



INTEGRATED REPORT

2020



Content



ANNEXES

INTRODUCTION

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CSN is my first and only job, I have never worked at another Company. It has taught a lot to my family (my son, my retired brother who also worked at CSN, and my dear late father). CSN gave me everything, I started at Pandiá Calógeras Vocational School, where I graduated as a technician and had the opportunity to travel throughout Brazil and abroad, commissioning equipment in Germany, in 1997 and 2001.

Oswaldo de Souza Rossi, engineering specialist, has the oldest active registration and has worked at CSN for 46 years.





Our History

GRI 102-1 | 102-2 | 102-4



 Click on the years to see the highlights of each decade.

About this Integrated Report

GRI 102-1 | 102-32 | 102-43 | 102-45 | 102-46 | 102-48 | 102-49 | 102-50 | 102-51 | 102-52 | 102-53 | 102-54 | 102-56

Companhia Siderúrgica Nacional S. A. (or “CSN”, “CSN Group” or “Company”) presents to all its stakeholders the third cycle of CSN Integrated Report. This is the first annual report and we applied the methodology of GRI¹ standards: Core option.

This report is a sequel to the previous edition, published on December 9, 2020, and highlights the main events and results of 2020, in the period from January 1 to December 31, in the five segments in which the CSN

CSN'S BUSINESS SEGMENTS



All editions are available for consultation on our website

Group operates: mining, steelmaking, cement, logistics, and energy, in the management of economic², financial³, environmental, social and governance aspects. This report has been certified by the independent Company, Russell Bedford, in accordance with CVM normative instruction 14/2020.

1. GRI (Global Reporting Initiative) is a global model of ESG indicators to standardize sustainability reports in actions related to the proper management and reporting of environmental, social and economic indicators in companies.
2. Any differences in the total data and percentages in the graphs and tables should be attributed to rounding of the amounts. Due to the complexity of the activities, there are no unique criteria for sector reporting. As a result, some disclosure items are not presented as a percentage of the business unit.
3. Any amounts in dollars throughout the report represent US dollars (US\$) and the exchange rate on 12/31/2020 was R\$5.1967.



How to read this report?

This 2020 CSN Integrated Report is organized by themes. The first is the Introduction, the second refers to Identity and the third presents our Strategy. Subsequently, we present our Capitals and performance for the period. Lastly, we address the theme of Fight against COVID-19.

Reading highlights

In order to make it easier for readers to identify the indicators used as reference, they are accompanied by the respective numbers or icons throughout the report.



Indication of the SDGs included in the theme addressed.



Indication of the material theme addressed.

GRI 102-50, 102-53
Sasb EM-IS-130
UNCTAD B.1.1, B.1.2

Reference to the indicators included.

In addition, you will find icons that will indicate if a certain graph or table has additional data or animation, as well as complementary information in places other than the Report. An example of the latter case is the Annex document, which can be found in our [ESG website](#). With frameworks that support those of the Sustainability Report, we present an analysis of CSN in several fronts: GRI, SASB, WSA, GCCA, ICMM and UNCTAD.

Guidelines on interactive infographs



Indication of external links





Employee operating crane -
Lusosider Steel Mill - Portugal

Information about Lusosider (Portugal), Stahlwerk Thüringen GmbH - SWT (Germany), and the Itá and Igarapava Hydroelectrical Power Plants was not included in the responses to the GRI indicators, except for those taken from the financial statements of the CSN Group, which consolidates the results of these operations through the equity method.

Corporate Governance information, including shareholding interests described herein, reflects the date of 12/31/2020 and may have changed by the date of this publication.

To increase the conciseness and relevance of our Integrated Report, we decided to present part of the numerical indicators, tables, and graphs in [Annex](#). Other data, especially the qualitative ones, can be found throughout the text of the Integrated Report. To make browsing the content more

intuitive, the GRI content index ([see page 170](#)) shows the location of each indicator. The results⁴ presented follow the Integrated Reporting principles proposed by the International Integrated Reporting Council⁵ (IIRC), the International Financial Reporting Standards⁶ (IFRS), issued by the International Accounting Standards Board (IASB), and the accounting standards in force in the country. There was no change in the scope, limit and method of measurement of the indicators, nor the need for restate any information provided in previous years.

Other data and information follow the guidelines of the Global Cement and Concrete Association⁷ (GCCA) and the World Steel Association⁸ (WSA). In addition, we present indicators from the materiality map of the Sustainability Accounting Standards Board⁹ (SASB).



There were no changes in the scope, limit and measurement method of the indicators. Neither was it necessary to restate information provided in previous years.

This publication also meets the requirements of commitments made as a signatory Company to the United Nations Global Compact, in compliance with the guidelines of ISO 26000¹⁰ and the Sustainable Development Goals (SDGs). The performance indicators of the frameworks mentioned are correlated to these commitments.

The data and information presented in this Integrated Report contain statements about current and future sustainability measures, goals, and other objectives. These goals have been disclosed in the limited context of our sustainability efforts and should not be

interpreted as statements of management expectations or estimates of financial results or other guidelines. We warn investors not to apply these statements in other contexts.

To guarantee that the material aspects prioritized in this document reflected the strategic directions of CSN's management, the Company's leadership actively participated in its preparation, under the supervision of the Sustainability, Environmental, Occupational Health and Safety Office. The report was approved by CSN's Board of Directors.



For more information or questions about the content of this Integrated Report, please contact: sustentabilidade@csn.com.br



Notes pages 6 and 7

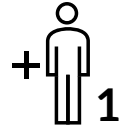









4. This Integrated Report includes statements that present CSN Group's expectations about events or results. All estimates and projections involve risks and uncertainties. The CSN Group cannot guarantee that these statements will be fully accurate. These risks and uncertainties include, among factors 1) countries where CSN operates; 2) the Brazilian economy; 3) the global economy; 4) the capital market; 5) the ore and metal business and its dependence on global industrial production, which is cyclical in nature; 6) high level of competition in the markets where the CSN Group operates, and 7) mining operations. The CSN Group draws attention to the fact that in all operations and activities, current results may materially differ from the plans, objectives, expectations, estimates, and intentions presented herein. The Group undertakes no obligation to publicly update or revise any estimates and projections, whether as a result of new information, future events or for any other reason.
5. The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, accounting professionals, academy, and NGOs to promote a common reporting standard for integration, preservation, and value creation as the next step in the improvement of corporate reporting.
6. The International Financial Reporting Standards (IFRS) are international accounting standards prepared and presented by the International Accounting Standards Board (IASB). Their main objective is to provide companies around the world with a set of regulations that should be used to prepare and disclose financial statements.
7. The GCCA was created in 2018, as part of the new agreement, from the work carried out by the Cement Sustainability Initiative (CSI), which was transferred from the WBCSD to the GCCA from January 1, 2019. The mission is to establish the global recognition of concrete as the choice for sustainable building material.
8. The World Steel Association (WSA) is one of the largest industry associations in the world and represents steel producers, national and regional steelmaking associations, and steel research institutes focusing on economic, environmental, and social sustainability in all major steel-producing countries. WSA members account for around 85% of the world's steel production.
9. The Sustainability Accounting Standards Board (SASB) is an independent standards-setting organization that promotes the disclosure of material sustainability information to meet the needs of investors.
10. ISO 26000 is an international standard that aims to guide organizations, of any size or location, to incorporate social and environmental guidelines into their decision-making processes and to take responsibility for the impacts of their actions on society and the environment.

UN Global Compact

GRI 102-12

In October 2020, CSN formally adhered to the UN Global Compact in the “signatory”¹¹. category. Our actions reinforce the convergence between our values and our responsibility with the ten principles of the Compact in the areas of human rights, labor, environment, and anti-corruption, as well as the engagement and commitment to contribute to the Sustainable Development Goals. Adherence to the Global Compact is one of the actions to strengthen the Environmental, Social, and Governance (ESG) agenda in our organization.

See the correlation of the Global Compact commitments with CSN materiality, management, operations, and relationships on [page 170](#) – GRI content index.

 <p>1 RESPECT and support internationally recognized human rights in your of influence.</p>	 <p>2 ENSURE that your company does not participate in any way in the violation of human rights.</p>	 <p>3 SUPPORT freedom of association and the recognize to open collective bargaining.</p>	 <p>4 ELIMINATION all forms of forced and compulsory labor.</p>	 <p>5 ABOLITION all forms of child labor in your productive chain.</p>
 <p>6 STIMULATE all practices that eliminate any form of discrimination at the workplace.</p>	 <p>7 ASSUME a responsible, preventive and proactive posture towards environmental challenges.</p>	 <p>8 DEVELOP initiatives and practices to promote and divulge socioenvironmental responsibility.</p>	 <p>9 PROMOTE the development and dissemination of environmentally responsible technologies.</p>	 <p>10 FIGHT corruption in all its forms, including extortion and bribery.</p>

11. When joining the UN Global Compact, companies must choose their level of engagement: signatory or participant. All companies with an income above US.50 million/year - CSN for instance - contribute to the development of projects and tools to meet the goals.

SDG – Sustainable Development Goals

GRI 102-12

The material themes of this Integrated Report are in line with the Sustainable Development Goals (SDGs), a global agenda adopted in 2015 by countries participating in the United Nations (UN). It comprises 17 goals and 169 targets to be achieved by 2030. CSN contributes to achieving the SDGs through the development of initiatives, corporate policies and good practices that create value for society through direct or indirect impacts. The integration of the SDGs into our operations and relationships with our stakeholders is strategic and essential for the Company’s success and business perpetuity.



The image displays a grid of 17 Sustainable Development Goals (SDGs) icons, each with a number and a brief description:

- 1 NO POVERTY**: Icon of a family.
- 2 ZERO HUNGER**: Icon of a bowl of food.
- 3 GOOD HEALTH AND WELL-BEING**: Icon of a heart and pulse line.
- 4 QUALITY EDUCATION**: Icon of an open book.
- 5 GENDER EQUALITY**: Icon of a female symbol with an equals sign.
- 6 CLEAN WATER AND SANITATION**: Icon of a water tap.
- 7 AFFORDABLE AND CLEAN ENERGY**: Icon of a sun.
- 8 DECENT WORK AND ECONOMIC GROWTH**: Icon of a bar chart with an upward arrow.
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**: Icon of stacked blocks.
- 10 REDUCED INEQUALITIES**: Icon of a diamond shape with horizontal lines.
- 11 SUSTAINABLE CITIES AND COMMUNITIES**: Icon of buildings.
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**: Icon of a circular arrow.
- 13 CLIMATE ACTION**: Icon of a globe.
- 14 LIFE BELOW WATER**: Icon of a fish.
- 15 LIFE ON LAND**: Icon of a tree.
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS**: Icon of a dove and a scale.
- 17 PARTNERSHIPS FOR THE GOALS**: Icon of interlocking circles.

SDGs and CSN

GRI 102-12

While our operations have direct and indirect impacts on all **17 SDGs**, we have chosen to focus on **ten of them**. The SDGs identified below are the ones we consider most relevant to the Company:

 Click on the icons and see how the SDGs are being worked on.



SDG

MATERIALITY AND COMMITMENTS

- 11 Materiality
- 13 Messages and highlights
- 19 CSN 2020 highlights



A structured governance model is vital for any company. Topics such as ethics and transparency bring confidence and seriousness, not only to those who are here, but also to the external public that maintains a relationship with CSN. Since the implementation of the Compliance Program in 2015, the Company has been articulating the agenda of governance and sustainability as a business model. And it recognizes that ESG is a milestone in the integration of practices.

*Guilherme Duque,
internal audit and
compliance manager
at CSN.*



Materiality

GRI 102-21 | 102-32 | 102-40 | 102-42 | 102-43

CSN's 2020 Integrated Report was prepared according to the relevant themes identified in the exercise of updating its Materiality Matrix, conducted in 2020. (see infographic on next page).

In a continuous process to engage and improve management and reporting, CSN consulted its stakeholders to define the content presented in this Integrated Report. In addition to senior management, other audiences that the Company understands as essential were heard: corporate and operational employees, leaders, suppliers, national and international customers, investors, and representatives of civil society in local communities, including associations, foundations, and councils.

1) BENCHMARKING
Identification, analysis and selection of converging material themes within reference organizations in sustainability in the sectors which we operate.

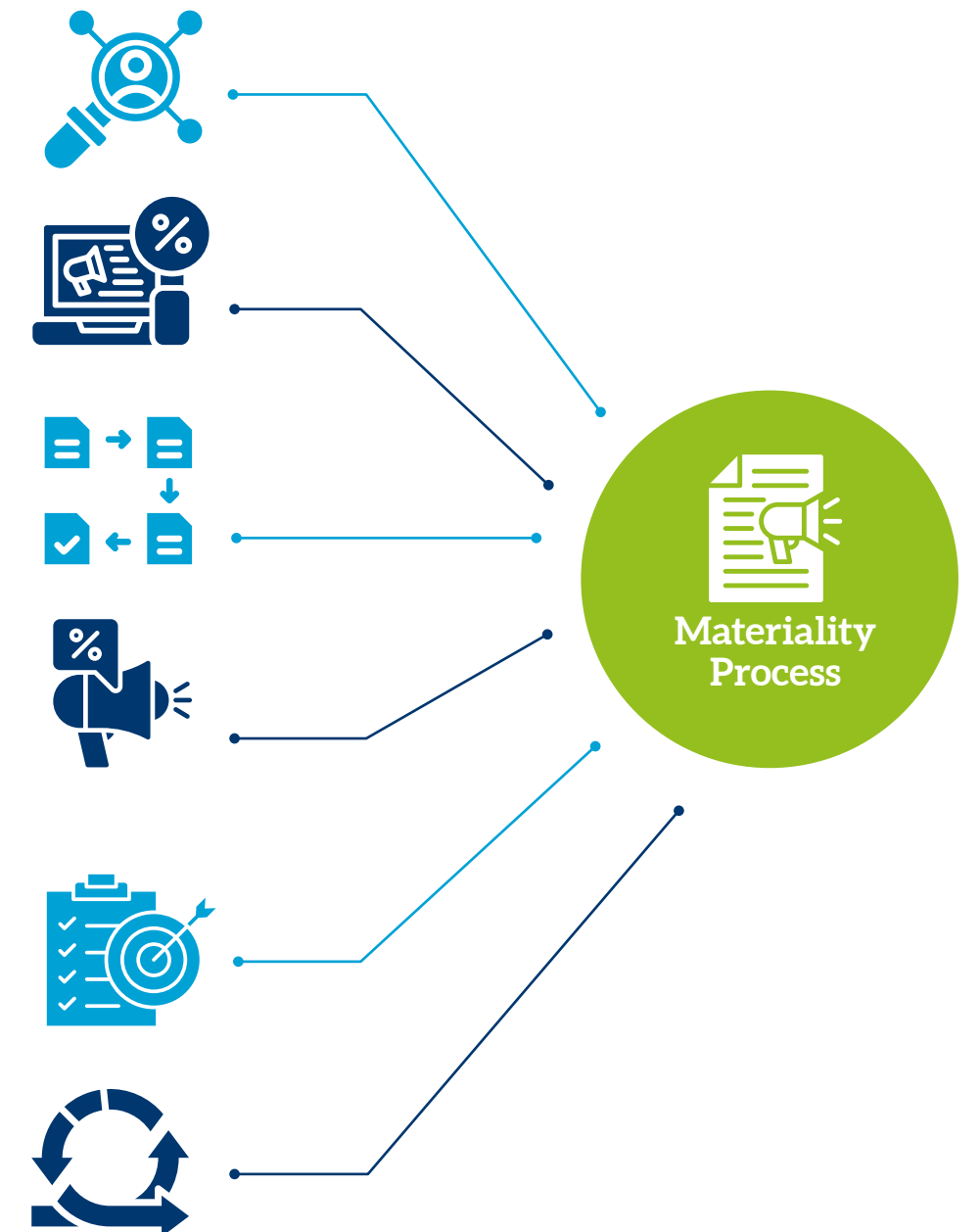
2) CONSULTATION
Consultations with industry organizations' guidelines and sustainability reporting standards.

3) MAPPING
Mapping of reports and demands received through rating agencies and sustainability indices.

4) INTERVIEWS/RESEARCH
Interviews and/or online research with internal and external stakeholders. In total, we heard **1.050 feedbacks**.

5) PRIORITIZATION
We compiled the results obtained in the steps above in a matrix in order to prioritize the themes evaluated from the assignment of weights according to their recurrence.

6) CALIBRATION
In collaboration with the Company's CEO, we calibrated the version of the matrix after CSN's strategic definitions.



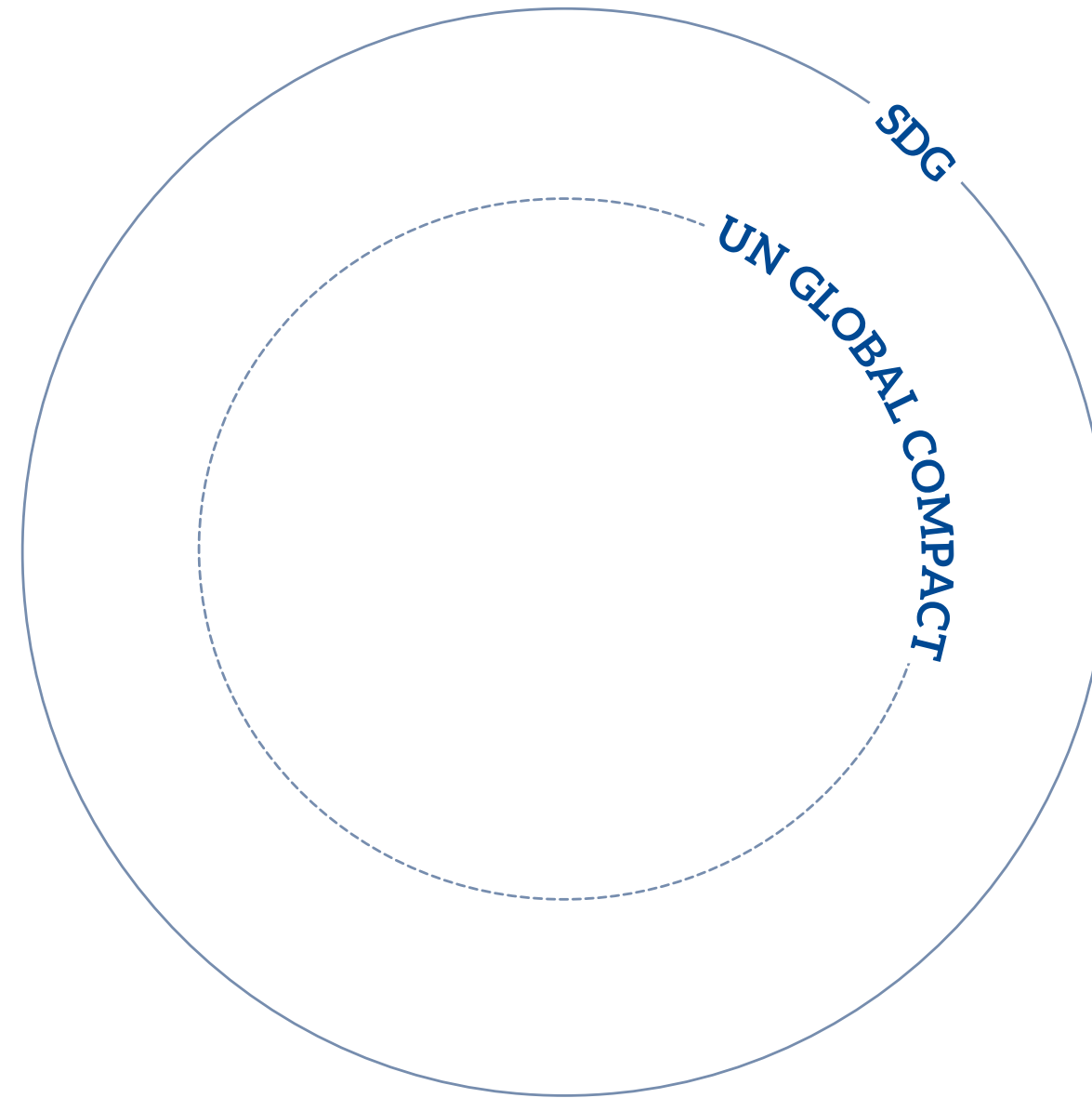
To make the report clearer, the analyses related to atmospheric emissions, energy management, water consumption, effluent disposal, biodiversity and land use, and waste management were grouped under "Environmental Performance".

We also analyzed the correlation between the **material themes and the Sustainable Development Goals (SDGs), aligned with the Ten Principles of the Global Compact**. The graphic representation of this exercise can be seen below:

Materiality Matrix

GRI 102-44 | 102-47 | 103-1

THEMES



Annexes

CAPITALS

STAKEHOLDERS

Relevance of stakeholders

Extremely relevant Relevant Not relevant

 Click on the material themes and see how they relate to each other.
Place your mouse pointer over the SDG and Global Compact icons to see their description.

Messages and highlights

Message from the Board of Directors

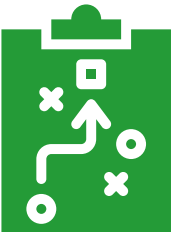
GRI 102-14

The year 2020 presented itself as extremely peculiar and will be among the most difficult and challenging years in the history of our country and the world. In this period, COVID-19 put everyone on alert and caused profound impacts on social, economic, and labor relations. Within this context, the Company's decision to continue working and undertaking its activities was crucial, for they are essential for the national and international economy. Challenges and opportunities have emerged and required a courageous and bold response. Following the values advocated in our essence of **"Doing well, Doing more and Doing forever"**, ("Fazer bem, Fazer mais e Fazer para sempre"), we did not interrupt our operations during the year. We moved forward.

To do so, we adopted all the recommended measures for the prevention of COVID-19 among our employees,

always focusing on the safety and protection of all. It is also important to note that some particularities marked the period, in a vital scenario to reinforce the importance of CSN Group's operation in the midst of this new reality.

During the social isolation period, people began to do small renovations because they were in their homes for longer periods, which boosted the construction sector. The packaging segment also showed a strong increase in demand, and the CSN Group is the only Brazilian producer of tinplate used to manufacture cans that prolong and preserve the quality of food. Naturally, hospital equipment, ambulances, and medical oxygen cylinders have been requested in an unimaginable way some time ago.



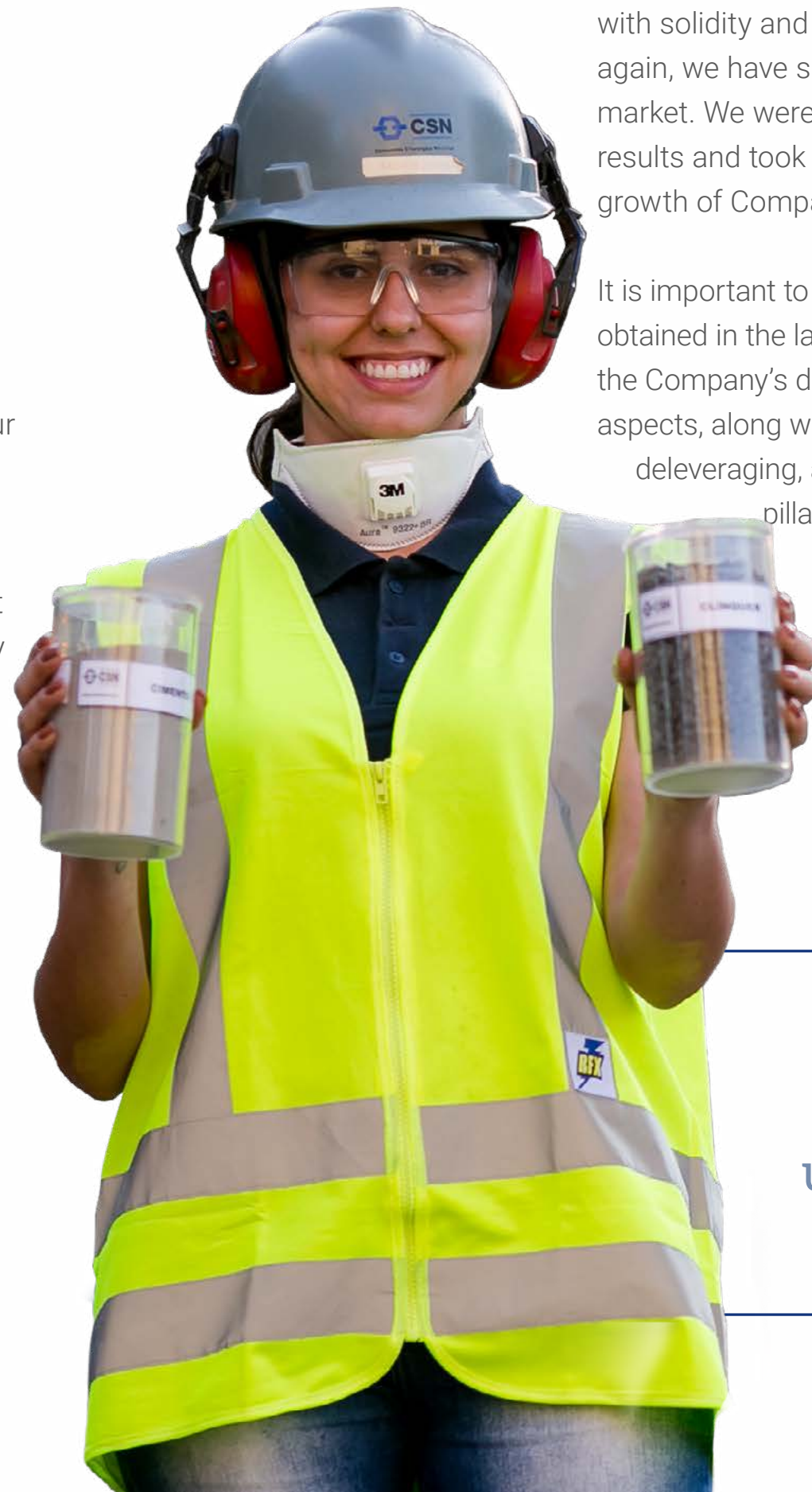
The CSN Group had to face 2020's difficulties with the resilience and strategy necessary to change them into opportunities, counting on the commitment and dedication of our employees to be able to do so.

CSN MINERAÇÃO POSTED NET REVENUE OF **R\$13.79 BILLION**

All this involves steel. As a result, we had to keep producing and honoring our commitment to the country.

Regarding the international market, CSN Mineração has gained a prominent position with iron ore exports, especially to China, which presented higher demand in 2020. In addition to high consumption, uncertainty about supply from other producers and the price of the dollar, kept the value of ore at high levels, which positively affected the mining sector during the year.

In 2020, it was up to the CSN group to face the difficulties with the resilience and strategy necessary to turn them into opportunities, counting on the commitment and dedication of our employees.



It has been 80 years of a great history, built with solidity and confidence and, once again, we have shown our strength to the market. We were able to achieve promising results and took important steps for the growth of Companhia Siderúrgica Nacional.

It is important to highlight that the results obtained in the last year also arise from the Company's decision to consider ESG aspects, along with innovation and financial deleveraging, as the three fundamental pillars for its sustainable growth.

The results of these commitments and the dedication of our employees were significant, especially against such an atypical scenario: we achieved

an 18% increase in the Company's net revenue compared to 2019. In the cement segment, net revenue increased by 50% compared to the previous year, achieving a sales volume 13% higher.

We also highlight the fall in financial leverage, honoring our commitment to the market to significantly decrease our indebtedness: from 3.77 times net debt by adjusted EBITDA in 2019, i.e. earnings before interest, taxes, depreciation, and amortization, we reached 2.23 times in 2020.

We remain committed to further reducing this leverage in 2021, as one of the pillars of our sustainable growth. And we believe that the market has been following our mobilization.

50%
upturn in net revenue from
the cement segment.

Another highlight was CSN Mineração, a pioneer in the implementation of high-scale tailing filtration, which made its operations independent of the disposal of tailings in dams. By the end of 2020, we already had 100% of tailing filtered and dry-stacked. CSN took the forefront once again by being the first mining company in the state of Minas Gerais to have a decharacterized upstream dam. These achievements certainly represent a new chapter in the history of mining. Additionally, CSN Mineração achieved net revenue of R\$13.79 billion, a 17% increase from 2019. In 2021, we carried out the initial public offering (IPO) of CSN Mineração.

In Steelmaking, production adjustments had to be made, especially when the pandemic first reached Brazil. Despite that, we were able to keep sales stable while substantially reducing reliance on third-party plate purchases.

We also resumed, in partnership with the Federal Government, the project for Ferrovia Transnordestina, which will connect Piauí hinterland to the ports of Pecém (CE) and Suape (PE). The railway will span

1,753 km, 600 km of which are already completed. Today, it is the largest linear work in execution in Brazil.

Even with the hope of vaccines, 2021 will still be a year surrounded by uncertainties, but we are convinced that CSN will remain at the forefront of its business. To achieve this goal, our focus is to continue investing in innovation, quality, development of our employees, in the best environmental, social, and governance practices, and in the ethical and transparent relationship with our stakeholders, supporting our country's growth in a sustainable way.

Today and always, our commitment is to achieve, adapt to and design the future. We want to be at the edge of innovation and ESG practices in the industry, as we establish the foundation for a model of excellence to be followed by other organizations.

Good reading!
CSN's Board of Directors



Message from the CEO

GRI 102-14

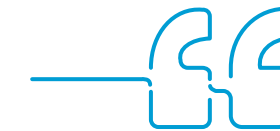


In a year marked by the challenges imposed by the pandemic of the new coronavirus, in which we were faced with uncertainties and strong apprehension regarding the future, we did everything we could to minimize the impacts and go through this moment with resilience and caution. We have really prepared for a war and, to win it, we have spared no efforts to readjust strategies, taking various measures to adapt to a highly complex and unknown scenario. After all, as an essential-product industry, we could not stop.

As the months passed, our choices and actions proved very successful: we ended the year with exceptional results, coming especially from the strength and dedication of our employees. None of

this, however, diminishes the sad reality that the country experienced in 2020 – and which still has harsh impacts on 2021. Therefore, once again, I express my solidarity to all families affected by COVID-19.

For our part, to reduce the impact of the pandemic on CSN Group's operations and, at the same time, preserve the health of our employees, I would like to call your attention to the creation of the Crisis Committee, which defined the initiatives to be implemented by the Company to protect all in a safe environment for professional development. We encouraged measures such as leave and implementation of home office for the risk group, reinforced personal hygiene and the sanitization of



In 2020 we reinforced our commitment with Environment, Social and Governance (ESG) issues by creating an Office dedicated to managing these agendas.

*Benjamin Steinbruch,
CEO*



the workplace, social distancing and the use of masks and carried out thousands of COVID-19 tests, among many other actions.

In addition to distributing masks to our employees, we also fulfilled our social role by donating 700 thousand fabric masks, also intended for communities near our operations.

The speed and flexibility with which we adapted to the new reality, putting into practice all the necessary measures, were decisive to reduce the damage caused by COVID-19 to the organization. Despite the atypical global scenario and all the uncertainties, we continued to produce so we could meet the country's needs. Thus, throughout the year, the market showed signs of recovery in some sectors and we, at Companhia Siderúrgica Nacional, managed to accomplish significant achievements in the pursuit of longevity and sustainability in our operations.

In 2020, we reinforced our commitment to environmental, social, and corporate governance (ESG) issues by structuring a department dedicated to



promote sustainable development, expand the Company's relationship with the various stakeholders and constitute an even more solid and transparent governance.

Within this context, diversity and inclusion were even more valued by the CSN Group in 2020. In 2019, we

managing these agendas. We also presented a new Corporate Policy on Sustainability, Environment and Occupational Health and Safety, recently approved by our Board of Directors and committed to the SDGs (Sustainable Development Goals) and the 10 Principles of the Global Compact – initiatives by the United Nations (UN) of which we are a “signatory” Company – to

WE FULFILLED OUR SOCIAL ROLE, DONATING **700,000 MASKS** ALSO DESTINED TO COMMUNITIES NEAR OUR OPERATIONS SITES.

founded the a Working Group, with five fronts focused on ethnic diversity, 50+ employability, inclusion of people with disabilities, and the LGBTQIA+ community, and gender equality. The purpose of the group is to promote diversity in the Company and the inclusion of women in leadership positions, including in the operating area. Even in the face of the year's difficulties, we maintained our female staff at the same level as the previous year.

We also highlight our operating performance in occupational safety. In 2020, we achieved our best indicators of the last seven years, with an 18.3% year-on-year reduction in the frequency rate of accidents with and without absence.

All these achievements were important for us to open new doors for growth and build our future based on an increasingly diversified vision and with the participation of our stakeholders. Events such as the ESG Week, Compliance Day, CSN Day, and actions of the now sixty-year-old CSN Foundation - only to name a few - indicates the Company's focus on expanding ESG

initiatives and innovation, which through the expansion and consolidation of CSN Inova has modernized and brought more efficiency to our operations.

All this is essential because it is directly related to what we seek for the Company in the coming years, which is to double our size, both in quantity and quality. To reach this goal, we are preparing CSN to act independently in each of its segments (mining, steelmaking, cement, logistics, and energy), in a movement that began with the IPO of CSN Mineração and will be followed, in the short term, by others of our segments.

We envision this positioning with optimism and determination, always pursuing continuous improvement and our essence of **Doing well, Doing more and Doing forever** ("Fazer bem, Fazer mais e Fazer para sempre").

I want to thank you all for the commitment, dedication, and strength shown during 2020, a challenging year.

Good reading!

Benjamin Steinbruch - CEO



Casa de Pedra Complex (MG)

CSN 2020 highlights

SOCIAL

Reduction
↓ **18.3%**

in the reportable accident frequency rate (CAF+SAF), the lowest level in history.



Workforce with

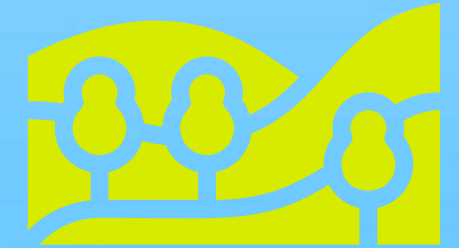
13.8% of women in 2020, with the goal of reaching **28% by 2025**



R\$ **52.4 MILLION** million invested in social projects.

ENVIRONMENTAL

R\$ **420.5 MILLION** allocated (investment and cost) to environmental projects.



Reduction in the total volume of water withdrawn in all areas covered by the company
↓ **8.3%**

Reduction in CO₂ emissions per ton of steel produced between 2018 and 2020.
↓ **8%**



*Target base year.

View of ARIE Cicuta's Forest and in the center, Presidente Vargas Steelworks (RJ)

FINANCIAL

Net revenue of
R\$ 30.06 ↑ **18%** increase
BILLION compared to
2019

Operating income of
R\$ 5.71 ↑ **61%** increase
BILLION compared to
2019

Net income
R\$ 4.29 ↑ **91%** increase
BILLION compared to
2019

EBITDA Ajustado
R\$ 11.50 ↑ record
BILLION increase

Lowest leverage level in 10 years (**2.2x**) due to strong cash generation and exchange rate variation, aiming to reach **1.0x** by the end of 2021.

IDENTITY

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I joined CSN in February, in the Innovation and ESG team. Having just graduated in Environment and Development, I see a bright future for the Company to develop in the direction of ESG (Environmental, Social and Governance) metrics. Working in a Company that plays such an important role in the Brazilian industry and national development, brings about an opportunity for impressive socio-environmental impact, with several internal initiatives already leading this transition. Being part of the construction of this agenda for the future is a privilege, in addition to being surrounded by employees who carry the CSN's culture and are open to innovation.

*Catarina Lagnado,
ESG and Innovation
analyst at CSN.*



Meet CSN

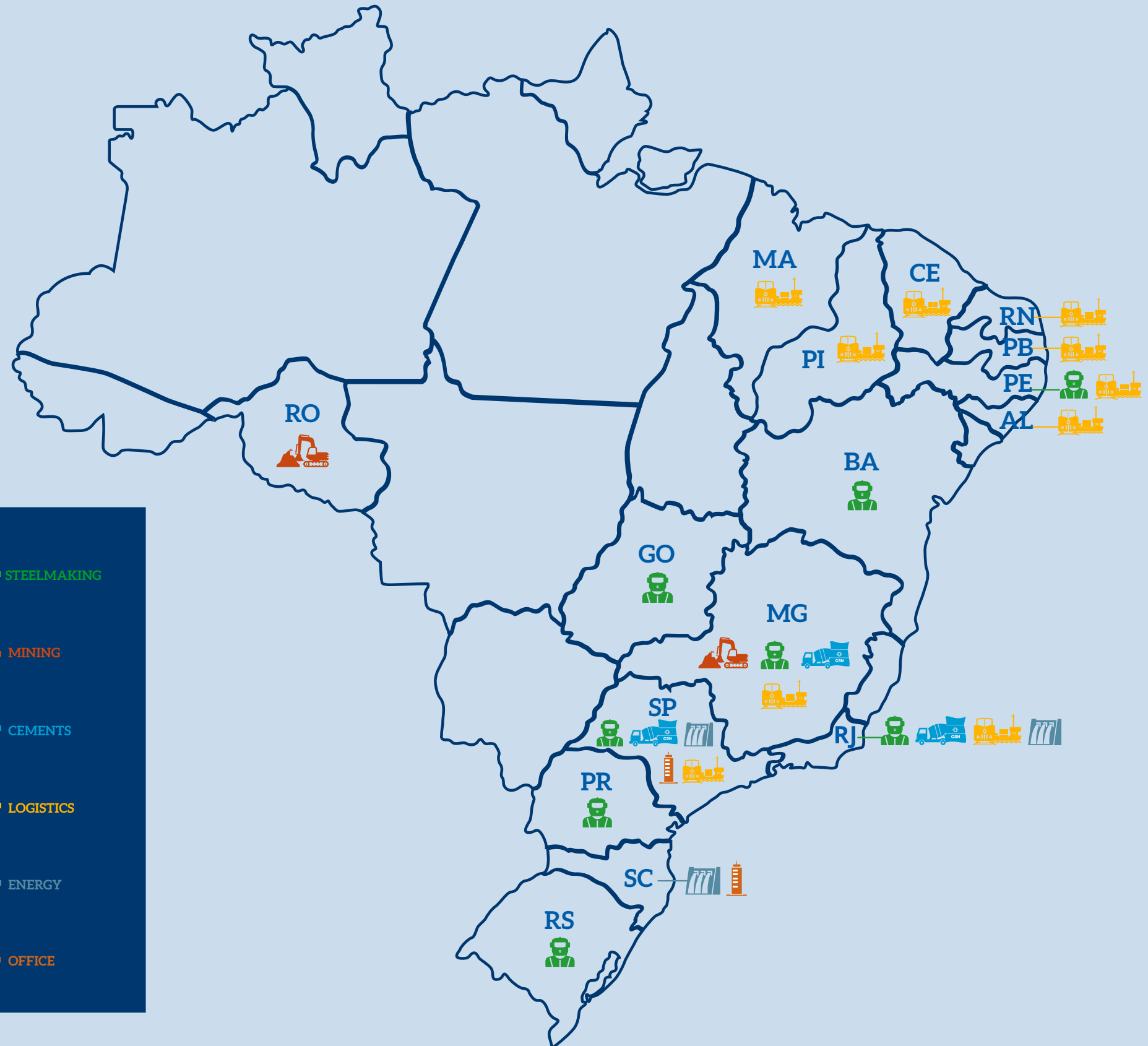
GRI 102-2 | 102-7



Brazil's first integrated steel manufacturer and one of the world's most efficient steel complexes, CSN diversified its operations with a focus on sustainability and efficiency of industrial processes. The steel Company created in 1941, by initiative of the Federal Government, and privatized in 1993, currently stands out in the mining, cement, and logistics sectors, thus maintaining a leading position in the Brazilian sector and sustainable development.



More information
visit our website.

Map of operations




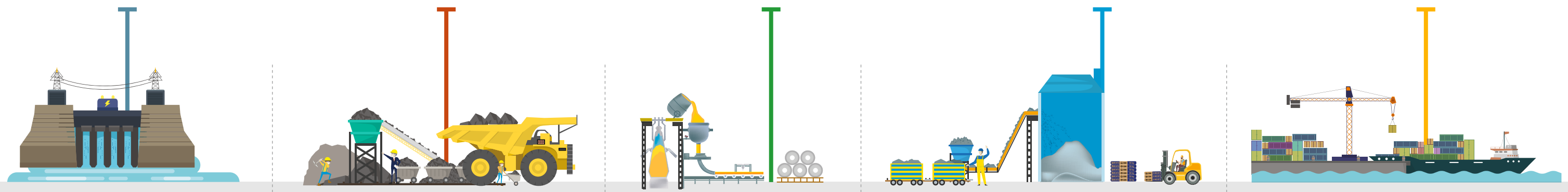
-  STEELMAKING
-  MINING
-  CEMENTS
-  LOGISTICS
-  ENERGY
-  OFFICE

CSN Segments

The CSN Group operates in the entire steel production chain, from iron ore extraction to the production and sale of a diverse line of high added value steel products in five highly

integrated business segments: mining, steelmaking, cement, logistics and energy. In 2020, these segments together generated consolidated net revenue of **R\$30.06 billion**¹.

 **Click on the segment icons to see our activities**



1. This amount includes corporate expenses/disposal, in 2020. The Group's revenue in 2020 totaled R\$32.06 billion and the share of each segment was calculated over this amount.

Organizational Profile

GRI 102-1 | 102-2 | 102-3 | 102-4 | 102-5 | 102-6 | 102-7 | 102-8

A publicly traded Company, with shares traded on the stock exchanges of São Paulo (B3) and New York (NYSE), which is also part of the portfolio of the FTSE4Good Index¹. With more than **23 thousand employees**, Companhia Siderúrgica Nacional (CSN) is a multinational company with business in mining, steelmaking, cement, logistics, and energy. It is present in eighteen states of Brazil and, abroad, in Germany and Portugal.

