



INTEGRATED REPORT

2020



Content




INTRODUCTION

- 04 Our Path
- 05 2020 Facts and Figures
- 06 About this Report
- 09 Responsible Mining:
Our Guideline



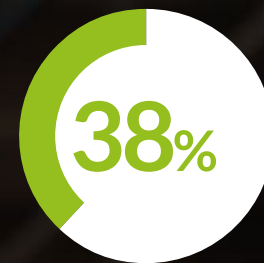
Our Path




 Click on the years to see the highlights of each decade

2020 Facts and Figures

EBITDA
R\$ **8.14** BILLION



higher 
than the previous
year (page 47)

R\$ **702.0** MILLION
IN INVESTMENTS

operational continuity, reduction and filtering of tailings with dry stacking; iron ore quality and dam management (page 53)

One of the
10 BIGGEST IPOs IN THE HISTORY of the Brazilian
Stock Exchange by volume

(page 54)

100% of the ore
beneficiation
processes

with no disposal of tailings in dams.
FREE from tailings disposal in dams
(page 63)



100% of the energy used in the processes from
RENEWABLE SOURCES (page 87)

8%
↓

**REDUCTION IN SPECIFIC
WATER WITHDRAWAL**
per ton of ore produced
between 2018 and 2020
(see page 84)

↓ **36.6%**
compared to 2019

reduction in **the
Accident Frequency
Rate (CAF+SAF)**

ZERO FATALITIES (page 115)

About this 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

CSN Mineração S.A.¹ (“CSN Mineração” or “CMIN” or “Company”) hereby presents to all its stakeholders the first cycle of its Integrated Report, in which we applied the methodology of the GRI² Standards version: “Core1” option. The document includes data³ about the Company’s producing mines: Casa de Pedra, Engenho and Pires, the latter also referred to as the Beneficiation Complex⁴ and TECAR - the Dry Bulk Port Terminal of Itaguaí Port.⁵

This report highlights **2020 key events and results, from January 1 to December 31**, in the management of economic, environmental, social and governance aspects; and it is a sequel to CSN Group’s report **released on December 9, 2020**, which consolidated indicators from CSN Mineração. This report was certified by the independent audit company **Russell Bedford**, in accordance with the Normative Instruction 14/2020 of the Brazilian Securities and Exchange Commission (CVM). All previous editions are available for reference [in our site](#).

To improve the conciseness and relevance of our Integrated Report, we decided to present part of the figures, tables and graphs in an annex. Other data, particularly qualitative information, may be found throughout the Integrated Report.

To make navigation through the content easier, the GRI Standards Content Index ([see page 131](#)) shows the location of each indicator.

The results⁷ presented follow the Integrated Report principles recommended by the International Integrated



How to read this report?

This Integrated Report is organized by themes. The first is the Introduction. The second refers to Corporate Profile. The third presents our Strategy. Subsequently, we present our Capitals and performance for the period. At the end of this document are the annexes, with the supporting frameworks for Sustainability reporting, and presents a diagnosis in different dimensions: GRI, SASB, WSA, GCCA, ICMM, and UNCTAD.

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.

Guidelines on interactive infographs



Indicação de links externos



Reporting Council⁸ (**IIRC**), also by the International Financial Reporting Standards⁹(**IFRS**), issued by the International Accounting Standards Board (**IASB**), and the accounting standards applicable in the country. In addition, we present indicators from the materiality map of the Sustainability Accounting Standards Board¹⁰ (**SASB**). We also present selected indicators from the International Council on Metals and Mining¹¹ (ICMM). The report also meets the requirements of the commitments made by its parent company, as a signatory to the UN Global Compact¹², in accordance with ISO 26000 and the Sustainable Development Goals (**SDGs**) – (see page 12).The performance

indicators of the aforementioned frameworks are related to these commitments.

Considering this is the first reporting cycle specific to CSN Mineração, the data presented will not include corrections, only additional information expressed in footers or disclaimers, when necessary.

It is important to highlight that data and information presented in the items addressing CSN Mineração's Investment Thesis, Shareholding Structure, Management Structure, Management Compensation and the IPO are described in this document as a "Subsequent Event"¹⁴.





The data and information presented in this Integrated Report contain statements about current and future sustainability measures, targets, and other objectives.



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

Data and information presented in this Integrated Report includes statements about current and future sustainability measures, targets, and other objectives. These goals were disclosed in the limited context of our sustainability efforts and should not be understood as statements of management expectations or estimates of financial results or other guidelines. We advise investors to beware of applying these statements in other contexts.

