.

Planning should serve as a reference for conducting projects and carrying out routine or non-routine activities.

It is extremely important to analyze during a planning the issues related to OHS and AM and propose measures in order to keep the hazards and risks raised in these processes controlled.

Requirements

EL08.1 – Operational and Routine Planning

8.1.1 Define and establish processes to ensure that during the planning process of operational actions have considered the impacts on the physical integrity of employees and/or the environment and:

a) That the persons responsible for each activity, the budget required for operations, the schedule for carrying out the activities and the mechanisms for monitoring performance are defined;
b) That a system capable of demonstrating immediate, short, medium and long term actions is established;
c) That the participation of the employees of the base be considered with criticism and suggestions for improvements;
d) To evaluate all interferences capable of bringing impacts to the environment and mitigation actions;
e) That all stakeholders that may generate or receive impacts from operational actions be analyzed.

EL09 MANAGEMENT OF SERVICE PROVIDERS

In this chapter, CSN aims to ensure that service providers are committed to the practices, procedures and performance aligned with the values and principles of the Organization.

Characteristics

The service provider is responsible for the risk of the activity he works for and must consider health, safety and environmental issues in the relationship with the company during the duration of his contract.

All Strategic OHS Elements are enforceable in a contractual relationship with a supplier and their applicability is assessed upon execution of the contract by the Contract Counterparty.

Contract Counterparties are key people for the proper management of suppliers, therefore they receive differentiated training in OHS.

Requirements

EL09.1 – Management of Service Providers

Establish requirements to ensure that service providers are committed to and have practices, procedures and performance aligned with the Company's OHS values and principles.

Regarding the selection of suppliers

9.1.1 The technical specifications of the scope of the contract must have detailed information of the internal OHS requirements.

9.1.2 Every supplier and service provider must be aware, agree and comply with the guidelines of this OHS Manual.

9.1.3 The contracted service must be analyzed before acceptance and considered in monitoring the supplier's performance.

9.1.4 Consider the supplier's ability to carry out the contracted scope based on the guidelines in this manual.

9.1.5 All service providers must be selected through a process that analyzes the risk management capacity in OHS inherent to the activities to be developed and the ability to meet legal and other pertinent requirements. 9.1.6 Information regarding the OHS performance of suppliers must be requested in advance at the time of registration.

9.1.7 All suppliers comply with the obligations arising from the labor legislation and regulations relating to occupational health and safety, including with regard to the absence of child labor

and reduction to the condition analogous to slavery, in addition to complying, in all its relevant aspects, with the obligations defined in terms of adjustment of conduct

9.1.8 Evaluate the applicability of the Strategic Elements of OHS to each contractual relationship before hiring the service provider, not limited to:

a) That the OHS requirements are specified in advance for each contractual relationship.
b) That the service or product provider has the observance and compliance with the legislation pertinent to occupational safety and medicine and make available the necessary documents when requested.
c) All requirements must be known to competitors at the timely stage and must be part of the agreed contract.

9.1.9 Any provision of information regarding the health of its employees must be passed from doctor to doctor.

9.1.10 The hiring process should consider criteria for subcontracting to other service providers. Subcontractors shall meet equally all OHS requirements determined by Company.

Regarding the management of suppliers

9.1.11 Each contract must have a manager who is responsible for ensuring that the contractual OHS requirements are met by the supplier and for ensuring the continuous improvement of its performance.

9.1.12 Contract managers must be trained (minimum content) to exercise such management.

9.1.13 Continuously provide the necessary information on OHS requirements to service providers.

9.1.14 Service providers must receive integration training capable of:

a) Make clear the Company's Sustainability Policy and all contractual requirements in OHS.
b) That the risks and impacts arising from the CSN production process be passed on to suppliers and the ways to mitigate them.

9.1.15 That the supplier preferably uses its own OHS management system and that it is adapted to the contractual requirements in OHS.

9.1.16 In the absence of its own management system, the supplier must adopt the applicable procedures of the CSN system.

9.1.17 The contractual requirements and OHS performance of each service provider shall be evaluated periodically to ensure contract compliance and continuous performance improvement. The depth of the assessment must be proportional to the OHS risks involved in the provision of service.

9.1.18 Periodic meetings with service providers should be promoted. With presentation of the results of their OHS programs.

9.1.19 The performance of post-contract evaluations shall be performed and their results used for future hiring.

Recognition of suppliers

9.1.20 A Service Provider Recognition Program that has a positive OHS performance shall be established.

EL10 SKILLS AND COMPETENCY MANAGEMENT

In this chapter, CSN aims to systematize a continuous process of training, qualification, qualification and ambiance, for its own employees and third parties, trained, physically and mentally able, motivated and aware to perform their activities in a clean, safe and healthy manner.

Characteristics

Employees (own and suppliers) are the only link capable of keeping CSN on the path of Excellence, therefore, care with the management of its skills and abilities is fundamental.

The leader ensures that his team is adequately prepared to exercise their responsibilities in a safe, clean and healthy manner.

All activities that focus on the development of skills and abilities have their effectiveness evaluated.

In addition to training, qualification and qualification, people are adapted to the people, equipment and facilities with which they will have contact.

Movements of people (admission, dismissal, transfer to another sector, transfer to another function, temporary replacement, promotion, return after leave, etc.) are managed in a way that does not introduce unacceptable risks.

Requirements

EL10.1 – Qualification, Qualification, Integration and Ambience

Establish requirements for training, qualification, qualification, setting of own employees and third parties, to keep them qualified and able to perform their activities, preserving the health and safety of people.

10.1.2 Establish knowledge and responsibility requirements in OHS for each function and be included in the programs for the development and maintenance of individual or collective competencies.