It operates in the entire steel production chain, from iron ore extraction to the production and sale of a diversified line of high value-added steel products, including galvanized, coated, flat steel and metal sheets. The integrated production system, combined with management quality, allows CSN to offer one of the lowest costs in global steelmaking.

CSN steel is present in several industry sectors, including automotive, construction, packaging, white goods and OEM². The domestic market accounts for most of the Company's sales. However, we are also strategically positioned in the foreign market.



MRS locomotive in iron ore transportation

1. The FTSE4Good Index Series was designed to measure the performance of companies that demonstrate strong environmental, social and governance (ESG) practices.
2. It refers to the Original Equipment Manufacturers market unit, which serves the sectors of re-rollers, gas cylinder manufacturers, containers for chemicals, engines, juices, and agribusiness.

Initiatives and External Projects

GRI 102-12

The CSN Group voluntarily supports projects and commitments that value good social practices, the commitment against climate change, protection of the environment, and management and safety of operations.

Iniciativas externas

- UN Global Compact;
- GHG Protocol;
- CDP - Carbon Disclosure Project;
- NICOLE Latin America - Latin America Network for Soil and Water Management;
- RemTech - International event on Remediation, Coasts, Floods, Climate, Seismic, Regeneration, Industry;
- EKOS Seminar;
- FTSE4Good Index Series;
- Participation in the discussions of the Climate Network, with the presence of state federations representatives of industries, sector associations and companies to improve the articulation of the sector on issues related to climate change of the Brazilian National Confederation of Industry (CNI)
- Signing up for the GHG Voluntary Program - SELO CLIMA PARANÁ.



Investment thesis

Integrated operations, ESG, innovation, and circular economy to create value

GRI 102-12

We closed 2020 with a vision of capital allocation based on growth. Our structure and integrated and diversified businesses allow us to execute this thesis with a low risk, also considering the integration of ESG factors in our management and decision-making process. This scenario enhances the value generation of our integrated operations in the steel chain (learn more on page 29).

We also highlight as key pillars in our investment strategy the continuous search for greater operating efficiency, improvement of our corporate governance, financial deleveraging, and innovation.

Innovation is the essential factor for the consolidation of our business plan, through CSN Inova, which operates in the development of new technologies and innovative solutions focused on Industry 4.0, to expand revenue sources, manage risk, optimize costs and invest in startups, seeking to position the Company at the forefront of technological development.

The expansion plan of CSN Mineração – whose IPO process was concluded in February/2021-illustrates this context, as production volumes will double in the coming years, combined with the environmental agenda, with the operational independence of the use of dams and a decharacterization schedule based on the concept of circular economy. As a result, what was a potential liability becomes a new source of revenue (see more on this subject on CSN Mineração’s Annual Report).



We highlight as key pillars in our investment strategy the constant search for greater operational efficiency



CSN Mineração's IPO in [B]³

Another example is the cement segment, whose volumes we expect to triple in the next five years. We believe this pace of development and this investment thesis are essential factors to position the CSN Group as a player that offers diversified and low-risk growth.

For energy, the prospect is for investments in new plants to generate power from renewable sources, such as hydroelectric, wind, and solar, seeking power self-production as a way to achieve self-sufficiency in electricity.

We work to develop an environment that encourages diversity and innovation to ensure business perpetuity. The Company believes that a diversity and inclusive approach is crucial to achieve best the decision-making process and has been working to eliminate the barriers to

hiring and retaining women and other underrepresented groups.

Through our new Sustainability, Environment and Occupational Health and Safety Integrated Policy, which will guide the Company's strategic decisions taking into account environmental, social and governance issues, we strengthen our commitment to proactively control and mitigate possible environmental and social impacts, in addition to providing safety in our operations and caring for the health and well-being of our employees and the communities where we operate.

All these elements are enhanced by our corporate governance structure, which enables rapid decision-making, generating resilience and, consequently, operating and financial gains.



Itá Hydroelectric Power Plant - Aratiba (RS)

STRATEGY

- 29 Value Cogeneration
- 30 Targets, risks and opportunities
- 31 Governance and integrity



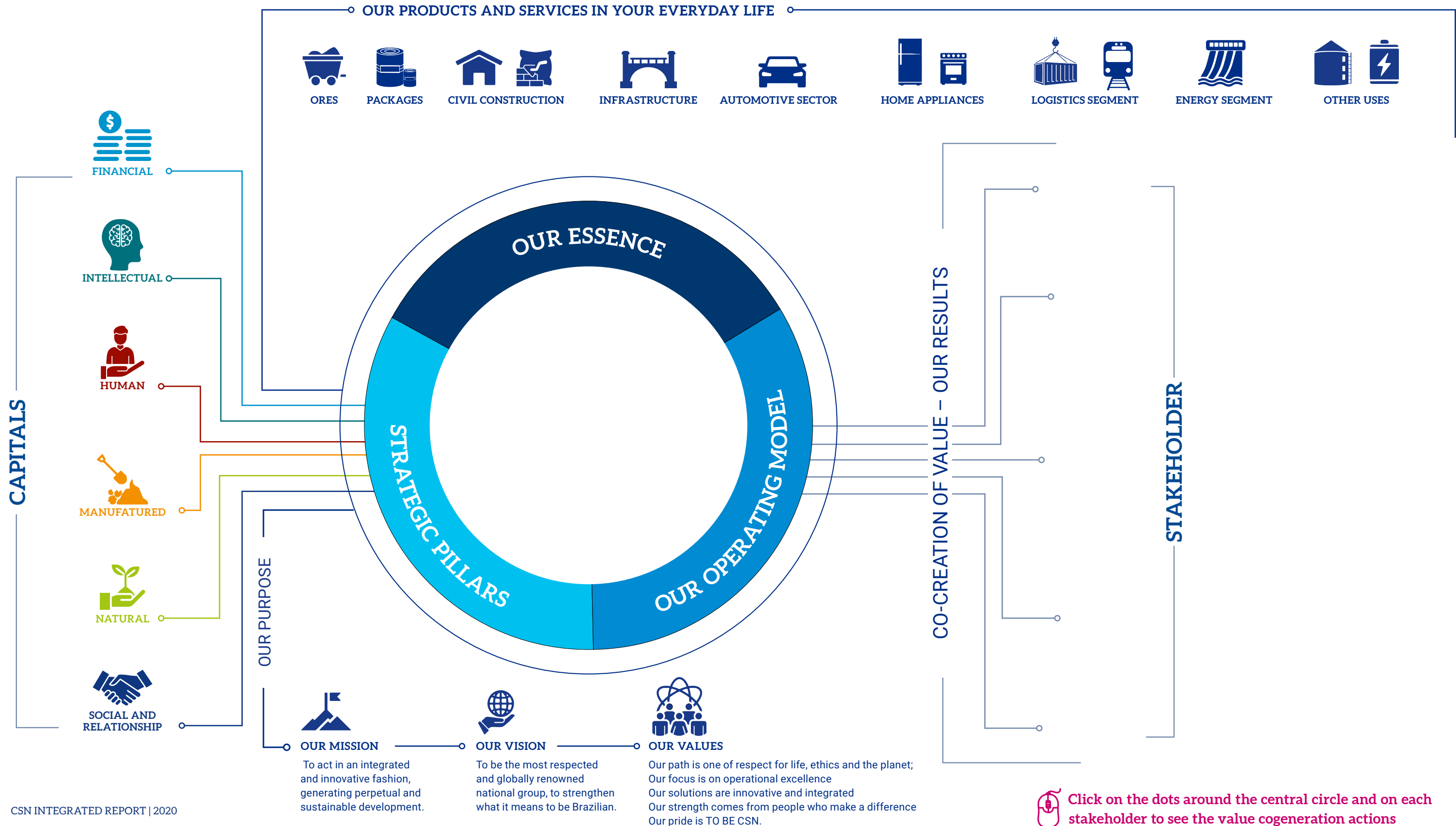
I have been working at CSN for ten years, currently at the financial operations desk, and I can assure you that it is one of the best places to work, learn and develop. Our financial indicators have been reaching historical levels and our ratings have been increasing consistently, as it is a solid Company with a fully integrated production and logistics chain, focused on innovation, sustainability and strict control of its finances, which has been continuously improving its operating results. Without a doubt, CSN is a great Company to work with and invest in.

Taciana Oliveira, financial specialist at CSN.



Business Model | Value Cogeneration

GRI 102-15 | 102-16



Click on the dots around the central circle and on each stakeholder to see the value cogeneration actions

Targets, risks and opportunities

 Click on the material topics and indicators to see their goals, risks and opportunities



INDICATOR



Governance and Integrity

Corporate Structure¹

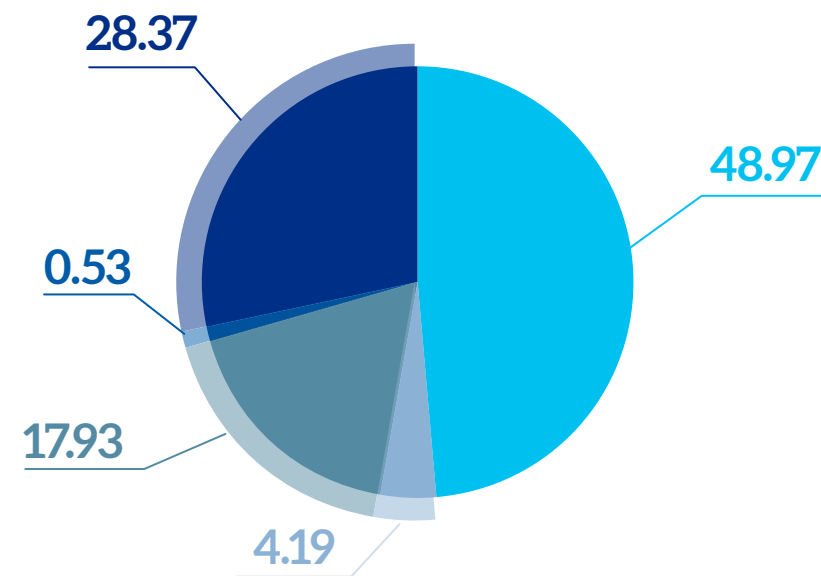
CSN's fully paid-in and subscribed capital totals **R\$4.54 billion**, comprising **1,387,524,047 non-par, book-entry common shares**. Each common share is entitled to one vote in the resolutions of the Shareholders' Meeting. The Company's by laws establish that the capital stock may be raised up to 2.40 billion shares, by the decision of the Board of Directors, regardless of statutory reform.



Click here to see our by laws in full.

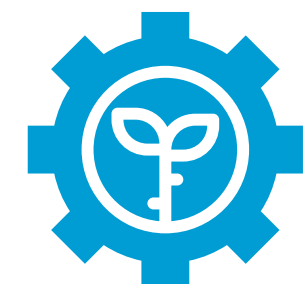
CSN - Shareholding structure

in percent



Vicunha Aços
Rio Iaco
NYSE
Treasury shares
Other

In 2020, in line with the ESG strategy, the CSN Group established a Sustainability, Environmental, Occupational Health and Safety Office, which reports directly to the Company's Chief Executive Officer. This Department has synergies with the CSN Foundation and the Company's financial and legal-corporate areas.



1. The corporate structure described in this Integrated Report reflects the reality on 12/31/2020. To access the current structure, see our *Reference Form*.

Governance structure²

GRI-102-18 | 102-22 | 202-2

CSN is a Company that operates in highly competitive sectors, with a broad and complex organizational and technological structure. As a result, it is necessary to comply with a solid sound and efficient corporate governance model to ensure integrity in management and good ESG practices.

Board of Directors

GRI 102-19 | 102-20 | 102-26

The mission of the Board of Directors includes establishing guidelines, defining the general direction of the business, analyzing the Company's annual and multi-year budgets, implementing expansion projects and investment programs and monitoring the performance of CSN and its wholly-owned subsidiaries and controlled companies, in the segments where they operate.

The Board is also responsible for assessing and approving internal policies to improve corporate governance in the Company and other CSN Group companies, including those tackling economic, social, and environmental issues, such as the Company's Environment and Occupational Health and Safety Integrated Policy.

The Board meets on an ordinary basis or extraordinarily whenever necessary. The Board is currently comprised of five members with a two-year term, re-election being allowed. Three of the five board members are independent members and, as a way to further reinforce corporate governance practices and comply with the requests of the shareholders and the Company's bylaws, one of the positions is occupied by a representative of CSN's employees. It is worth noting that the Board of Directors is racially diverse, with members of African and Asian descent.

Benjamin Steinbruch

Chairman of the Board of Directors and Chief Executive Officer



Date of Birth: 06/28/1953

Independent: No

Antonio Bernardo Vieira Maia

Effective Member of the Board of Directors



Date of Birth: 07/15/1959

Independent: Yes

Fabiam Franklin

Effective Member of the Board of Directors and employee representative



Date of Birth: 06/28/1967

Independent: No

Yoshiaki Nakano

Effective Member of the Board of Directors



Date of Birth: 08/30/1944

Independent: Yes

Miguel Ethel Sobrinho

Effective Member of the Board of Directors



Date of Birth: 09/23/ 1946

Independent: Yes

2. The composition of the governance bodies refers only to the CSN Group since the governance of CSN Mineração will be described in its own report. In addition, the governance bodies mentioned herein reflect the reality of 12/31/2020. For more information, refer to the Company's Reference Form.

Committees

GRI 102-19 | 102-20

CSN has a Statutory Audit Committee and, if necessary, the Board of Directors can create special advisory committees, with defined objectives and limited term of activities, to assist in the approach and resolution of several issues. CSN Mineração also has a non-statutory audit committee to advise it. See the characteristics of these committees below:

ESG Committee

Conceived in 2020 and created in February 2021, this non-statutory committee will be responsible for supporting the Board of Directors by submitting proposals and monitoring corporate projects in the following action pillars: sustainable finance, social practice, technology and operational sustainability, governance and diversity and inclusion.

It will advise the Board of Directors pointing out possible current and emerging ESG risks, especially of a regulatory/commercial nature, presenting alternatives for diversification of the Company's business to ensure greater adaptability and resilience to the CSN Group.

It will also be responsible for developing a database related to the sustainability and governance agendas, reporting ESG risks and metrics, and working on the Company's internal culture for the topic.

Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in monitoring and controlling the quality of the Financial Statements, internal controls, risk management and Compliance, as well as helping with the results of the internal audits and investigations, having the following main duties: to review the financial statements and other public information about the operating performance and financial position of CSN Group companies, to review the management statements included in the Company's quarterly or annual financial information, to request information from CSN's management, the Risk and Compliance Officer and the external auditors about the Company's situation concerning the adequacy and effectiveness of its internal controls

Pursuant to the standards of the Securities and Exchange Commission (SEC) for companies listed on the New York Stock Exchange (NYSE), CSN's Audit Committee is composed of three independent members, elected by the Board of Directors, with a two-year term of office, re-election being allowed.

Ethics Committee

Participants of this Committee report reviews, recommendations and decisions directly to the Statutory Audit Committee. The Ethics Committee is an integral part of the Company's Compliance Program and is responsible for periodically reviewing it, pursuant to established standards, laws, regulations, policies, and guidelines, in addition to disseminating, training, reviewing and updating the Code of Ethics and applying corrective measures to identified violations.

It is composed of members from the Compliance, Legal, Internal Audit and Human Resources areas, who can invite other areas to participate, depending on the agenda for discussion.



Yoshiaki Nakano

Chairman of the Audit Committee



Date of Birth: 08/30/1944

Antonio Bernardo Vieira Maia

Effective Member of the Audit Committee



Date of Birth: 07/15/1959

Miguel Ethel Sobrinho

Effective Member of the Audit Committee



Date of Birth: 09/23/1946

Fiscal Council

GRI 102-19 | 102-20

The Fiscal Council is a non-permanent body that oversees management activities. It was installed at the Annual Shareholders' Meeting held on April 30, 2020, with term of office until the Annual Shareholders' Meeting of 2021. The Company's bylaws establish that it should be composed of three effective members

and three alternates. Currently, 100% of its members are independent. The internal rules were approved by the Fiscal Council itself and are available on the CSN's Investors Relations website and on the website of the Brazilian Securities and Exchange Commission (CVM).



The Fiscal Council is the inspection organ for administrative management acts.

Tufi Daher Filho

Effective Member and Chairman of the Fiscal Council



Date of Birth: 03/14/1960

André Coji

Effective Member of the Fiscal Council



Date of Birth: 02/04/1964

Angélica Maria de Queiroz

Alternate Member of the Fiscal Council



Date of Birth: 05/04/1957

Valmir Pedro Rossi

Effective Member of the Fiscal Council



Date of Birth: 06/10/ 1961

Beatriz Santos Martini

Alternate Member of the Fiscal Council



Date of Birth: 04/10/1954

Maria Aparecida Metanias Hallack

Alternate Member of the Fiscal Council



Date of Birth: 01/05/1961

Executive Board

GRI 102-19 | 102-20

The Executive Board is responsible for the administration and management of the Company's business, based on the guidelines and strategies defined by the Board of Directors and the Shareholders' Meeting. The members of the Board meet whenever convened by the Chief Executive Officer or two Executive Officers. Each member is responsible for carrying out the activities inherent to their area of operation taking into consideration the social, environmental, and corporate governance performances. The Board is composed of four members, with a term of two years, re-election being allowed.

Benjamin Steinbruch

Chairman of the Board of Directors and Chief Executive Officer



Date of Birth: 06/28/1953

David Moise Salama

Executive Officer of Insurance and Property Credit



Date of Birth: 11/22/1966

Luis Fernando Barbosa Martinez

Comercial Executive Officer



Date of Birth: 11/03/1963

Marcelo Cunha Ribeiro

Executive Officer of Finance and Investor Relations



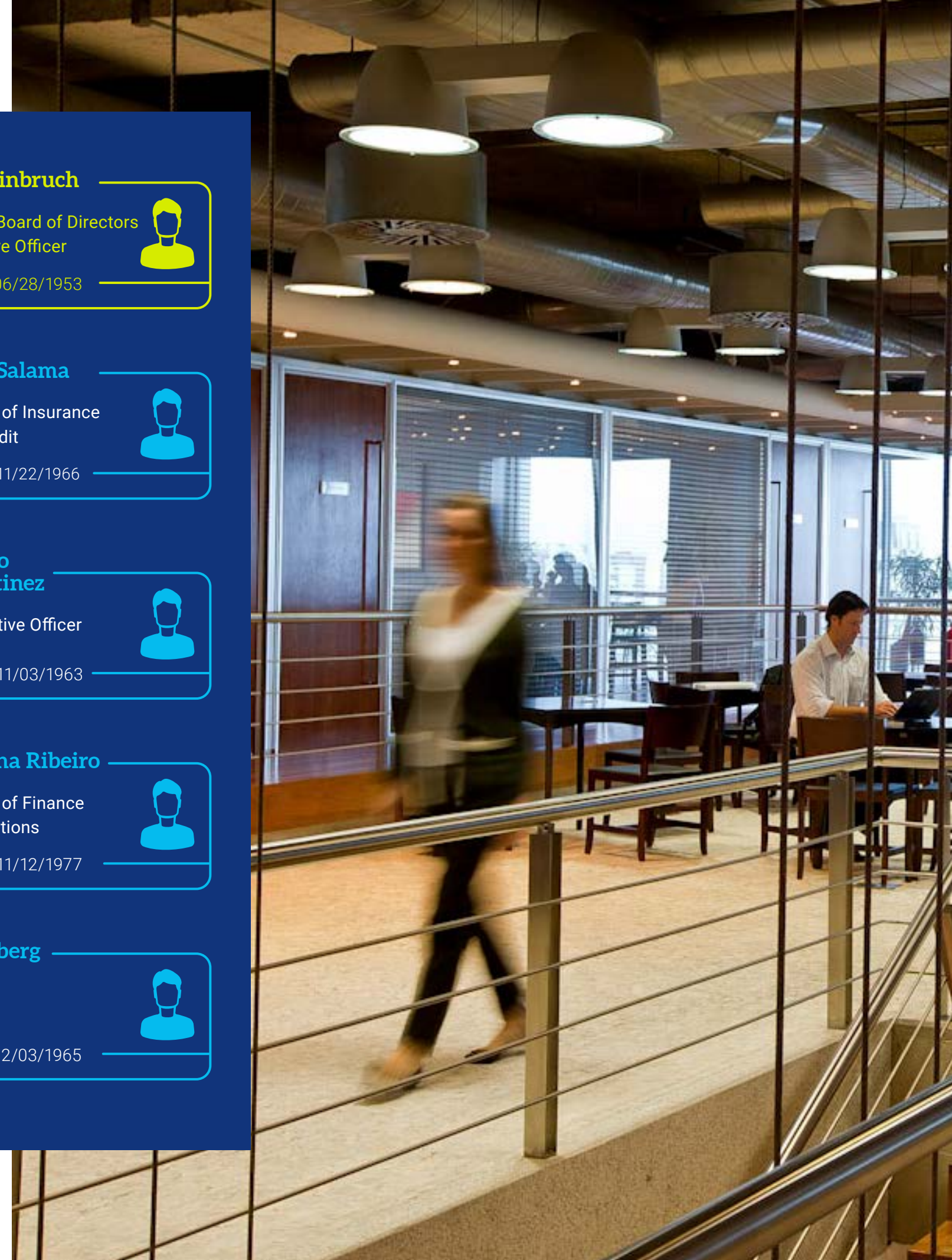
Date of Birth: 11/12/1977

Pedro Gutemberg

Executive Officer of Steelmaking



Date of Birth: 12/03/1965



Other Committees

GRI 102-19 | 102-20

The Company has other non-formalized committees⁴:



■ **Crisis Committee:** its purpose is to minimize the effects of a crisis or adopt preventive measures for events that can trigger a crisis with impacts on employees, operations, transactions, financial results and the Company's reputation



■ **Occupational Health and Safety Committees:** are committed to ensuring the health and safety of employees and promoting safe behavior. These include: Corporate and Executive Occupational Health and Safety Committee; Core Safety Committee – Business Unit; Leadership Committee and Working groups for regulatory standards-RSs (10, 12, 13, 20, 33 and 35).



■ **Internal Environmental Management Committee (CIGA):** seeks to continuously improve the Environmental Management System, in addition to detecting and preventing possible environmental impacts.



■ **Investment Committee:** advisory body to support the Chief Executive Officer, which aims to analyze, validate and prioritize the investment projects of the CSN Group



■ **People Committee:** its purpose is to outline a single and strong people management strategy, able to attract, align, engage, evaluate, develop and reward talents and key people in the Company, for sustained high organizational performance.



■ **Management Committee:** to implement a transparent and consistent performance management process. These results are measured through performance evaluation and constant feedback.



■ **Career and Succession Committee:** its purpose is to identify, evaluate and develop potential successors for leadership positions, for the perpetuity and growth of the existing businesses in the CSN Group.



■ **Portfolio Committee:** this is an advisory committee to support CSN Inova Ventures, which aims at analyzing, validating and prioritizing the Group's venture capital investment projects.

4. The specific committees of CSN Mineração will be detailed in the Company's own report.

Compensation and Evaluation

GRI 102-35 | 102-36



For more information, see CSN's Reference Form

The compensation of the members of CSN's governance bodies is aligned with the Company's short, medium, and long-term interests. Compensation for performance is determined based on the evaluation in the fulfillment of the goals established by the strategic and budget planning.

The amounts are defined based on biennial or triennial market studies carried out by consultancy firms specialized in compensation, and approved by the Chairman of the Board of Directors.

The fixed compensation of the Board of Directors and the Audit Committee is

defined based on the market practice. Fiscal Council compensation is defined by the Annual Shareholders' Meeting and is based on the amount of 10% of the average of Executive Officers' fixed compensation, pursuant to the legal provision.

On the other hand, the compensation of Executive and non-statutory Officers is based on market practice, which includes variable compensation linked to target results and competency assessment.

For the Board of Directors and the Statutory Executive Board, there is no share-based compensation plan.



The compensation of the members of CSN's Governance bodies is in line with the Company's short, medium and long term interests. Performance-based compensation is determined by assessing whether the targets established by the budget and strategic planning were met.

Remuneração Máxima, Média e Mínima dos administradores

Annual values	Executive Board			Board of Directors			Fiscal Council		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Nº of members	5	5	5	5	5	5	3	3	3
Nº of compensated members	5	5	5	5	5	5	3	3	3
Amount of the highest compensation	5,325,645.00	5,239,985.00	5,038,790.00	216,000.00	216,000.00	216,000.00	214,320.00	209,671.00	0.00
Amount of lowest compensation	588,468.00	579,002.00	556,771.00	216,000.00	147,000.00	216,000.00	214,320.00	209,671.00	0.00
Average compensation value	2,246,476.00	1,534,762.00	1,461,497.00	216,000.00	202,200.00	198,000.00	160,889.00	157,949.00	75,139.00

Evaluation

GRI 102-28

The Company does not have an independent evaluation process, nor formalized self-evaluation mechanisms focused on economic, environmental, and social topics, but the Board of Directors has the autonomy to discuss the performance of each member and propose improvement measures during its term, including considering economic, environmental and social aspects.

The Audit Committee conducts an annual performance self-assessment procedure, based on a specific questionnaire included in the minutes of this committee's meeting, and individual responses are discussed among all participants. As a result of this self-assessment and the discussions carried out, improvement measures are implemented, whenever the need is identified.

Senior Management and ESG

The Senior Management of Companhia Siderúrgica Nacional is oriented to act in accordance with the principles of Environmental, Social and Corporate Governance (ESG), to ensure Sustainable Development and a healthy and safe work environment for all employees, third parties and partners in CSN's units, plants and offices.

In 2020, a Sustainability, Environmental, Occupational Health and Safety Office was created, reporting directly to the Company's CEO and including more than 300 employees, among which executives, coordinators, specialists, analysts, and technicians.

In addition, we operate guided by our new Sustainability, Environment and Occupational Health and Safety Integrated Policy elaborated according to the acronym "SEMPRE" (ALWAYS), very present in CSN's management.



[Click here and learn about our Sustainability, Environment, Health and Safety Integrated Policy](#)

-  Sustainable Business Practices;
-  Transparent Company;
-  Continuous Improvement;
-  Environment Protection;
-  Environmental Compliance,
-  Education and Training.



Risk and Impact Management

GRI-102-11 | 103-2 | 103-3 | 102-29 | 102-30

The Company applies structured risk management processes at several corporate levels in compliance with national and international requirements, standards and regulations.

To this end, the Audit, Risk and Compliance Office acts pursuant to the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) and the Company's Risk Manual to assess, report and mitigate the risks inherent to operations. It is linked to the Company's Board of Directors, being responsible for designing the structure of internal controls and defining the controls with the business areas, pursuant to assessment of the risks that may affect the financial statements.

It is also responsible for carrying out independent tests to assess the effectiveness of internal controls and monitoring action plans designed to correct any deficiencies identified in the processes.

The Internal Audit Management, linked to the Audit, Risk and Compliance Office, also helps conduct independent tests regarding the design and effectiveness of internal controls. The results of the evaluation regarding the effectiveness of internal controls, whether by the business areas in the self-assessment process or through independent tests carried out by the executive board, are reported to the Audit Committee.

The controls evaluated are those classified as a higher risk for the Company, thus ensuring reasonable comfort about the activities performed. It is the duty of the Audit, Risk and Compliance Office to report the main deficiencies to the Audit Committee.

The Board of Directors makes decisions to ensure perpetuity, sustainable growth, and long-term value creation to mitigate risks and avoid significant impacts.

Decisions are made considering the actions, projects, and investments that present the lowest level of strategic, operational, regulatory, and ESG risk, based on the CSN Group's structure of internal controls.



It is incumbent upon the Audit, Risk and Compliance Office to report the main deficiencies of the Audit Committee.

Controls and Compliance

GRI 102-17 | 103-1 | 103-2 | 103-3

Currently, the company has adopted the Control Self-Assessment (CSA) methodology, in which the business areas must report the effectiveness and evidence of their controls in a specific tool. The Audit, Risk and Compliance Office includes stages in its annual schedule of activities to perform independent control tests in order to validate and ensure that the information provided by the respective internal areas is complete and accurate.

Based on this methodology, we perform the following steps:

1

CONTROL DESIGN EVALUATION (PROCESS NARRATIVE);

2

CONTROL EFFECTIVENESS ANALYSIS;

3

EXECUTION OF INDEPENDENT TESTS BY THE CORPORATE RISK MANAGEMENT, WITH SUPPORT FROM THE AUDIT MANAGEMENT.

6

SUBMISSION OF RELEVANT DEFICIENCIES TO THE COMPANY'S AUDIT COMMITTEE.

5

CONSOLIDATION AND CLASSIFICATION OF THE DEFICIENCIES IDENTIFIED BY RISK LEVEL;

4

DEFINITION OF ACTION PLANS, JOINTLY WITH THE BUSINESS AREAS;

Ethics and Transparency

GRI-103-2 | 103-3 | 205-1 | 205-2 | 205-3 | 412-2



All employees, when joining the company, receive training on the Code of Ethics and Anti-Corruption Policy. These documents are applicable to employees, suppliers, customers, service providers, and other stakeholders.

The Company has mechanisms to monitor compliance with the principles established in its Code of Ethics and integrity procedures to ensure full compliance with internal standards and practices of anti-corruption laws in force where we operate, in addition to providing an environment exempt from any form of discrimination and harassment.

Any mention or expression of discrimination based on origin, religion, ethnicity, race, gender, sexual orientation, union status, social class, age, marital status, political party positions, ideology, physical appearance, and disability of any nature is strictly forbidden in all units.

We also have “zero tolerance” to any kind of harassment, which includes any act or behavior, verbal or physical,

implying humiliation, embarrassment, or threat to employees, suppliers, and customers.

All employees, when joining the company, receive training on the Code of Ethics and Anti-Corruption Policy. These documents are applicable to employees, suppliers, customers, service providers, and other stakeholders.

By means of the Compliance Program and its reporting channels (telephone, e-mail, letter and website), claims are received on issues related to conflicts of interest, non-compliance with internal rules, violations of ethical behavior, discrimination and corruption. The claims are analyzed by the Audit, Risk and Compliance Office and reported to the Audit Committee.



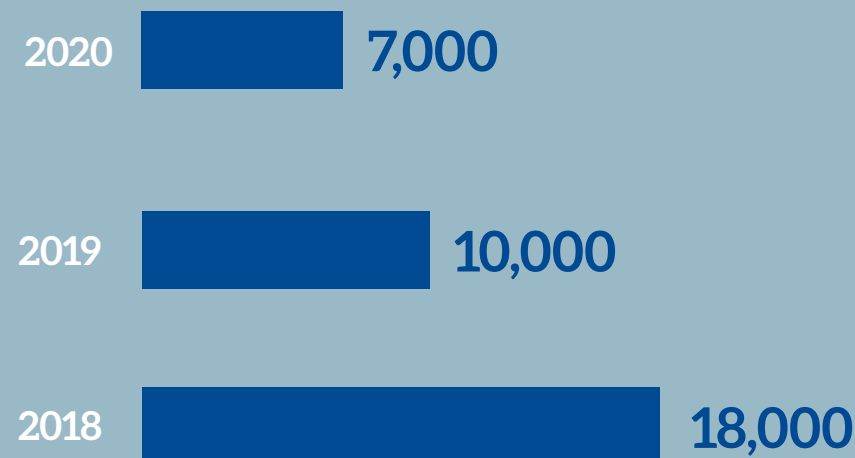
[Click here to learn more about our Code of Ethics and Anti-Corruption Policy](#)



Training Performed*
(total participating employees)

GRI 205-2

in million



*Does not include Communications, Integrations etc

Training

Training on the Code of Ethics, the Anti-corruption Policy and Compliance and Integrity are periodically (annually) conducted with the Company's employees. In 2020, we used electronic means to hold remote compliance events, such as Compliance Day, which made it possible to reach thousands of our employees at once.

Code of Ethics and Employees

GRI 205-2 | 205-3

All employees must be aware of and agree with the Company's Code of Ethics and Anti-Corruption Policy. During the induction process, new employees receive instructions about Compliance and monthly communications about the subject (e-mail, Corporate TV). Due to the pandemic, the particularities of our workforce, limited access to digital media, and social distancing measures, the number of trained people decreased in 2020, according to the table on the left.

No corruption cases were reported in the Company involving public agents, or third parties related to them. There is no record of corruption-related sanctions nor lawsuits against the Company or companies in the CSN Group related to corruption.



Whistleblowing Channel

GRI 406-1

ACSN provides several reporting channels observing the principle of anonymity, confidentiality and guarantee of non-retaliation in handling complaints, offered to any employee or any person who reports any violation of the Code of Ethics, internal rules and the Company's Anti-Corruption Policy.

Complaints can be made by phone, e-mail, mail, and on the website.

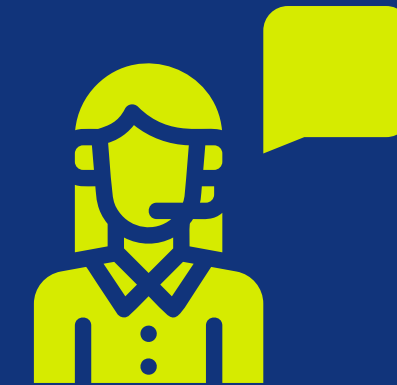
In 2021, specific training on the topic of Diversity and Inclusion will begin, aiming to reinforce guidance to our employees on not tolerating any form of discrimination.

 **0800 884 2006**

 **canal_denuncia@csn.com.br**

 **Risk and Compliance Office.**
Av. Brig. Faria Lima, nº 3.400 - 20º andar
São Paulo/SP - CEP: 04538-132

 **Questions: compliance@csn.com.br**



1. The complaint is received by a third-party company;
2. All information is submitted to the Audit, Risk and Compliance Office
3. The complaint is investigated;
4. The findings are presented to the Audit Committee, ensuring the independence and impartiality of the process;
5. The applicable disciplinary measures are applied in cases deemed valid⁵.

5. Disciplinary measures include, subject to the severity of the confirmed complaint: verbal warning; written warning; suspension; dismissal without cause; dismissal with cause, or notification/contract termination for legal entities.

The Occurrences

Category	2020	2019	2018
E-mails requesting clarifications	509 e-mails, 100% answered	246 e-mails, 100% answered	127 e-mails, 100% answered
Gifts and small treats	6	5	5
Conflict of Interest	102	93	26
Standards' Compliance	24	9	7
Various	12	3	-
Donation	2	4	-
Outside the scope of Compliance	42	43	-
Compliance-related questions	13	35	-
Business Partner Due Diligence Response	264	7	-
Review of Contractual Clauses	21	36	35
Request for documentation	0	7	10
Information Leakage	15	4	4
System errors	0	0	3
Transportation/Travel	0	0	4
Image/Social Networks	0	0	17
Reanalysis of registrations	0	0	1
Resignation	0	0	1
Training	0	0	11
Politics/Elections	0	0	1

Total number of communications

Categoria	2020	2019	2018
Total number of communications performed	1,010	771	522
Harassment	146	100	63
Behavior deviation	427	380	283
Favoritism or conflict of interest	108	120	43
Out of scope	64	9	20
Fraud	25	22	21
Other	0	9	5
Theft, robbery or deviation	25	20	8
Violation of laws	215	111	79

*Note: In 2020, specifically for discrimination cases (included in the "Harassment" category), twenty cases were reported; in 2019, thirteen, and in 2018, only one. This increase over the years reflects employees' confidence in reporting cases within the Company.

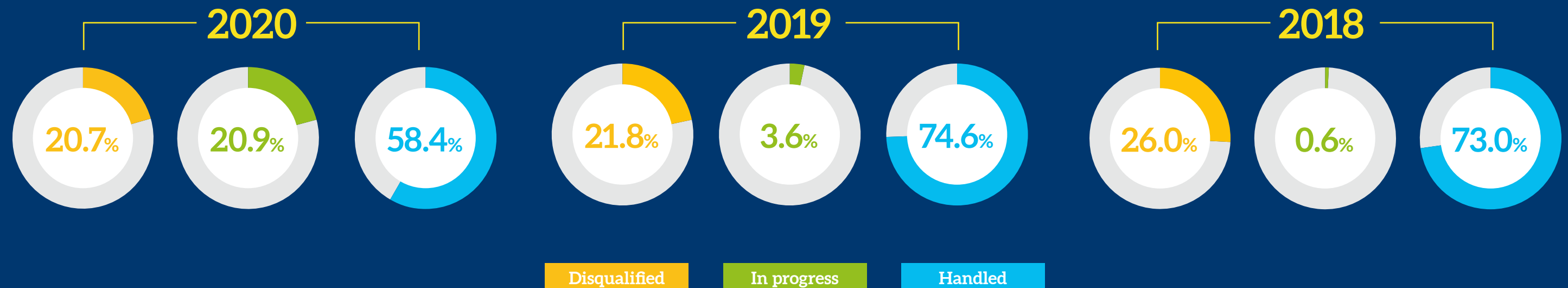
Investigation of occurrences in the Whistleblower Channel



Handling:

	Insufficient data	Out of scope	In progress	Not conclusive	Invalid	Valid	Partially valid
2020	116	93	211	81	180	153	176
2019	75	93	28	83	213	161	118
2018	56	82	3	42	133	125	81

Percentage handled:



Conflicts of Interest

GRI 102-25

Conflicts of interest are handled pursuant to the Brazilian Corporate Law and the Company's Code of Ethics. Employees must periodically fill out and update a Conflict-of-Interest Evaluation Statement.

If there is a conflict of interest, the member of the Board of Directors must

abstain from voting on the resolution, recording it in the minutes. If the affected party does not express his or her opinion, another person may do so if he or she is aware of the possible conflict. Moreover, it is important to highlight that the Company's Code of Ethics establishes specific rules

for conflict of interest applicable to its employees, including the members of the Board of Directors and the Executive Board, who sign a Term of Agreement to the Code of Ethics and a Conflict of Interest Evaluation Statement when they are invested in their respective positions.



More information on the topic is available on CSN's Reference Form.



CAPITAL AND PERFORMANCE





The Company is part of the history of the city of Arcos. It has a great relevance here, not only because of the name, but also due to all the activities, from the direct creation of jobs and income to the provision of services. Whenever you think of Arcos you think of CSN.

Ivis Andrade, Arcos' Commercial Association



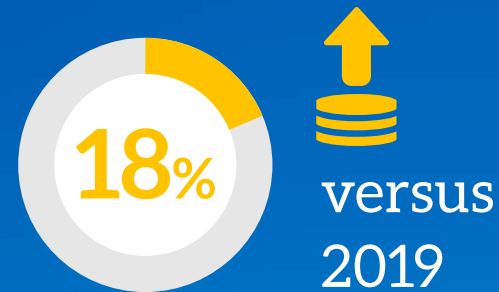
FINANCIAL CAPITAL

Resilience and
Sustainable
Growth

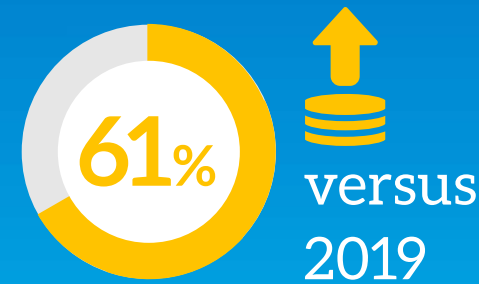
The Year

GRI 103-3 | 201-1

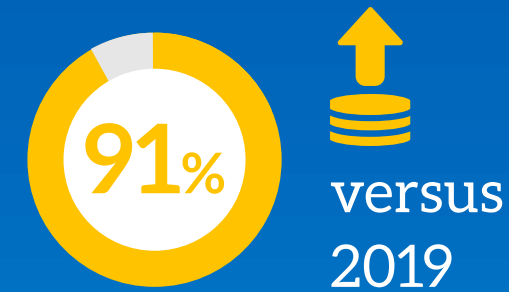
Net Revenue
R\$ 30.06 BILLION



Operating income
R\$ 5.71 billion



Net income
R\$ 4.29 BILLION



Adjusted EBITDA
R\$ 11.50 billion record

Rating Agencies

AGENCIES	RATING	OUTLOOK	DATA
Fitch Ratings	B+	Positive	11/05/2020
Moody's	B2	Negative	06/03/2020
Standard & Poor's	B	Positive	01/12/2021



Lowest leverage level in 10 years (2.2x) due to strong cash generation and exchange rate variation, aiming to reach 1.0x by the end of 2021.



Casa de Pedra Mine
Congonhas - MG

Data Analysis

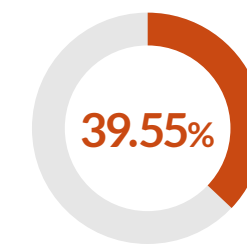
GRI 103-2 | 201-1 | 201-2 | 203-1 | 203-2

Creating value for shareholders and society, through sustainable operations and practices - and pursuant to ethical and Compliance standards - is one of CSN's commitments. Net revenues totaled **R\$30.06 billion** in 2020, up by **R\$4.62 billion (or +18%)** on 2019, due to the strong performance in the Mining and Steelmaking segments, as a result of higher commodity prices in the global market.

CSN Group's adjusted EBITDA generation totaled **R\$11.50 billion** in 2020, **59% higher than the R\$7.25 billion** recorded in 2019, and **EBITDA margin of 37%**, due to strong performance in all CSN segments resulting from increased commodity prices.

Segments

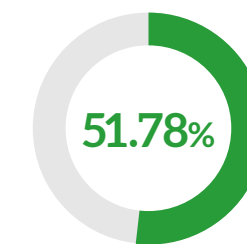
Below, we show each segment's share of revenue and progress:



Accounts for **(R\$ 12.68 BILLION)** of CSN Group's Net Revenue.



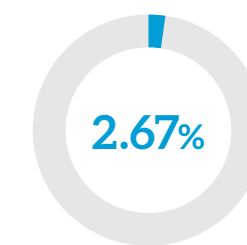
In the year, due to increased ore prices, revenue from this segment **moved up by 18%** despite losses in sales volume compared to 2019.