To ensure that the material aspects prioritized in this document reflect CSN Group's strategic guidelines, and particularly those of CSN Mineração's Management, the Company's leadership actively participated in the process, under the coordination of the Sustainability, Environmental, Occupational Health and Safety Office.



Notes on pages 6 and 7

1. In 2015, CSN concluded the integration of its mining business with the Asian Consortium JKTC, comprised at the time of Japan-based Brazil Japan Iron Ore Corporation (BJIOC), Korea-based Posco, and Taiwan-based China Steel Corporation (CSC). The result of this merger in the current structure of CSN Mineração includes the mines and respective assets in Casa de Pedra, Engenho and Pires, rights to operate the Tecar Port Terminal and 18.63% of MRS Logística S.A. shares.
2. The Global Reporting Initiative (GRI) is a global ESG indicator standard for standardizing sustainability reporting on actions related to the proper management and reporting of environmental, social, and economic indicators in companies.
3. MRS Logística will be included in this Integrated Report only in the consolidated financial figures, since the CSN Group does not perform its socio-environmental management.
4. The Pires mine (Beneficiation Complex) holds no mineral deposits.
5. The Dry Bulk Terminal (Tecar) is responsible for shipping all the iron ore traded by CSN Mineração in the overseas market. Additionally, Tecar also receives other products such as coal, petroleum coke, and other bulk for CSN Group's own consumption and for several customers.
6. Any variations in total data and percentages in the graphs and tables are due to rounding of the figures.
7. This Integrated Report includes statements that present CSN Mineração's expectations about events or results. All estimates and projections involve risks and uncertainties. CSN Mineração cannot guarantee that such statements will be completely accurate. These risks and uncertainties include factors such as: 1) the Brazilian economy; 2) the global economy; 3) capital markets; 4) the mining and metals business and its dependence on global industrial production, which is cyclical in nature; 5) the high level of competition in the markets where CSN Mineração operates; and 7) mining operations. CSN Mineração would like to emphasize that in all its operations and activities, actual results may differ materially from the plans, objectives, expectations, estimates and intentions presented in this publication. The Company has no obligation to publicly update or revise any estimate or projection, whether as a result of new information or future events or for any other reason.
8. The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, accounting professionals, academia and NGOs to promote a common reporting standard for integration, preservation and value creation as the next step in the evolution of corporate reporting.
9. The International Financial Reporting Standards (IFRS) are international accounting standards developed and presented by the International Accounting Standards Board (IASB). Their main objective is to provide companies worldwide with a set of standards to be used in the preparation and disclosure of financial statements.
10. The Sustainability Accounting Standards Board (SASB) is an independent standard-setting organization that promotes the disclosure of material sustainability information to meet investors' needs.
11. The International Council on Mining and Metals (ICMM) was established in 2001 to improve the performance of sustainable development in the mining and metals industry. ICMM has developed ten principles to which the participating companies must adhere. These considerations resulted from a survey with stakeholders both inside and outside the Council. They aim to meet and reinforce guidelines set by organizations including the OECD and the World Bank.
12. United Nations (UN).
13. ISO 26000 is an International Standard aimed at guiding organizations, of any size or location, to incorporate social and environmental guidelines into their decision-making processes and to be responsible for the impacts of their actions on society and the environment.
14. Although this Report presents CSN Mineração's financial, economic, social, environmental and governance performance for the period between January 1 and December 31, 2020 (calendar year), we consider the IPO as a "subsequent event" (favorable or adverse events that occur after the balance sheet date and before the disclosure of the financial statements) and extremely important to contextualize the Company's data, information, goals and projects for the coming years

Responsible Mining: Our Guideline



At CSN Mineração we are committed to Sustainability on a daily basis. These topics, including operational safety, independence of dam use - 100% of production using the dry method -, rational use of natural resources, environmental protection, and impact measurement and mitigation, are all addressed in a serious and responsible manner. We believe that mining provides development for the communities where we operate, for the state, and for the country. Thus, we strive to develop local communities by generating jobs and income, using local workforce, and implementing socio-environmental programs, in order to transform people's reality beyond the life cycle of our mines.

Associations and Initiatives

GRI 102-12 | 102-13

CSN Mineração participates in debates and discussions about regulatory frameworks, applicable legislation, infrastructure and technology. The Company, aware of its role as an agent of a strategic sector, coordinates important initiatives that are aimed at developing solutions for the challenges of mining. It is also a member of industry associations that assist in the development of international standards and best practices.