10.1.3 Each unit must establish its employee and third party integration program to meet the minimum requirements of the Legislation and additional information of the unit.

10.1.4 Identify the functions that require specific skills to carry out their activities (operation of forklifts, fire brigade, instructors, operators, etc.) and define which training they should receive.

10.1.5 The unit shall provide for occupational Health and Safety training matrix considering applicable to the business and training matrix with applicability by position/position.

10.1.6 For these functions, a formal theoretical and practical qualification program must be established in order to keep the people involved always able to perform their function in a safe, clean and healthy manner.

10.1.7 To complement technical training (qualification) and practical training (qualification), each person must be adapted to the people, equipment and facilities with which they will interact to exercise their responsibilities.

10.1.8 Consider setting for visitors before entering the Company's facilities, explaining the minimum precautions they must take so that their visit does not cause losses to people, facilities or the environment.

10.1.9 The activities involved in qualification, integration, qualification and setting must be recorded in proper forms and filed for 30 years.

10.1.10 The effectiveness of activities to promote technical and practical training must be evaluated.

10.1.11 Periodically review the qualification process based on the procedures and legislation in force in order to ensure its adherence to practices and minimize risks.

EL010.2 – Movement of People

Establish requirements to ensure that movements related to employees (hiring, dismissal, retirement, promotion, change of function, vacation, prolonged absences, etc.) and contracted companies (hiring, change of scope, interruption of contract, etc.) occur without adding risks to people and facilities.

10.2.1 The manager must maintain full control of the composition of the teams that work under his management and ensure a systematic adherence to the maintenance of sufficient knowledge and experience in the teams even when there is movement of people.

10.2.3 Manage the movement of people in order to enable individual and team development with identification of the risks of movement and preposition of control measures

10.2.4 The management of the movement must ensure that each person is qualified, qualified and adapted to their new position. Special emphasis should be placed on environmental aspects and risks to the health and safety of persons and facilities. The health conditions of employees should be considered as part of the process of assessing the person's fitness for the new situation.

10.2.5 Evaluation criteria should be used at the time of recruitment and selection, which provides an integration of people in the company who value their health and safety.

EL010.3 – Tools to maintain a motivating environment in OHS

Establish requirements for leaders to establish a motivating environment for improving OHS practices and performance.

10.3.1 Leaders are responsible for maintaining a motivating environment for continuous improvement of OHS practices and performance.

10.3.2 The main tool to maintain a motivating environment is the planning, monitoring, evaluation and judgment cycle. Through appropriate cycle practice, leader and led should seek ways to remain challenged and motivated to achieve increasingly better OHS performance levels.

10.3.3 A complementary program for the recognition of own employees and third parties that considers the behaviors, attitudes and performances differentiated in OHS must be established.

10.3.4 Supplementary campaigns should be established to motivate improvement and broadly disseminate relevant aspects of OHS. Campaigns should be conducted in a specific area or throughout the Company with specific targeting for different target audiences and evaluate the effectiveness of these actions.

Regarding the Quality of Life Program

10.3.5 A program should be established to promote the quality of life of own employees and third parties in order to contribute to maintaining a motivating work environment and promoting body health (cardiac risk, physical activities, food, cancer prevention, etc.), emotional health (stress, etc.), and spiritual health (meditation practices, relaxation, etc.).

ATTACHMENT

List of acronyms

OHS – Occupational Health and Safety

SWP – Special Work Permit

SSP - Specific Security Plan

SESMT - Specialized Service in Occupational Safety and Medicine

RAET – Risk Assessment and Effective Treatment

Techniques for identification, analysis, evaluation and classification of risks are:

historical analysis/Safety review – aims to collect and systematically gather historical information related to the occurrence of accidents (or near misses) in the facility under analysis or in similar facilities. Thus, seek to obtain better knowledge about the causes, effects and form of occurrence of the most typical accidental events. In addition to allowing a preliminary estimate of the frequency and severity of occurrence of accidental events;

tree of causes – This technique was developed in the early 1970s by French researchers from the Institut National de Recherche et de Sécurité – INRS and aims to disseminate a methodology for identifying accident factors and their interrelationships, locate risk factors and from them make effective the practice of prevention;

risk series analysis – The risk series is one of the existing risk analysis techniques characterized by its fairly simple application, and by being very good at accident investigation and analysis;

What-If / Checklist – Ideal as a first approach in the analysis of process risks, including in the project or pre-operational phase.;

critical incident techniques – Operational phase of systems, whose procedures involve the human factor, to any degree;

preliminary risk analysis (PRA) – Determination of risks and preventive measures before the operational phase. General review of safety aspects, through a standard format, raising the causes and effects of each risk, prevention or correction measures and categorization of risks to prioritize actions;

HAZOP – denominated as Hazard and Operability Study (HAZOP) that aims to identify the hazards and operability problems of a process facility. Therefore, it is to thoroughly and methodically investigate each segment of a process, aiming to discover all possible deviations from normal operating conditions, identifying the causes responsible for such deviations and the respective consequences;

failure mode and effect analysis (AMFE) – Determination of failures, critical effects and critical components, analysis of the reliability of assemblies, equipment and systems;

fault tree analysis (AAF) – Obtaining through a logical diagram, the minimum set of causes (failures) that would lead to the event under study. Obtaining the probability of occurrence of the unwanted event.

bowtie - is an easy-to-understand, visual hazard survey tool that effectively represents the risk, providing an opportunity to identify and assess key safety barriers existing or absent between a safety event and an unsafe outcome.

"If Not Safe, STOP and Make It Safe"