Accounts for **(R\$ 16.60 BILLION)** of CSN Group's Net Revenue.



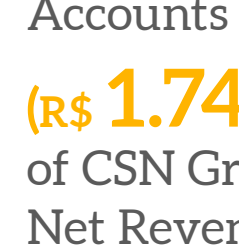
It posted **growth of 3%** in sales volume compared to the previous year.



Accounts for **(R\$ 858.0 MILLION)** of CSN Group's Net Revenue.



It posted **growth of 11%** in sales to the domestic market throughout 2020.



Accounts for **(R\$ 1.74 BILLION)** of CSN Group's Net Revenue.



5.44% of increase compared to 2019



Accounts for **(R\$ 173.0 MILLION)** of CSN Group's Net Revenue.



0.53% of increase compared to 2019

Segment Adjusted EBITDA

2020 Results (R\$ million)

	Steelmaking	Mining	Logistics (Port)	Logistics (Railway)	Energy	Cement	Corporate Expenses/ Elimination	Consolidated
Net Revenue	16,603	12,683	256	1,490	173	858	(1,999)	30,064
Domestic market	11,721	1,533	256	1,490	173	857	(3,144)	12,886
Foreign market	4,882	11,151	-	-	-	1	1,145	17,178
COGS	(14,171)	(5,532)	(188)	(1,094)	(128)	(647)	2,635	(19,125)
Gross profit	2,432	7,151	69	396	45	211	636	10,939
SG&A	(923)	(180)	(22)	(115)	(30)	(88)	(1,151)	(2,509)
Depreciation	901	1,262	32	438	18	148	(378)	2,421
Proportional EBTIDA for subsidiaries under common control	-	-	-	-	-	-	649	649
Adjusted EBITDA	2,411	8,234	78	719	32	271	(244)	11,500

2019 Results (R\$ million)

	Steelmaking	Mining	Logistics (Port)	Logistics (Railway)	Energy	Cement	Corporate Expenses/ Elimination	Consolidated
Net Revenue	13,949	10,028	240	1,321	325	571	(998)	25,436
Domestic market	10,028	927	240	1,321	325	571	(2,462)	10,951
Foreign market	3,921	9,101	-	-	-	-	1,464	14,486
COGS	(12,963)	(4,396)	(173)	(1,030)	(267)	(608)	2,174	(17,263)
Gross profit	986	5,631	67	291	59	(37)	1,176	8,173
SG&A	(835)	(186)	(35)	(110)	(29)	(91)	(1,568)	(2,854)
Depreciation	700	476	31	388	17	140	(330)	1,422
Proportional EBTIDA for subsidiaries under common control	-	-	-	-	-	-	510	510
Adjusted EBITDA	851	5,922	63	569	47	11	(212)	7,251

Balance Sheet

Corporate Legislation (in R\$ billion)

	2020	2019
Current Assets	23,386,194	12,725,805
Non-current Assets	8,887,158	7,626,577
Fixed, net and intangible assets	27,033,017	26,932,725
Investments (Stockholdings/Investment Property)	3,695,780	3,584,169
TOTAL ASSETS	63,002,149	50,869,276



CSN's total assets amount to R\$ **63,002,149** billion.



Read more about CSN's financial results on our website.

Total Liabilities

(in R\$ billion)



■ Current liabilities ■ Non-current liabilities

Total Liabilities and Equity

(in R\$ billion)



■ Total liabilities and equity ■ Net equity

Generated and Distributed Value

Grupo CSN (in millions)	Consolidated		
	12/31/2020	12/31/2019	12/31/2018
Revenue			
Goods, products and services sales	33,800	28,558	26,336
Other revenue/expenses	237	152	2,853
Allowance for /reversal of doubtful accounts	40	(8)	(45)
	34,077	28,702	29,144
Inputs acquired from third parties			
Cost of goods, products and services sold	(17,076)	(15,274)	(14,829)
Supplies, energy, outsourced services and other	(4,827)	(4,631)	(2,656)
Impairment/recovery of assets	(89)	(139)	(136)
Others	-	-	-
Impairment assets available for sale	-	-	-
	(21,991)	(20,044)	(17,621)
Gross added value	12,086	8,658	11,524



Generated and Distributed Value

Grupo CSN (in millions)	Consolidated		
	12/31/2020	12/31/2019	12/31/2018
Retentions			
Depreciation, amortization and depletion	(2,517)	(1,519)	(1,273)
Net value added produced	9,569	7,139	10,251
Value added received in transfer			
Equity pick-up	72	126	136
Financial revenue	1,803	379	1,311
Other and exchange gains	617	195	155
	2,491	700	1,601
Total value added to distribute	12,060	7,839	11,851
Personnel and charges	2,211	2,660	2,297
Direct compensation	1,710	2,041	1,799
Benefits	403	498	416
F.G.T.S. (Employment Time Guarantee Fund)	98	121	83
Taxes, fees and contributions	2,329	212	1,384
Federals	1,881	(100)	1,027
State	414	288	332
Locals	34	24	25

Grupo CSN (in millions)	Consolidated		
	12/31/2020	12/31/2019	12/31/2018
Return on third-party capital	3,228	2,723	2,970
Interest	2,876	2,563	2,272
Rentals	12	17	25
Other and Passive Monetary and Exchange Variation	340	143	672
Return on equity capital	4,292	2,245	5,201
Interest on equity capital	-	-	-
Dividends	901	425	898
Income for the year / retained earning	2,893	1,364	4,176
Minority interest	498	455	126
Others	-	-	-
Result Discontinued Operations	-	-	-
Added value distribution	12,060	7,839	11,851

Tax Management

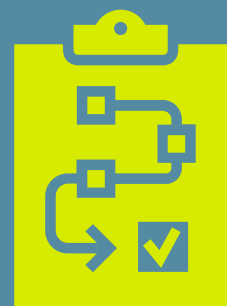
GRI 103-2 | 103-3 | 201-4 | 207-1 | 207-2 | 207-3

The tax strategy is continuously related to several areas of the organization's business plans, including projects for corporate restructuring, contracting services, entering into partnerships, and obtaining tax incentives that increase competitiveness in the sector.

Our tax management constantly monitors changes in legislation that may potentially affect operations in the sectors where the Company operates and has regular internal and external audit programs that assess legal and compliance issues in general.

In order to improve regulatory compliance, the CSN Group's tax strategy aims to calculate and settle the taxes due in a controlled and timely manner, with internal processes that support the companies' tax regularity, including reviews and formal approvals of ancillary obligations to be transmitted to the tax authorities.

Furthermore, to guarantee the mitigation of risks and minimization of tax impacts, we continuously carry out formal and centralized monitoring and evaluation of changes in federal, state, and municipal legislation in the locations where the organization operates.

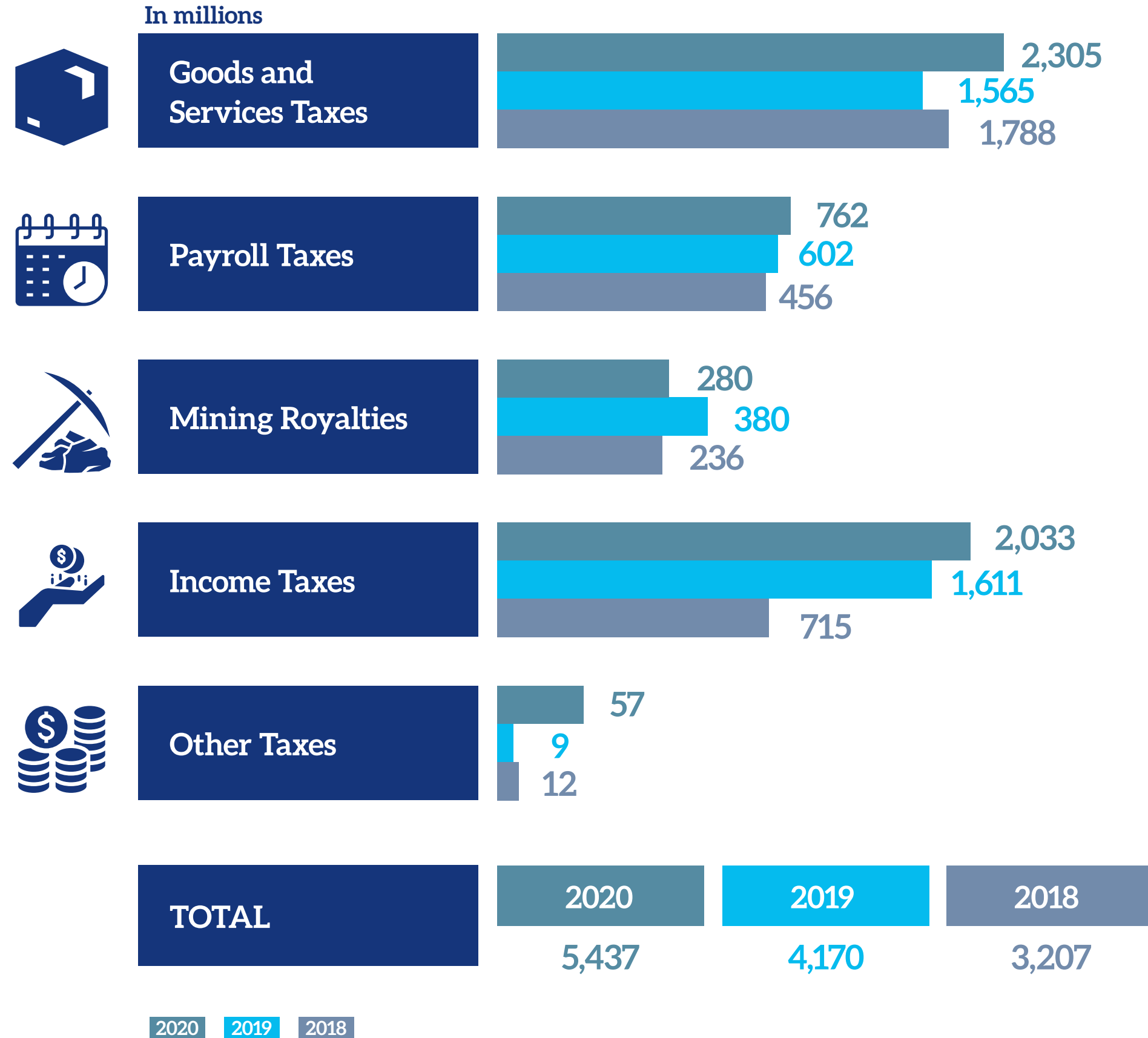


In order to improve regulatory compliance, the CSN Group's tax strategy aims to calculate and settle the taxes due in a controlled and timely manner, with internal processes that support the companies' tax regularity, including reviews and formal approvals of ancillary obligations to be transmitted to the tax authorities.



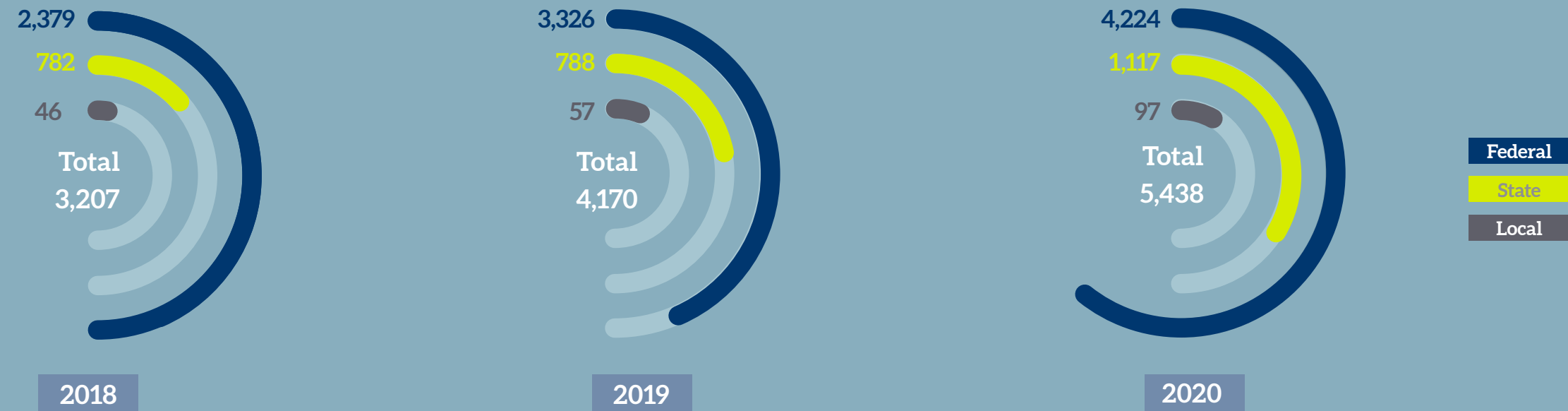
Port of Itaguaí (RJ)

From 2018 to 2020, the tax strategy was reviewed and approved by the Chief Tax Officer, who reports directly to the Company's Chief Financial Officer. Below you will find the total taxes paid by the **CSN Group**, at federal, state, and municipal levels:



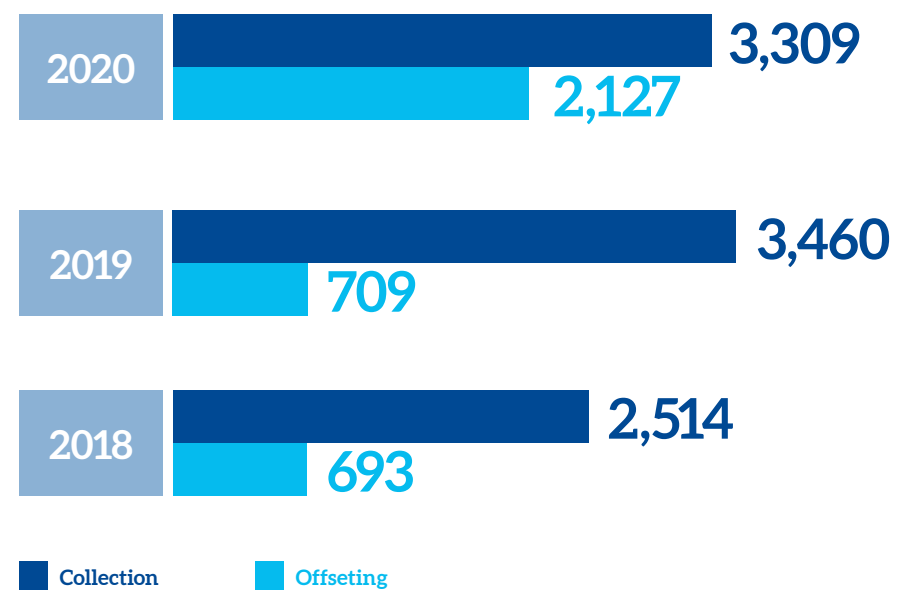
Allocation of taxes

in millions



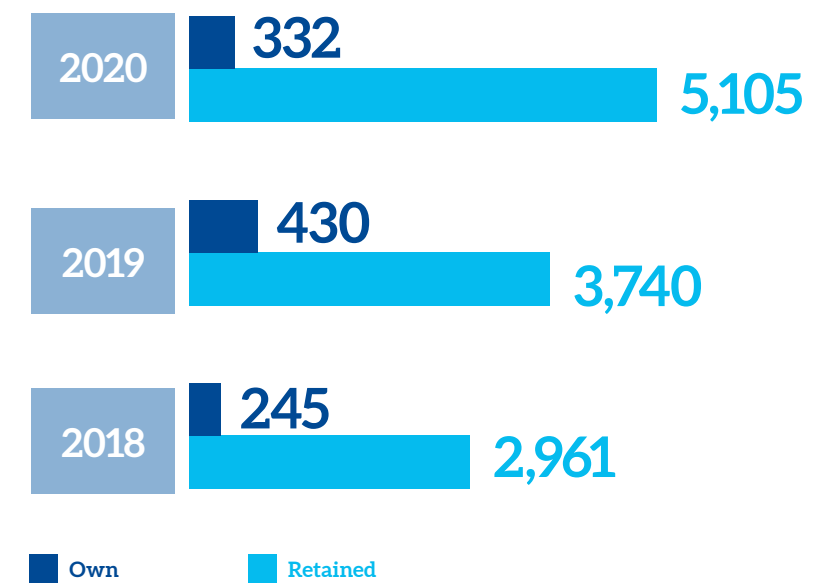
Taxes by payment type

in millions



Taxes by category

in millions



On an international level, our management complies with local transfer pricing rules required by the jurisdictions in which it operates, as well as filling out the Country-by-Country Report.



Abroad

GRI 207-3

On an international level, our management complies with local transfer pricing rules required by the jurisdictions in which it operates, as well as filling out the Country-by-Country Report, delivered by the Brazil component, where the multinational group's parent company is located.

We are subject to the Controlled Foreign Corporation (CFC) rules and the Thin Capitalization rules established by the Brazilian legislation, whose impacts can be evaluated in the Financial Statements, on the IR website.

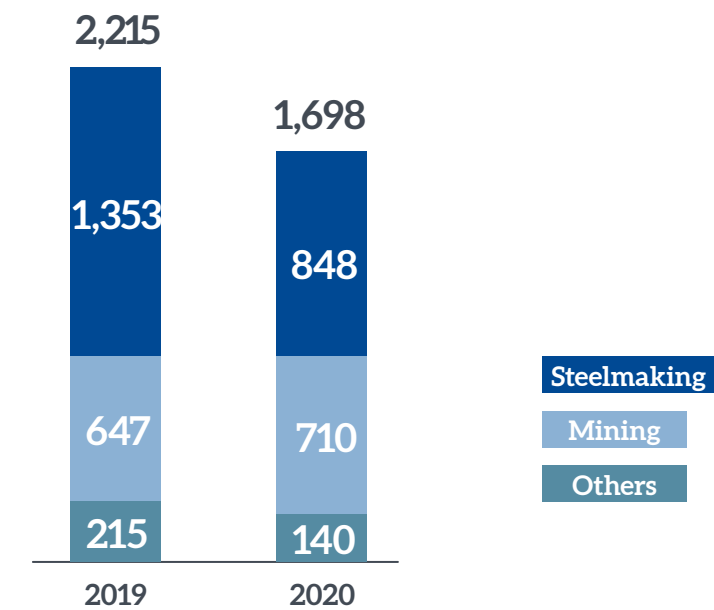
Investments

GRI 203-1

In 2020, investments made by the Company totaled around R\$1.7 billion, 23% lower when compared to the previous year, mainly due to the reduced pace in the first half of the year as a result of the economic impacts of the COVID-19 crisis.

Investments

in millions



Due to the measures adopted to preserve cash to face the pandemic, we prioritized the completion of our main ongoing projects, investments in maintenance to maintain our operational capacity and meet the safety and environmental requirements, focusing on:



Mining

R\$ 710 million, mainly on projects in the iron ore beneficiation plant to increase ore recovery and quality and transform part of the waste into product; renewal of mine equipment fleet, maintenance of safety in our tailings dams; compliance with environmental and safety requirements, in addition to maintenance of capacity and spare parts in all our mining and port facilities.



Steelmaking

R\$ 848 million, focusing on productivity and modernization to improve performance: major repairs to our Blast Furnace 2, refurbishment of the coke battery, automation and efficiency improvements, sustainability, maintenance and spare parts in all our units. The main objectives of the refurbishments were reliability, operational and environmental efficiency with reduced atmospheric emissions.



Cement

R\$ 76 million, particularly in maintenance projects in the Arcos and Volta Redonda units, with an emphasis on the replacement of bag houses in the Arcos unit and implementation of the UC3 - Ultimate Cell® Continuous Combustion System (UTIS) in Clinker Furnace 2. This technology consists of the injection of reduced amounts of Hydrogen (H₂) and Oxygen (O₂) in the combustion system and significantly reduces energy consumption and CO₂ emissions.



Other investments

R\$ 64 million for current investments in other operations (such as FTL and Tecon) and of a corporate nature (such as IT).



The relationship we have with CSN is very good, very transparent. We both identify ourselves as partners and, therefore, we are able to find good business opportunities or alternatives to overcome the challenges of the current economic and political scenario.

Rodrigo Godinho, Purchasing Officer at GM



MANUFACTURED CAPITAL

Operational Efficiency

The Year

GRI 103-2 | 103-3

Even in the face of the pandemic, we were able to increase our productivity, with operational and environmental efficiency, thus ensuring the performance of our operations.



Mining

Sales in 2020
30.7 million/ton

ANNUAL INSTALLED CAPACITY:



CSN Mineração
33 million tons

in the iron ore beneficiation plants (Central Plant + Dry Plant).

The **TECAR** port terminal has an installed capacity to load **45 million tons** of iron ore and unload **4 million tons** of reducing agents (coal and coke).

ERSA
3,600



tons of tin.

Minérios Nacional
700 thousand tons of iron ore.



Steelmaking

PRODUCTION

3.7 million/ tons of crude steel	3.5 million/tons of flat steel
	0.2 million/tons of long steel
	3.4 million/tons of rolled steel

ANNUAL INSTALLED CAPACITY

Usina Presidente Vargas (UPV)

- 5.6** million/tons of crude steel
- 5.2** million/tons of flat steel
- 400** thousand/tons of long steel

Paraná

- 730** thousand/tons of steel
- 330** thousand/tons of Galvalume® galvanized steel
- 130** thousand/tons of plates and rolls
- 150** thousand/tons of pre-painted
- 120** thousand/tons of hot rolled products

Stahlwerk Thüringen (SWT)

- 1.1** million/tons of steel

ANNUAL INSTALLED CAPACITY

Porto Real

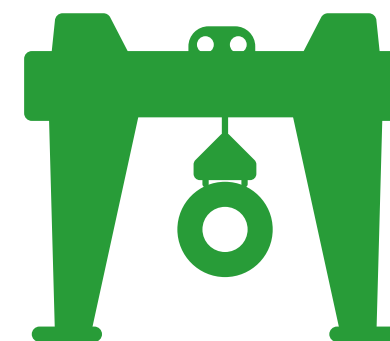
- 500** thousand/tons of steel
- 100** thousand/tons of blanks, plates and rolls
- 350** thousand/tons of steel, galvanized steel (Galvanew® included).

Prada

- 730** thousand/tons in Prada Distribuição
- 100** thousand/tons at Prada Embalagens

Lusosider

- 550** thousand/tons to produce:
 - galvanized plate;
 - cold rolled plate;
 - pickled plate; and
 - oiled plate.





Cement

PRODUCTION

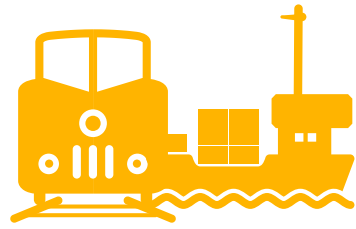
3.976 million
tons



ANNUAL INSTALLED CAPACITY:

Arcos
2.4 million tons

Volta Redonda
2.3 million tons



Logistics



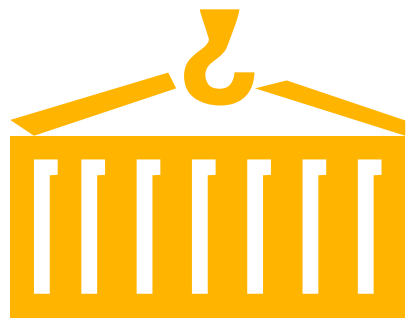
SHIPMENTS:

542 thousand/tons of steel products

37 thousand/tons of general cargo

154 thousand containers

1,435 thousand/tons of bulk



ANNUAL INSTALLED CAPACITY:

TECON

440 thousand containers

FTL

2.6 thousand tons

TLSA under implementation



Transnordestina locomotive



Assured Energy

- Itá Hydroelectric Power Plant: **167 average MW**
- Igarapava Hydroelectric Power Plant: **21 average MW**

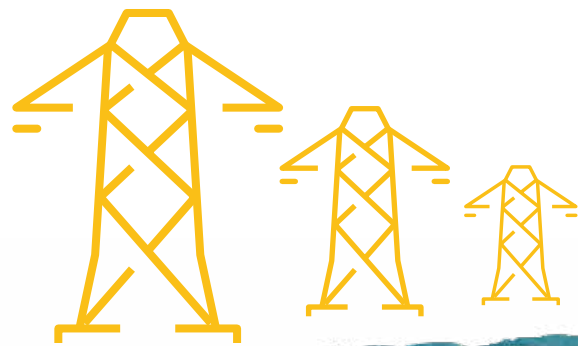
Annual installed capacity

- Cogeneration Thermal Power Plant: **235.2 MW**
- Blast furnace 3's top turbine: **21 MW**

In Brazil, we also hold:

Criciúma (SC): area used for coal mining until the beginning of the 1990s, currently without operations, undergoing environmental recovery of the old mines.

Companhia Florestal do Brasil (CFB): CSN Group Company that owns non-operational preserved areas and focuses on reforestation activities. CFB has been acquiring rural properties in the region of the city of Floriano (PI), as per development strategy, to implement an Integrated Agroforestry Project in the state. The project's purpose is to plant trees in areas acquired by the company, which total approximately **81 thousand hectares** in the micro-region that includes the cities of Floriano, Jerumenha, Itaueira, Pavussu, Canavieira, and Nazaré do Piauí. Therefore, we seek to create a forest base capable of supporting industries in the sector, by establishing crops that contribute to sustainable development, the integration of productive activities, the protection and conservation of the environment, in addition to the generation of resources, jobs and taxes to drive the economy of Piauí and the cities covered by the project.



Itá Hydroelectric Power Plant



NATURAL CAPITAL

Environment



Since I joined Firjan, in 2011, I have been following the evolution of CSN's corporate communication in Volta Redonda, regarding its environmental initiatives, impacts and results. Among several initiatives, two stood out to me: the impressive results in water management (internal reuse, reduction of losses and catchment) and a project for recycling construction and demolition waste (RCD), which received the Firjan Environmental Action Award in 2015. Results that strengthen CSN's role for its customers and shareholders, for the steelmaking sector and for the state of Rio de Janeiro.

Jorge Peron, Sustainability Management of the Industry Federation of the State of Rio de Janeiro (FIRJAN).



The Year

GRI 103-2 | 103-3

CSN's efforts are primarily focused on the preservation and recovery of Natural Capital in the production process and the reduction of associated risks. Furthermore, CSN has been investing in Innovation projects, providing knowledge and promoting more sustainable initiatives. Thus, it is possible to

reduce costs and create value and financial opportunities, while actively participating in a market that is increasingly aware of the ESG agenda.

The Company has increasingly focused upon developing a strong climate strategy. First, the Company integrated its corporate policies into

a Sustainability, Environment and Occupational Health and Safety Policy as the main guideline, which formally establishes the commitment to mitigate and adapt to climate change. Another important measure was to adhere to the UN Global Compact as a "Signatory", participating in the Climate Action Portal.



CSN is constantly working to transform natural resources into prosperity and sustainable development. Throughout 2020, CSN maintained its environmental initiatives to mitigate and compensate the impacts of its activities and **allocated R\$420.5 million to environmental initiatives, including costs and investments.**

Regarding Greenhouse Gas (GHG) emissions, CSN has had its inventories audited by an independent third party and has held the GHG Protocol gold seal for six years. During this cycle, the CDP score for climate change was also raised from "D" to "C".

We have also defined a CO₂ roadmap to assess the current scenario, with associated baselines. The next stage is to analyze the feasibility of different mitigation options from the Marginal Abatement Cost Curve (MACC)¹, in order to prepare the Company for the evaluation of Carbon pricing scenarios to establish enforceable commitments until 2050.

In order to evolve in building this climate agenda, a specialized company will be hired to train our teams in the TCFD structure in 2021. This team will be involved in building a climate risk and opportunity matrix, in addition to developing action plans. The results will be presented to Senior Management - including the Board - which will also receive training on the applied methodology.

Always seeking to operate according to the best practices, in 2020 CSN established the Sustainability, Environmental, Occupational Health and Safety Office, reporting to our CEO. This new Sustainability Governance was designed to assist in achieving full capacity in the management of environmental, social, and governance topics.



1. Curves contrasting GHG abatement costs with the amount of tCO₂eq abated.

Steelmaking

GRI 203-1

At Presidente Vargas Steelworks (UPV), located in Volta Redonda, we plan to invest **R\$300 million** between 2018 and 2024, focusing on environmental compliance, adjusting our operations.

We invested more than **R\$3.0 million** in partnership with the City Hall of Volta Redonda (RJ), through the Volta Redonda Verde Program, within the Compensation project, **goals of major relevance to the municipality were established.**



Tree Census in the industrial facilities, indicating 14,350 arboreal individuals in the internal areas of the Presidente Vargas Steelworks.



■ **Strengthening of Refúgio da Vida Silvestre (REVIS) Vale dos Puris:** created in 2019, the Integral Protection Conservation Unit has approximately **3,117 hectares** located in the northern region of Volta Redonda, bordering the municipalities of Barra Mansa and Barra do Piraí.



CSN has transferred **R\$ 1.5 million** to Volta Redonda City Hall, for land title regularization, development of a management plan, and placing signs in the surrounding area.



■ **Urban Tree Planting Program:** planting and maintenance of more than **8,000 seedlings** of native trees from the Atlantic Forest, in the city of Volta Redonda.

Between 2019 and 2020, we have donated **98,503 ornamental flower** seedlings to Volta Redonda City Hall.

Tree Census in the industrial facilities, indicating **14,350 arboreal individuals** in the internal areas of the Presidente Vargas Steelworks.

■ **Investments in Fazenda Santa Cecília do Ingá Natural Municipal Park:** improvements in the nursery, refurbishment of the Visitor Center, signs in the surrounding area, development of an environmental education project, and implementation of the Bike Park², in compliance with the international standard of the International Mountain Biking Association (IMBA³).



The total invested in Presidente Vargas Steelworks (UPV) will be more than **R\$300 million** by 2024. These investments will promote the improvement and modernization of the unit's environmental controls, reinforcing our commitment to Sustainability, legal compliance, and the community.

2. The Bike Park is an area dedicated to cyclists with the implementation of bicycle cross tracks with several levels of complexity: from children level to more radical.
3. International Mountain Biking Association.

Mining

GRI 203-1 | 303-5 | 301-2

We invested **R\$6 million** in the Dam Safety Municipal Plan, in partnership with the mining companies and the City Hall of Congonhas (MG). The main purpose of the Plan is to build a modern headquarters for the municipality's Civil Defense, purchase vehicles and equipment,

prepare an Integrated Contingency Plan that includes all the mining companies in the region, place signs and carry out awareness and training campaigns for the Municipal Brigade.



Also, for the next year, we will implement the Itabiritos Pobres Beneficiation Plant (15 Mtpa⁴ of capacity) with tailings filtering. The project will process material with less iron ore, extending the useful life of the mine. The water will be consumed in a closed circuit (recovery and recirculation in the process), which contributes to optimize natural resources.

In 2021, CSN Mineração will assess its Water Footprint, pursuant to NBR ISO 14.046:2017 criteria, to:



Evaluate the life cycle of water in the Mining process;



Identify potential environmental impacts related to water use;



Promote water efficiency;



Identify opportunities to optimize water management in the organization's processes; and



Introduce to the company's decision-makers the potential environmental impacts and possible improvements.

4. Millions of Tons per Year.

Cement

GRI 305-1

CSN Cimentos has the lowest CO₂ emission in Brazil and one of the lowest in the world. It is 20% more energy efficient than the national average and is close to achieving some of the goals set by the Cement Sustainability Initiative (CSI) and the International Energy Agency in the Cement Roadmap for 2030:

	GHG emissions (kgCO ₂ /ton)	Clinker Factor	Electricity Consumption	Thermal Consumption (GJ/ton)	Alternative Fuels
2020 CSN Cimentos	519	58.2%	85.4	3.27	1.1%
Brazilian Average	585	73.0%	108.0	3.52	26.0%
Roadmap 2030	480	59.0%	106.0	3.47	35.0%

Implementation of the UC3 - Ultimate Cell® Continuous Combustion System (UTIS) in Clinker Furnace 2, a technology that consists in the injection of reduced amounts of Hydrogen (H₂) and Oxygen (O₂) in the combustion system. This injection generated the following benefits:



Up to reduction **2%** in the furnace's thermal consumption (lower petroleum coke consumption); **Lower electricity consumption**, due to better productivity, both in the furnace and in the cement mills.

ENVIRONMENT

Reduction of water consumption by approximately **1%** per ton of limestone extracted compared to 2019.

Planting of **11,250** seedlings of native species of the Semideciduous and Deciduous Seasonal Forest in legal reserve and RPPN areas.

Logistics

GRI 306-2 | 306-3 | 303-3 | 303-4

Investments of approximately **R\$1.2 million**, between railway operation and implementation. These resources were allocated to socio-environmental initiatives, in a set of activities that aimed to meet both legal and regulatory requirements and the Basic Environmental Plans.

At Ferrovia Transnordestina S.A (FTL), in an innovative process, wooden ties were replaced by concrete ones in an initial 24-km section, seeking greater operational safety and reduced consumption of forest-based materials.

At Transnordestina Logística S.A. (TLSA), a railway being implemented, we have signed a Technical Cooperation Agreement with the ICMBIO⁵ for areas to be recovered in the Serra da Capivara National Park (PI), recently listed by the UN as a world heritage site.

On the site, we are recovering the vegetation in devastated areas through bioremediation techniques, with no use of chemical inputs or pesticides. By 2025, 415 hectares will be reforested, and 90 hectares

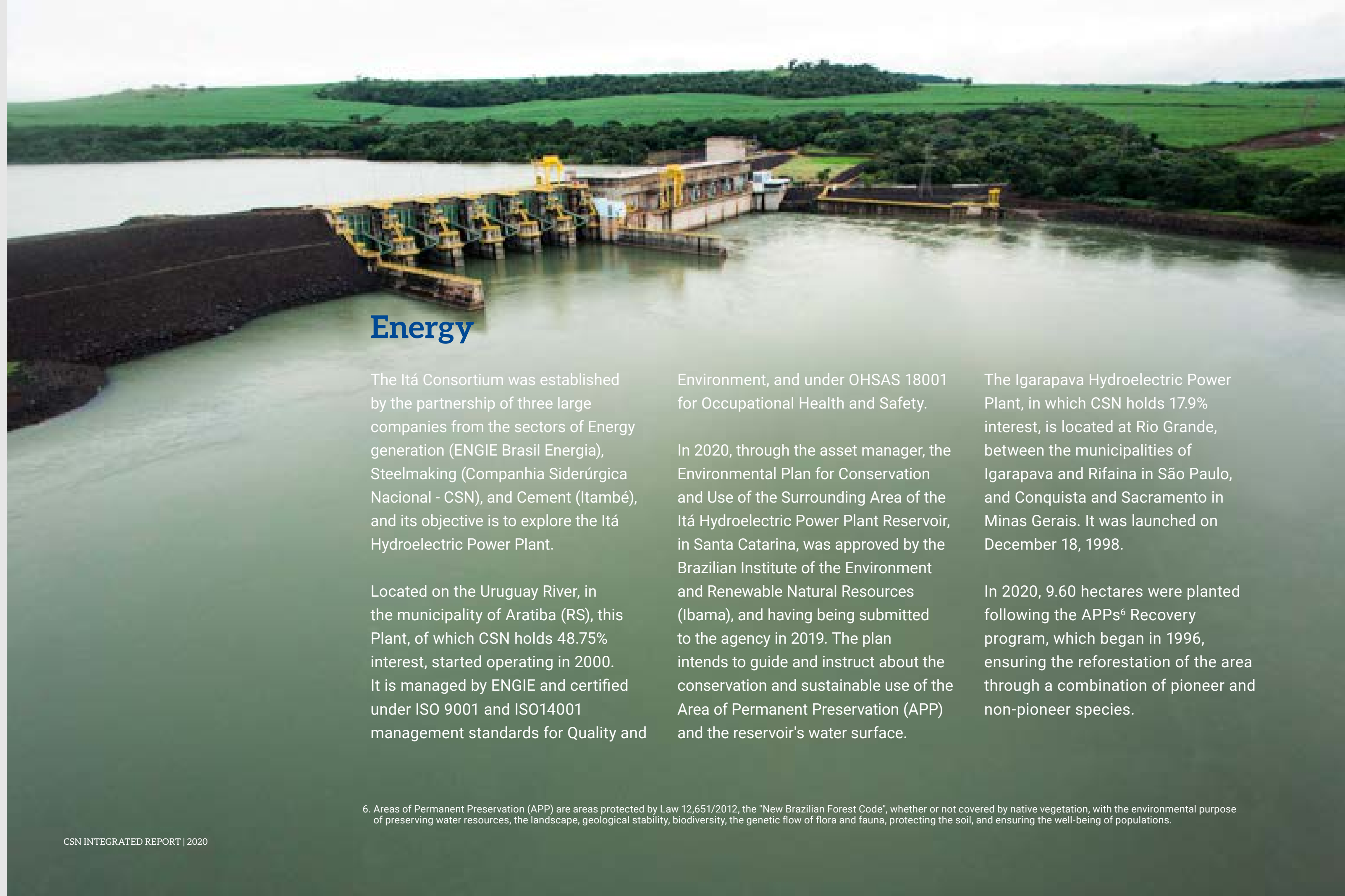
have already been fully restored through the planting and monitoring of more than 110 thousand seedlings in the last two years.

These seedlings were produced in the company's own nursery, which was built in a rural settlement area and relies on the labor of the settlers. After the compensation project is finished, the nursery will be donated to the community living there as an alternative source of income for everyone.

5. Chico Mendes Institute for Biodiversity Conservation.



Transnordestina Locomotive – TLSA



Energy

The Itá Consortium was established by the partnership of three large companies from the sectors of Energy generation (ENGIE Brasil Energia), Steelmaking (Companhia Siderúrgica Nacional - CSN), and Cement (Itambé), and its objective is to explore the Itá Hydroelectric Power Plant.

Located on the Uruguay River, in the municipality of Aratiba (RS), this Plant, of which CSN holds 48.75% interest, started operating in 2000. It is managed by ENGIE and certified under ISO 9001 and ISO14001 management standards for Quality and

Environment, and under OHSAS 18001 for Occupational Health and Safety.

In 2020, through the asset manager, the Environmental Plan for Conservation and Use of the Surrounding Area of the Itá Hydroelectric Power Plant Reservoir, in Santa Catarina, was approved by the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama), and having being submitted to the agency in 2019. The plan intends to guide and instruct about the conservation and sustainable use of the Area of Permanent Preservation (APP) and the reservoir's water surface.

The Igarapava Hydroelectric Power Plant, in which CSN holds 17.9% interest, is located at Rio Grande, between the municipalities of Igarapava and Rifaina in São Paulo, and Conquista and Sacramento in Minas Gerais. It was launched on December 18, 1998.

In 2020, 9.60 hectares were planted following the APPs⁶ Recovery program, which began in 1996, ensuring the reforestation of the area through a combination of pioneer and non-pioneer species.

6. Areas of Permanent Preservation (APP) are areas protected by Law 12,651/2012, the "New Brazilian Forest Code", whether or not covered by native vegetation, with the environmental purpose of preserving water resources, the landscape, geological stability, biodiversity, the genetic flow of flora and fauna, protecting the soil, and ensuring the well-being of populations.

Environment and Management

GRI 103-1 | 103-2 | 103-3 | 413-2

Sustainability, Environment and Occupational Health and Safety Integrated Policy

To reassure its commitment to sustainable development and efficient ESG practices, CSN developed in 2020 its new Sustainability, Environment, Occupational Health and Safety Integrated Policy, with approval by the Board of Directors scheduled for 2021⁷. In an integrated way, the policy is based on the principles of the Global Compact and the Sustainable Development Goals (SDGs) of the United Nations and is aligned with our essence of **“Doing well, Doing more and Doing forever” (Fazer bem, Fazer mais e Fazer para sempre)**.

The policy was prepared to follow the acronym “SEMPRE” (“always” in Portuguese), an underlying concept in CSN’s management: Business Sustainability; Transparent and Inclusive Enterprise; Continuous Improvement; Environmental Protection, Prevention of Pollution and Accidents; Respect for Legislation; and Educate and Train.



The Policy establishes the Company's commitment to the following topics:

- Sustainable development;
- Well-being of employees and third parties;
- Safe behavior;
- Environmental preservation;
- Ethics and transparency;
- Communication with the several stakeholders;
- Accountability for business decisions and activities; and
- Full respect for Human Rights.



[Click here and learn more about our policy.](#)

7. The new document replaces the Environmental Policy and the Occupational Health and Safety Manual, previously addressed separately.

Environmental Management and Health and Safety System

Our main tools for the effective implementation of the Sustainability Policy are the Environmental Management System (SGA) and the Health and Safety Management System (SGSS).

Environmental Management System

The Environmental Management System is responsible for monitoring the processes related to the Segments, always seeking continuous improvement and compliance with environmental standards.

The EMS development is incumbent upon the (Internal Environmental Management Committee (CIGA), which, by setting roles and responsibilities, brings together professionals from the Environment and Operations areas of the units. CIGA holds monthly meetings to continuously improve the EMS and identify the aspects, impacts, and risks related to the processes.



Click here and learn more about the SGA and SGSS.

Over the years, the Company's efforts have resulted in the ISO 14001:2015 certification of the following operations:

- Mina de Casa de Pedra (CSN Mineração Congonhas – MG);
- CSN Paraná Unit (Araucária – PR);
- CSN Porto Real Unit (Porto Real – RJ);
- Mina da Bocaina (CSN Cimentos Arcos – MG);
- Prada Unidade Distribuição (Mogi das Cruzes – SP);
- Sepetiba Tecon (Itaguaí – RJ); and
- Presidente Vargas Steelworks (Volta Redonda – RJ).

In addition, the 2021 goal is to certify the TECAR Port and the Arcos (MG) and Volta Redonda (RJ) cement units with ISO 14.001:2015. A plan to develop an Integrated Management System - SGI for the entire **CSN Group** in 2021 was also established.

CSN has an open, toll-free communication channel with its internal and external audience in its main units, the **“Linha Verde”**.