Associations and initiatives	CMIN Action
Municipal Safety Plan for Congonhas' Dams	Action plan to ensure the safety of the dams installed in the municipality of Congonhas. The participants include the region's main mining companies, public authorities and state and municipal Civil Defense authorities.
Workgroups from the Brazilian Mining Institute (IBRAM) Environmental bond working group Tailings Dam working group Mine Closure working group Mining working group Tax working group COVID-19 working group OHS Performance indicators working group Innovation in Health and Safety working group OHS Legislation working group	Participation in workgroups from IBRAM to discuss regulation proposals for the sector's main issues with other mining companies.
Committees - Brazilian Mining Institute (IBRAM) Mining Issues Committee Communications Committee Legal Committee Government Relations Committee (RELGOV) Health and Safety Committee Sustainability Committee	Participation in IBRAM Committees to discuss action strategies with the most important companies in the sector.
Mining Hub	Open innovation initiative focused on the participants of the Mining chain. Its purpose is to transform the culture and help improve the sector's reputation. It comprises the main mining companies operating in Brazil, suppliers and relevant institutions, such as the Brazilian Mining Institute (IBRAM) and Dom Cabral Foundation, in addition to startups, academic projects and technology companies).
Environment and Sustainable Development Council - FIEMG	Participation in the Environment and Sustainable Development Council by FIEMG (Minas Gerais State Industry Federation) to discuss issues relevant to the sector and develop the production chain
International Commission on Large Dams (ICOLD)	With regards to dam operations and safety, CSN Mineração follows the guidelines and recommendations set forth by ICOLD, a non-governmental international commission that encourages the exchange of information on planning, design, construction and operations of large dams. These standards and practices are in line with the requirements of the International Council on Mining and Metals (ICMM)
Committee of the Paraopeba River Drainage Basin and of CTIOAR (Technical Chamber for the Integration of Procedures and Grant and Regulatory Actions)	The committee proposes guidelines for the integration of procedures between the institutions responsible for grant and regulatory actions related to the environment and water resources
CODEMA – Congonhas Municipal Environment Council (MG)	Participation as a sitting or alternate member, helping in the resolutions of this advisory body.

Through its parent company, CSN Mineração reports to Disclosure Insight Action (CDP): information related to Climate Change, Supply Chain and Water Security and to the GHG Protocol Brazil, a public registry of greenhouse gas emissions. For 2021, the Company will prepare both reports independently from the CSN Group.

In addition, the CSN Group is a signatory to the United Nations Global Compact, which allows CSN Mineração representatives to access the Brazilian arm of the initiative.



Sustainable Development Goals

GRI 102-12


The material themes of this Report were aligned with the Sustainable Development Goals (SDGs), a global agenda adopted in 2015 by countries participating in the United Nations (UN) with 17 goals and 169 targets to be achieved by 2030. CSN Mineração contributes to achieving the SDGs by developing actions, corporate policies and good practices that generate value for society in the form of direct or indirect impacts. The integration of the SDGs into our operations and relationships with our stakeholders is strategic and fundamental to the success and perpetuity of the Company.

