



BIODIVERSITY POLICY



BIODIVERSITY POLICY

This Policy aims to establish guidelines for the sustainable management of natural resources, biodiversity, and ecosystem services within the business segments of the CSN Group and CSN Mineração S.A., as well as their surroundings, including terrestrial and aquatic environments (water bodies adjacent to their operations, such as rivers and oceans). Beyond direct actions on ecosystems, the guidelines also consider the management of the five direct drivers¹ of biodiversity loss (land/sea use change, direct exploitation of organisms, climate change, pollution, and invasive species). This ensures a commitment to the protection and conservation of the genetic heritage of fauna, flora, and associated ecosystem services by incorporating this theme into the Company's business strategies and risk management.

The sustainable management of natural resources and biodiversity is based on established methodologies and approaches for the assessment and management of environmental risks and impacts, aiming to comply with the following principles:

- From the **Global Assessment Report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)**, which provides "*an assessment of the status and trends of the natural world, the social implications of these trends, their direct and indirect drivers, and, most importantly, the actions that can still be taken to ensure a better future for the Planet*";
- From the goals of the **Global Biodiversity Framework of Kunming-Montreal**;
- From the **Universal Declaration of Human Rights**, where "*everyone has the right to life*";
- From the **UN Convention on Biological Diversity**, which aims to promote "*general measures for the Conservation and Sustainable Use*" of natural resources;
- From the **Sustainable Development Goals (SDGs) of the Global Compact: Goal 14 - Life Below Water**: "*Conserve and sustainably use the oceans, seas, and marine resources for sustainable development*" and **Goal 15 - Life on Land**: "*Protect, restore, and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss*";
- From the **International Finance Corporation (IFC)**, which recognizes that "*recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and managing living natural resources adequately are fundamental to sustainable development*";
- From the **Taskforce on Nature-related Financial Disclosures (TNFD)**, which provides guidelines for reporting information related to the sustainable management of biodiversity and ecosystem services, in response to the growing need to consider nature-related risks and opportunities in financial and business decisions.

This Policy covers all operations of the Company and its subsidiaries, partners, and suppliers in the Steel, Mining, Cement, Logistics, and Energy businesses, aiming to promote and strengthen best practices for the rational use, monitoring, and reporting related to resources inherent to and associated with biodiversity and ecosystem services, in accordance with the Company's Sustainability Policy. It is responsibility of managers and those in charge of mining activities to ensure the implementation of actions outlined in the Mine Closure Plans and/or in the Plans for the Recovery of Degraded Areas.

¹ More details in: The Global Assessment Report on Biodiversity and Ecosystem Services (2019) intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (IPBES).

CONTEXT

Biodiversity, with all its richness and interactions, provides humans and other living forms with a great variety of genetic resources, pollination of native and cultivable species, water production, mitigation of natural damage, generation of formal and informal knowledge, nutrient cycling, climate regulation, recreational activities, among many other ecosystem services that enable life on the Planet.

As a result, biodiversity is considered highly relevant to all the operations of the Company and its subsidiaries, since most ecosystem services are generally essential for their operations, for the surrounding communities, and for the planet. Therefore, impacts on biodiversity must be managed and reduced, as they can negatively affect the supply of ecosystem services.

CSN seeks to balance its activities through the preservation and enhancement of its natural assets (biodiversity repositories) and through maintaining and improving the quality and availability of both the ecosystem services utilized and impacted by the Company and those enjoyed by stakeholders in the vicinity of its operations. This is done through diagnostic practices, compensation, restoration, conservation, preservation, and monitoring, aiming for a conscious and healthy relationship between its operations, stakeholders, and the resources from the socioeconomic, physical, and biotic environments that enable its operations.

The identification of adverse effects on biodiversity in operations and the adoption of appropriate measures are based on established methodologies and guidelines for assessing and managing environmental risks/impacts. In this regard, CSN:

- Seeks to involve all stakeholders, encouraging open dialogue with civil society and public authorities, in order to actively contribute to the management of biodiversity in its areas of operation, promote participation and awareness, and stimulate the understanding of its importance among both internal and external audiences;
- Promotes sustainable development by considering the viewpoints of the communities surrounding its operations, actively and participatively engaging in the diagnostic stages and in sharing results and monitoring activities;
- Expands the dialogue on this topic beyond internal and external audiences in the areas of operation (aiming for greater efficiency in the sustainable management of biodiversity), recognizing the importance of dialogue with other market stakeholders (investors, clients, academia, civil society, and other publics and institutions), through reports, press releases, and standardized periodic communications derived from the integrated management of indicators, systematically tailored to the characteristics of each of the Company's five business lines.
- It is committed to rehabilitating areas degraded by mining activities, setting aside adequate resources to repair all impacts caused, and promoting community involvement in the mine closure planning process.

OBJECTIVES OF THIS POLICY

- Raise awareness, prevent, mitigate, manage, and compensate impacts in priority areas for biodiversity conservation;
- Develop and maintain a Biodiversity Management Plan for all mining operations located in or near areas sensitive to biodiversity;
- Systematically control information regarding preserved and recovering areas;
- Have a recovery plan for degraded areas or a closure plan for all mining operations;
- Act to maintain biodiversity, prioritizing bioindicators and endangered species, aiming for a net neutral (No Net Loss) balance in biodiversity loss through recovery actions;
- Engage stakeholders regarding the importance of biodiversity and ecosystem services and the Company's conservation and recovery actions;
- Contribute to regional, national, and global biodiversity conservation goals;
- Systematize the sustainable management of biodiversity and ecosystem services, considering the specificities of each of its five business lines, aiming to follow TNFD guidelines, i.e., conducting risk assessments of its dependencies and impacts on biodiversity and ecosystem services;
- Ensure responsible and sustainable management of tailings storage facilities (TSFs), in order to promote the safeguarding of human and natural capital;
- Be recognized as a benchmark in risk and opportunity management related to biodiversity and ecosystem services, sustainable growth, and respect for life on Earth.