A specialized team from the unit that has been contacted by the **“Linha Verde”**, being responsible for addressing the demands of the Community, presenting solutions or justifications within 15 business days. The volume and content of the calls, as well as the internal actions resulting from each call, are periodically reported to the Company's Senior Management.

“LINHA VERDE” (“GREEN LINE”)

Since 2000, **“Linha Verde”** (“Green Line”) has been operating in the following units: CSN UPV, CSN Porto Real, CSN Paraná, Prada Embalagens and Prada Distribuição, CSN Arcos, TLSA.



Environmental Licensing

We respect current legislation, monitor and, whenever possible, anticipate challenges arising from potential regulatory changes, throughout the **CSN Group**.

As a result, our units are integrated with a platform for updating Environmental Legislation and managing legal requirements so that whenever there is any change related to our operations, we follow Legislation.

The Company complies with legal requirements through its licenses and permits. We also have licenses in the process of being obtained or renewed, all in accordance with the legal deadlines.

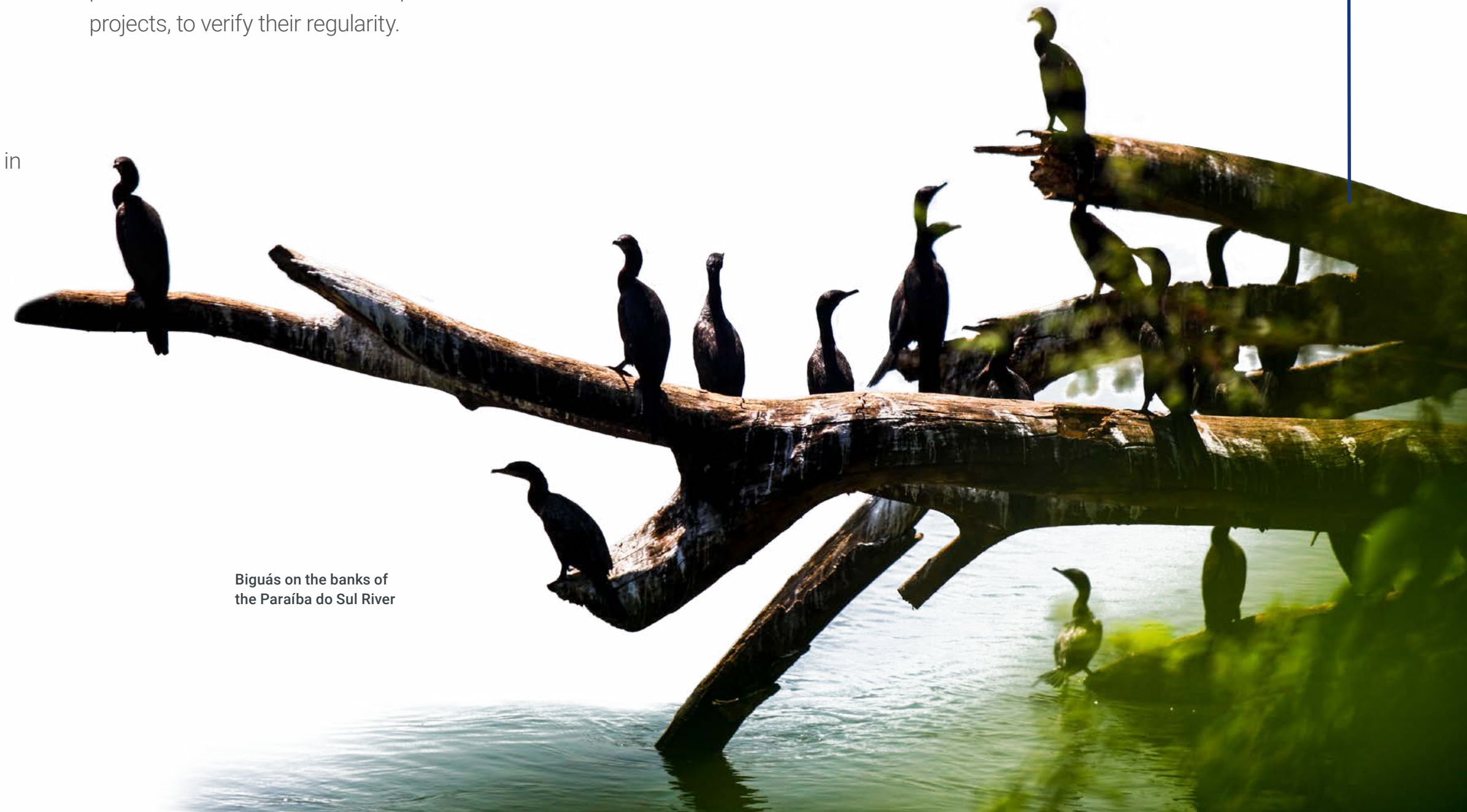
Internally, CSN has a structure for managing and monitoring licenses, authorizations, certificates or similar documents, and their respective conditions.

The compliance evaluation considers the specificities of each activity or project and the specific terms of each License and respective conditions. Environmental Compliance processes are conducted in all operations and projects, to verify their regularity.

For suggestions, complaints, doubts, comments and compliments:

 **Phone: 0800 282 4440**

 **E-mail: meio.ambiente@csn.com.br**



Biguás on the banks of the Paraíba do Sul River

Waste Management

GRI 103-2 | 103-3 | 306-1 | 306-2 | 306-3 | 306-4 | 306-5

CSN adopts the strictest regulations for Waste Management in its several production processes. In 2020, the Group expanded its efforts to strengthen Circular Economy, considered as a viable alternative to positively change the productive organization through the reutilization, reuse, and revaluation of the inputs and waste that comprises the production chains of the segments that are part of the Group.

This management aims to reduce the existing adverse impacts related to waste and intervene in the processes of generation, segregation, storage,

packaging, identification, transportation, treatment, and environmentally correct final disposal. These measures are performed through the Waste Management System (SGR), which allows the internal management of most of the waste generated, and includes information regarding the management of Waste Manifests.

In addition to this system, we have standardized procedures for the management of all the waste generated at the Company's units. These documents are available on the intranet for CSN's employees.

CSN Group - 2020 Highlights

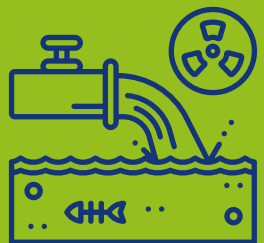
Absolute values:



19% reduction in hazardous waste generation

16% reduction in mining waste generation

Specific values: DVA denominator



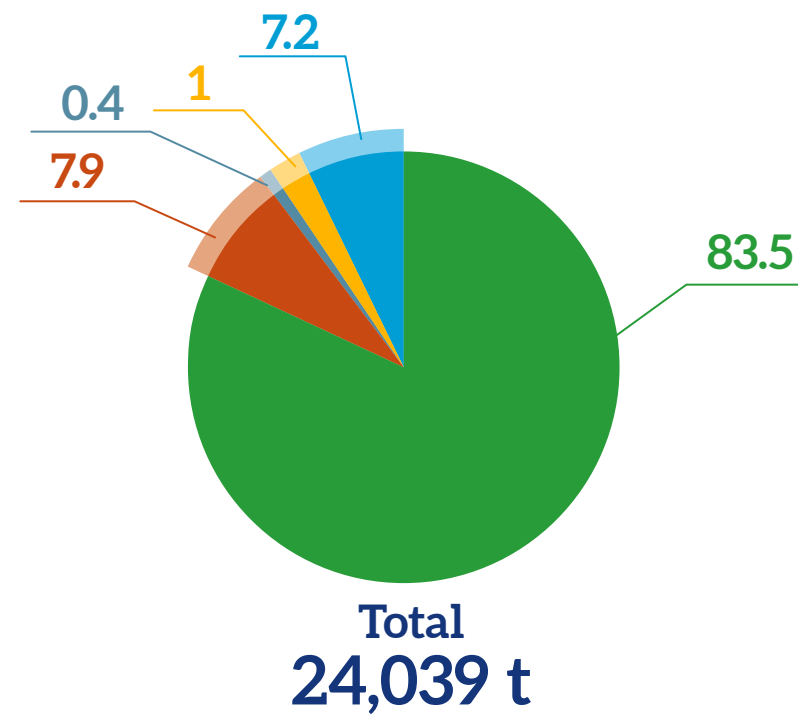
56% reduction in the generation of hazardous waste/DVA R\$

30% reduction in the generation of non-hazardous waste/DVA R\$

23% reduction in the generation of mining waste/DVA R\$

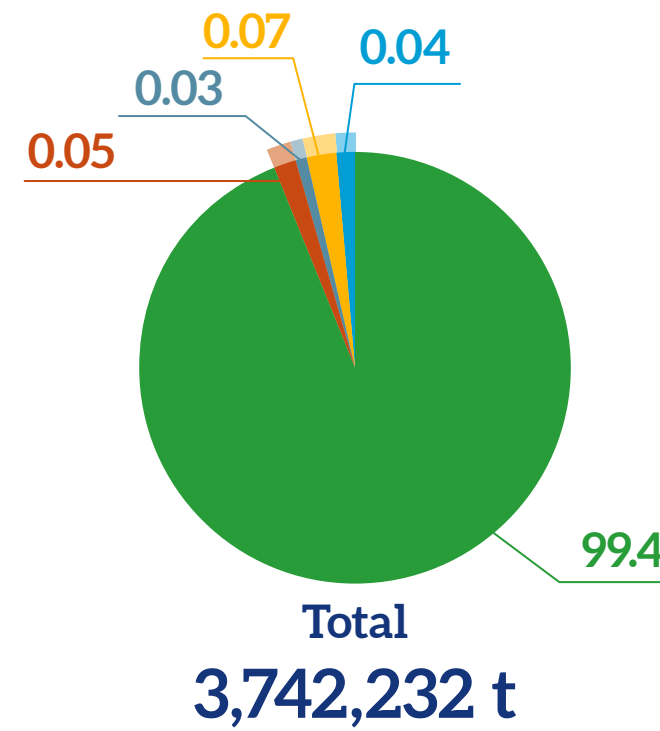
Hazardous waste

in percentage



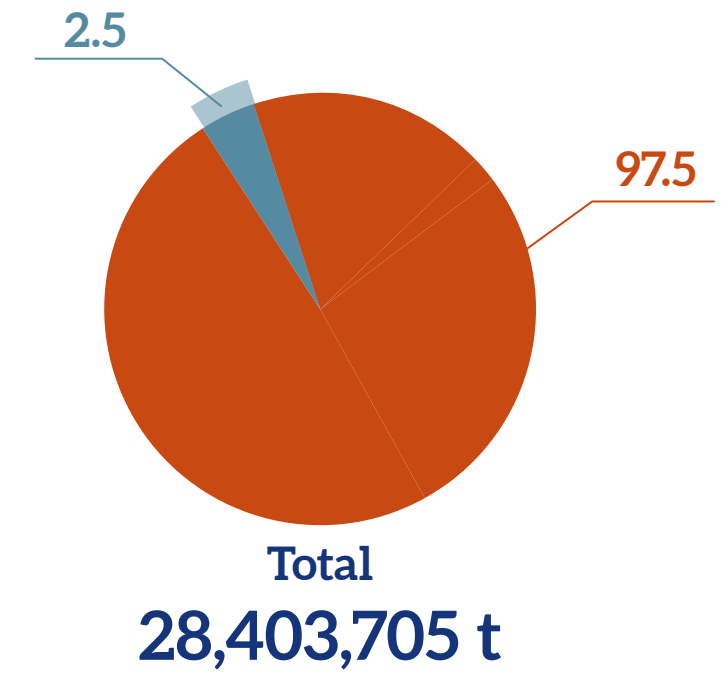
Non-hazardous waste

in percentage



Mining waste

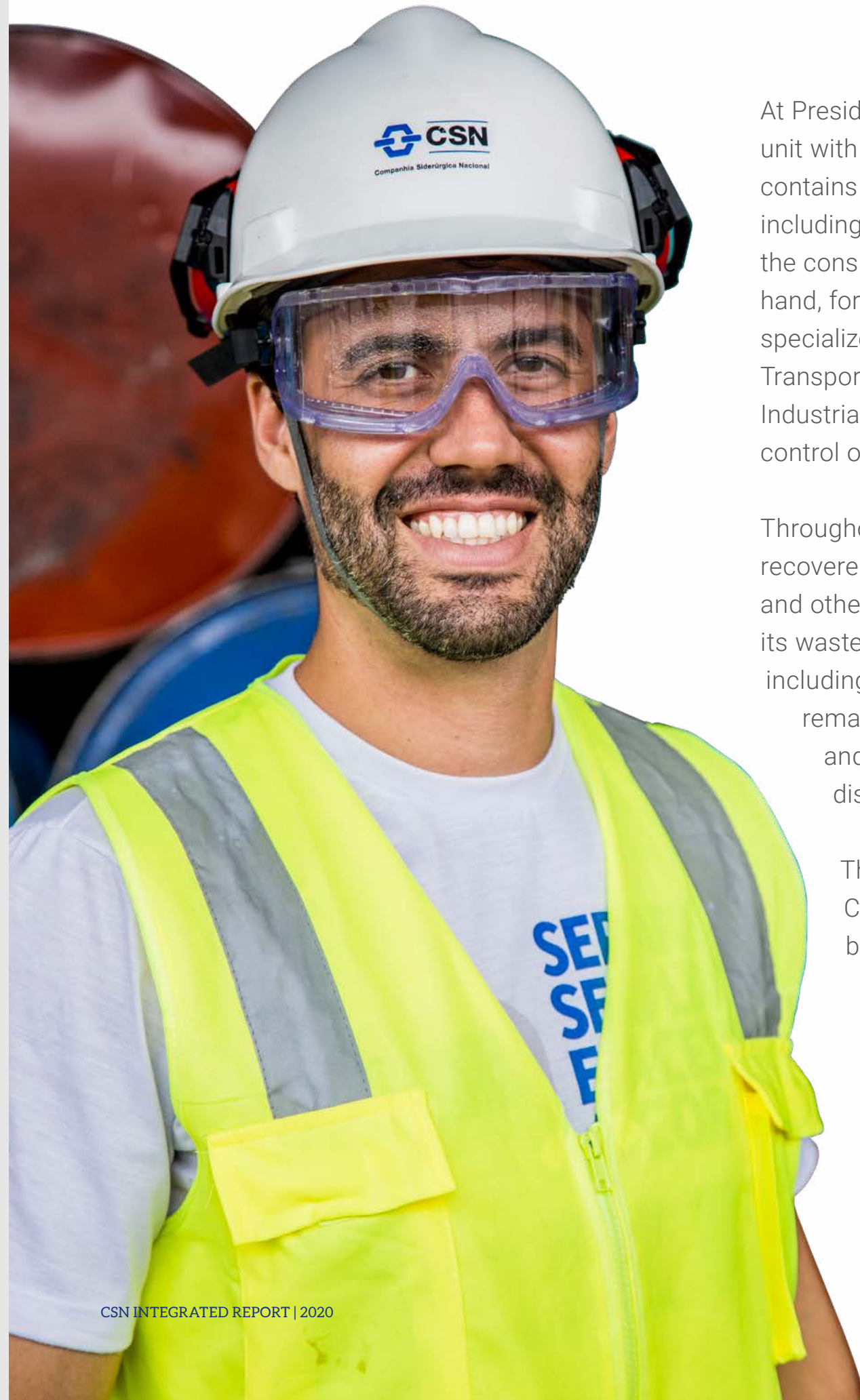
in percentage



CSN Mineração Other Mining Steelmaking Cement Logistics

CSN Mineração Other Mining

IN STEELMAKING, WE REDUCED HAZARDOUS WASTE GENERATION BY **16%**



At Presidente Vargas Steelworks, the Steelmaking unit with the most expressive waste generation, contains several routes defined for its allocation, including internal reuse, which enables a reduction in the consumption of some raw materials. On the other hand, for cases in which no reuse route is established, specialized licensed companies – holding the Transportation Manifest – guide the waste to licensed Industrial Landfills, ensuring traceability and higher control over the correct final disposal.

Throughout the year, Presidente Vargas Steelworks recovered, through reuse, recycling, co-processing, and other processes, approximately 95.5% of its waste, which corresponds to 3,754,043 tons, including hazardous and non-hazardous waste. The remaining 177,515 tons of waste, 1% hazardous and 99% non-hazardous, were allocated for final disposal in licensed landfills.

The largest volumes of waste generated by CSN are iron and steel scrap, which are used by the Steelmaking Plant. Ferrochromium and



Throughout the year, Presidente Vargas Steelworks recovered, through reuse, recycling, co-processing, and other processes, approximately **95.5% of its waste.**

ferromanganese are sold to recycling companies, as raw materials for their processes. Car batteries, conveyor belts, paper, and plastics are also sold to companies that recycle these disposals.

Oil and grease waste from the Company's units is stored in approved and identified (INMETRO) containers. Afterwards, they are sold to be refined again or used in other recycling/regeneration processes. Those that have no market, along with the contaminated greases, are allocated to blending (co-processing) by licensed companies.

AT CSN MINERAÇÃO,
THERE WAS A **24%**
REDUCTION IN
HAZARDOUS WASTE
GENERATION AND
AN **11%** REDUCTION
IN MINING WASTE
GENERATION.

Mining

CSN Mineração is the company in the segment with the most significant waste generation, with the largest volumes in the form of waste rock⁸ and tailings⁹. Both the sterile material handled in the mining fronts and the tailing material drained in the filtering process are disposed in piles monitored by a safety management system subject to regular stability inspections.

Within the Circular Economy concept, at CSN Mineração, the tailings disposed in the dams of Casa de Pedra Mine are further processed in the High Intensity Magnetic Concentration Plant (CMAI 01), because they still have a high iron content. In this process, powerful concentrators change most of what was once waste into product.

Pursuant to CSN Mineração's expansion plan, and to accelerate the dam decharacterization schedule, three more magnetic concentration plants will be installed, for the re-processing of all tailings in the dams for subsequent dry stacking.



8. Waste rock is all soil removed from the mining fronts that is not economically useful.
9. Tailings is the material discarded after the ore refining and filtering process.

Cement

In 2020, the CSN Cimentos unit in Arcos (MG) supported the 4th Digital Collection and Recycling Campaign of Arcos, in partnership with the Commercial and Business Association and the Chamber of Directors and Shopkeepers (CDL) of the municipality.

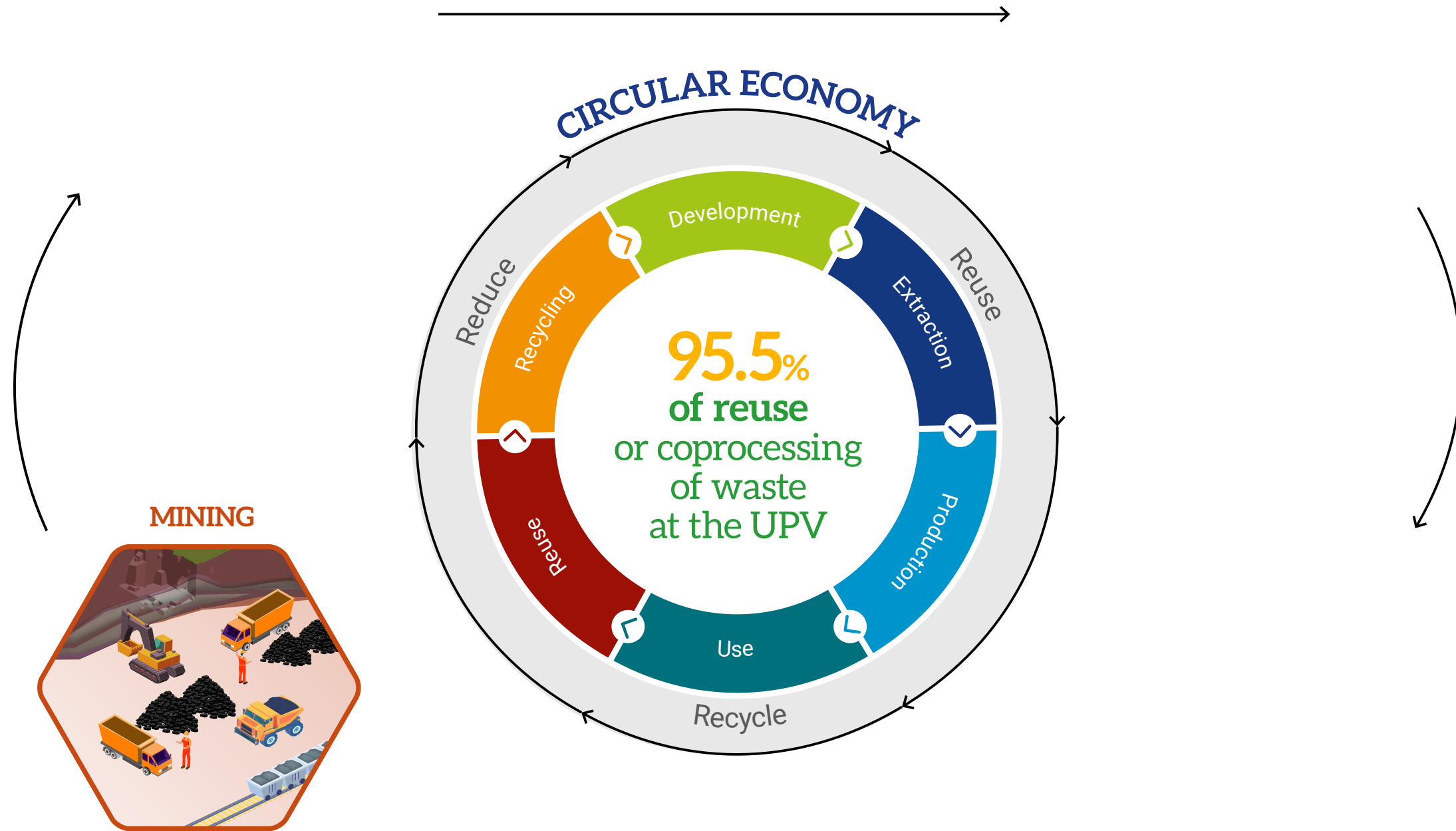


For more details about the waste generated see the Annex - Waste, page 16.

In 2021, at the Arcos (MG) unit, operations will begin at a co-processing unit for hazardous and non-hazardous waste in a clinker furnace. The project brings efficiency gains by allowing the reuse of a large portion of the waste generated in all our units, which translates into an economy of raw materials and fuels to manufacture cements, contributing significantly to the achievement of the CO₂ emission reduction targets set out in the Company's roadmap.



Circular Economy



Click on the illustrations to see our circular economy process.

Recyclables Management

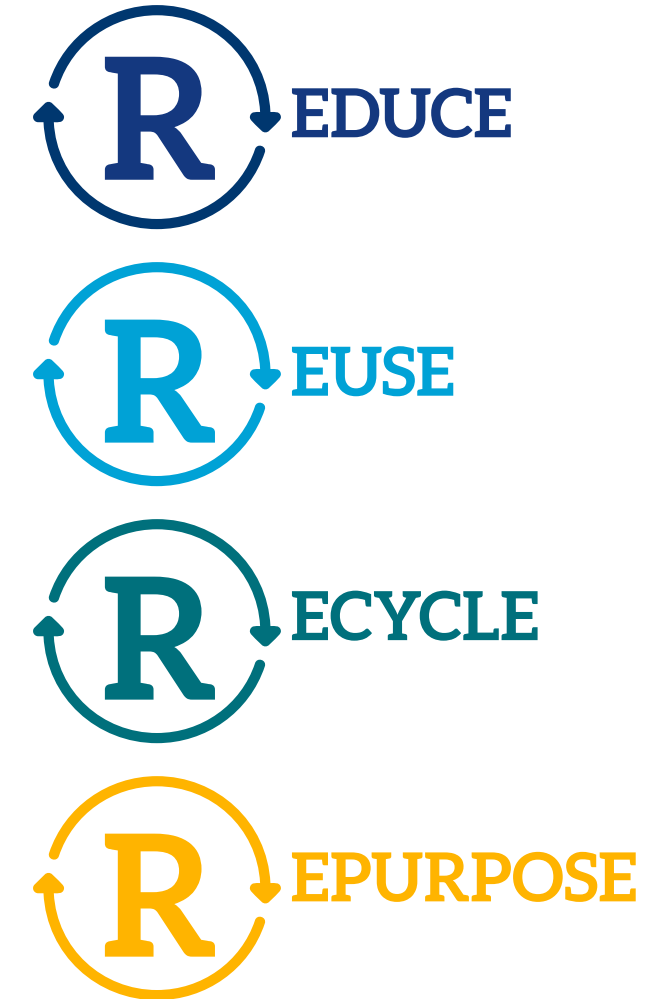
The Supplies Office has a management department dedicated to Recycling, which is present in the states of São Paulo, Minas Gerais and Rio de Janeiro, and operates in the four R's: **R**educe, **R**euse, **R**ecycle, and **R**epurpose.

The following activities are developed to promote a more sustainable supply chain for CSN, reducing the amount of material sent to landfills and generating savings and income:

- Separation of materials received;
- Recyclable materials press;
- Sanitization of PPE, allowing its reuse;
- Processing of lamps in the *Papa-Lâmpadas*, turning hazardous waste into non-hazardous waste;

- Depressurization of spray cans, for recycling;
- Stripping of electrical cables, using the copper from the cables and making CSN self-sufficient in copper;
- Collection of oils through the Oil Collection Station (ECO);
- Separation of zinc scraps, equipment and tires for sale; and
- Decontamination and cutting of ferrous scrap to supply UPV.

All these activities are monitored through key performance indicators, with the establishment of targets for maximizing efficiency gains.



Energy Management

GRI 103-2 | 103-3 | 302-1 | 302-2 | 302-3 | 302-4 | 302-5

CSN, one of the largest industrial electric power consumers in Brazil, has always prioritized the use of renewable energy in its production process. Aiming to guarantee a competitive cost for this essential input, since 1999 it has been investing in self-production energy projects. Thus, we reached electric power generation capacity of 446.0 MW, with the following assets and partnerships:

- Itá and Igarapava power plants, in which CSN has interests;
- Cogeneration Thermal Power Plant, which is fueled by steelmaking gases; and

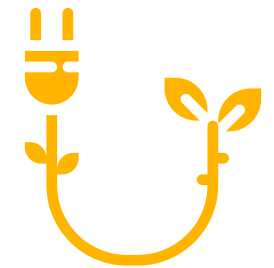


Learn more about total fuel consumption, in the Annex, page 8.

- Top-pressure Recovery Turbine (TRT), which, since 2014, has been reusing the Blast Furnace Gas (BFG) generated in the production of pig iron from Blast Furnace 3 (AF3) - accounting for more than 70% of UPV's pig iron production.

To expand the installed capacity of self-produced energy, the Company frequently prospects and analyzes the feasibility of new generation assets, always aiming to maintain the competitiveness of production costs and considering the contracting of energy from renewable sources.

The perspective is for investments in new power generation plants from renewable sources (hydroelectric, wind, and solar), as a self-producer of energy, in the search for self-sufficiency in electricity.



100% CSN Mineração
energy
from renewable sources

94% CSN Cimentos
energy
from renewable sources

94% Grupo CSN
energy
from renewable sources



Water Management

GRI 103-3 | 103-2 | 303-3 | 303-4 | 303-5

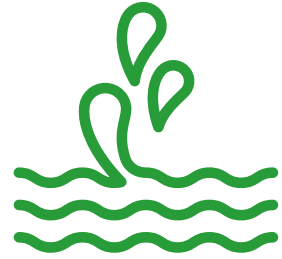
Water is an essential resource for the Company's operations. Therefore, CSN considers water management a priority issue and actively participates in the Water Basin Committees of the regions where it has industrial and extraction units - Volta Redonda (RJ), Arcos (MG) and Congonhas (MG).

Through the dialogue between the several sectors represented, it is possible to discuss the most efficient management actions, ensure multiple uses of water, evaluate and propose

improvements in the environmental quality of the territory where they are located.

Over the years, CSN has been identifying and intensifying initiatives to reduce water consumption and reuse water in its production and administrative processes.

Some initiatives and projects have been implemented by CSN Mineração to reduce water consumption in its operations in Congonhas (MG). Below we present some of the company's main projects.



After implementation, the project will increase recovered tailings by 700,000 tons, i.e., an estimated savings of 56,900 m³ of fresh water per year.

Magnetic Separators Plant (CMAI LAMAS)

Since 2017, CSN Mineração has invested in projects to maximize the recovery of the ore processed in its plant and thus reduce the volume of tailings generated in operations. In the second half of 2020, we began to prepare preliminary and conceptual projects to build another magnetic separator plant. The project is even more efficient than the magnetic separators commonly used.

After the beginning of operations, in 2022, the project will enable the processing of all fine tailings currently generated by the central plant's operations, thereby increasing iron ore mass recovery and **reducing tailings generation by 700,000 tons/year**. We estimate this to reduce new water consumption by **56,900 m³ per year**.

Central Ore Processing Plant

Until 2024, we intend to reduce the freshwater consumption of Casa de Pedra mine's Processing Plant by **45% compared to 2017, from 0.22m³/t to 0.12m³/t**. This will reduce tailings generation and increase efficiency in the existing solid/liquid separation operations of the processing plant.



Read more about the project in CSN Mineração's report.

Water Stress Map

In 2020, CSN began its risk assessment in accordance with Water Risk Filter methodologies from the World Wildlife Fund (WWF) and Aqueduct WRI. These initiatives contribute to enabling companies to assess, analyze, measure and respond to water-related risks in their operations, in order to provide transparency of the identified results to their stakeholders, particularly investors around the world.



- 1. CSN Cimentos – Arcos (MG)
- 2. CSN Paraná (PR)
- 3. CSN Porto Real (RJ)
- 4. Prada Distribuição (SP)
- 5. UPV (RJ)
- 6. ERSA (RO)
- 7. Tecon and Tecar (RJ)
- 8. CSN Mineração (MG)

-  Low Risk
-  Medium Risk
-  High Risk

Note: CSN Mineração prioritizes the management of water resources, given the geographical and economic configurations of the region in which it operates, adopting a more proactive and conservative approach to water risk management.



Tailing Filtering

CSN Mineração has been investing in the filtering of the tailings generated in its plant. The operation began in 2018 and currently has the capacity to filter 6.4 million tons of tailings.

This technology, an alternative to using dams, filters tailings, allowing the recovery of 92% of the water contained in the filtered material,

while the main dam, Casa de Pedra, allowed the recovery of around 80%.

Today, the process pulp, composed of 70% water and 30% solid tailings, is previously submitted to a densification (thickening) stage. Subsequently, the tailings - containing around 50% remaining water - are introduced under pressure into the filtering chambers of the filter presses

where, after filtration, their percentage of solids is reduced to 17%. The water recovered in the filtering process is reused in the beneficiation process.

It should be noted that CSN Mineração has already been developing a project to expand the installed capacity of the existing tailing filtering plant, considering the increase in production expected for the coming years.

20 Years of Pioneering Water Management at UPV

GRI 303-1 | 303-2

70% REDUCTION
IN WATER
WITHDRAWAL
FROM UPV IN THE
LAST 20 YEARS,
FROM 8.8 m³/s IN 2000
TO 2.6 m³/s IN 2020¹⁰

Presidente Vargas Steelworks accounts for approximately **83% of the water withdrawal of Companhia Siderúrgica Nacional**. Over the past 20 years, the plant has reduced the volume of water water withdrawn by 70%, despite the installation of the Thermoelectric Plant, the cement factory and the long steel plant.

In 2020, the unit achieved a water recirculation rate of 93.6%, an increase of 0.7% compared to 2019, offering more water resources to other users of the Paraíba do Sul river basin. In addition, the specific water use at **UPV was 22.1 m³/t**, well below the world average of 28.6 m³/t related to water withdrawal per steel produced.

10. The UPV's water withdrawal considers all operational uses, including energy generation in thermal power plants 1 and 2, and the Cement and Long Steel Plant.



Recognition

Our initiatives have been recognized and awarded over the years.

- **Participation in the ANA Award of the National Water and Sanitation Agency in 2017 with the project: Water Footprint of CSN's Presidente Vargas Steelworks, pursuant to ISO 14.046.**
- **Participation in Water Week Latino America 2015 with the project: "Learnings from CSN steel production water inventory".**
- **Participation in the World Steel Water Workshop 2017 – India, presenting the UPV Water Footprint project.**
- **Participation in Rio Water Week 2018, with the lecture: Water Management at Presidente Vargas Steelworks.**
- **FIRJAN Environmental Action Award 2014 with the water recirculation project at UPV's lime plant.**

Projects to reduce water withdrawal at UPV



- Implementation of reuse of water from the heat exchangers of carbochemicals.



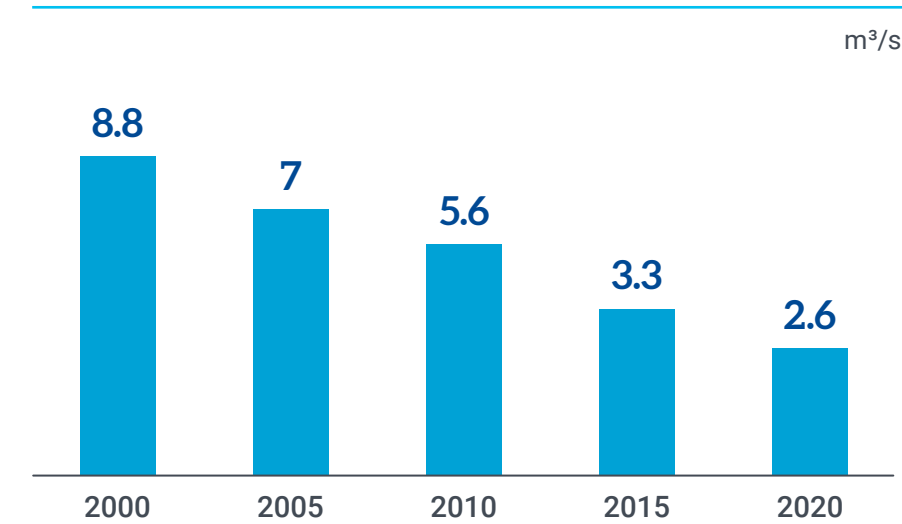
- Reuse of water from the Effluent Treatment Station (ETE) of the Raw Materials Yard.



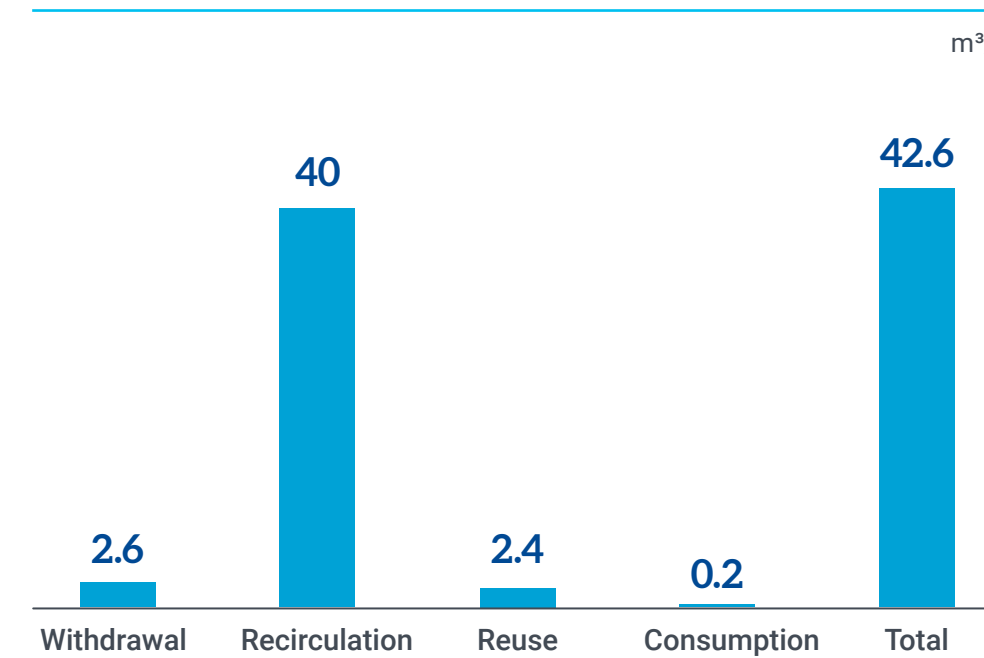
- Recirculation of rainwater and industrial water from the Lime Plant.

Evolution of water reuse at UPV since 2000

Water withdrawal at UPV

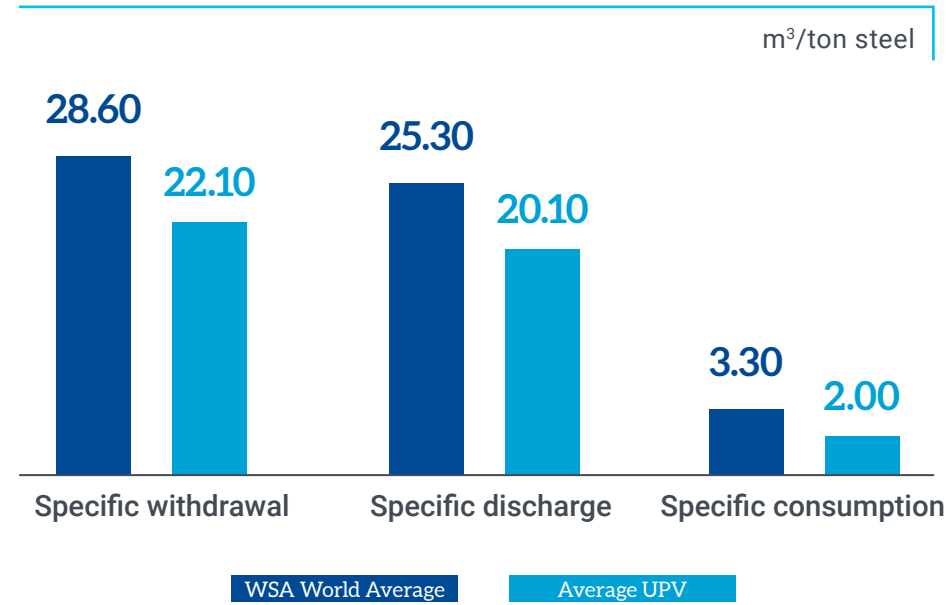


UPV's 2019 water balance



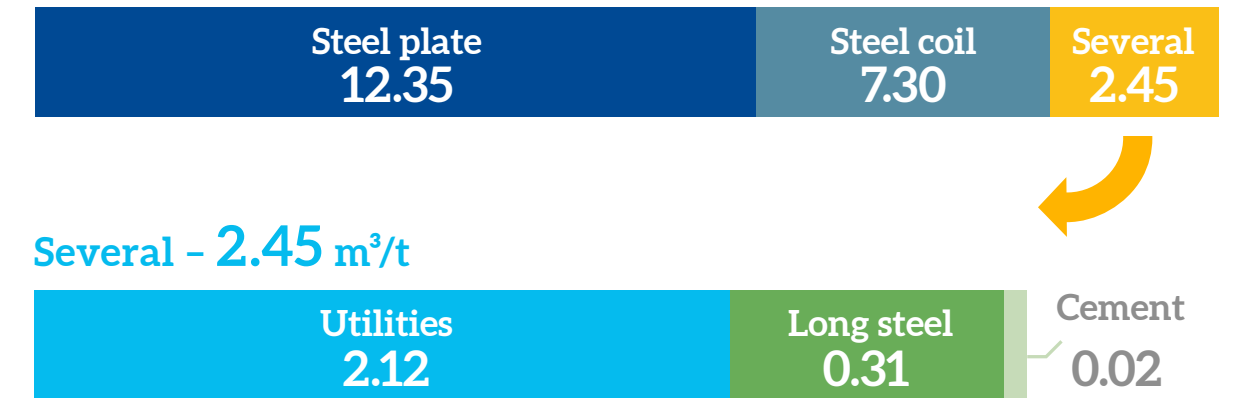
Overall Comparison CSN x WSA

2020



UPV's Water Footprint by product in 2020

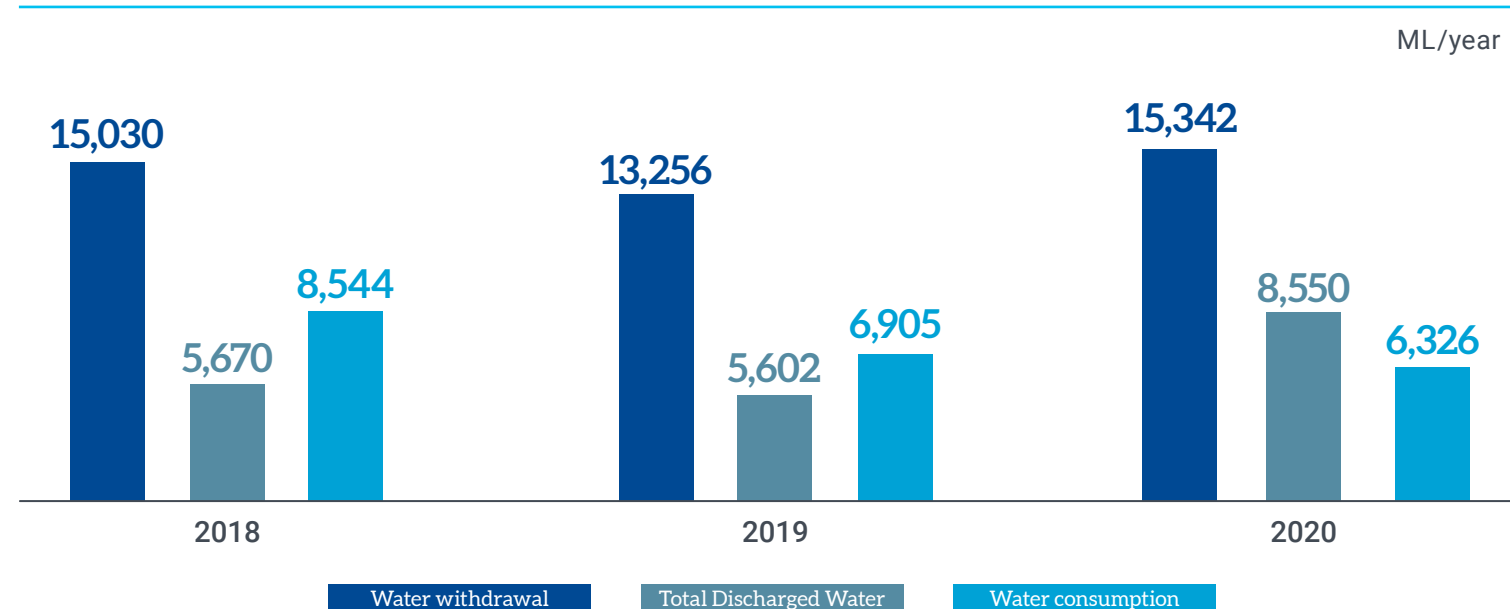
Final Product - 22.1 m³/t



Water withdrawal, discharge and consumption | Grupo CSN

GRI 303-3

Withdrawal, discharge and consumption - Grupo CSN



There was an upturn in water withdrawal and discharge due to increased water lowering in CSN Mineração's pit, in addition to higher rainfall in 2020, which are accounted for in GRI as total surface water volume. However, specific water use declined when referring only to water used in CSN Mineração's processes.