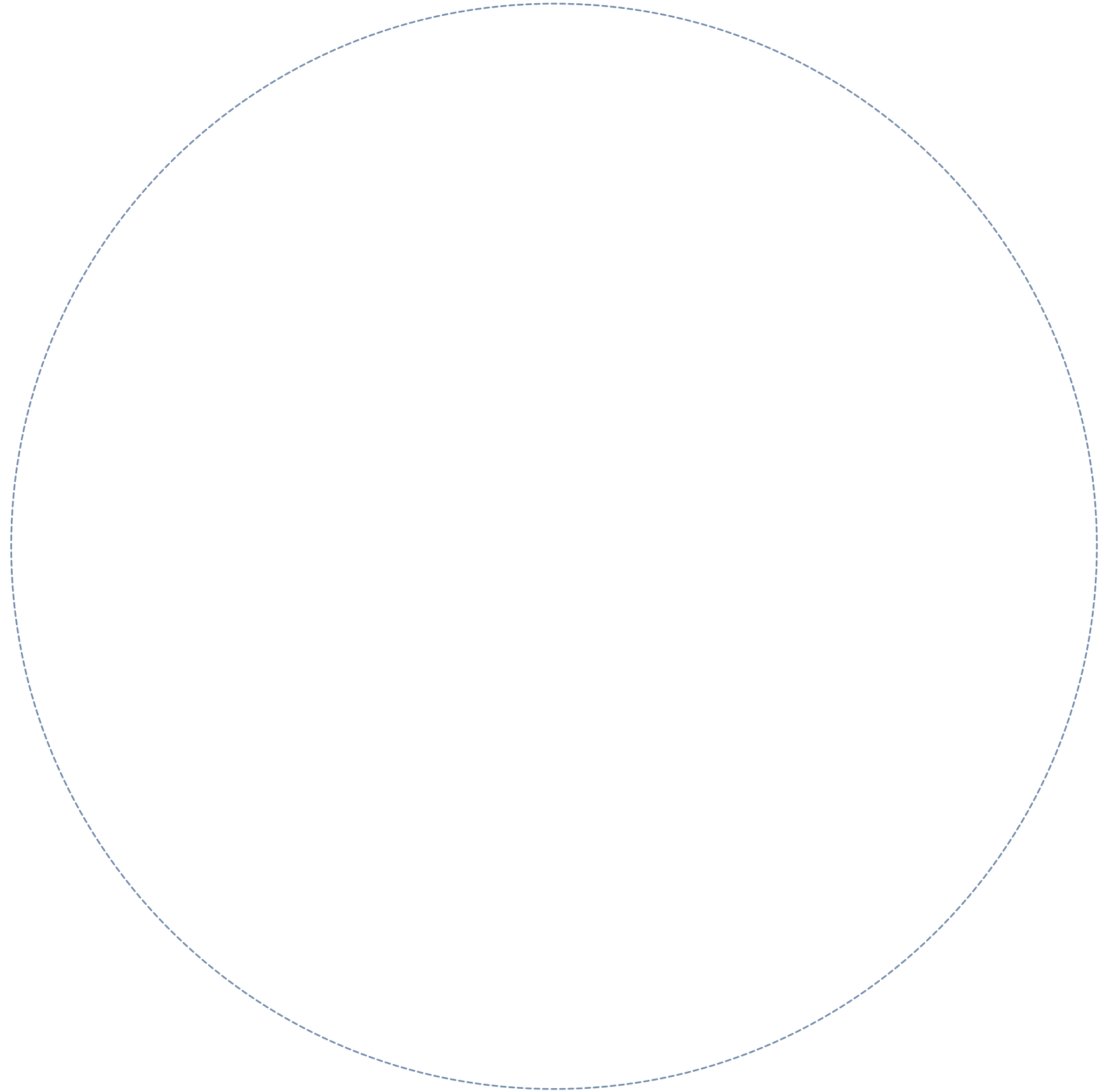


SDGs and CMIN

GRI 102-12

Our operations have direct and indirect impacts on all **17 SDGs**, but we have chosen to focus on **eight** of them. The Sustainable Development Goals identified below are those to which we can contribute most significantly.

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



MATERIALITY

- 14 Materiality
- 16 Messages from the Leadership



Materiality

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

CSN Mineração's 2020 Annual Report offers an opportunity to comprehensively assess the themes that are most relevant to our operations and have impacts on Society, the Environment and the Economy. The Materiality Study allowed us to map these themes - from the perspective of stakeholders - and identify the critical issues that may have a significant influence on our ability to meet our objectives. This comprehensive view provided valuable insights and is the basis of this Report.

Besides top management, other audiences considered essential were consulted: corporate and operational employees, leaders, suppliers, national and international customers, investors and representatives of civil society in local communities, such as associations, foundations and councils, for a total of 266 participants through electronic or questionnaires or interviews.

1. SAM Sustainability Yearbook is an annual publication by RobecoSAM, based on the Corporate Sustainability Assessment (CSA) - the assessment upon which the Dow Jones Sustainability Indexes are based. These indexes are developed by analyzing a range of environmental, social and governance (ESG) criteria for companies listed on the New York Stock Exchange. For each of the 61 sectors assessed in the CSA, the SAM Sustainability Yearbook draws attention to how each sector's sources of value creation have been impacted by major current and future challenges. In addition, it presents the themes which the assessment considers most relevant for each of the sectors analyzed.

1) BENCHMARKING
Identification, analysis and selection of material themes that converge between benchmark organizations in sustainability in the sector in which we operate.