Reduction of

8.3% versus 2019

in the total volume of water withdrawn in all the areas where the Company operates

Reduction of

50% versus 2019

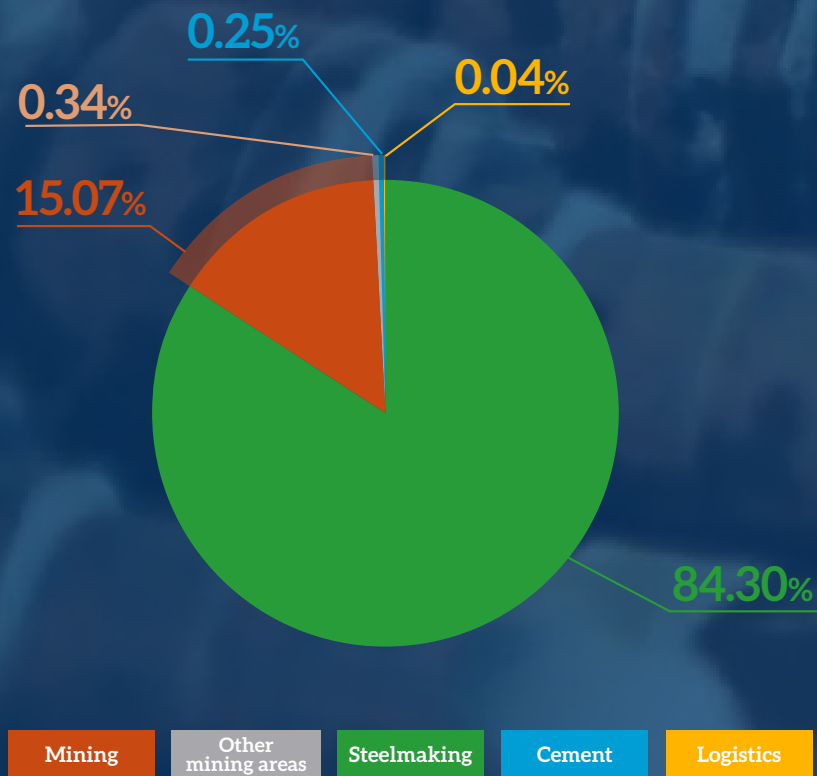
in the specific withdrawal per R\$ DVA in all the areas where the Company operates

Reduction of

37% versus 2019

in specific withdrawal per R\$ DVA in water-stressed areas*

Water Withdrawal



Withdrawal in all areas

99,396 ML

Withdrawal in water-stressed areas

15,342 ML

* Although the CSN Mineração unit presents a medium risk in the hydric stress of the basin, CSN voluntarily considers this unit as an area at risk of water stress, making it a priority in the management of its water resources.

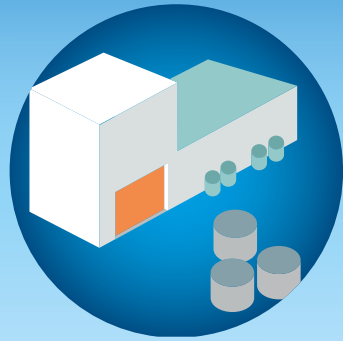
Water withdrawal | Grupo CSN

Description		2018	2019	2020
In megaliters ML	SOURCE	All areas	All areas	All areas
WATER WITHDRAWAL BY SOURCE	Surface water (total)	86,074.33	100,621.66	90,275.02
	Surface water (general)	80,073.56	95,505.89	83,612.69
	Rainwater	6,000.77	5,115.77	6,662.33
	Groundwater (total)	7,872.89	7,340.54	8,633.11
	Seawater (total)	-	-	-
	Produced water (total) (Note 1)	12.90	12.90	12.90
	Third-party water (total) (Note 2)	455.18	460.37	475.39
	Total water withdrawal	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	94,415.31	108,435.47

Description		2018	2019	2020
In megaliters ML	SOURCE	Areas with water stress	Areas with water stress	Areas with water stress
WATER WITHDRAWAL BY SOURCE	Surface water (total)	7,327.20	6,069.17	6,870.03
	Surface water (general)	1,326.43	953.40	207.70
	Rainwater	6,000.77	5,115.77	6,662.33
	Groundwater (total)	7,548.65	7,046.18	8,313.36
	Seawater (total)	-	-	-
	Produced water (total) (Note 1)	-	-	-
	Third-party water (total) (Note 2)	154.34	140.18	158.62
	Total water withdrawal	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	15,030.19	13,255.53



STEELMAKING



↓ **11.7%** versus 2019
reduction in total water
withdrawal volume

↓ **13.6%** versus 2019
reduction in specific
water withdrawal per
ton of **steel produced**



93.6%
of recirculation
at UPV

The steelmaking business
does not withdraw water
in areas considered to be
in water stress

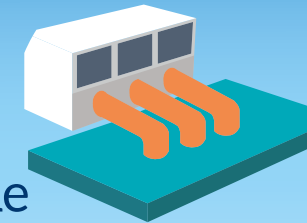
Increase of
↑ **0.7** percentage
points

MINING

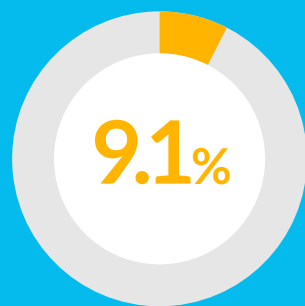


↓ **8%** versus 2018
reduction in specific
water withdrawal **per
ton of ore produced**

↓ **13.7%** versus 2019
reduction in the volume
of water withdrawal at the Casa
de Pedra Mine's central plant



LOGISTICS



↓ reduction in total water
withdrawal volume

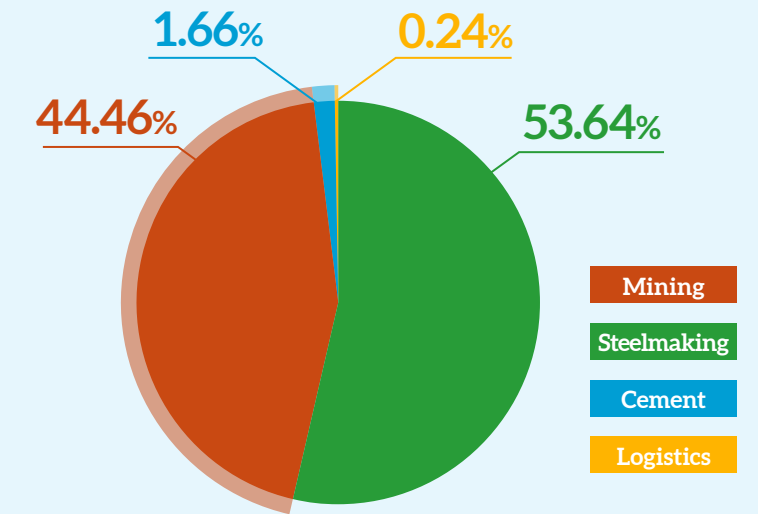
CEMENT



↓ reduction in total water
withdrawal volume

Water Consumption

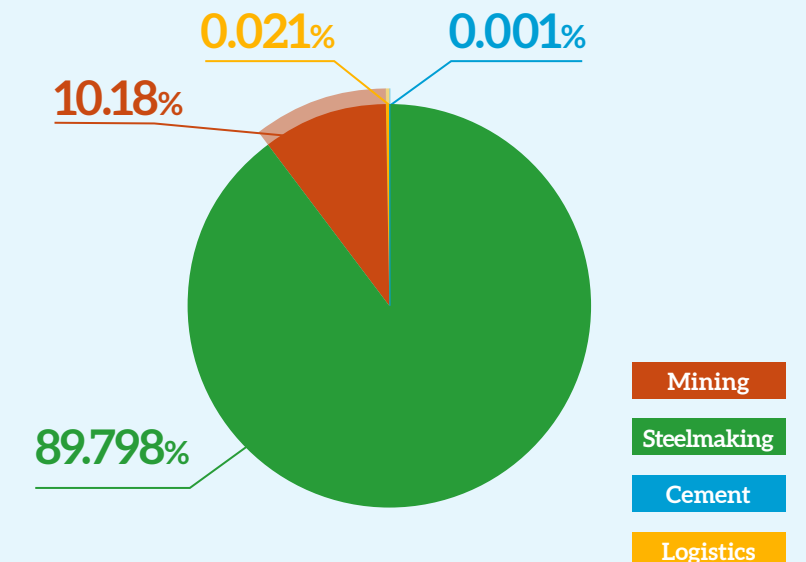
GRI 303-5



In the CSN Group there was a **13,5%** reduction.
In Steelmaking the reduction was **24.4%**.

Water Disposal


GRI 303-4



Biodiversity

GRI 103-2 | 103-3 | 304-1 | 304-2 | 304-3 | 304-4



 Click on the states to see the environmental protection areas..

CSN believes biodiversity is directly related to its activities and it is crucial to fully protect it.

As a result, we protect an area approximately four times larger than our operations. It comprises 74,000 hectares of protected and preserved natural areas, distributed among several Brazilian states. This contributes to the protection of native flora and fauna species, including endemic and endangered species.

Erratum: In the 2018/2019 report, the page layout gave the impression that the List with the Conservation Units are maintained by CSN Mineração. However, the list shows conservation areas within a 5-km radius of CSN Mineração's units.

All biodiversity-related issues are evaluated during the entire Life Cycle of the projects, which includes:



■ Environmental Impact Study (EIA): before a project is installed, an analysis of flora, fauna, water resources, soil, atmosphere, and social aspects is conducted with the local community by means of surveys and public hearings.



■ Performing environmental control, monitoring, compensation, and mitigation programs throughout the project's useful life.

The Company constantly seeks initiatives that allow for the least direct or indirect interference with natural resources, particularly as a result of our mining operations. For this reason, the flora and fauna of the habitat surrounding CSN's operations are rigorously monitored.

In addition, any new project that has a potential impact on biodiversity is analyzed by means of a rigorous environmental impact study that evaluates the socio-environmental and socio-economic aspects that contribute to alternative geographical choices that cause the least possible impact.



Sempre-Vivas Park (MG)

The main impact on biodiversity, mainly in the mining segment, is the suppression of native vegetation that causes impacts on flora and fauna. For this reason, we have taken some measures to reduce these impacts:

- Flora rescue;
- Phenology monitoring;
- Seed collection;
- Fauna evasion and rescue;
- Environmental compensation;
- Revegetation of exposed soil;
- Fauna monitoring;
- Prevention of forest fires;
- Execution of drainage projects;
- Implementation of sediment containment devices;
- Placing signs in roads against fauna collisions; and
- Environmental education programs.



See more about the list of endangered species in the Annex, page 13.

The Fauna monitoring program in the Arcos (MG) unit and its surrounding area identified the presence of species on the IUCN¹² red list, such as giant anteaters, ocelots, little spotted cats, cougars, Coimbra's titi, and wood storks.

12. International Union for Conservation of Nature.

CSN Mineração owns the Jurema Private Natural Heritage Reserve (RPPN), totaling 436 hectares in Queluzito (MG). This reserve has fully preserved Atlantic Forest biome vegetation and rich fauna, including the presence of endangered species, such as the maned wolves and cougars, species that are also present in the legal reserve area of CSN Mineração's Casa de Pedra complex.

The Casa de Pedra Complex currently covers an area of 1,411.1 hectares, of which 920.1 hectares are in the complex itself, 417.2 hectares are in

the Serra do Ouro Branco State Park, and 73.6 hectares are on a property located in Itabirito (MG), which has a Semideciduous Seasonal Forest with Atlantic Forest in a high degree of preservation and rich in flora and fauna.

CSN Mineração has taken important measures to protect Biodiversity, such as the land title regularization and the donation of areas in the Sempre Vivas National Park and the Cavernas do Peruaçu National Park to ICMBIO, thus contributing to the preservation of biodiversity and water recharge in the São Francisco River basin region.

Through a Technical Cooperation Agreement with the Belo Vale (MG) City Hall, CSN Mineração is investing in the expansion and improvement works in the city's forest and native seedling nursery, which will be used by the unit for degraded area recovery and environmental compensation projects.

In addition, through an Agreement signed with the State Forest Institute (IEF), a major renovation was conducted in the forest seedling nurseries located in Conselheiro Lafaiete (MG) and completed in 2020. The nurseries will serve the local community by generating positive socio-environmental impact and reinforcing CSN Mineração's commitment to Sustainability.

CSN MINERAÇÃO OWNS THE JUREMA PRIVATE NATURAL HERITAGE RESERVE (RPPN), TOTALING **436 HECTARES** IN QUELUZITO (MG)

The CSN Cimentos unit in Arcos (MG) has 148.8 hectares as a Private Natural Heritage Reserve (RPPN), 123.5 hectares as a Legal Reserve (partially overlapping with the RPPN) and 0.73 hectares in Areas of Permanent Preservation (APP).



Preserved area - Casa de Pedra

Near **CSN Group's** main steel mill, Presidente Vargas Steelworks, in Volta Redonda (RJ), is the ARIE¹³ Floresta da Cicuta, part of a property called Fazenda Santa Cecília, owned by Companhia Siderúrgica Nacional. This area covers **131.28 hectares**, serving as a refuge for important populations of regional flora and fauna species, created with the objective of protecting and preserving one of the last remnants of the Atlantic Forest type (physiognomy) in the state of Rio de Janeiro, the Semideciduous Seasonal Forest, which is one of the most devastated areas of the entire biome.

In addition, through an Agreement between UPV and the municipality of Volta Redonda - RJ, several actions have been implemented:

- **Strengthening of REVIS** - Refúgio da Vida Silvestre (Wildlife Refuge) - Vale dos Puris;
- **Investments in Ingá Municipal Park** through improvements in its infrastructure;
- **Donation of 98,503** ornamental flower seedlings to Volta Redonda City Hall;
- **Planting of 8,258** seedlings in the entire municipality of Volta Redonda;
- Realization of a Tree Census in UPV, with **14,350 individuals registered.**

13. An Area of Relevant Ecological Interest (ARIE) is a small area, with little or no human occupation, protected due to its unique natural characteristics or the rare specimens of regional fauna and flora contained therein. As a conservation unit of sustainable use, the ARIE has the objective of preserving natural ecosystems of regional or local importance and, at the same time, regulating the admissible use of these areas in order to make them compatible with nature conservation objectives.

In October 2020, through Presidente Vargas Steelworks, CSN signed a Cooperation Agreement with ICMBIO to invest more than **R\$7 million**, comprising 6 federal conservation units:

- ARIE Floresta da Cicuta;
- Itatiaia National Park;

- Tinguá Biological Reserve;
- Environmental Protection Area of the São João/Mico Leão Dourado river basin and Poço das Antas Biological Reserve;
- Integrated Management Center (São José dos Campos);
- Mananciais do Rio Paraíba do Sul Environmental Protection Area.

A series of initiatives will be carried out, including:

- Reforestation of 42.5 hectares in ARIE Floresta da Cicuta;
- Donation of equipment and miscellaneous materials for the management and conservation of the Units; and
- Renovation of the Structures of the Headquarters of Itatiaia National Park.

PLANTING OF
11,250 SEEDLINGS
 OF NATIVE SPECIES OF
 THE SEMIDECIDUOUS
 AND DECIDUOUS
 SEASONAL FOREST



Active Biodiversity Management at Trans-nordestina Logística S.A. (TLSA)

As a preventive measure, Transnordestina Logística S.A. (TLSA) has developed a Fauna monitoring program based on a pilot methodology approved by IBAMA. In addition to making conclusions about the diversity and composition of native species, the methodology establishes the quantity, making it possible to allocate the fauna crossings in the stretches that are still to be built more assertively. It will also allow, when railway operations begin, the evaluation of wildlife conservation strategies and their effectiveness in preserving species.

TLSA also actively participates in the discussions to review federal regulations that contribute to the management of impacts on wildlife, especially the monitoring of animals run over in railway projects.

Also in 2020, in recognition of the ecological restoration activities in the Caatinga biome, TLSA participated as a guest speaker at the III Ibero-American Congress on Biodiversity and Road Infrastructure, focusing on the interrelation between fauna conservation and ecological succession processes.

Concerned with reconciling preservation of Biodiversity with Historical and Cultural Heritage, TLSA has moved forward with the destination of the collection of archeological material rescued both from the impacted archeological sites and from the objects of relevant historical value found during the course of the works.

So far, more than **135,000 items** have been found in partnership with Universidade Regional do Cariri, with the provisional custody area duly certified by IPHAN, and already being used as a research site for the preparation of academic work.



Management of Degraded Areas

In 2020, the Company maintained its position regarding management of degraded areas, mostly from the time before CSN's privatization. Examples of this management are the recovery of environmental liabilities from former coal mining areas in the state of Santa Catarina, and the remediation obligations of former industrial landfills in Volta Redonda (RJ).

We highlight that the provision for expenses related to services for investigation and environmental recovery of potentially contaminated and degraded areas and exploration areas under the responsibility of the Company in the states of Rio de Janeiro, Minas Gerais

and Santa Catarina totaled R\$179 million in 2020. The expense estimates are periodically reviewed, considering studies and environmental recovery projects. The environmental liabilities are followed up by the Environmental Projects and Liabilities Department, an area fully dedicated to the theme.

In mining activities, for the recovery projects of stripped areas, especially the waste rock stacks, tailings stacks and pit slopes, CSN Mineração covered approximately 12 hectares with vegetation in 2020, also contributing to the control of particulate emissions by wind dragging and sediment carriage caused by rainwater.



CSN Mineração covered approximately **12 hectares** with vegetation in 2020, also contributing to the control of particulate emissions by wind dragging and sediment carriage caused by rainwater.



Management and Projects

CSN has been managing its environmental liabilities in accordance with the best practices in the world, at the forefront of technological development, also promoting the exchange of information.

In 2020, two projects prepared by the Company were accepted at **RemTech Europe**, the largest European forum on environmental remediation technologies. CSN participated by publishing and presenting projects conducted by the Company's Environmental Liabilities Department.



■ The first project refers to the evaluation of alternatives for the implementation of the intervention plan in the area known as Wandir I and II, which was used by CSN when it was a state-owned company for the storage of steel mill waste. Using a methodology called "Decision Consequence Analysis (DCA)", the alternatives for the management of the area were studied in detail, aiming to ensure protection of human health and the environment. This included considering the intended future uses of the area, the maintenance of the structure's integrity in the long term, and the maximum performance in technical and economic terms, having as premise the smallest environmental footprint and the lowest possible risk for the implementation of the solution.



■ The second one refers to the integrated strategy to manage possible contaminated areas at Presidente Vargas Steelworks. This strategy of operation was adapted from important cases developed in Europe, such as the Port of Rotterdam in the Netherlands and Biterfelds in Germany, where, based on three-dimensional hydrogeological models, a protection belt is established around the limits of the area, serving as a basis for the prioritization of remediation actions, allowing for a sustainable allocation of resources and ensuring the protection of the environment, surrounding communities, and plant workers in a scientifically proven manner.

Environmental Compensation

Environmental Compensation is a mechanism to offset the actual or expected environmental impacts in the environmental licensing process, helping us to walk our path in respect for life, ethics and, protection of the Environment and Sustainability of the business.

We maintain partnerships with institutions, such as the Chico Mendes Institute for Biodiversity Conservation

(ICMBIO), for environmental management and monitoring of fauna and flora. Biodiversity aspects are considered throughout the life cycle of our projects and operations.

At the CSN Cimentos unit, in Arcos (MG), we signed the Atlantic Forest Compensation to donate 29.4 hectares to the Chico Mendes Institute for Biodiversity Conservation (ICMBIO) as land title regularization of the Cavernas

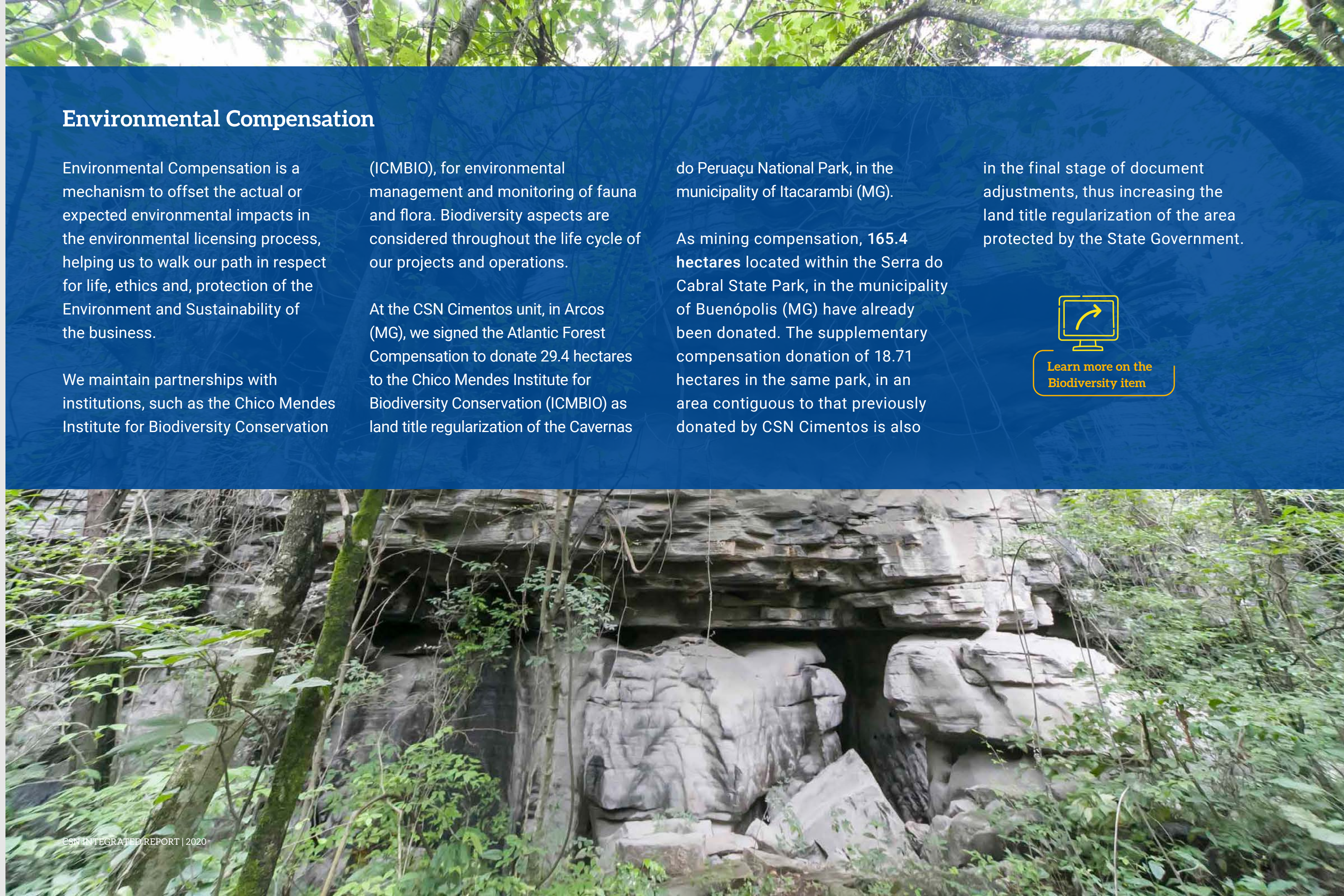
do Peruaçu National Park, in the municipality of Itacarambi (MG).

As mining compensation, **165.4 hectares** located within the Serra do Cabral State Park, in the municipality of Buenópolis (MG) have already been donated. The supplementary compensation donation of 18.71 hectares in the same park, in an area contiguous to that previously donated by CSN Cimentos is also

in the final stage of document adjustments, thus increasing the land title regularization of the area protected by the State Government.



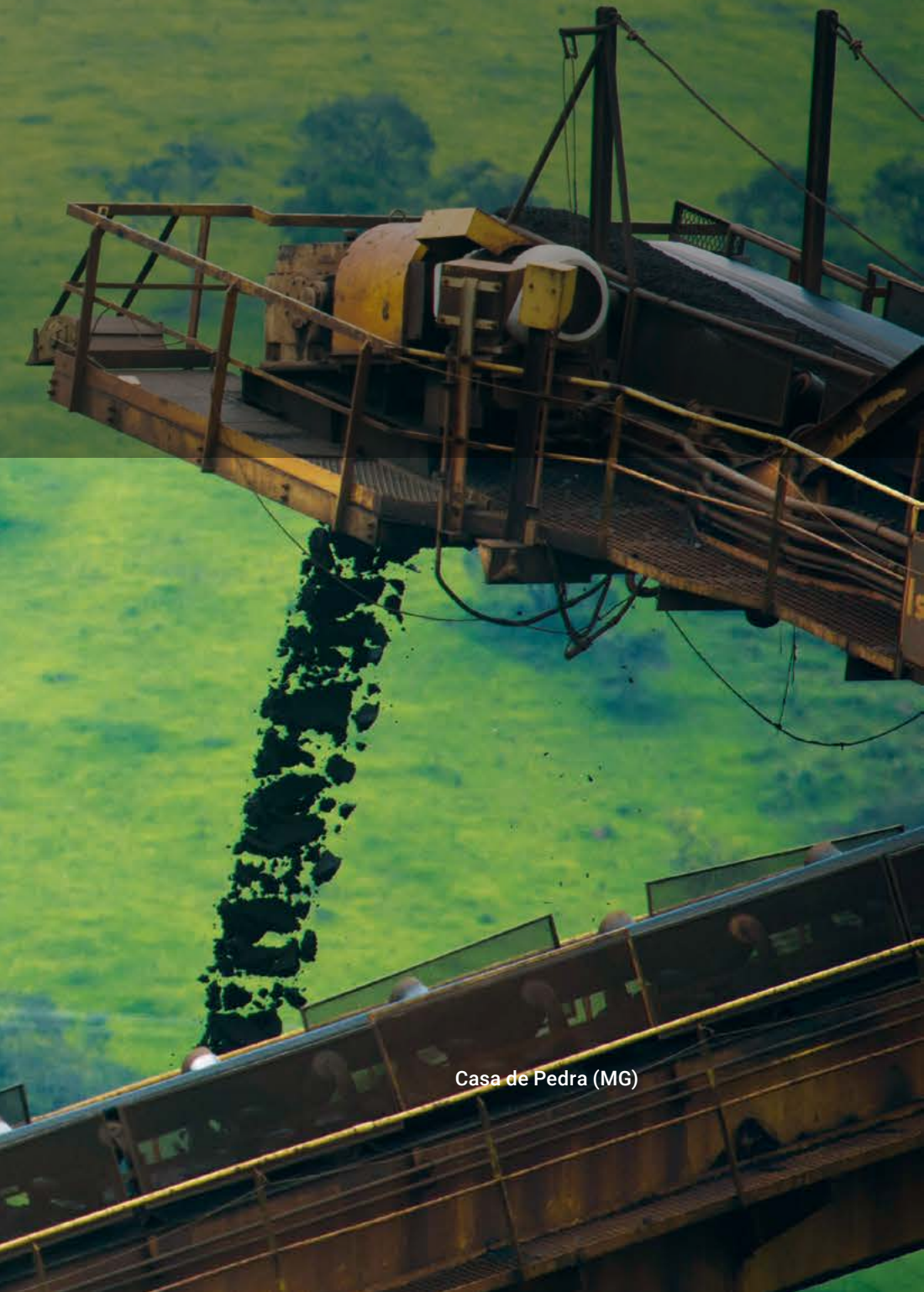
Learn more on the Biodiversity item



In 2020, CSN Mineração signed nine Environmental Compensation Agreements with environmental bodies of the state of Minas Gerais, covering the topics of Atlantic Forest, Significant Environmental Impact, Areas of Permanent Preservation (APP), speleology, and isolated trees. These compensations included the following obligations:

- Payment of **R\$205,559.04** to IEF to be invested in Conservation Units in the state of Minas Gerais, already concluded in 2020;
- Restoration of degraded areas of Atlantic Forest in **146 hectares**;
- Establishment of conservation easement in perpetuity in the company's **39 hectares** environmental conservation area; and
- Land title regularization and donation of land located in the Sempre Vivas National Park, covering a total of **119 hectares**, to ICMBIO.

RECOVERY **146 HECTARES** OF ATLANTIC FOREST



Casa de Pedra (MG)

At CSN Mineração, a series of environmental compensation projects are being executed. In the last 3 years, the following actions have been implemented:

- **Atlantic Forest Compensation: 1,318.6 hectares** of Atlantic Forest compensation. There are forest restoration initiatives, establishment of conservation easement, and acquisition of areas in Full Protection Conservation Units (Sempre Vivas National Park) for land title regularization and donation to the environmental management body. The conservation easement and restoration initiatives occur close to CSN Mineração, contributing to the improvement of regional environmental quality and the formation of wildlife corridors;

- **APP Compensation: 78.1 hectares** of APP compensation. In the compensation sites there are forest restoration initiatives in damaged APP and donation of areas within the Sempre Vivas National Park to the environmental management body;

- **Mining: 1,214.4 hectares** of mining compensation. The compensation consists of the acquisition of areas and land title regularization to the respective environmental management body, which covers Sempre Vivas National Park, Cavernas do Peruaçu National Park (site of great vegetational, faunal, speleological and archaeological relevance) and Serra do Cabral State Park (site of great vegetational and water relevance, due to the presence of veredas and a large number of springs, respectively);

- **Compensation of endangered species: an area of 35.5 hectares** for planting seedlings. The compensation consists in the planting of seedlings in 10 to 25 times the number of endangered individuals removed in the expansion areas of CSN Mineração. The seedlings are planted in Areas of Permanent Preservation, Legal Reserves and degraded areas of properties acquired by the company to make these compensations, contributing to the improvement of the environmental quality in the region where the project is located.

At Presidente Vargas Steelworks (UPV), through Agreements signed with the City Hall of Volta Redonda (RJ) and ICMBIO, it was possible to make a series of investments in infrastructure improvements, protection, and forest densification in several conservation units.



Learn more in the topic **Biodiversity**

Air Emissions

GRI 103-2 | 103-3 | 305-1 | 305-2 | 305-3 | 305-4 | 305-5 | 305-6 | 305-7

Management of Air Emissions

In order to ensure air quality remains within the standards and does not pose risks to the population, CSN constantly monitors its air emissions in the unities where it is a significant theme.

At Presidente Vargas Steelworks, in Volta Redonda (RJ), there are three automatic and five semiautomatic air quality monitoring stations, in addition to weather stations, which contribute to efficient environmental controls and air quality indicators.

At UPV and at the cement plants in Volta Redonda (RJ) and Arcos (MG), this monitoring is carried out through isokinetic and continuous measurement, via automatic particulate and gas meters.

At UPV, data is reported in real time to the state environmental agency, which consolidates the information and discloses the Air Quality Index (IQA) to the community. To lessen and mitigate the air

pollutant emissions from fixed sources, we use the best environmental control technologies and Bag House and Electrostatic Precipitators Dust Collector Systems.

CSN Mineração operates four monitoring stations: two weather stations and two air quality stations. They are part of the Improved Air Quality Monitoring Network of Congonhas and Region, which also includes other mining companies operating in this municipality. The stations transfer data online, 24/7, to the supervisory centers of Congonhas Municipal Department of the Environment (SEMMA) and the State Environmental Foundation (FEAM), which approves the data and issues the Daily Air Quality Report.

The Automatic Air Quality Monitoring Network provides an integrated analysis in space and time, in addition to enabling us to verify our adherence to atmospheric particulate concentration standards, thus ensuring air quality in the surrounding area of CSN's operations.



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Standards analyzed by the Network

- **Total suspended particles (TSP);**
- **Inhalable particles (PM10 and PM2.5);**
- **Ozone (O₃);**
- **Sulfur dioxide (SO₂);**
- **Nitrogen oxide (NO);**
- **Nitrogen dioxide (NO₂), and**
- **Weather standards, including wind speed and direction, atmospheric pressure, rainfall, global solar radiation, relative humidity and temperature.**



Emission data presented refers to UPV, CSN Cimentos (Arcos and Volta Redonda) and CSN Mineração, given that these plants record the most representative emissions. In addition, some of our other units do not have fixed emission sources:

UPV

- **TSP, PM₁₀, Ozone, Nitrogen dioxide, Sulfur dioxide and Carbon monoxide:** 100% of the monitoring points in compliance with legislation.

CSN Mineração

- **Total particles, Inhalable particles (PM10) and Inhalable particles (PM 2.5):** reduction in all six monitoring points and 100% in compliance with applicable legislation.
- **Ozone, Nitrogen dioxide and Sulfur dioxide:** reduction in the monitoring point and 100% in compliance with applicable legislation.

Climate Change and Greenhouse Gases Management

GRI 201-2 | 305-1 | 305-2

Climate change poses concrete challenges to society and this reality requires organizations to be in the frontline of climate action, preventing and mitigating their environmental, social and economic impacts on climate.

The Company monitors this change and assesses opportunities related to its activities, including consumption control, change in energy mix, new technologies, product improvement and technological innovations developed by CSN Inova.

It has been 10 years since CSN started making the inventory of its greenhouse gas emissions, which is verified by an independent third-party, in accordance with the guidelines of the GHG Protocol.

In addition, to reinforce its commitment before its stakeholders, it annually answers the Disclosure Insight Action (CDP) climate change questionnaire.

This information offers a basis to the Company's Carbon strategy and enables us to mitigate risks and adapt to climate change, improving the management mechanisms dedicated to the theme year by year.



Developments in CSN's Climate Management (2020)

- Adhered to the Global Compact's Climate Action Platform;
- Improved its CDP Climate Change score from "D" to "C", exceeding Latin-American and sector averages;
- Improved the calculation methodology for Scope 3 emissions at CSN Mineração;
- Received the Gold Seal of the Brazilian GHG Protocol for the sixth consecutive year; and
- 8% reduction in CO₂ emissions per ton of steel produced between 2018 and 2020.

In addition to providing better understanding and positioning in relation to the theme, these initiatives improve the relationship with stakeholders and prepare the Company for potential regulatory changes in the carbon market, among other competitive advantages.

For 2021, the Company's focus is to intensify its efforts dedicated to the Climate Agenda. To this regard, we already have a defined planning in different action pillars:

- **Creation of the Climate Group**, which will be comprised of employees from the Sustainability Office specialized in climate change and representatives of CSN Inova, directly reporting to the ESG Committee;
- **Mapping of climate risks and opportunities:** the proposal is to align its strategy with the guidelines from the Task Force on Climate-Related Financial Disclosure (TCFD), quantifying the risks and financial impacts of climate change on the organization;

- **Study on Carbon pricing scenarios;**
- The Cement segment will link the variable compensation of leadership positions to the **reduction of CO₂ emissions**. The scope of this strategy is to be expanded in the next evaluation cycles;
- **Feasibility analysis of several options to reduce emissions** using the Marginal Abatement Cost Curve (MACC) in the Mining, Steelmaking and Cement segments;
- **Establishment of Scope 3 emission reduction goals** by CSN Mineração; and
- **Reassessment of the level of ambition of the emission reduction goals** in the Mining, Steelmaking and Cement segments.

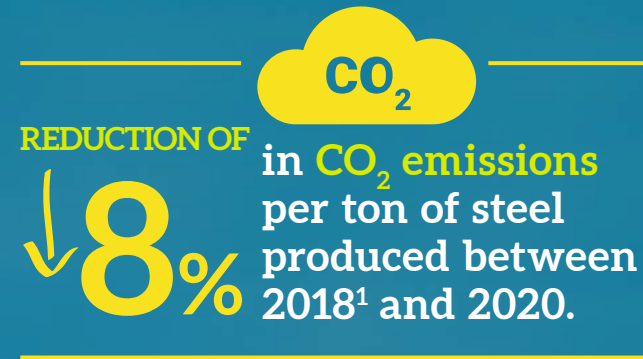
Emissions – UPV and CSN Cimentos

Almost **90%** of CSN Group's scope 1 emissions come from steel and cement production. The reduction in greenhouse gas emissions by Presidente Vargas Steelworks was mainly due to improved energy and operational efficiency in the steel production process. CSN's cement has one of Brazil's and the world's lowest CO₂ emissions, as it uses blast furnace slags (a co-product generated in the steelmaking process) as a replacement for clinker (raw material for cement).



Preservation area CSN Arcos (MG)

Greenhouse Gas Emission Data



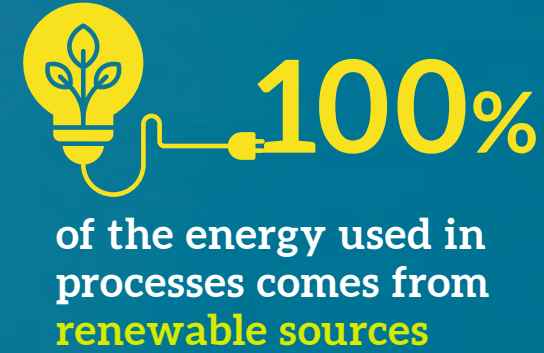
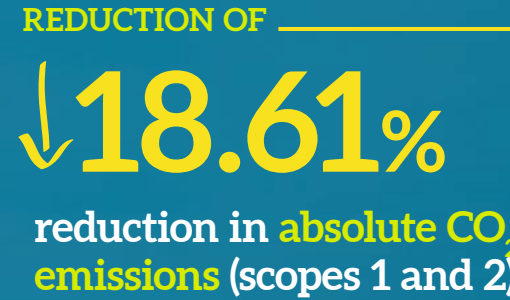
GHG Emissions Intensity UPV (WSA)



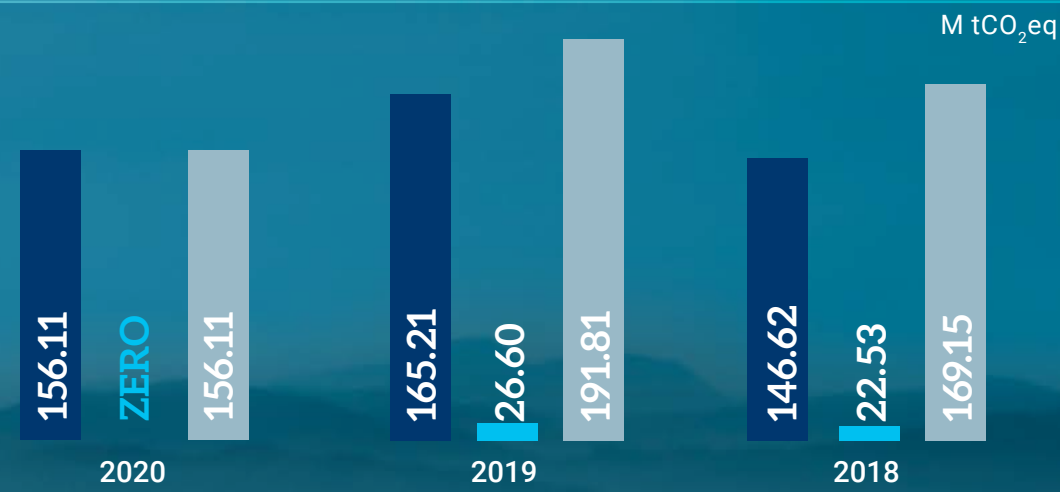
Note: This data includes sums of scope 1+2 per ton of steel produced by Usina Presidente Vargas.