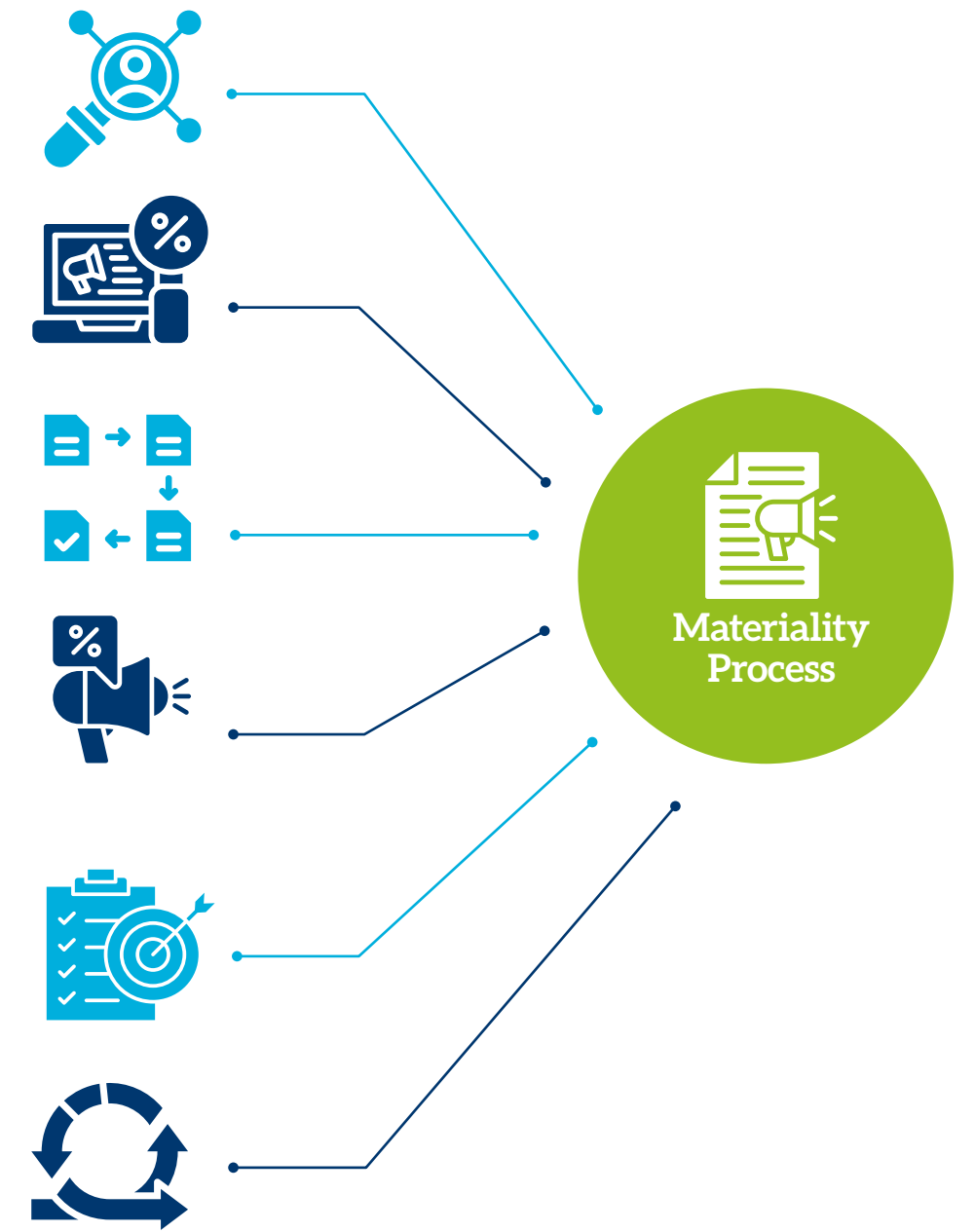
2) CONSULTATION
Consultation of guidelines issued by sector organizations and sustainability reporting standards.

3) MAPPING
Mapping of reports and demands received from rating agencies and Sustainability Indices¹.

4) INTERVIEWS/SURVEYS
Online surveys and/or interviews with internal and external stakeholders. We interviewed/surveyed a total of **266 people**.

5) PRIORITIZATION
We compiled the results obtained in the stages above into a matrix, prioritizing the themes assessed by assigning weights according to their recurrence.

6) CALIBRATION
The themes were reviewed, validated and approved by leadership, who took into consideration criteria such as risk, opportunity and business strategies