1. Target base year.

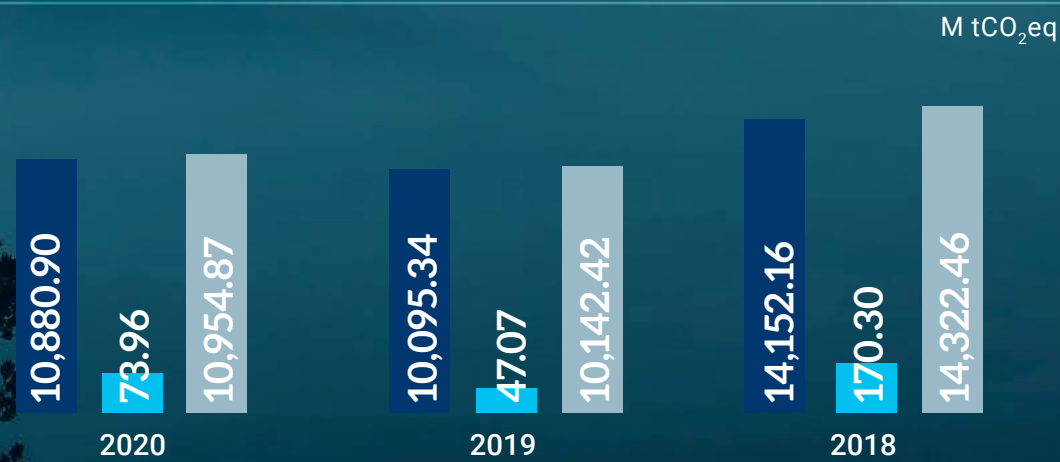
IN 2020, AT CSN MINERAÇÃO:



Scope 1 and 2 total emissions – CSN Mineração

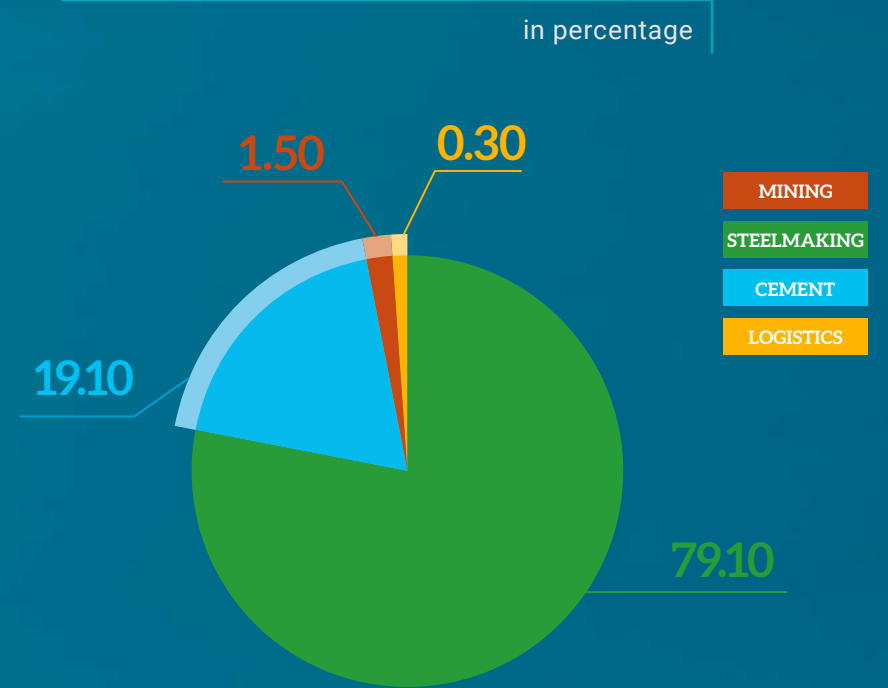


Scope 1 and 2 total emissions – CSN Group

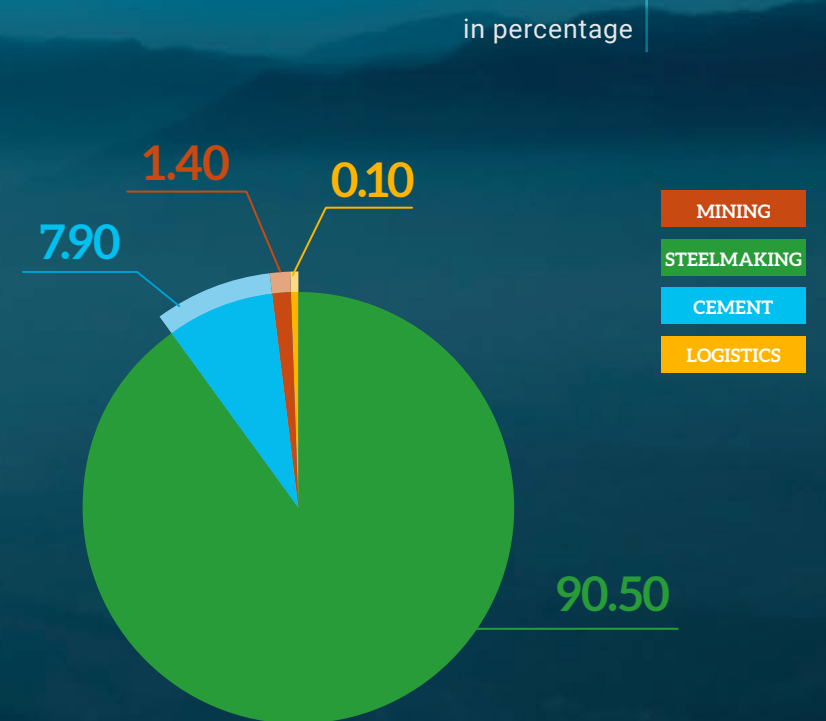


SCOPE 1 SCOPE 2 TOTAL

Scope 1 - per segment



Scope 2 - per segment



Mina Casa de Pedra Complex (MG)

Management of Dams

GRI 103-2 | 103-3 | 413-1 | 413-2

CSN Mineração is at the global forefront in the management of mining tailings by investing around R\$400 million in technologies that allow better tailings management with dry filtering and stacking. As a result, since the beginning of 2020, its production processes have become 100% independent of the use of the tailings dam.

The technology offers several advantages, including the reduction of environmental impacts, the improvement of safety in technical issues, and the reuse of a large amount of water present in the tailings, which are stored dry.

The Company's socio-environmental guidelines also comprise a robust system for monitoring still existing dams, such as Casa de Pedra, CSN Mineração's largest dam.

Despite its size, this structure is composed of compacted and resistant soil formed by clay and silt¹⁴, which provides an efficient drainage system, reduces liquefaction risks and the probability of internal ruptures. Additionally, the continuous management routines, external support, and internal audits reinforce the Company's controls over its structures, directly managed by the Dams Committee.



14. Rock fragments or detrital particles smaller than a grain of sand, which enter the formation of soil or sedimentary rock.

To ensure the independence of the analyses, all dams in the **CSN Group** are audited by a specialized third party, with the aim of certifying their stability and identifying any preventive measures needed.

In addition, the Dam Safety Plan and the Emergency Action Plans for Mining Dams (PAEBM) are implemented, in compliance with all the regulations established by the National Mining Agency (ANM) and by the competent environmental body.

For more details about Coordination and Emergency Response Plan, Detection Systems, Reading Analysis, Endoscopy Inspection, Instrument Automation, and Dam Safety Inspections, [access the 2020 Integrated Report of CSN Mineração](#).

For 2021, the goal is to advance the schedule for the decharacterization of CSN Mineração's remaining four dams. In this sense, we expect to

decharacterize, in the first quarter of the year, *Barragem Auxiliar do Vigia*, which will have its decharacterization process completed by the end of 2021. The two remaining dams will continue to be decharacterized by CSN Mineração in subsequent years.

In addition to the dams belonging to CSN Mineração, CSN holds, through Minérios Nacional, four other dams in the Fernandinho complex, located in Rio Acima (MG). These structures follow the CSN Group's dam management model, the same that guides CSN Mineração's practices. Two of them have already had their decharacterization completed, one will be kept for environmental control, and the last one will have its decharacterization completed by 2028.



2020 was marked by the completion of the decharacterization process of B5 Tailings Dam, the Fine Containment Bay, called Bay 01, and the Dam installed in the Poço Fundo stream at Casa de Pedra mine. In addition, 80% of the decharacterization work on Barragem Auxiliar do Vigia, located in the Pires Complex, was completed.



Community members visit the Casa de Pedra dam

CSN Mineração

- **Comitê Comunidade (Community Commitee)**
 Aiming to discuss demands, hear complaints and suggestions to improve socio-environmental aspects and impacts, it establishes a schedule of bimonthly meetings with several representatives of the public authorities and communities.
- **Casa de Apoio CSN**
 Located in Congonhas (MG), an important communication channel with the community.
- **Environmental Education Program (PEA)**
 It works on a monthly basis regarding relevant environmental aspects with internal and external stakeholders. As a result, it promotes the development of collective awareness and contributes to environmental preservation in the area where the Company operates.

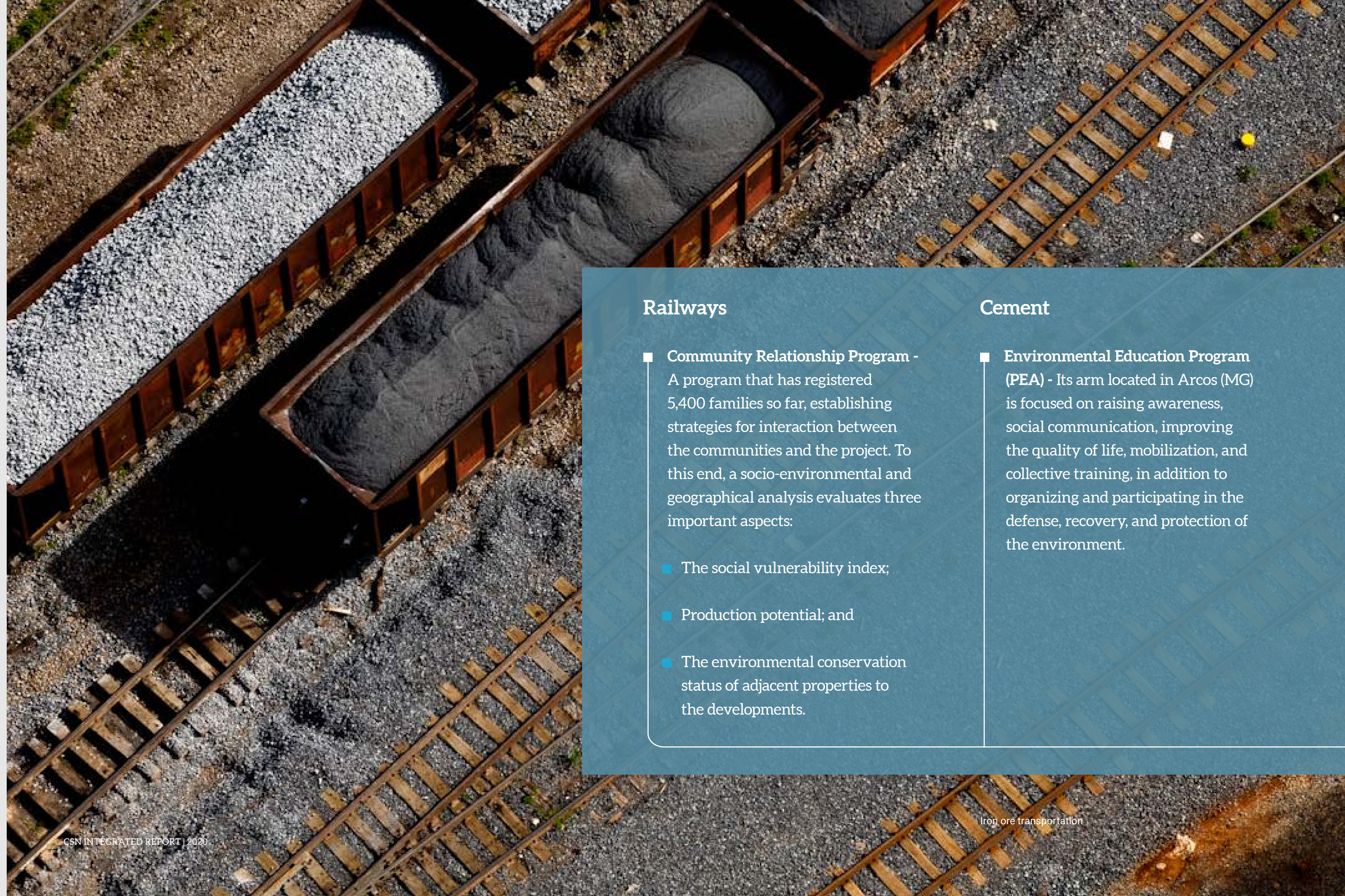


Relationship with the Community

GRI 103-2

The New Sustainability, Environment, Occupational Health and Safety Integrated Policy outlines CSN's model of operations with the communities: "To communicate clearly, transparently and timely its performance in issues related to the environment, occupational health and safety and its social action, striving to maintain a relationship based on dialogue with local communities, reconciling the feasibility of its business with local development, materialized by investment in social and environmental programs and projects that contribute to environmental conservation and the improvement of living conditions in the places where we operate."

Participant in the Environmental Education Program



Railways

- **Community Relationship Program** - A program that has registered 5,400 families so far, establishing strategies for interaction between the communities and the project. To this end, a socio-environmental and geographical analysis evaluates three important aspects:
 - The social vulnerability index;
 - Production potential; and
 - The environmental conservation status of adjacent properties to the developments.

Cement

- **Environmental Education Program (PEA)** - Its arm located in Arcos (MG) is focused on raising awareness, social communication, improving the quality of life, mobilization, and collective training, in addition to organizing and participating in the defense, recovery, and protection of the environment.



I joined the Company in 2010 as an intern. Two years later, I was hired as a permanent worker. The internship program is one of the many opportunities for career development that the Company offers to its employees. The best thing about this is that I am still here, which proves that CSN's position of valuing the professional career is confirmed by the Company's culture. I have received several recognitions; I was hired as a junior engineer and now I am a senior engineer.

*Pedro Paulo Alves Ramos, senior engineer at CSN
Mineração's project department.*



HUMAN CAPITAL

Protect, Inspire,
Develop, Include
and Empower



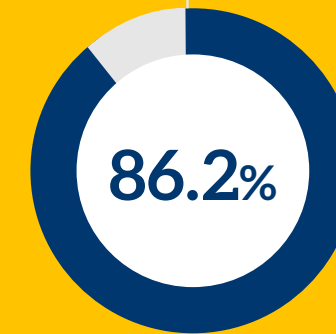


23,196
Total Employees
in 2020

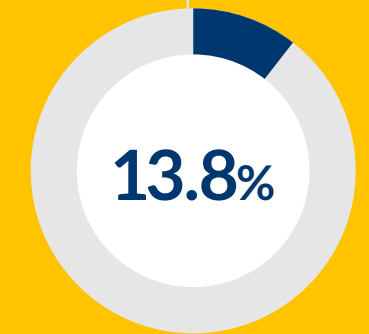
43.4%
increase in women
serving on the Company's
governance bodies
compared to 2019*



Male
20,007



Female
3,189



32.6%

male turnover
fell from the
previous year



42.8%

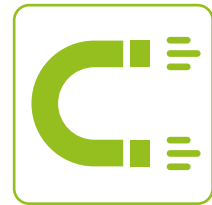
female turnover
dropped from the
previous year

*Includes Board Members, Executive Officers and acting Officers in the period.

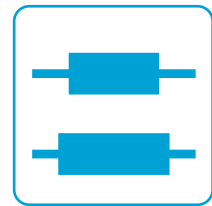
The Year

GRI - 103-2 | 103-3

The **CSN Group's** People Management model is based on five pillars:



Attract



Align



Evaluate



Develop



Reward



Attract

We are looking for people at different levels and profiles who identify themselves with our culture and values and want to contribute to the Company's growth.



Align

We engage our employees with our culture, Mission, Vision, Values, and Code of Ethics, through corporate initiatives and programs.



Evaluate

We encourage the professional and personal development and self-knowledge of our employees, in order to strengthen their competencies and the meritocracy culture.



Develop

Our employees' progress contributes to fostering internal success and to contribute towards CSN's history.



Reward

We reward employees who perform exceptionally well and offer them opportunities for growth based on their results.

People and Management

GRI - 102-7 | 102-8 | 404-21 | 404-31 | 412-2

In 2020, the People and Management Department invested more than 229 thousand hours in training and launched *Ciclo de Gente*, a program in which employees could participate in feedback sessions with their manager to assess their professional moment and career expectations, after the results of competency assessments.













In order to ensure employee development could occur with full safety in a pandemic year, mandatory training was undertaken with all the protocols recommended by the health authorities: distancing, reduced work hours, open and ventilated spaces, use of masks and regular sanitization, and many trainings were offered online.

We held the First ESG Week on December 9, 10, and 11, with a diversified virtual schedule for employees, the community, and investors. In this first online event, we showed to the participants the meaning of the acronym ESG and its significance globally and to CSN. We highlighted that the new agenda of corporate commitments, with environmental, social, and governance themes, establishes not only goals, but also possible indicators of corporate practices and goals.



CSN Group Training

GRI 404-1

Level	2018				2019				2020			
	Gender		Average		Gender		Average		Gender		Average	
	 F	 M	 F	 M	 F	 M	 F	 M	 F	 M	 F	 M
Administrative	1,914	1,206			3,499	2,491			993	1,534		
Senior management	85	991			93	1,527			18	478		
Operational	17,073	220,280			35,739	315,329			11,174	155,184		
Coordinator/Supervisor	1,643	23,142			2,480	22,363			584	10,330		
Board of Executive Officers	15	54	11	15	30	134	18	19	3	70	5	8
Engineering/Specialist	2,673	11,589			4,196	14,626			1,485	7,288		
Manager	501	3,143			708	5,571			112	1,281		
Higher education	4,404	3,869			7,537	5,762			1,985	2,222		
Technicians	5,517	46,792			6,685	47,224			3,240	31,650		
Total by gender	33,825	311,066			60,967	415,027			19,594	210,037		
Total average	14,55298		15 hours		191,4005		19 hours		989,9595		10 hours	

6. Data above does not represent all training provided by the CSN Group, given that, due to the pandemic, several training courses were held online, which does not allow us to classify participants by gender and operational category.

Competence Assessment and CSN Leader

GRI 404-2

On December 1, we launched *Ciclo de Gente*, an important moment for all leaders and employees, and for the Company. It consists of the following steps: Evaluation, People Balancing, Feedback, Career & Succession, IDP Design and Development.

Leaders' role in this process is key. They are responsible for the team's development, helping make members the best professionals they can be, and thus ensuring people's growth and CSN's perpetuity through the career & succession program.



For CSN, being a leader means:

“To act as the business owner, giving your best with resilience and creativity in solutions. It is having an ethical and transparent attitude, guiding, developing and engaging your team in the pursuit of the best results to ensure the perpetuity of the business.”

The Competence Evaluation was rewritten to include the 360°, 180° and 90° model, as follows:



360° Assessment

[Executive Officers; Officers; General Managers and Managers; Self-assessment; Immediate Supervisor; Peers; Team; Customers | Internal Suppliers];



180° Assessment

[Coordinators and Supervisors; Self-Assessment; Immediate Supervisor and team];



90° Assessment

[Specialists; Senior Level; Administrative and Operational Level, Self-Assessment and Immediate Supervisor]

School of Leaders

Since 2011, the School of Leaders has been developing current and potential leaders, which ensures practices aligned with the professional role expected at each level of operation. In 2020, we were joined by the Group's CEO, Benjamin Steinbruch. In addition to showing what is expected of a CSN leader, we explained the concept of "Employee Journey" by

strengthening the strategic pillars for all our leadership (Officers, General Managers, Managers, Coordinators, and Supervisors). There were three online meetings where the words feedback, development, and follow-up were heard repeatedly. After all, to have a strong, cohesive team that is ready for upcoming challenges, we need a culture of feedback and constant learning.



Corporate employees



Initiatives and Programs

GRI 404-2

To ensure perpetuity, we value our employees and prioritize growth opportunities and career advancement, by means of structured actions and programs:

Programa Capacitar (Technical Training Program)

Developed in several of the Company's units, in partnership with Senai or the CSN Foundation, the program offers opportunities for new professionals to join the Company.

Internship Program

A program maintained by CSN to develop professional and personal skills and competencies of young people in the communities where it operates, preparing them for the labor market. Young people receive vocational information and monitoring for guidance on career progression. We also train Mentors and Internship Advisors, so our professionals can welcome new employees and interns.

In-House Trainee Program

To develop the capacity of trainees and ensure the retention of these young talents. Those who are selected go through a training period that includes technical visits to our production units and corporate areas, for example. The young people are allocated to strategic areas to carry out projects and learn new roles.

Diversity and Inclusion

GRI 405-1

We maintain an inclusive and respectful environment, and oppose all forms of discrimination and harassment. We believe that Diversity fosters and ensures the future of our business.

In 2020, we created new technical positions and included women in operational leadership positions, therefore increasing the

percentage of females in our workforce. We have established the goal of reaching 28% women in the Company by 2025, reinforcing our commitment to gender equality.

We understand that Diversity fronts transcend the gender issue and, aiming to include everyone, the Company created affinity groups composed of volunteer employees to carry out projects and initiatives on five pillars: ethnic, gender equality, people with disabilities, employability 50+ and LGBTQIA+⁷.



Employees in CSN's steelmaking process

In addition to Diversity initiatives to attract new employees, the Company has been fostering the access of these people to leadership positions⁸.

In 2018, **9.7%** of our leaders were women. In 2019, this figure moved up to **10.2%** and, in 2020, it reached **10.7%**.

Regarding ethnic Diversity, minority groups comprised **29.1%** of the Company's leadership positions in 2018, **30.8%** in 2019, and **31.6%** in 2020.



7. L (lesbian), G (gay), B (bisexual), T (transsexual, transgender and transvestite), Q (queer), I (intersex), A (asexual), + (other gender identities).
8. For CSN, leadership positions are those three employment categories below the CEO: Officers/ Executive Officers; Managers/ general managers; supervisors/coordinators.

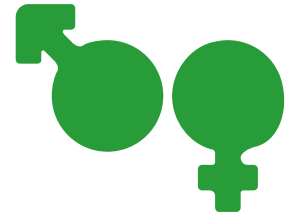
Initiatives in the Period

- *Programa Capacitar*, exclusively for women.
- Black people development: conclusion of SENAI course
- Women's development: conclusion of SESI course.
- Delivery of dressing rooms and start of new construction works.
- Promotion of first women into operational leadership positions.
- TV disclosure of statements from women and black people, with accounts of their participation in the Company's programs.

Always aiming to act according to the best social and Governance practices, in 2021, CSN plans to create the Diversity and Inclusion Department, which will lead CSN towards ambitious goals: in addition to increasing the representation of gender, race, and people with disabilities; building and accelerating attraction and development programs; fostering Diversity, especially in leadership positions; and investing in inclusion, with initiatives directed at education and corporate culture.



UPV employee



We understand that the Diversity fronts transcend the gender issue and, in order to include everyone, the Company created affinity groups composed of volunteer employees to contemplate, through projects and actions, five fronts: ethnic-racial, equality of gender, people with disabilities, employability 50+ and LGBTQIA+

Programa Incluir (Inclusion Program)

Ten years ago, we implemented *Programa Incluir* to reinforce Diversity in our Company and to value inclusion. We hired new professionals with physical or mental disabilities. In addition, every year, on the International Day of Persons with Disabilities, we reinforce the value of inclusion through actions that seek to make all employees aware of the importance of valuing and professionally recognizing people with disabilities.

CSN inclusion initiatives

- In partnership with the National Service for Industrial Training (Senai), Prada Distribuição offers a development program for young apprentices who are beginning their professional career.



- CSN Mineração maintains a partnership with the Brazilian Social-Security Institute (INSS) of Congonhas and Conselheiro Lafaiete (MG) to provide professional rehabilitation training.



- In the city of Volta Redonda (RJ), together with Escola Técnica Pandiá Calógeras (ETPC), we conduct recruitment processes to hire new professionals with disabilities.



- At the CSN Araucária Unit, we have employees with disabilities in all departments.



- In CSN Cimentos' Arcos Unit, we have a partnership with INSS, the Association of Parents and Friends of Persons with Special Needs (Apaef) and the Hearing and Speech Impairment Association of Alto do São Francisco (Asasf), with the purpose of evaluating resumes, holding meetings at the associations and receiving their representatives at the Arcos unit.



Compensation and Benefits

GRI-102-38 | 202-1 | 402-1 | 401-2 | 407-1 | 405-2

We aim to compensate employees in line with the complexity of their roles and performance, pursuant to the labor market. The individual salary is based on the qualifications, competencies, and skills required performing the activities. The compensation policy is exclusively based on technical criteria and no form of discrimination against the occupant of the position is allowed.

We use a variable compensation methodology based on the Company's results, paid through an annual Bonus Program. In addition to compensation compatible with the market, employees receive benefits higher than legally required, as per agreements signed with their respective unions.

The same applies to temporary employees; the benefits are identical to those of an employee with an indefinite contract. Young apprentices and interns, who are considered part-time employees, do not receive certain benefits. For example, day care assistance, pension plan, school kit, food vouchers, and dental plan.

The benefits related to maternity and paternity leaves are in accordance with national legislations. 100% of employees are entitled to leave and, in the last three years, 100% of employees have returned after their leave ended. In 2020, **156 women** and **831 men** benefited from this right. Retention rates for employees returning to work after leave were: 75% for women and 88% for men in 2018; 68% for women and 92% for men in 2019⁹.



Maternity and paternity leave

In 2020, **156 women e 831 men** benefited from this right. Retention rates for employees returning to work after leave were: **75% for women and 88% for men in 2018; 68% for women and 92% for men in 2019.**



See more details of GRI 401-3 in the Annex, page 19.

9. Not all people who went on leave on 2020, and have returned yet. Therefore, we will report the rates next year.



Steelmaking employee

CSN respects the right of free association of all its employees. Collective bargaining agreements are negotiated directly with the unions and any operational changes are explained to employees by their direct leadership, newsletters, and general meetings.

In the **CSN Group**, over the past three years, the ratio between the total annual compensation¹⁰ of the organization's highest paid employee and the average annual total compensation of all employees - excluding the highest paid employee - was higher than 30 times.

The Company respects and understands the importance of the role of the unions with which it maintains relations, in compliance with the legislation in force. The agenda addressed in the collective agreement include: health care plan, guaranteed job and salary for pregnant employees, communication to the union about accidents, rules concerning the Internal Commission for Accident Prevention (CIPA)¹¹, joint efforts for prevention and treatment of chemical dependency, hazard pay etc.

100%
of employees and
contractors are
represented by their
respective unions.

10. Total compensation calculation includes base salary only.
11. CIPA – Internal Accident Prevention Commission – aims to prevent accidents and occupational diseases.

Pension Plan and Social Security

GRI 201-3

The company offers the Retirement Preparation Program as guidance to employees by means of lectures and dynamics with retired people and community groups, about the preparation of new life plans.

The Program supports employees in their planning for retirement with topics related to this change, including preparing a new life project, transferring knowledge, and preparing the leadership to guide and support people. The

initiatives are carried out in partnership with CBS Previdência, a pension fund for the Company's employees that aims to manage its assets efficiently and transparently. Currently, the retirement plans provided by CBS have 33,821 participants. The monetary unit used as a basis for establishing participant and sponsor contribution levels is the Social Welfare Units (UP) and each unit totals R\$3,000.00.



UPV Volta Redonda (RJ) employees

Health and Safety

GRI 103-2 | 103-3 | 403-1 | 403-2 | 403-3 | 403-4 |
403-5 | 403-6 | 403-7 | 403-8 | 403-9 | 403-10

One of CSN's values is Respect for Life. We promote a preventive approach and safe behavior through our Health and Safety Management System to ensure that rules and standards are met at a corporate level. In 2020, we combined the Safety Policy into the Sustainability, Environment, Health and Safety Policy and revised the Occupational Health and Safety Management Manual, reinforcing the role of leadership in reporting the results to their subordinates, outsourced companies and CSN's Board of Directors through Committees and Meetings, as well as ensuring the enforceability of the items recommended in the Management Manual. Thus, we keep all the teams in their organizational line with safety and health in their work activities.



UPV employee

The Safety Management System is based on ten elements that guide the actions of all the Group's employees:

-  **Commitment and Leadership**
-  **Communication**
-  **Standards and Procedures**
-  **Behavioral Management**
-  **Risk Management**
-  **Change Management**
-  **Legal Requirements**
-  **Planning**
-  **Supplier and Service Management**
-  **Competence and Skill Management**



To ensure that Health and Safety management is monitored by the Company's Senior Management, we have established weekly reports for all Executive and Operational Officers with key information to follow up on immediate results, such as weekly rates and highlights.

In addition, there is active participation of the Safety Committees, which represent 100% of our employees. The main duties of the Committees are: to monitor the evolution of the targets, objectives, and performance indicators of the operating units; to deploy the activities of the related operating units; to promote critical analysis of the performance and the occupational safety management system; to discuss incidents and best safety practices; and to insert corrective and preventive measures into the system based on the results presented.

Each unit has a written procedure that ensures employees the right to refuse to work if any situation of serious and imminent risk of accident is identified.

In all units, the "Gestão a Vista" boards, placed in strategic locations, present relevant information and guidance on the topic to employees and visitors.

For CSN, it is essential that there is an engagement process with its stakeholders on Health and Safety issues. As a result, in 2020, the Internal Workplace Accident Prevention Week (SIPAT) was held in an online and integrated manner for the first time and had 6 thousand views. There we offered several lectures with experts to our employees and partners. We also sought to establish a clear and transparent flow in the processes of receiving, recording, and responding to communications received from specific external stakeholder forums.

Health promotion programs:

- Alcohol and Drug Prevention Program;
- *Programa Despertar*;
- Workplace Exercise Program;
- Quality of Life Program;
- Mobile Medicine;
- Skin Health Program;
- Anti-smoking Program; and
- Social Assistance and Management of those removed by the INSS.



For more details click here and see Annex GRI - 403-9, page 20.

We are committed to maintaining the Health and Safety of our employees through adequate initiatives and in compliance with legislation, risk control, and prevention of injuries and illnesses, which are monitored by several preventive health and safety programs.

We offer our employees a health plan and the VIVA+ Program, with initiatives that encourage health monitoring and a better quality of life. Through these initiatives monitored by the Health and

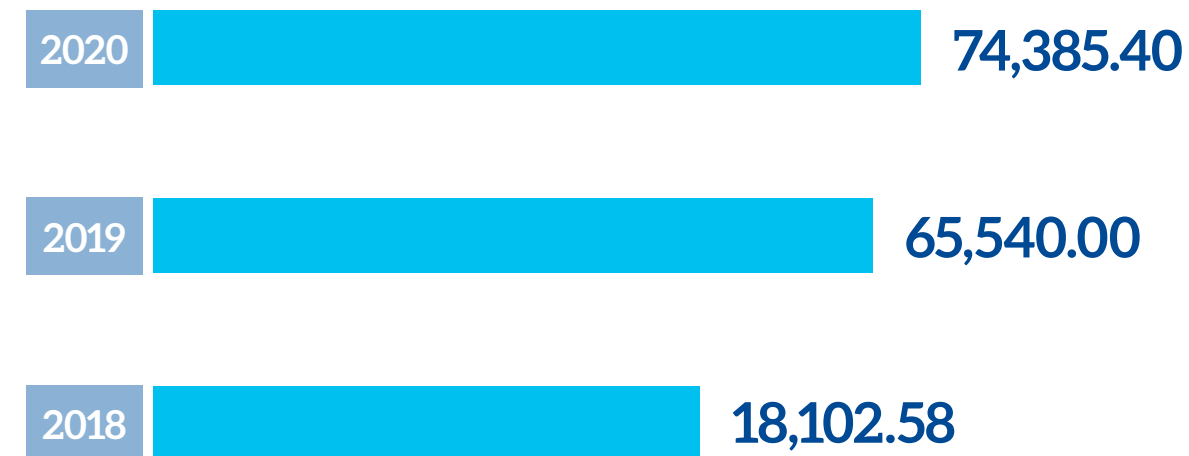
Safety Committee, we highlight the importance of monitoring diabetes and hypertension, and preventing breast and prostate cancer, for example.

In addition, we provided training for 100% of our employees, increasing awareness of the Company's health, safety and environmental criteria, as well as discipline in complying with operational procedures, thus preventing accidents.

Training

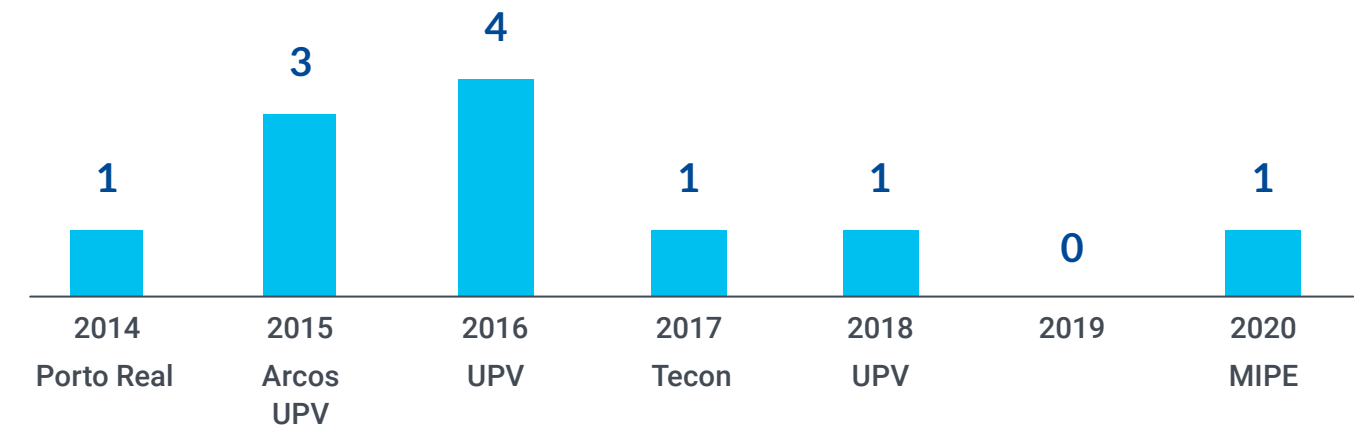
GRI 403-5

in hours

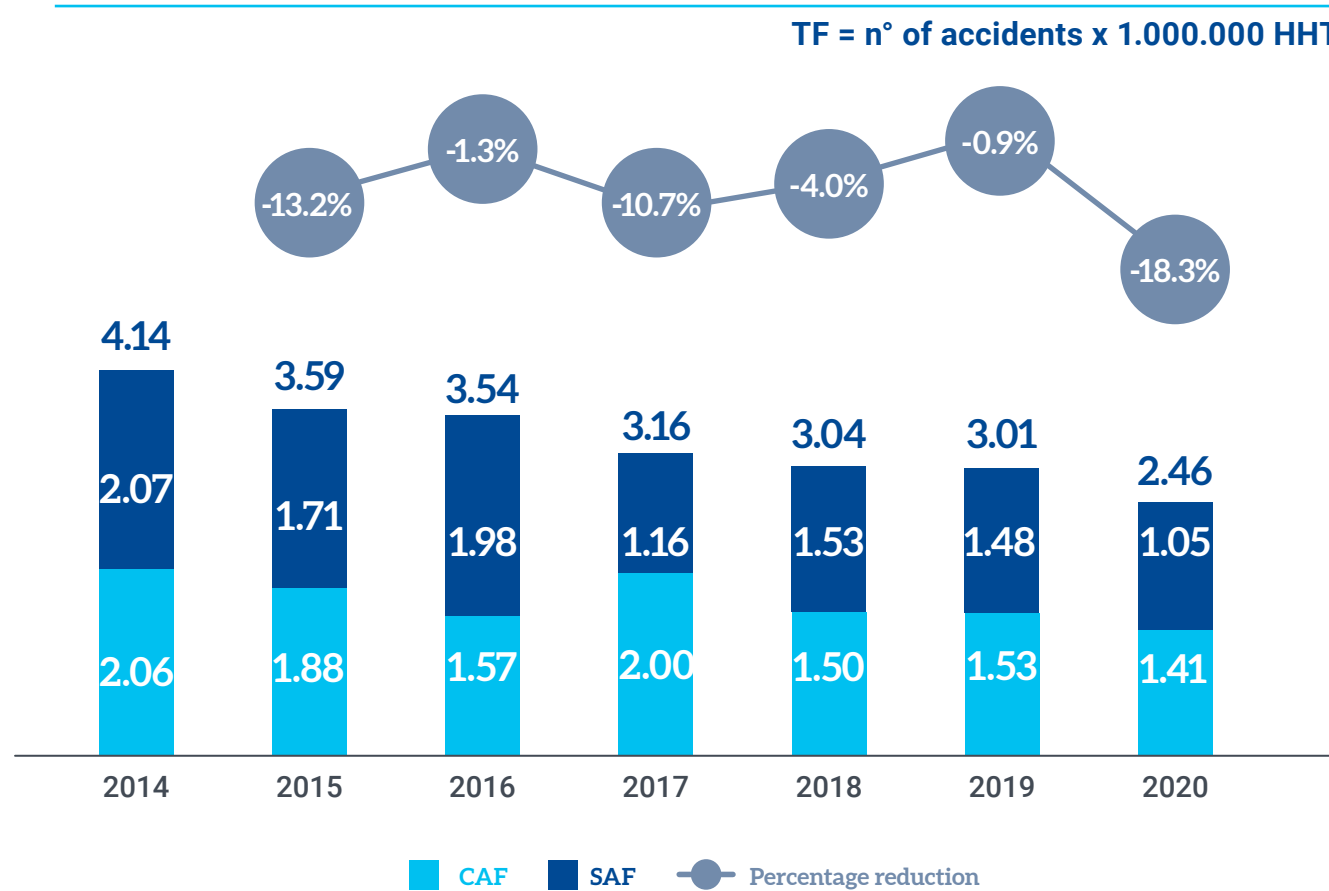


In 2020, we set a new milestone in the **CSN Group**: we recorded the lowest historical level of our frequency rate (CAF+SAF - accidents with or without absence). There were 2.46 accidents/million man-hours, an 18.3% reduction from 2019. This is the best rate in the last seven years, since this data began to be collected on a corporate basis.

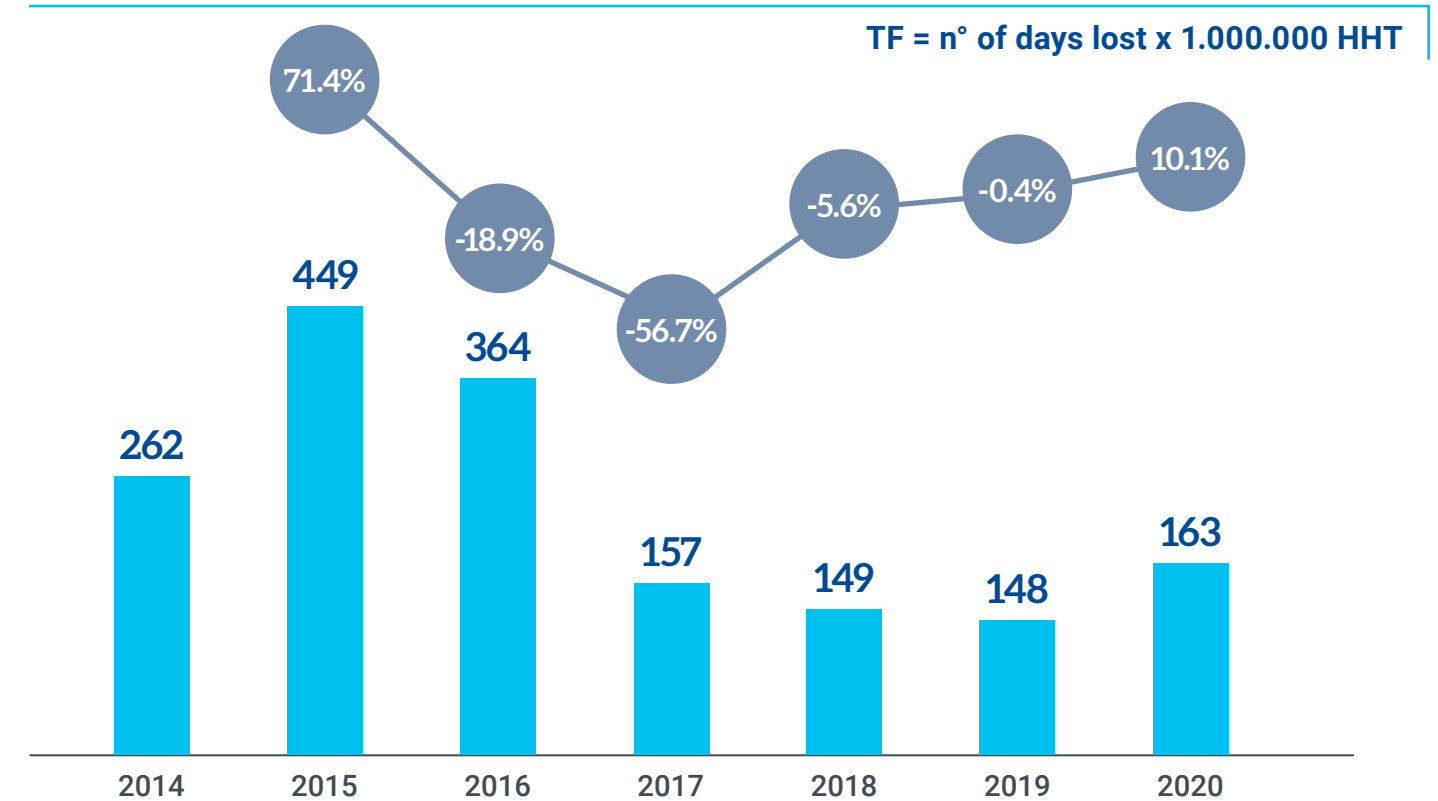
Group fatalities



Frequency rate (CAF + SAF)



Severity rate





Click here for information about the initiatives to combat COVID-19.

Throughout the year, there was an increase in the accident severity rate, an indicator significantly impacted when fatalities occur. This result is a contrast to the significant improvement in the other safety indicators, given that CSN continuously strives to promote a safe work environment for all employees.

Despite all these measures, we regret to have recorded one fatality in 2020, at Minérios Nacional unit. An outsourced employee suffered a fatal accident while driving a truck.

The company promptly adopted all the necessary measures to support the family members, in addition to investigating the possible root cause of the accident to make the necessary adjustments in terms of process and awareness, preventing similar risks from being incurred in the future. By 2021, we expect to return to the zero fatalities figure recorded in 2019.



There were 2.46 accidents/million man-hours, a reduction of 18.3% compared to 2019. This is the best rate in the last seven years, since this data started to be compiled in a corporate manner.



Mining

29.6% reduction in (CAF+SAF), TECAR is a highlight, having ended the year with a **45% drop in** the accumulated number of accidents (CAF+SAF) and **66% reduction in** the severity rate, **the best indicators in the last 7 years.**



Steelmaking
26% reduction in
(CAF+SAF).



**Logistics/
Railways**
significant
drop of 38% in
(CAF+SAF).



Cement
44.6% drop in
(CAF+SAF), becoming a
benchmark in
safety in Brazil.