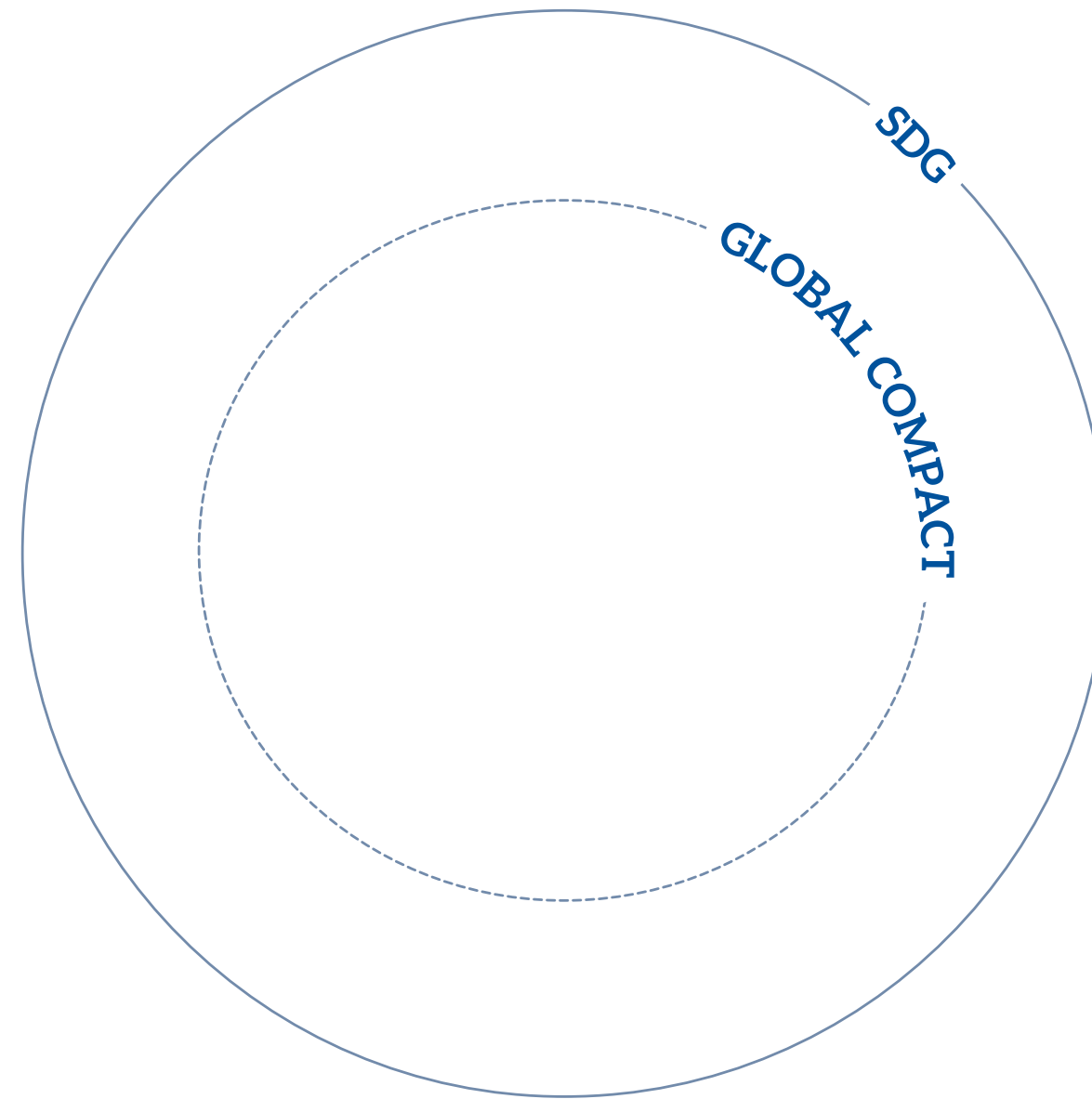
To provide objectivity to the Report, the analyses related to atmospheric emissions, energy management, water consumption and effluent disposal, biodiversity and soil use and waste management were grouped under the theme "Environmental Performance".

We also analyzed the connection 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 next page


Materiality Matrix

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

THEMES



Relevance of stakeholders
Extremely relevant Relevant Not relevant

 Click on the material themes and see how they relate to each other.

Messages from the Leadership

Message from the Board of Directors

GRI 102-14

The world was impacted by the severe consequences of COVID-19. We from CSN Mineração had to adjust quickly to the new scenario so that we could continue producing iron ore, an essential raw material for the production of steel needed in our daily lives.

It is exactly in challenging moments that we have showed our essence: we cared about our 9,000 employees (own and third parties), we worked to benefit the environment and society, with innovation and in a sustainable way, and, at the same time, we delivered exceptional results, making a difference in the lives of thousands of people.

With all due precautions and protocols to preserve the health and safety of everyone during the pandemic, we continued to hard and, as of the third quarter, we have been reaping the rewards of serious work, based on the strength and daily dedication of our employees, and also provided by a favorable scenario: the growing foreign demand for iron ore, mainly leveraged by China and the United States.

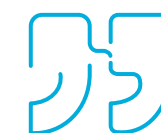
Thus, we were able to grow in the face of the uncertainties we had at the beginning of the year, reaching net revenue of R\$13.79 billion, a 20% increase over 2019. Approximately 31.15 million tons of iron ore were sold, and

our EBITDA reached a record high of R\$8.15 billion, in connection with the excellent price realization.