The knowledge of CSN's team processes and I.Systems' AI technologies are addressing long-standing issues and bringing great results. This partnership model will more quickly bring CSN into Industry 4.0.

Igor Santiago, co-founder and CEO of I.Systems, a startup that is finalizing a pilot project with CSN.



INTELLECTUAL CAPITAL

Innovation and
Protagonism

The Year

GRI 103-2 | 103-3

For eight decades, CSN has been developing research to offer processes and products that meet the expectations of our stakeholders. Innovation has been part of this strategy since the beginning, when we were the first steel company in the country to produce coated and prepainted steel, for example. We seek innovative action in all segments by means of **CSN Inova** and the Research and Development Center.

In this period, **Inova Open** consolidated its methodology for capturing and conducting projects, reached scale in the number of initiatives conducted, and generated an increase in operating income. An investment vehicle was structured with thesis that strategically position **Inova Ventures** in the innovation ecosystem - aiming to invest both in startups that can leverage CSN's current (core) operations, and in disruptive

opportunities to access new markets, in order to build greater resilience and adaptability for the **CSN Group**.

The newly established **Inova Bridge** has already changed the way CSN communicates Sustainability and Innovation initiatives and will mediate the process of building core ESG projects for the **CSN Group**, either together with the CSN Foundation and the Sustainability Office, or by implementing ESG risk measurement methodologies in Inova Open's activities and in **Inova Ventures'** investment processes.

The year was also characterized by **CSN Inova's** approach to institutes, universities and development agencies. The main result of this approach is associated with the approval of funding with FINEP¹⁵ to conduct projects related to the different themes addressed by the area.

15. The Funding Authority for Studies and Projects (FINEP) is a Brazilian public company that fosters science, technology, and innovation in companies, universities, technological institutes, and other public or private institutions. It also supports the incubation of technology-based companies, the implementation of technological parks, the structuring and consolidation of research processes, development and innovation in established companies, and market development.

Based on the evidence of the value generated by the connection with the innovation ecosystem, experienced in the previous year, 2020 was marked by the formalization of **CSN Inova's** purpose, goal, and operational pillars:

- **Purpose** - To turn challenges into opportunities.
- **Goal** - To strategically and actively position CSN in the innovation ecosystem, with the introduction and implementation of new tools and ideas, with results distributed in the short, medium and long terms, aiming for the Group's operational sustainability and generating new sources of revenue and new business opportunities.
- **Operating Pillars** - These are established according to CSN's essence: **Doing well, Doing more and Doing Forever (Fazer bem, Fazer mais e Fazer para sempre)**.



FAZER BEM (DOING WELL) - **Inova Open** identifies the Group's main challenges and conducts projects based on new technologies and tools that bring measurable improvements, in addition to contributing to implement solutions at scale;



FAZER MAIS (DOING MORE) - **Inova Ventures** builds strategic and financial opportunities by acquiring stakes in startups;



FAZER PARA SEMPRE (DO IT FOREVER) - **Inova Bridge** executes and follows up on challenges and projects related to ESG factors and leads the communication of **CSN Inova**.



CSN Inova

Established in 2018, CSN Inova was created to lead the innovation process of the Company, in order to enable the execution of innovation projects by people with various skills and from different areas of expertise. This new methodologies address challenges, contribute to the Company's digital transformation towards Industry 4.0, add value to our assets, and creates new business opportunities.

Through an open Innovation and Sustainability process, CSN Inova connects employees' ideas to startups, universities

and other agents, such as the Brazilian Association of Private Equity and Venture Capital (ABVCAP) and Endeavor, an important worldwide entrepreneurship network. Therefore, it becomes possible to test, simulate, and implement these ideas in the Company.

In its first cycle of operations, CSN Inova obtained results that allowed for its expansion. Thus, it broadened its scope of operations and extended it to other Group segments, scaling up the Innovation methodology.

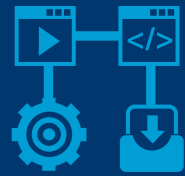
Among the main themes conducted in 2020 by CSN Inova, the following stand out:



Operational sustainability - new technologies for water treatment and waste processing, use of hydrogen in the production process of cement and steel, use of graphene in steelmaking, among others; and



Commercial innovation - evaluation of new processes and fintech technologies to enable credit limits for small construction material stores; evaluation of artificial intelligence models to forecast demand and optimize equipment allocation.



Inova Open

Process Optimization and Operational Efficiency

With the consolidation of its methodology for Innovation Management and Open Innovation, Inova Open responded to the challenges related to the themes of Commercial Innovation, Operational Sustainability, and Development of its Product and Service Portfolio. The challenges include the evaluation of new payment and financing technologies for customers and suppliers, technologies for waste treatment and reuse, reduction of fossil fuel consumption, and optimization of logistics processes. The operating result obtained by the initiatives conducted in 2020 exceeded R\$15 million during the pilot period.

In 2020, there were 22 initiatives seeking to solve 10 strategic challenges of different CSN business units.



Inova Ventures

New Revenue Sources

As an outcome and continuity to CSN Inova's innovation strategy, the investment vehicle emerged to help CSN transform and perpetuate operations. Inova Ventures is the first Brazilian investment vehicle focused on Industry 4.0.

It aims to invest in startups that have potential synergies with the company's operational and corporate challenges. In 2020, Corporate Venture Capital prospected around 300 startups in three main investment theses:



■ New materials and disruptive technologies;



■ Renewable energy sources and energy efficiency; and



■ Circular Economy and Sustainability.

As a strategic investor, Inova Ventures fosters the entrepreneurial ecosystem by helping startups scale their products, test their technologies, obtain financial resources (Smart Money), and, as a unique advantage, access the CSN Group's technical team for business mentoring.



Inova Bridge

Culture and Sustainability

It aims to link CSN's core essence - "**Doing well, Doing more and Doing forever**" ("Fazer bem, Fazer mais e Fazer para sempre") - to the principles of the ESG agenda. Thus, jointly with the Sustainability, Environmental, Occupational Health and Safety Office, the initiative maps out the relevant projects that incorporate the Company's day-to-day activities and its commitment to Environmental, Social, and Governance principles. Inova Bridge is also a bridge for Innovation and Sustainability, working between the different areas of the Group, as well as envisioning the possibility of impact on national development and the strategic opportunities in the future market.

2020 has set the stage for the formation and consolidation of the area's strategic plan and performance. As part of this structuring, a communication plan for information related to the ESG agenda was developed. These include the launch of a website focused on Environmental, Social and Governance information, and the organization and execution of an ESG week at CSN, accompanied by lectures with the participation of the Group's executive officers and external guests.

Technology and Innovation

GRI 103-2 | 103-3

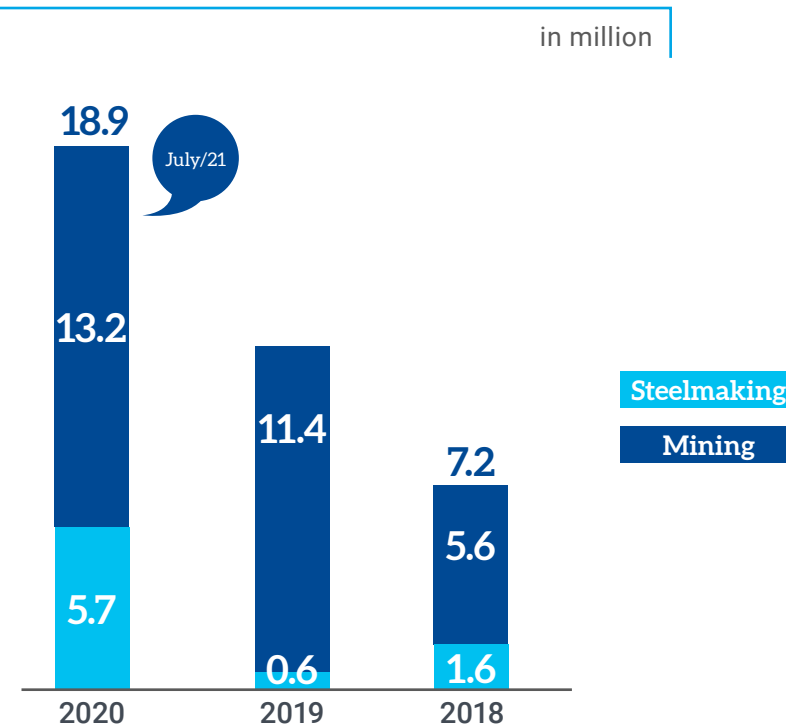
CSN is constantly improving its processes and frequently promotes tests and simulations of new materials that meet the demands of the automotive, white goods, metal packaging, industrial, and distribution sectors. The Company produces and supplies innovative steel and solutions that provide customers with reduced cost and increased competitiveness.

It is a pioneer in the use of filtering and stacking technologies for dry tailings generated in the iron ore production process. By 2020, 100% of iron ore production was handled without the use of tailings dams. Approximately R\$250 million have been invested in the two tailings filtration plants, which have a combined total filtration capacity of 9.0 million tons/year.

Projects

CSN also invested in innovation projects in the Mining and Steelmaking segments, which are evaluated annually. The expenses related to these projects are classified according to the technological innovation concept described in the legislation and are deducted from the calculation basis of the Income Tax and Social Contribution on Profit, pursuant to the rules and limits set forth in Law 11,196/2005, the so-called “Law of Good”. Expenses that benefited from this law totaled the following amounts:

R&D expense benefited



CSN is a pioneer in the use of filtering and stacking technologies for dry tailings generated in the iron ore production process.

Mining Hub

Companhia Siderúrgica Nacional is associated with the Mining Hub , an Open Innovation initiative for members of the mining chain to transform the culture and contribute to improving the reputation of the sector.

The initiative brings together the main mining companies operating in Brazil, suppliers and relevant institutions such as the Instituto Brasileiro de Mineração – IBRAM (Brazilian Mining Institute) and the Fundação Dom Cabral (Dom Cabral Foundation).

Five Programs

M-START – development of solutions for common challenges selected by the associated companies by means of Proof of Concept (POC);



M-SPOT – development of solutions for internal and specific challenges of an associated company;



M-IMPACT - works on inclusion, diversity, entrepreneurship, and other projects that can impact the industry and transform culture;



M-CONNECT – relationship program with startups and innovation projects that do not fit - or were not selected - within the M-Start challenges; and



M-HUNTING – In this program, startups apply to address specific challenges in each of the support areas worked on by the Strategic Groups.



Learn more at
www.mininghub.com.br



Information Security

GRI 103-1 | 103-2 | 103-3 | 418-1

The CSN Group includes an Information Security area, which is part of the Information Technology Office, a structure that reports directly to the CEO. Its mission is to maintain and improve the entire Information Security Management System (ISMS) through best practices and globally recognized frame-works such as ITIL, COBIT and ISO 27001.

The Company has processes and infrastructure for preventing and/or responding to cyber attacks and, vulnerability analyses are often performed, including intrusion tests.

All controls are carried out pursuant to the guidelines established in policies and procedures, which allows employees to work in a safe manner. In addition, all employees are oriented on the use and protection of personal and Company data.

In addition, we are annually audited for SOx¹⁷ controls and our datacenters are hosted with an external provider that has certifications such as ISO/IEC 20000, ISO/IEC 9001, ISO/IEC 27001, ISAE 3402.

In 2020, a complaint received from external parties and substantiated was registered; no complaints filed by regulatory agencies and an identified case of data leakage, theft or loss, caused by the improper configuration of a project on the CRM platform.

Virtual Assistant Stella

Artificial Intelligence-based tool to simplify the interaction of tickets opened between CSN users with the IT Office. Operating at CSN since 2018, the system has brought agility and optimization in Information Technology demands. In 2020, the rate of automatic service by Stella totaled 41% of demands.

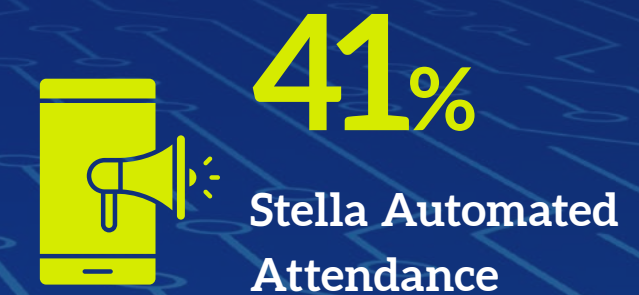
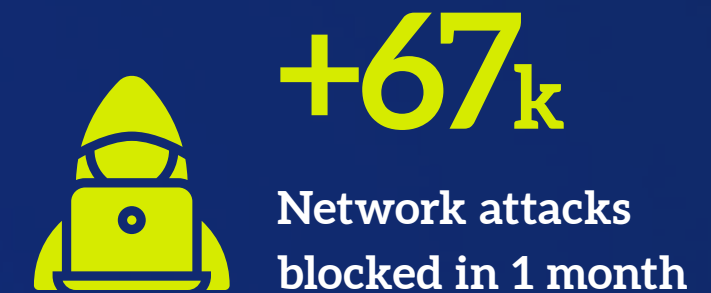


17. Also known as the Sarbanes-Oxley Act, SOx was sanctioned in 2002 by the U.S. Congress to protect investors and other stakeholders from bookkeeping errors and fraudulent practices. This Act was written by Congressmen Paul Sarbanes and Michel Oxley to improve corporate governance and accountability (information about revenues, expenses, balance sheet, and total assets and liabilities).



Data Protection

- Increasing user awareness regarding the safe use of Information Technology resources;
- Evaluation/adequacy to the General Data Protection Law (LGPD);
- Risk mapping by independent company;
- Implementation of password vault solution;
- Network segmentation;
- Contracting of EndPoint Detection and Response Solution.¹⁸



¹⁸ Endpoint Detection and Response – EDR – is a category of tools and technologies used to protect endpoints from potential threats. EDR platforms are built from tools that focus on detecting potentially malicious activity. This is usually done through continuous monitoring of these endpoints. Usually, the EDR offers visibility to the company over endpoints by collecting data from them, and uses the collected data to detect and respond to potential threats.



There is an African proverb that says: it takes a whole village to educate a child. This shows in practice how important *Garoto Cidadão* is in my life. In addition to the values passed on by my family, it made me see further ahead. Today, in my 18 years living on this earth, I am extremely grateful for the opportunities and adventures I had through the *Garoto Cidadão* project, and I only became what I am today because I found and understood myself through social and cultural processes.

Gustavo Gomes de Oliveira Ferreira, beneficiary of the Garoto Cidadão Program, carried out by the CSN Foundation.



SOCIAL CAPITAL

Social Practice (Human Development, Community Relations, and Foundation (FCSN))

The Year

GRI - 103-2 | 103-3

THE CSN FOUNDATION (FCSN) CELEBRATES ITS 60TH ANNIVERSARY IN 2021 AND, TO CELEBRATE THE DATE, IT WILL EXPAND THE ACTIVITIES OF THE GAROTO CIDADÃO PROJECT, OPENING TWO MORE UNITS IN THE STATES OF MATO GROSSO DO SUL AND AMAPÁ.

In this atypical year in which the world faced a pandemic, all **CSN Foundation's** educational and cultural initiatives, previously carried out in a face-to-face format, had to be adapted to the digital environment, such as the **Garoto Cidadão** project, which migrated to an online format and used all available platforms to reach students and communities.

CSN Foundations' Cultural Center saw the change as a means to reach beyond the physical boundaries of Volta Redonda (RJ), the city where it is headquartered, and connect with other artists and regions, which expanded the range of its audience and activities.

Other initiatives, including **Garoto Cidadão's** stage truck, Circula Brasil, had their activities suspended, in compliance with the restrictions imposed by the local government due to COVID-19.



CSN School Students

CSN Foundation

GRI 203-2

The **CSN Foundation** is in charge of the **CSN Group's** social initiatives and develops projects in the main cities where the Company operates. Its purpose is to connect society with projects and experiences that transform the lives of people and communities. The pillars that support its operations are education, culture, articulation, and curatorship.

It promotes direct projects in education, through programs that seek to offer high-quality education to young people and, together with Culture, transform Society through cultural expression.

In its operations, it understands the importance of political articulation with public authorities, institutions, and companies in the regions where it operates, bringing these actors as partners in its initiatives.

The **CSN Foundation** also curates projects from partner institutions: it receives, analyzes and pre-selects projects, so that CSN can define which of them will be sponsored through tax incentive laws, thus expanding its social action.

Several of the initiatives developed by the **CSN Foundation** are in line with the Sustainable Development Goals (SDGs), including:

1 NO POVERTY



4 QUALITY EDUCATION



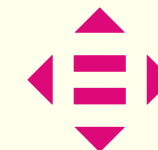
5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



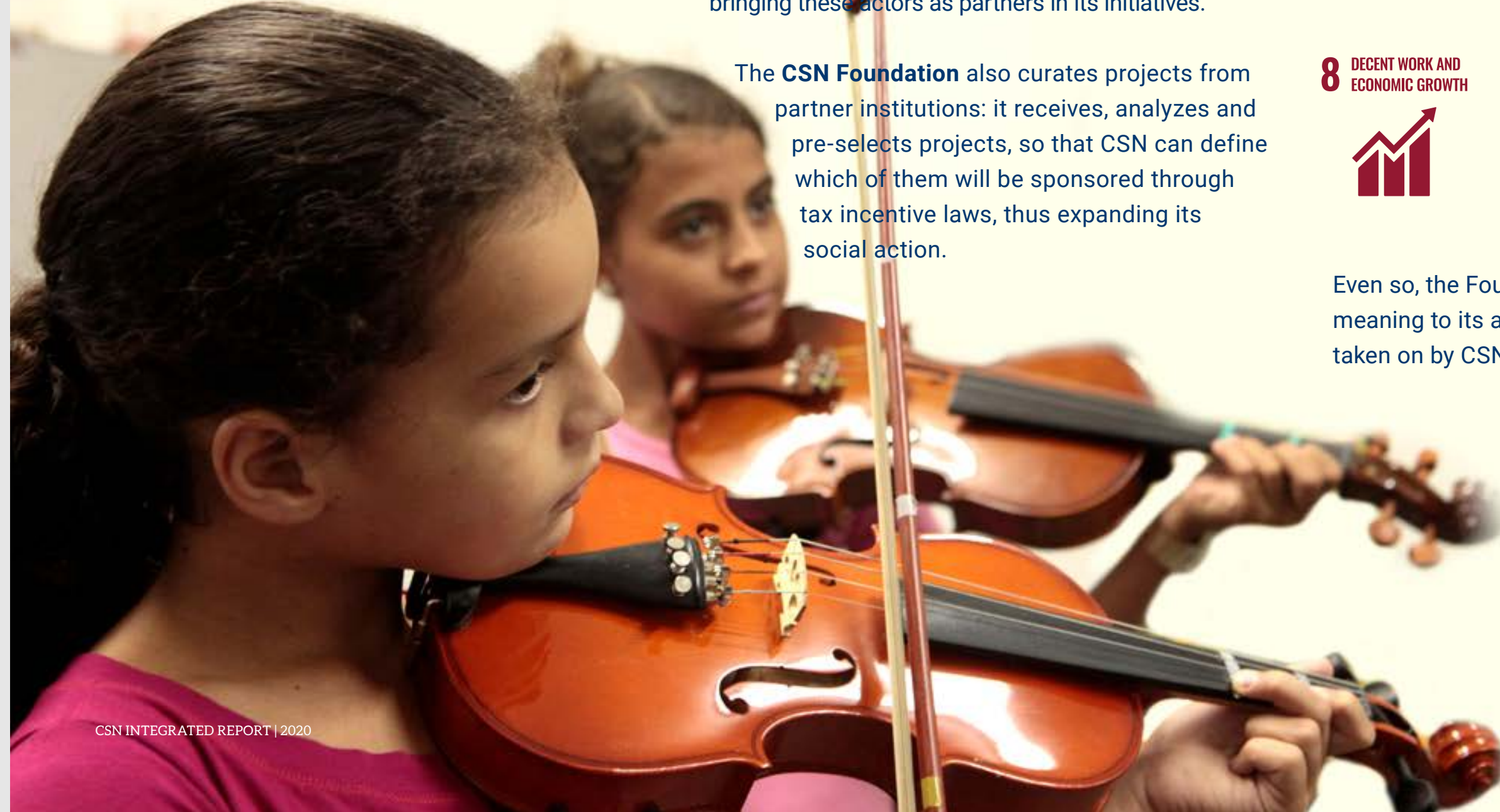
10 REDUCED INEQUALITIES



17 PARTNERSHIPS FOR THE GOALS



Even so, the Foundation intends to give a new meaning to its activities based on the challenge taken on by CSN by signing the Global Compact.



Violin Workshop - CSN Foundation

2020 Highlight



CSN invested more than **R\$287 million** between the 2003 and 2020.



R\$52.4 million invested in social responsibility in the last year.

23 cities, in 8 States benefited from social initiatives from partner institutions sponsored by CSN.



Some sponsored projects:

Mostra de Cinema de Tiradentes;
 Museu do Ipiranga,
 Museu do Amanhã;
 Bienal de Artes;
 Unibes Cultural;
 Hacktudo Festival de Inovação,
 Hospital do Amor de Barretos;
 Hospital Angelina Caran (SC)
 and GRAAC.

90 initiatives sponsored.

Direct involvement of the CSN Foundation :



It operates in **19** cities.



3,415 young people assisted by the Foundation's projects.



441 cultural actions carried out in the year.



CSN

299 thousand: audience in activities developed by the CSN Foundation.



Learn more about the CSN Foundation at our website.

Initiatives and Projects

The **CSN Foundation** undertakes initiatives and projects to create models of excellence that can be transferred to other realities, promoting social inclusion through education and culture.

Garoto Cidadão (Citizen Kid)

The **CSN Foundation** believes in cultural experiences to educate and transform Society. In the Culture pillar, it carries out **Garoto Cidadão**, a social and cultural project that targets children and teenagers in the main cities where CSN's units are located. This initiative dialogues directly with the SDGs of No Poverty, Reduced Inequalities and Quality Education.

Garoto Cidadão is a project that provides social and cultural development for children and teenagers with activities such as Music, Theater, Dance, Visual Arts, Singing and Choir, Culture and Citizenship, and Art Expression.



With its social initiatives, CSN contributes to transforming lives, families and cities. It shows the Company's social commitment to the communities. Together with partner entities and its Foundation, CSN works we have more social inclusion and opportunities in Brazil.



Students from the ballet workshop promoted by the CSN Foundation

It will be this initiative's 20th anniversary in 2021. In this period, more than 10 thousand students were able to have new experiences and build their life paths. They are children and teenagers aged between 10 and 18 in a socially vulnerable situation, referred by the Social Assistance Reference Centers (CRAS) of the city halls.

In 2020, the educational cycle of *Garoto Cidadão* already included activities on digital platforms, but with the pandemic, this initiative was accelerated. The activities included saraus, storytelling, theater performances, workshops to create instruments with recyclable materials and video editing.

Garoto Cidadão Project - in Congonhas (MG)




2,300 students served in Arcos and Congonhas (MG), Itaguaí and Volta Redonda (RJ), São Paulo (SP), and Araucária (PR).



188 activities held in virtual formats



252,901 people reached

CSN Foundation Cultural Center

A space for free and multidisciplinary activities, located in Volta Redonda (RJ), to promote and disseminate Art, Education, and Culture. In 2020, during the pandemic, through digital means, we expanded the connections opportunities with other regions of the country by adapting the programming into an “Agenda Fora do Eixo”. Virtual exhibitions, lives, podcasts, workshops, web series, among other initiatives,

included manifestations of popular and urban culture and peripheral languages, with the participation of artists and culture makers.



We promoted 253 cultural activities on the web reaching an audience of 47,078 views.

Scholarship Program

In Education, the CSN Foundation holds a scholarship program in its two schools, an initiative in line with the SDGs of Reduced Inequalities and Quality Education.

In 2020, although adapting to the digital environment, the two schools of the CSN Foundation maintained the curricular structure of on-site classes. Therefore students did not miss any content and carried out their extracurricular activities, maintaining their routine. In Congonhas (MG), Centro de Educação Tecnológica

(CET) offers Elementary School, High School, and Vocational courses in Mining, Electromechanics, and Industrial Automation. In 2020, the school had a total of 563 students, 219 of whom were scholarship students. In Volta Redonda (RJ), Escola Técnica Pandiá Calógeras (ETPC) offers High School classes with Vocational Courses in Administration, Electronics, Electromechanics, Information Technology, Mechatronics, and Chemistry. In 2020, there were 263 students in total, 70 of which scholarship students.



We served a total of 826 students, around 35% of which benefited from full and partial scholarships.



Students from Pandiá Calógeras Technical School (ETPC)

Ganhar o Mundo (Winning over the world)

The **Ganhar o Mundo** (Winning over the World) program offers undergraduate scholarships abroad to young women, another initiative to provide Quality Education. This initiative also reinforces CSN Foundation's commitment to the Promotion of Gender Equality, SDG 5.

Two young women have full scholarships to graduate from Barnard College, an all-women's university linked to Columbia University in New York (USA). **Ganhar o Mundo** and the university are in line with the purpose of training future female leaders and empowering women.

Young Apprentice Program

The Foundation believes education transforms realities and builds futures. It develops programs to provide the insertion of young people in the labor market, an initiative aligned with the SDGs of Reduced Inequalities and Decent Work and Economic Growth.

Aimed at including young people in the labor market, the **CSN Foundation** offers the *Jovem Aprendiz* (Young Apprentice) Program in the cities of Congonhas, Conselheiro Lafaiete, Ouro Branco, Contagem, Belo Horizonte, and São Gonçalo do Rio Abaixo, in the state of Minas Gerais. One hub in the city of São Paulo (SP) and two in the state of Rio de Janeiro, in Volta Redonda and Duque de Caxias (RJ).

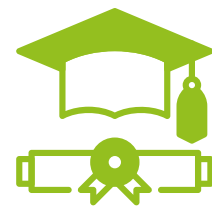


1,083 young people
were supported in **132**
partner companies of the
CSN Foundation.



Capacitar Hotelaria e Serviços (Hospitality and Services Training)

In partnership with the Social Assistance Reference Centers (CRAS) and the General Department for Social and Educational Initiatives (DEGASE), the project offers training to socially vulnerable young people from Sul Fluminense aged between 16 and 29. Over the period of six months, students participate in theoretical and practical classes in various areas of hospitality. The program is held at **Hotel-escola Bela Vista**, managed by the **CSN Foundation**.



1,374 young people have already been trained.

In 2020, 32 students finished the course.

Environmental Education Program (PEA in the Portuguese acronym)

GRI 103-2 | 103-3 | 411-1

In addition to being an important instrument of relationship with the community, the Environmental Education Program plays a relevant role in the transformation of society and its relationship with the Environment. It addresses SDG 4, Quality Education, by providing public school students with the knowledge and skills needed to promote sustainable development and sustainable lifestyles.

The **CSN Foundation** conducts the Environmental Education Program for CSN Mineração and CSN Cimentos in the cities of Arcos, Belo Vale, Congonhas, Ouro Preto, Pains and Rio Acima in the state of Minas Gerais. The program offers social and environmental activities through lectures, events, and workshops at public schools and to the employees of both companies.

It provides environmental education through activities, encompassing the multiple dimensions of sustainability: environmental, social, ethical, cultural, economic, territorial, and political. In this way, the PEA contributes to improving the quality of life in the communities served, through development and social participation in environmental protection and conservation, and the maintenance of these conditions over the long term.



In 2020, due to the pandemic, service to the internal public was restricted, with 4,881 employees served.



Espaço Comunidade CSN

The **CSN Foundation** also manages *Espaço Comunidade CSN* (Community Center), in Congonhas (MG), a unit that allows a greater relationship between CSN Mineração and the community. This is a space for dialogue to identify possible opportunities, welcome the local population, solve doubts, and clarify questions about mining, new projects, and CSN's projections.

Polo Gastronômico VR

The purpose is to strengthen the economy of the city of Volta Redonda (RJ), through gastronomy and tourism. In the Articulation pillar and in line with SDG 17, the **CSN Foundation** promoted the creation of *Polo Gastronômico VR* (Culinary Hub) to encourage and promote public, public-private and civil society partnerships.

During the pandemic, *Polo* has continued to operate and offered online training for delivery and take-out bars and restaurants on the new hygiene and service protocols. It has also been part of the virtual *Festival Fora do Eixo*, in partnership with **CSN Foundation** Cultural Center, with workshops, chats, and cultural and gastronomic lives.

CSN and Human Rights



Read more here and in the various CSN Foundation projects.

The respect for Human Rights guides all decision-making in the **CSN Group**, and the review of our Materiality (see page 11) has further reinforced this agenda's strategic relevance for CSN.

This commitment is publicly stated in the Sustainability, Environment and Occupational Health and Safety Integrated Policy. In this document, the Company reinforces its intention to be in line with the United Nations Guiding Principles on Business and Human Rights, in addition to signing the United Nations Global Compact, which formalized its engagement with the Human Rights Agenda.

To ensure compliance with these criteria, CSN has effective instruments to prevent misconduct related to the topic, including training, campaigns and the Compliance Day, an annual event that guides employees on the importance of "doing the right thing", promoting respect as a crucial value for the relationships established inside and outside the Company. If human rights violations occur, CSN's stakeholders may resort to the Whistleblowing Channel, with guaranteed anonymity and non-retaliation.

CSN also manages several initiatives across the theme of human rights through the Diversity and Inclusion pillar and several projects by the **CSN Foundation**.



Learn more about our Whistleblowing Channel here

The CSN Group's Code of Ethics is the instrument that ensures that the Company's suppliers and other business partners are committed to following human rights laws, in order to prevent the establishment of business relationships with companies or individuals that do not adopt human rights standards compatible with those of the Company.





RELATIONSHIP CAPITAL

Dialogues and Partnerships



CSN's values symbolize the guarantee of a sustainable future, through respect for people and especially the planet, with innovative solutions and operational excellence, reducing the impact on the supply of natural resources. Its employees are focused on customer service and do their utmost to ensure that what was once identified as impossible is reconsidered through alternative and innovative solutions. The respect shown for the steel chain and for all who depend on it, not only reinforces CSN's purpose through its social responsibility, but also proves its concern for the planet's sustainability by bringing to the end consumer essentially recyclable materials.

*Luiz Macca, Group Procurement
Manager at Nestlé.*



The Year

GRI 102-10 | 103-2 | 103-3 | 414-1 | 414-2

During a year affected by a pandemic that stopped the world and changed the way companies do business and relate to stakeholders, CSN has also adapted to these new times.

Supplier Management

GRI 103-2 | 103-3 | 205-1 | 408-1 | 409-1 | 412-3 | 414-1 | 414-2



The CSN Group has an active base of **4,139 suppliers**, distributed as follows:



Location

Domestic:¹ **75.19%**
Foreign: **24.81%**



1. Domestic suppliers are mainly located in the states of Minas Gerais, Rio de Janeiro, and São Paulo.



Types of suppliers

Materials: **70.21%**
Services: **29.79%**



Main categories of spend:

Reducing agents;
Maritime Transportation;
Ores and Minerals;
Highway Transportation;
and Fuel.

Representativeness in our business segments²



Mining
1,378 suppliers



Steelmaking
2,369 suppliers



Cement
849 suppliers



Logistics
788 suppliers

2. There are companies that supply to more than one segment of the CSN Group and, therefore, can be included in more than one category.

The Supply Management Office reports directly to CSN's CEO. We focus on the digitalization of processes, using renowned systems to create standardization, control, and compliance. In addition, all our contracts are duly formalized with electronic signatures, avoiding the use and storage of paper. Thus, we provide traceability and efficiency to our purchasing and

contracting processes, and allow unrestricted and timeless access to CSN's audit.

We also began the implementation of Robotic Process Automation (RPA) to offer an organized and structured database, which is a fundamental condition for the creation of analytics and insights.

In 2020, we achieved 91% coverage for the addressable spend categories, which provided the stakeholders (internal customers, suppliers, and shareholders) with transparency in our negotiations.

Supplier management effectiveness: monitoring processes and tools

- **Third Party Management Center (NGT):** evaluates compliance with labor obligations;
- **Auction Coverage:** ensures transparency in the processes;
- **Contract Utilization Index (SAP Ariba system module):** ensures that negotiations and agreements are formalized via the system; and
- **Average Contract Task Time:** controls and reduces contract negotiation cycle.

Over the past three years, we have been able to meet the targets set for these indicators.

Gains from process digitization since implementation:



Reduction of paper use by **4.6 tons**: equivalent to **186 trees**, **693 thousand liters of water**, and **66 tons of carbon emission saved**.



Reduction of signing time: avoiding the exchange of physical copies between CSN units.



Optimization of signature control.



Reduction in the physical storage space for the contracts.

Supplier Compliance

GRI 412-3

CSN does not apply common preference policies or practices to any kind of supplier. There are several factors that influence supplier selection: reliability, cost, technical capacity, availability, delivery times, quality, service, and production capacity. Our suppliers must fully comply with Brazilian and international legislation, when applicable, in addition to fully respecting Human Rights. Each supplier, registered in our Ariba System, agrees to comply with CSN's Code of Ethics and Anti-Corruption Policy. In addition, those suppliers evaluated with a high level of criticality undergo the Compliance Department's due diligence process.

To establish which suppliers are critical, a prior assessment is conducted

based on their National Economic Activity Classification (CNAE in the Portuguese acronym). In addition, we also verify their data in the Transparency Portal of the Office of the Federal Controller General, in the National Registry of Ineligible and Suspended Companies (CEIS in the Portuguese acronym) and in the National Registry of Sanctioned Companies (CNEP in the Portuguese acronym).

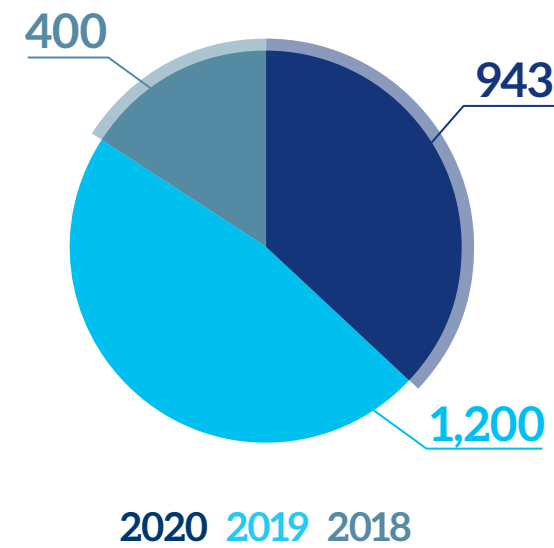
Currently, we use Strategic Sourcing in the procurement process, a

methodology of analysis, study, and monitoring of Supply categories, which ensures better results in negotiations. Through this method, we were able to ensure the best return on cost, quality, and sustainability for the Company.

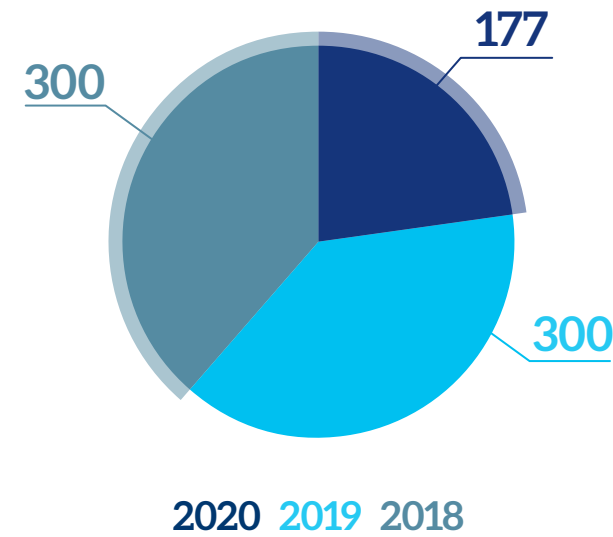
In 2020, we analyzed 943 suppliers, of which 32 were disqualified, cancelled or blocked. In addition, we emphasize that due to the pandemic, the supply of raw materials and services suffered some changes. Given this scenario, terms, for example, were renegotiated so that there would be no significant impact on our results.



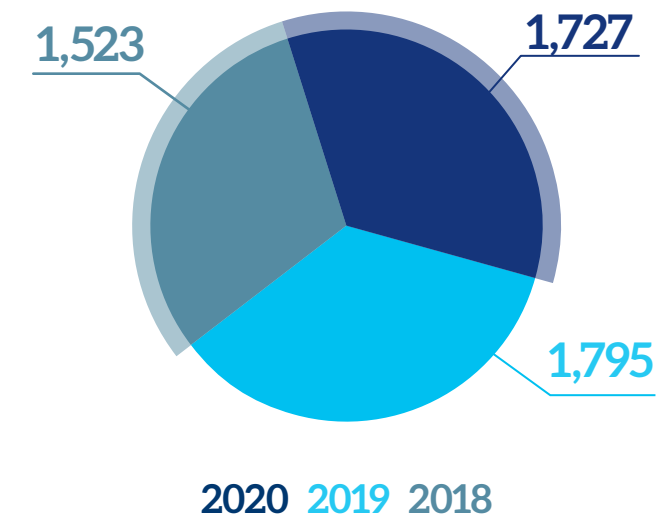
Due Diligence analysis and processes



Average of the quantity of contracts analyzed monthly by CSN



Labor aspects. Suppliers pending issues were analyzed



We highlight that the Company has no agreements with suppliers that generate negative social impacts and maintains **CSN Third Party Management Center**, which evaluates issues related to human rights, labor, social security, and collective bargaining agreement regarding suppliers.

All Suppliers that were approved and had contracts entered into SAP R3 in 2018,

2019 and 2020, were 100% evaluated in the Transparency Portal (Office of the Federal Controller General):

- Details of Sanctions in Effect - National Registry of Ineligible and Suspended Companies - CEIS.
- Details of the Penalty - National Registry of Sanctioned Companies (CNEP).

In addition to the standard registration process, some suppliers go through a Due Diligence process from the Compliance department, based on their CNAE.

During the Due Diligence process, 21, 25, 32 suppliers were disqualified, cancelled or blocked in 2018, 2019 and 2020, respectively.



CSN follows a procedure for the acquisition of raw materials, inputs and services that establishes an environmental assessment of 100% of the suppliers in these categories, when services performed affect the quality and environmental management system, such as waste disposal and transportation.

Supplier Assessment

GRI 103-2 | 103-3 | 308-1 | 308-2

CSN follows a procedure for the acquisition of raw materials, inputs and services that establishes an environmental assessment of 100% of the suppliers in these categories, when services performed affect the quality and environmental management system, such as waste disposal and transportation. In addition, we require submission of environmental licenses and approvals. Failure to meet the assessment criteria established in this procedure make it unfeasible to hire the supplier.

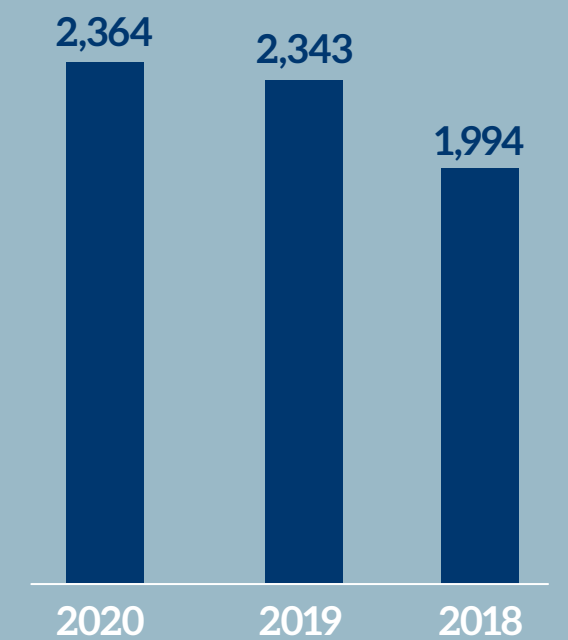
Anti-Corruption

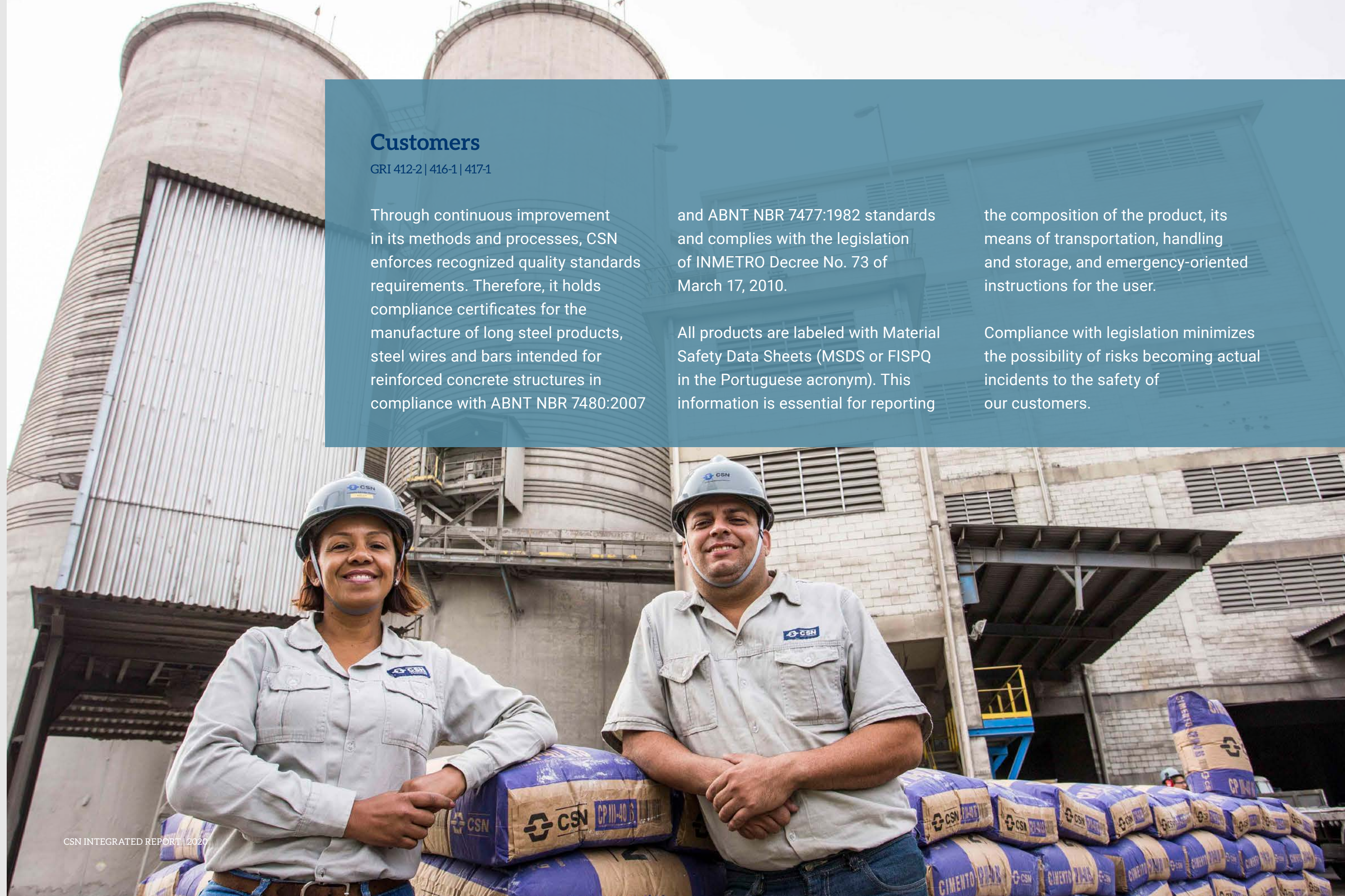
GRI 205-2

All suppliers are required to fill out a Compliance form and agree to **CSN's Anti-Corruption Policy**. This procedure is essential to ensure that all the Company's business partners, who operate on its behalf, comply with the Brazilian and international laws to which we are subject.