An important aspect to highlight is the work that has been developed to increase our production. In 2020, we reached 3.38 billion tons of reserves¹ of a total of 5.92 billion tons of resources² at the Casa de Pedra and Engenho mines. At Serra do Esmeril, we have 2.0 billion tons of mineral deposits, totaling 7.92 billion tons of mineral potential and resources with economically viable exploration, which support our expansion projects. In this way we increase the useful life of the mine. In



2020 was marked by the uncertainties caused by the COVID-19 pandemic. We continue to act according to our essence of “fazer bem, fazer mais e fazer para sempre”, maintaining our production of essential raw materials to serve Brazil and the world. We reiterate here our deep sorrow for the countless lives lost in this context.



1. A Mineral Reserve is the economically minable and viable part of a Mineral Resource. This follows the Committee for Mineral Reserves International Reporting Standards (CRIRSCO).
 2. Mineral resource is a concentration or occurrence of solid material of economic interest within or on the surface of the earth's crust where there are reasonable prospects for economic extraction in terms of form, content or quality and quantity.

31.15 MILLION TONS OF IRON ORE WERE TRADED

In addition, ongoing drilling campaigns have the potential to further increase resources and reserves.

In line with our project to triplicate our production in the next ten years, in 2020 we took an important step along this path, with the IPO, which was held in the first quarter of 2021 and which certainly represents a great milestone in our history.

However, we understand that our Company's objective does not include only the creation

of value for our shareholders. We need to create and share value with our various stakeholders, generate positive impacts, and prevent and mitigate negative impacts on environmental, social, and economic issues. To increase

the effectiveness of our activities, we have made Environmental, Social and Governance (ESG) aspects a structural pillar of our growth plans.

We are committed to a series of goals related to reducing CO2 emissions, using less water in our production process, waste generation and disposal, and maintaining 100% of our energy matrix coming from renewable sources. We were the first Brazilian mining company to operate fully independently of tailings dams on a large scale and we had our first tailings dam decharacterized.

In addition, we have made progress regarding the safety of our employees, which is reflected in our operational performance. 2020 was a year of great progress in safety indicators.

We recorded a 40% reduction in the accident frequency rate of the last three years and remained within our goal of zero fatalities.

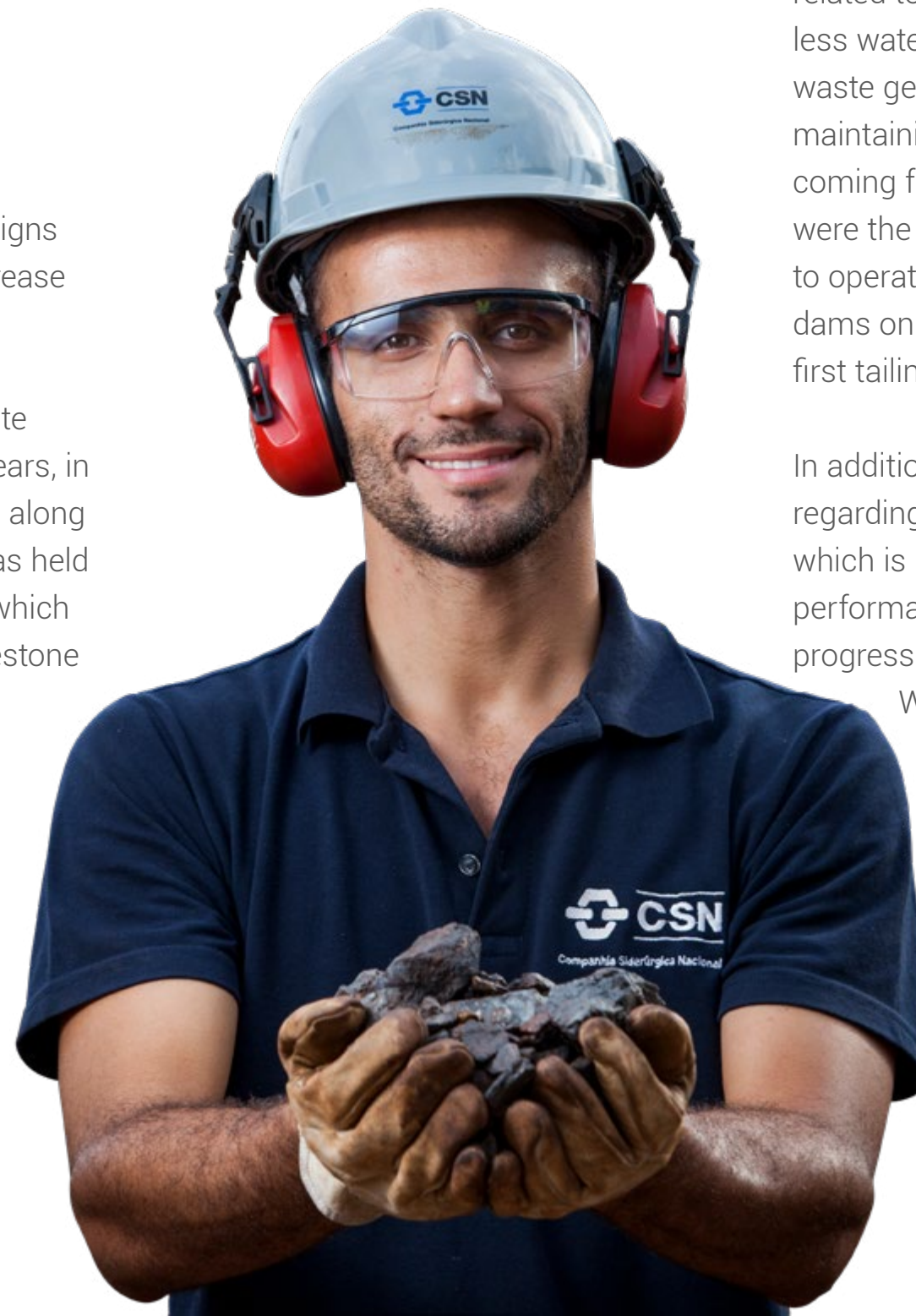
It is through ambitious goals, and boldness and planning to face them, that we will continue working to be part of the solutions to the great challenges of the future.