Total Suppliers Registered in the Assessment System





Customers

GRI 412-2 | 416-1 | 417-1

Through continuous improvement in its methods and processes, CSN enforces recognized quality standards requirements. Therefore, it holds compliance certificates for the manufacture of long steel products, steel wires and bars intended for reinforced concrete structures in compliance with ABNT NBR 7480:2007

and ABNT NBR 7477:1982 standards and complies with the legislation of INMETRO Decree No. 73 of March 17, 2010.

All products are labeled with Material Safety Data Sheets (MSDS or FISPQ in the Portuguese acronym). This information is essential for reporting

the composition of the product, its means of transportation, handling and storage, and emergency-oriented instructions for the user.

Compliance with legislation minimizes the possibility of risks becoming actual incidents to the safety of our customers.

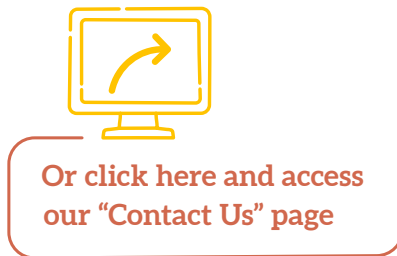
Applicable legislations followed by CSN in the production, transportation, handling and disposal of its products:

- **Automotive Industry: Directive 2000/53/CE - End-of-Life Vehicles (ELV).**
- **Home Appliances: Directive 2011/65/EC - Restriction of the use of specific hazardous substances in electrical and electronic equipment (RoHS).**
- **Food Industry: Directive 94/62/CE - Packaging and package waste.**
- **Regulation EC 1935/2004 - Materials and articles intended to come into contact with food.**
- **Regulation EC 2023/2006- Good manufacturing practice for materials and articles intended to come into contact with food (GMP).**
- **ANVISA's RDC No. 20 2007 - Technical Regulation on Provisions for Packaging, Coating, Utensils, Lids, and Metal Equipment in contact with Food.**
- **FDA - Title 21 - Chapter I - Part 178.3910 - Substances that can be safely used in surface lubricants employed in the manufacture of metallic articles that contact food.**
- **US Coalition of Northeastern Governors 1989 model legislation: It serves nineteen states in the United States that adopt legislation on toxic substances in food packaging.**
- **General Industry: Regulation (EC) No. 1907/2006 - Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).**
- **Legislative Decree 20 febbraio 2009, No. 23 - Radiometric surveillance of materials or semi-finished products - Italy.**
- **Normative Instruction No. 32, OF 11/23/2015 - Inspection and phytosanitary certification of packaging, stands or raw wood parts, which will be used as material for making packaging and stands, intended for the packaging of goods imported to or exported from Brazil.**
- **Dodd-Frank Wall Street Reform and Consumer Protection Act - Securities and Exchange Commission (SEC): United States regulations that enforce obligations on SEC-registered companies that manufacture or subcontract the manufacture of products containing minerals from the conflict region in the Democratic Republic of Congo or surrounding countries that are necessary for the functioning or production of their products.**



Digital Channels

We establish direct interaction with our suppliers and customers in a sustainable and transparent way so that all can meet the Governance principles, aiming to improve the relationship and communication by digital means.



CSN Communication Channels

The CSN Group offers communication channels with the public:

Digital

www.csn.com.br
www.esg.csn.com.br
www.ri.csn.com.br

Free Direct Dialing


Linha Verde CSN - 0800 282 4440
Whistleblowing Channel
0800 884 2006
Call Center (Cement):
0800 282 8200


E-mails

sustentabilidade@csn.com.br
invrel@csn.com.br

Social Media

 CSN Group: @grupocsn
Cimento CSN: @cimentocsn

 CSN Group: /Companhia Siderurgica Nacional
Cimento CSN: /csncimento

 CSN Group: /company/companhiasiderurgicanacional



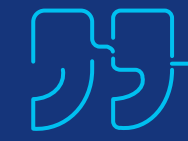


COVID-19



Preserving and promoting health and care for people and the environment that surrounds us is part of our core. I am so grateful to be here and to be part of the CSN team. Beginning a journey in a large company during the pandemic was the greatest professional challenge I have ever set myself. I have met a team that cares about their neighbor. At CSN, we are committed to preventing COVID-19 to ensure a safe environment to work in. It is very important that everyone follows Scientific recommendations. We all need to be responsible, maintain protective measures, and get vaccinated.

*Dinalva Maria Ferreira Gomes,
Health and Medicine Manager at CSN.*





CSN and Initiatives for fighting against COVID-19

The year was marked by uncertainty and concern about the new coronavirus. In the period, the COVID-19 pandemic impacted lives all over the world and our priority was to preserve people's lives. We acted to protect our employees, families, service providers, customers, and communities from the risk of contagion.

Our priority is to ensure that our teams are safe and to maintain market supply without interruptions, ensuring the sustainability of our operations, which have a positive impact on the lives of thousands of people.

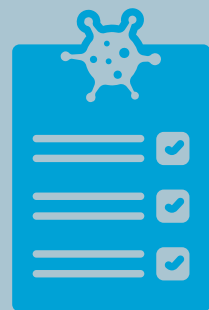
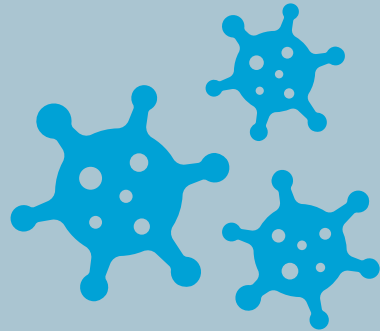
In Brazil, unfortunately, according to the Ministry of Health, 194,760 people died from COVID-19 in 2020¹. CSN and all its employees and service providers had to adapt and act proactively to minimize the effects of the pandemic and overcome the challenges of maintaining operational activities, preserving everyone's life and health.

Given this scenario, we have implemented safety measures in all our operations, creating internal prevention processes and implementing the use of equipment and technologies to mitigate the risk of contagion, following the World Health Organization's protocols.

Due to our planning and initiatives to fight the pandemic, we adopted measures to protect our employees and no stoppages were recorded in our business units in the period.

1. <https://covid.saude.gov.br>

WHAT DID WE DO?



We established a **Prompt Response Management Committee**, i.e., a **Crisis Committee** responsible for monitoring the pandemic and planning initiatives to mitigate the dissemination of the disease.



We donated around **700,000 fabric masks** to employees and communities where we operate.



We have implemented several measures internally, such as:

Employees in the risk groups began to **work from home**, including all pregnant and breastfeeding women;

Increased sanitization of workplaces, offering **70% alcohol hand sanitizer** in all of the Company's units and offices;

Expanded shutter transport fleet by almost **100%**, which allowed the maximum occupancy of **50%** in each bus;

Preventive initiatives in the cafeterias to reduce exposure to the risk of contagion;

Communication to employees through official communication channels (digital releases, e-mail marketing, CSN TV, Safety Alerts, and publications) regarding the necessary prevention measures;

Cancellation of trips, meetings, and in-person training;

Temperature monitoring of all employees upon entering the Company's operational and administrative units and medical appointments for staff and third parties;

Installation of physical protection devices at fixed workstations, cafeterias, and fleet, providing isolation during work, meals, and displacements;

Daily self-diagnosis performed by employees before leaving home, encouraging workers' commitment to monitoring their health and fostering collective awareness; and

Ongoing monitoring, through its own medical team, identifying hospitals, offering technical support and guidance to the victims and family members of employees affected by COVID-19; and

Provision of a resource to support emotional health care, through the **Viva+ program**.

All these initiatives will be maintained during 2021.

Impacts and Outlooks

The CSN Group's investment budget for 2020 has been revised to reduce the amount of investments, prioritizing the projects aimed at maintaining operational capacity, environmental and safety conditions.

- The **Steelmaking Segment** decommissioned Blast Furnace 2 located at the Presidente Vargas Plant (UPV), in the city of Volta Redonda - RJ, in early June 2020, an initiative driven by the weakened global economic scenario, since CSN is a major supplier of raw material for the automotive, white goods, and civil construction sectors.
- The newly refurbished Blast Furnace 3 supplied the demand until Blast Furnace 2 resumed operations at the end of November 2020.

The pandemic effects were felt in the 2nd quarter of the year, with impacts on revenues, mainly from the Steelmaking segment. The other segments did not experience any relevant impact.

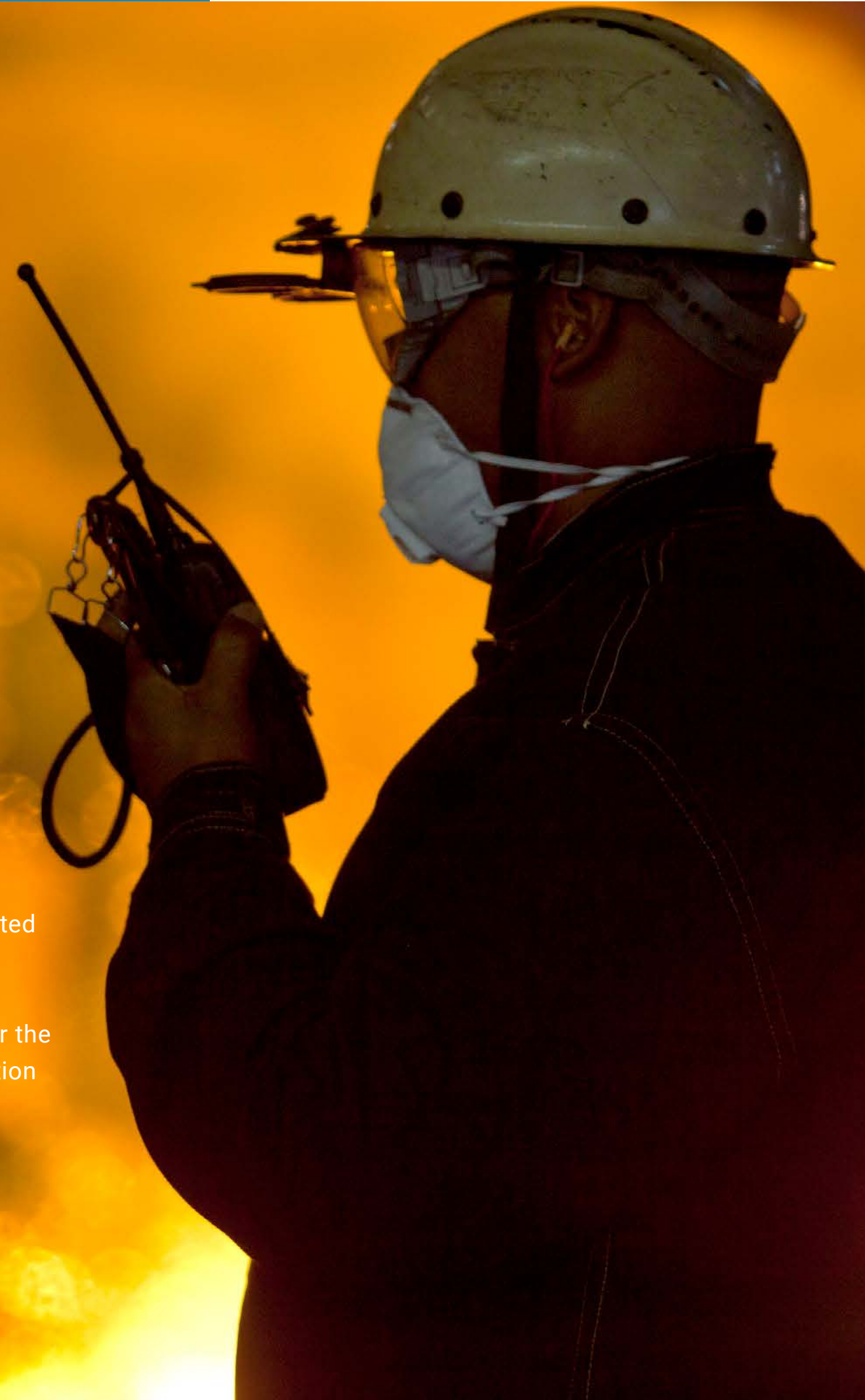
The Company has not experienced significant impacts in the **Railway and Maritime Logistics**

segments. There were also no impacts on supply provision that caused interruption of operational activities.

CSN was the last steel company in Brazil to turn off a blast furnace and the first to turn it on again, which occurred in November, due to a fast recovery in demand from the steel sector.

The impact of COVID-19 in the second half of the year was offset by a strong recovery in the steel sector since demand for steel remained resilient in China, despite the global pandemic. In addition, the cement sector saw a strong recovery in the domestic market. Ore inventories at the ports and plants remained low during 2020, due to the rain and logistics impacts of the beginning of the year, which contributed to price increase.

Despite the impacts of COVID-19, results for the period were marked by strong cash generation and record EBITDA.



GRI CONTENT INDEX

- 170 GRI Content Index
- 189 Assurance Statement
- 192 Corporate Information
- 194 Credits



GRI Standard Content Index

GRI 102-55

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
STANDARD CONTENT						
GRI 102: GENERAL DISCLOSURES						
ORGANIZATIONAL PROFILE						
102-1	Organization name	4, 5, 24				
102-2	Activities, brands, products and services	4, 22, 24				
102-3	Headquarters location	24, 191				
102-4	Location of operations	4, 24, 191				
102-5	Ownership and legal form	24				
102-6	Markets served	24				
102-7	Size of organization	22, 24, 121				
102-8	Information about employees and other collaborators	24, 121				
102-9	Suppliers chain	Annexe - page 4, 28, 45, 59, 71				
102-10	Significant changes in the organization and its supply chain	157				
102-11	Precautionary principle or approach	40				
102-12	External Initiatives	8, 9, 25, 26				
102-13	Membership in association	Annexe - page 4, 28, 45, 59, 71				

Annexes

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
STRATEGY						
102-14	Statement from the organization's top executive	13, 16				
102-15	Main impacts, risks and opportunities	29				
ETHICS AND INTEGRITY						
102-16	Values, principles, standards and norms of behavior	29			10	16
102-17	Ethical advice and concern mechanisms	41			10	16
GOVERNANCE						
102-18	Governance structure	32			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-19	Delegation of authority	32, 33, 35, 36, 37			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-20	Responsibility of executives for economic, environmental and social issues	32, 33, 35, 36, 37			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-21	Consultation with stakeholders on economic, environmental and social topics	11			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-22	Members of the highest governance body and its committees	32			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-23	Chairman of the highest governance body					1, 2, 3, 4, 5, 6, 7, 8, 9, 10
						16
102-24	Appointment and selection of the highest governance body					1, 2, 3, 4, 5, 6, 7, 8, 9, 10
						16
102-25	Conflicts of interest	47			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-26	Role of the highest governance body in defining purpose, values and strategy	32			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
GOVERNANCE						
102-27	Measures to enhance knowledge of the highest governance body	We have no specific measures to develop and enhance the collective knowledge of the highest governance body on economic, environmental and social topics.			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-28	Evaluating the highest governance body's performance				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-29	Identifying and managing economic, environmental, and social impacts				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-30	Effectiveness of risk management processes				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-31	Analysis of economic, environmental and social issues	There is no formally established frequency for holding Board of Directors' meetings to address impacts, risks and opportunities resulting from economic, environmental and social topics.			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-32	Highest governance body's role in sustainability reporting				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-33	Communicating critical concerns	The relevant Offices are informed of key concerns and evaluate them. Whenever needed, these concerns are submitted to the Board of Directors. Any resulting resolutions must comply with the scopes and other governance rules set forth in the Bylaws.			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-34	Nature and total number of critical concerns	The relevant topics presented to the Board of Directors are varied, and their level of significance does not necessarily have a direct relation to their nature. As a result, there is no way to determine the nature and specific number of "key concerns" that are brought to the attention of the Board of Directors. It is worth reinforcing that the rules, operation and responsibilities of the Company's management bodies are set forth in its Bylaws.			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
GOVERNANCE						
102-35	Remuneration policies	38			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-36	Process for determining remuneration	38			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-37	Involvement of stakeholders in remuneration				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-38	Annual total compensation ratio	129			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
STAKEHOLDER ENGAGEMENT						
102-40	Stakeholders list	11				17
102-41	Collective bargaining agreements					17
102-42	Identifying and selecting stakeholders	11				17
102-43	Approach to stakeholder engagement	5, 11				17
102-44	Main topics and concerns raised	12				17
REPORTING PRACTICE						
102-45	Entities included in the consolidated financial statements	5				12
102-46	Defining the content of the report and the boundary of topics	5				12
102-47	List of material subjects	12				12
102-48	Reformulation of information	5				12
102-49	Changes in reporting	5				12
102-50	Period covered by the report	5				12

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
REPORTING PRACTICE						
102-51	Date of last report	5				12
102-52	Report emission cycle	5				12
102-53	Contact point for questions about the report	5, 193				12
102-54	Statement of compliance report with GRI Standards	5				12
102-55	GRI content summary	170				12
102-56	External verification	5, 189				12
MATERIAL TOPIC						
STANDARD CONTENT						
CORPORATE GOVERNANCE						
102-18	Governance structure	32			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-19	Delegation of authority	32, 33, 35, 36, 37			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-20	Responsibility of executives for economic, environmental and social issues	32, 33, 35, 36, 37			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-21	Consultation with stakeholders on economic, environmental and social topics	11			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-22	Members of the highest governance body and its committees	32			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-23	Chairman of the highest governance body		The chairman of the Board of Directors also holds the position of CEO, being responsible for the institutional areas and interests in mining and railway operations. This condition is a characteristic of the Company and creates synergy among the management bodies, facilitating reporting and decision making.		1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-24	Appointment and selection of the highest governance body		The Company does not have a formalized Nomination Policy, given that its control is concentrated and the majority of the members are nominated by the controlling shareholder.		1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
CORPORATE GOVERNANCE						
102-25	Conflicts of interest	47			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-26	Role of the highest governance body in defining purpose, values and strategy	32			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-27	Measures to enhance knowledge of the highest governance body				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-28	Evaluating the highest governance body's performance	39			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-29	Identifying and managing economic, environmental, and social impacts	40			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-30	Effectiveness of risk management processes	40			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-31	Analysis of economic, environmental and social issues				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-32	Highest governance body's role in sustainability reporting	5, 11			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-33	Communicating critical concerns				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-34	Nature and total number of critical concerns				1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-35	Remuneration policies	38			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
GOVERNANÇA CORPORATIVA						
102-36	Process for determining remuneration	38			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
102-37	Involvement of stakeholders in remuneration	None			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16
102-38	Annual total compensation ratio	129			1, 2, 3, 4, 5, 6, 7, 8, 9, 10	16

ECONOMIC SERIES

BUSINESS PERFORMANCE

GRI 201: ECONOMIC PERFORMANCE

103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	51				
103-3	Evaluation of the management approach	50				
201-1	Direct economic value generated and distributed	50, 51 Annexe - page 4, 5			8, 10	1, 8
201-3	Defined benefit plans and other retirement plans	131 Annexe - page 5			8, 10	1, 8
201-4	Financial assistance received by the government	56			8, 10	1, 8

GRI 202: MARKET PRESENCE

103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	129				
103-3	Evaluation of the management approach	129				
202-1	Ratio of lowest paid salary, by gender, compared to local minimum salary	129 Annexe - page 6, 28, 45, 59, 71, 80			2	1, 8
202-2	Proportion of senior management hired from the local community	32, 121				

GRI 203: INDIRECT ECONOMIC IMPACTS

In 2020, 100% of the vacancies in CSN Group's Board of Executive Officers were filled with professionals from the local community, 50% more than in 2019.

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	51, 146				
103-3	Evaluation of the management approach	146				
203-1	Investments and services in infrastructure	51, 59, 70, 72			8, 10	9
203-2	Significant indirect economic impacts	51, 147			8, 10	9
ANTI-CORRUPTION						
GRI 205: ANTI-CORRUPTION						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	42				
103-3	Evaluation of the management approach	42				
205-1	Operations assessed for risks related to corruption	42, 157	EM-MM-510a.1		10	16
205-2	Communication and training about anti-corruption policies and procedures	42, 43, 161			10	16
205-3	Confirmed incidents of corruption and actions taken	42, 43			10	16
ENVIRONMENTAL SERIES						
ENVIRONMENTAL PERFORMANCE						
GRI 301: MATERIALS						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	68				
103-3	Evaluation of the management approach	68				
301-1	Materials used by weight or volume	Annexe - page. 7, 29, 46, 47, 60, 72			7, 8, 9	3, 11, 12, 17
301-2	Recycled input materials used	72 Annexe - page 8			7, 8, 9	3, 11, 12, 17
GRI 302: ENERGY						

Disclosure		Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
103-1	Explanation of the material topic and its boundary	12					
103-2	The management approach and its components	68, 86					
103-3	Evaluation of the management approach	68, 86					
302-1	Energy consumption within the organization	86 Annexe - page 8, 9, 29, 47, 48, 60, 72		EM-IS-130a.1 EM-IS-130a.2 EM-MM-130a.1	B.5.1	7, 8, 9	3, 7, 11, 13, 17
302-2	Energy consumption outside of the organization	86				7, 8, 9	3, 7, 11, 13, 17
302-3	Energy intensity	86 Annexe - page 9			B.5.2	7, 8, 9	3, 7, 11, 13, 17
302-4	Reduction of energy consumption	86 Annexe - page 10, 29, 48, 60, 72				7, 8, 9	3, 7, 11, 13, 17
302-5	Reductions in energy requirements of products and services	86 Annexe - page 10				7, 8, 9	3, 7, 11, 13, 17
GRI 303: WATER AND EFFLUENTS							
103-1	Explanation of the material topic and its boundary	12					
103-2	The management approach and its components	68, 87					
103-3	Evaluation of the management approach	68, 87					
303-1	Interactions with water as a shared resource	91				7, 8, 9	3, 6, 11, 14, 17
303-2	Management of water discharge-related impacts	91				7, 8, 9	3, 6, 11, 14, 17
303-3	Water withdrawal	87, 96 Annexe - page 12, 31, 50, 63		EM-IS-140a.1 EM-MM-140a.1		7, 8, 9	3, 6, 11, 14, 17
303-4	Water discharge	87, 96 Annexe - page 12, 31, 50, 63, 73		EM-IS-140a.1 EM-MM-140a.1		7, 8, 9	3, 6, 11, 14, 17
303-5	Water consumption	72, 87, 96 Annexe - page 32, 50, 63, 74		EM-IS-140a.1 EM-MM-140a.1	B.1.1 B.1.2	7, 8, 9	3, 6, 11, 14, 17
GRI 304: BIODIVERSITY							
103-1	Explanation of the material topic and its boundary	12					
103-2	The management approach and its components	68, 97					

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
GRI 304: BIODIVERSITY						
103-3	Evaluation of the management approach	68, 97				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	97			7, 8, 9	3, 15, 17
304-2	Significant impacts of activities, products, and services on biodiversity	97			7, 8, 9	3, 15, 17
304-3	Habitats protected or restored	97			7, 8, 9	3, 15, 17
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	97 Annexe - page 13			7, 8, 9	3, 15, 17
GRI 306: WASTE						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	68, 79				
103-3	Evaluation of the management approach	68, 79				
306-1	Generation of waste and significant impacts related to waste	79			7, 8, 9	3, 11, 12, 17
306-2	Management of the significant impacts of waste generation	74, 79			7, 8, 9	3, 11, 12, 17
306-3	Waste generated	74, 79 Annexe - page 16, 37, 51, 65, 74	EM-IS-150a.1	B.2.1 B.2.3	7, 8, 9	3, 11, 12, 17
306-4	Waste diverted from disposal	79		B.2.2	7, 8, 9	3, 11, 12, 17
306-5	Waste directed to disposal	79			7, 8, 9	3, 11, 12, 17
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	68, 161				
103-3	Evaluation of the management approach	68, 161				
308-1	New suppliers that were screened using environmental criteria	161			7, 8, 9	17

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT						
308-2	Negative environmental impacts in the supply chain and actions taken	161			7, 8, 9	17
CLIMATE ACTION						
GRI 305: EMISSIONS						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	68, 109				
103-3	Evaluation of the management approach	68, 109				
305-1	Direct (Scope 1) GHG emissions	73, 109, 111 Annexe - page 14, 32, 64	EM-IS-110a.1 EM-MM-110a.1	B.3.1	7, 8, 9	12, 13, 14, 15
305-2	Energy indirect (Scope 2) GHG emissions	109, 111 Annexe - page 14, 32, 64		B.3.2	7, 8, 9	12, 13, 14, 15
305-3	Other indirect (Scope 3) GHG emissions	109 Annexe - page 14, 32, 64			7, 8, 9	12, 13, 14, 15
305-4	GHG emissions intensity	109 Annexe - page 14, 51, 64			7, 8, 9	12, 13, 14, 15
305-5	Reduction of GHG emissions	109			7, 8, 9	12, 13, 14, 15
305-6	Emissions of ozone-depleting substances (ODS)	109			7, 8, 9	12, 13, 14, 15
305-7	Nitrogen oxides NOX, sulfur oxides SOX and other significant air emissions	109 Annexe - page 15, 33, 34, 35, 36, 51, 65	EM-IS-120a.1 EM-MM-120a.1		7, 8, 9	3, 12, 13, 14, 15
GRI 201: ECONOMIC PERFORMANCE						
201-2	Financial implications and other risks and opportunities due to climate change	51, 111			7, 8, 9	12, 13
DAM SAFETY						
GRI 307: ENVIRONMENTAL COMPLIANCE						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	114				
103-3	Evaluation of the management approach	114				

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
307-1	Non-compliance with environmental laws and regulations	Annexe - page 16, 37, 52, 74			7, 8, 9	12, 15, 16
SOCIAL SERIES						
OPERATIONAL HEALTH AND SAFETY						
GRI 403: OCCUPATIONAL HEALTH AND SAFETY						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	132				
103-3	Evaluation of the management approach	132				
403-1	Occupational health and safety management system	132				
403-2	Hazard identification, risk assessment and incident investigation	132			3, 4, 5, 6	3, 8
403-3	Occupational health services	132			3, 4, 5, 6	3, 8
403-4	Worker participation, consultation and communication on occupational health and safety issues	132	EM-MM-320a.1		3, 4, 5, 6	3, 8
403-5	Training of workers in occupational health and safety	132, 134			3, 4, 5, 6	3, 8
403-6	Promotion of worker's health	132			3, 4, 5, 6	3, 8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	132			3, 4, 5, 6	3, 8
403-8	Workers covered by an occupational health and safety impacts directly linked by business relationships	132			3, 4, 5, 6	3, 8
403-9	Work-related injuries	132 Annexe - page 20, 21, 39, 40, 54	EM-IS-320a1 EM-MM-320a.1		3, 4, 5, 6	3, 8
403-10	Work-related ill health	132			3, 4, 5, 6	3, 8
HUMAN RIGHTS						
GRI 408: CHILD LABOR						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	157				

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
103-3	Evaluation of the management approach	157				
GRI 408: CHILD LABOR						
408-1	Operations and suppliers at significant risk for incidents of child labor	157			1, 2, 3, 4, 5, 6	5, 8, 16
GRI 409: FORCED OR COMPULSORY LABOR						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	157				
103-3	Evaluation of the management approach	157				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	157			1, 2, 3, 4, 5, 6	5, 8, 16
GRI 410: SECURITY PRACTICES						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	157				
103-3	Evaluation of the management approach	157				
410-1	Security personnel trained in human rights policies or procedures		All CSN's concierge and security services are provided by outsourced companies specialized in the sector. The employees are trained by the service provider.		1, 2, 3, 4, 5, 6	5, 8, 16
GRI 412: HUMAN RIGHTS ASSESSMENT						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	42				
103-3	Evaluation of the management approach	42				
412-1	Operations subject to human rights impact assessment or analysis		None		1, 2, 3, 4, 5, 6	5, 8, 16
412-2	Training employees in human rights policies or procedures	42, 121, 162			1, 2, 3, 4, 5, 6	5, 8, 16
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	157, 159			1, 2, 3, 4, 5, 6	5, 8, 16

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
LOCAL COMMUNITIES RELATIONSHIP						
GRI 411: RIGHTS OF INDIGENOUS PEOPLES						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	116, 153				
103-3	Evaluation of the management approach	153				
411-1	Incidents of violations involving rights of indigenous peoples	153				1, 2
GRI 413: LOCAL COMMUNITIES						
103-1	Explanation of the material topic and its boundary	12, 76				
103-2	The management approach and its components	76				
103-3	Evaluation of the management approach	76				1, 2, 4, 5, 10
413-1	Operations with local community engagement, impact assessments and development programs	114				1, 2, 4, 5, 10
413-2	Operations with significant real and potential negative impacts on local communities	76, 114				1, 2, 4, 5, 10
TECHNOLOGY AND INNOVATION						
103-1	Explanation of the material topic and its boundary	12			9	7, 9, 12
103-2	The management approach and its components	138, 141			9	7, 9, 12
103-3	Evaluation of the management approach	138, 141			9	7, 9, 12

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
EXTRAS GRI DISCLOSURES - DISCLOSURES NOT CONSIDERED IN MATERIALITY, BUT WHICH CSN DECIDED TO REPORT TO MAINTAIN THE HISTORICAL SERIES AND COMPARABILITY						
ECONOMIC SERIES						
GRI 204: PURCHASE PRACTICES						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	157				
GRI 204: PURCHASE PRACTICES						
103-3	Evaluation of the management approach	157				
204-1	Proportion of spending on local suppliers	Annexe - page 6, 28, 46, 54, 71				
GRI 206: ANTI-COMPETITIVE BEHAVIOUR						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	42				
103-3	Evaluation of the management approach	42				
206-1	Lawsuits for unfair competition, trust and monopoly practices		None in the last three years - 2018, 2019 and 2020.		10	16
GRI 207: TAXES						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	56				
103-3	Evaluation of the management approach	56				
207-1	Tax approach	56				
207-2	Governance, control and management of tax risks	56				
207-3	Stakeholder engagement and management against taxes	59				
207-4	Country to country reporting		Reason for omission: these figures are not publicly available in the Company's Financial Statements. During the year, we will analyze alternatives to make this data available next year.			

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
SOCIAL SERIES						
GRI 401: EMPLOYMENT						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	120				
103-3	Evaluation of the management approach	120				
401-1	New employee hires and employee turnover	Annexe - page 17, 18, 19, 38, 52, 53, 54, 65, 66, 74, 75, 76, 80, 81			1, 2, 3	8
401-2	Benefits granted to full time employees not granted to part time or temporary employees	129			1, 2, 3	8
401-3	Maternity/Paternity leave	Annexe - page 19, 20, 39, 54, 66, 67, 76, 81			1, 2, 3	8
GRI 402: LABOR RELATIONS						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	120				
103-3	Evaluation of the management approach	120				
402-1	Minimum notice period for operational changes	129				
GRI 404: TRAINING AND EDUCATION						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	120				
103-3	Evaluation of the management approach	120				
404-1	Average hours of training per year per employee	121, 122				
404-2	Programs for upgrading employee skills and transition assistance programs	121, 125				
404-3	Percentage of employees receiving regular performance and career development reviews	121, 123				

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	120				
103-3	Evaluation of the management approach	120				
405-1	Diversity of governance bodies and employees	126 Annexe - page 22, 23, 24, 25, 41, 42, 43, 55, 56, 57, 68, 69, 76, 77, 78, 82, 83			6	5, 10
405-2	Ratio of basic salary and remuneration of women to men	129			6	5, 10
GRI 406: NON-DISCRIMINATION						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	120				
103-3	Evaluation of the management approach	120				
406-1	Incidents of discrimination and corrective actions taken	44			6	5, 10
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	120				
103-3	Evaluation of the management approach	120				
407-1	Operations and suppliers where the right of association and collective bargaining may be violated or there is a risk	129			3	
GRI 414: SUPPLIER SOCIAL ASSESSMENT						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	157				
103-3	Evaluation of the management approach	157				

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
GRI 414: SUPPLIER SOCIAL ASSESSMENT						
414-1	New suppliers selected based on social criteria	157				
414-2	Negative social impacts in the supply chain and actions taken	157				
GRI 415: PUBLIC POLICIES						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	120				
103-3	Evaluation of the management approach	120				
415-1	Contributions to political parties					Law no. 13165/2015 prohibits legal entities from making donations/contributions to political candidates, electoral campaigns and political parties.
GRI 416: CUSTOMER HEALTH AND SAFETY						
103-1	Explanation of the material topic and its boundary	12				
103-2	The management approach and its components	162				
103-3	Evaluation of the management approach	162				
416-1	Assessment of the health and safety impacts of product and service categories	162				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	162				Between 2018 and 2020, we have had no civil lawsuits regarding impacts of products and services on health and safety.
GRI 417: MARKETING AND LABELING						
103-1	Explanation of the material topic and its boundary	162				
103-2	The management approach and its components	162				
103-3	Evaluation of the management approach	162				
417-1	Requirements for product and service information and labeling	162				

Disclosure	Pages	Answer	SASB Standards	UNCTAD	UN Global Compact	SDG
GRI 417: MARKETING AND LABELING						
417-2	Incidents of non-compliance concerning product and service information and labeling	Regarding product information and labeling, we did not identify any cases of non-compliance with laws and/or voluntary codes in 2018, 2019 and 2020.				
417-3	Incidents of non-compliance concerning marketing communications	This disclosure only applies to the cement segment, in which there were no cases.				
GRI 418: CUSTOMER PRIVACY						
103-1	Explanation of the material topic and its boundary	143				
103-2	The management approach and its components	143				
103-3	Evaluation of the management approach	143				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	143				
GRI 419: SOCIOECONOMIC COMPLIANCE						
103-1	Explanation of the material topic and its boundary	41				
103-2	The management approach and its components	41				
103-3	Evaluation of the management approach	41				
419-1	Non-compliance with laws and regulations in social and economic areas	Two ongoing administrative proceedings with the National Agency for Land Transport (ANTT) in relation to FTL and TLSA.				

Assurance

GRI 102-56

Independent Auditors' Limited Assurance Report

To the Board of Directors, Management and other Stakeholders
of Companhia Siderúrgica Nacional S.A. - CSN São Paulo - SP

Introduction

We have been engaged by Companhia Siderúrgica Nacional S.A. ("CSN", "CSN Group" or "Company") to present our limited assurance report on the information contained in CSN's Integrated Report and Annexes, which were prepared based on the Global Reporting Initiative ("GRI"), Standards version, Core option, related to the year ended December 31, 2020. The information on the Greenhouse Gases Emissions inventory were prepared in accordance with The Greenhouse Gas (GHG) Protocol and with ABNT (Brazilian Association of Technical Norms) NBR ISO 14064-3:2007, and were verified by Green Domus Desenvolvimento Sustentável ("Green Domus") independent auditors.

Responsibilities of CSN's management

CSN's management is responsible for the adequate preparation and presentation of the sustainability information disclosed in CSN's 2020 Integrated Report and Annexes, in accordance with the guidelines for the preparation of Sustainability

Reports from Global Reporting Initiative (GRI), Standards version, as well as for the internal controls that CSN determined as necessary to enable the preparation of such information free from material misstatement, whether caused by fraud or error.

CSN's management is also responsible for the adequate preparation and presentation of information related to 2020 greenhouse gases emissions, GRI indicators GRI 305-1 (Direct emissions of greenhouse gases - Scope 1), GRI 305-2 (Indirect emissions of greenhouse gases - Scope 2) and GRI 305-3 (Other indirect emissions of greenhouse gases - Scope 3) contained in the 2020 Integrated Report and Annexes, in accordance with The GHG Protocol and with ABNT NBR ISO 14064-3:2007 and with the internal controls that CSN determined as necessary to enable the preparation of this information free from material misstatement, whether caused by fraud or error.

Responsibility of the independent auditors

Our responsibility is to express a conclusion on the information contained in CSN's 2020 Integrated Report and Annexes, based on the limited assurance work carried out, in accordance with the Ibracon Technical Communication (CT) 07/2012, approved by the Federal Accounting Council and prepared based on NBC TO 3000, issued by Federal Accounting Council (CFC), which is equivalent to the International Standard on Assurance Engagement ISAE 3000, issued by the International Auditing and Assurance Standards Board, applicable to non-historical information.

These standards require compliance with ethical requirements, including independence requirements, and that the work is performed with the purpose of obtaining limited assurance that the information contained in CSN's 2020 Integrated Report and Annexes, taken together, are free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists primarily of inquiries to CSN's management and other CSN's personnel involved in the preparation of the information contained in CSN's 2020 Integrated Report and Annexes as well as the review of the Verification Statement issued by Green Domus on 2020 greenhouse gases emissions and the application of analytical procedures and substantive tests, by sampling, to obtain evidence that enables us to conclude, in the format of limited assurance, on the information contained in the report, taken as a whole. A limited assurance work also requires the execution of additional procedures when the independent auditor is aware of matters that lead the auditor to believe that the information contained in the Integrated Report and Annexes, taken together, may present material misstatements.

The selected procedures were based on our understanding of the aspects related to the compilation, materiality and presentation of information contained in CSN's 2020 Integrated Report and Annexes and on our analyses and understanding of areas where relevant misstatements could exist. The procedures comprised:

- a) The planning of the work, considering the materiality of the aspects for CSN's activities, the relevance of the disclosed information, the volume of quantitative and qualitative information and the operational and internal control systems that served as the basis for the preparation of the information contained in the CSN's 2020 Integrated Report and Annexes;
 - understanding of calculation methodologies and procedures for compilation of the indicators through interviews with management in charge of the information;
 - application of analytical procedures on quantitative information and inquiries about qualitative information and its correlation with the disclosed indicators in CSN's 2020 Integrated Report and Annexes;
 - analysis of the supporting evidence for the disclosed information;
- b) The understanding and analysis of the disclosed information related to management approach of material topics;
- c) The analysis of the processes for the preparation of CSN's 2020 Integrated Report and Annexes as well as the structure and content of the report, based on GRI Content and Quality Principles of GRI Standards.
- d) The evaluation of the sampled non-financial indicators:
 - e) The comparison of financial indicators with the financial statements and/or accounting records.

We believe that the information, evidence and results, obtained during our work, are sufficient and appropriate to support our conclusion in the limited form.

Scope and limitations

The applied procedures in a limited assurance engagement are substantially less extensive than those applied in a reasonable assurance engagement. Consequently, we did not obtain assurance that we are aware of all matters that would be identified in a reasonable assurance engagement with the purpose of expressing an opinion. If we had applied procedures of reasonable assurance, we could have identified other issues and possible misstatements that may exist in the information contained in the CSN's 2020 Integrated Report and Annexes.

Non-financial data are subject to more inherent limitations than financial data given the nature and diversity of the methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, relevance and accuracy of data are subject to individual assumptions and judgments. In addition, we do not perform any work on prior periods disclosed data, to assess the adequacy of the sustainability policies, practices and performance, nor for future projections and targets.

Our work had the purpose of applying limited assurance procedures on the information disclosed in CSN's 2020 Integrated Report and Annexes and did not include the evaluation of the adequacy of its policies, practices and sustainability performance.

Conclusion

Based on described procedures at this report, and on Green Domus's Verification Statement, related to the greenhouse gases emissions, nothing has come to our attention that could lead us to believe that the information contained in CSN's 2020 Integrated Report and Annexes has not been compiled, in all the relevant matters, according to the Guidelines for Sustainability Report of the Global Reporting Initiative - GRI, Standards version, core option.

São Paulo, 13 of July, 2021

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Corporate Information

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Questions about this document, about the CSN Group or segments, as well as comments and suggestions that could improve the reporting process can be sent to sustentabilidade@csn.com.br

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Credits

GRI 102-53

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Collaboration

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Prada Embalagens – Resende;
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CSN Cimentos;
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Photos

Image Bank CSN¹, iStock and Evato

1. Most of the pictures showing CSN Employees have been taken before the coronavirus pandemic and are part of the Company's in-house image bank. Therefore, some employees are not wearing masks. Given the pandemic, CSN put up a Crisis Committee to preserve employees' health and safety (see more on the initiatives on page 167).



Companhia Siderúrgica Nacional

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