We will continue to work on increasing productivity and efficiency, guided by good social, environmental, and corporate governance practices, aiming to contribute to the Company's sustainable growth and provide development for the communities where we operate and for the country.

Today we build the mining of tomorrow, with initiatives that lead us to believe more and more in our pioneering spirit and in our essence of **"fazer bem, fazer mais e fazer para sempre"**.

Enjoy your reading.

Board of Directors



Message from the Executive Officer

GRI 102-14

A year characterized by many losses and uncertainties. This is exactly the way we will remember 2020. Everyone has been impacted by the pandemic of the new coronavirus, which had merciless consequences in all aspects of our lives and of everyone around us. Therefore, I hereby profess our most sincere respect and sympathy to the Brazilian families.

We, from CSN Mineração, being aware of the new scenario established around the world at the beginning of last year, were sure of one thing: we needed to act to adapt to these difficult times, because stopping was never an option. To this end, we adopted measures that allowed us to adapt quickly and operate effectively to minimize the impacts caused by COVID-19.

As providers of essential products, we continued to supply the market with our excellent ore, while implementing all the necessary protocols to ensure the safety of our employees, such as leave for people in the risk group, intensified sanitation in our facilities, offering 70% alcohol sanitizer gel, distribution of facemasks, temperature checks, cancellation of in-person meetings, implementation of schedules in buses and cafeterias, among many other initiatives.

With all the necessary precautions and the commitment and dedication of our employees, we continued to work and, as of the third quarter, we have seen a favorable foreign scenario due to the high demand for iron ore from

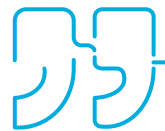
international markets, especially China and the United States.

Given this strong demand, which analysts see as a commodities supercycle in the next two or three years, we are in a highly strategic position in the market. Another important element in 2020 was our preparation for the IPO¹, which occurred in the first quarter of 2021. We debuted at B3², listed in Level 2 - which represents a high level of governance practices - **among the ten largest IPOs in the history of the Brazilian** stock exchange in nominal terms (not corrected for inflation).

The transaction raised R\$5.219 billion, considering primary and secondary offerings. Of this total, around R\$1.37



We are honored and pleased to present CSN Mineração's first Integrated Report. In line with international guidelines for value creation, this publication symbolizes a milestone for us and for our stakeholders, who are increasingly seeking relevant and strategic information on the sustainability and continuity of businesses.





billion will be allocated to the Company's expansion projects until 2033, such as the Itabirito P15, Esmeril and Mascate P28 plants and the Recovering of Tailings from the Casa de Pedra and Pires (Vigia and Auxiliar do Vigia) Dams, to accelerate our schedule for the decharacterization of existing dams. Our projection is to triplicate in size over the next ten years, raising our ore production to the level of 108 million tons/year.

It is worth noting that, in 2020, we reinforced our concern with ESG aspects, i.e., our social, environmental, and governance commitment. The evidence for this is that we are at the forefront of management of mining tailings worldwide. Over the last few years we have invested around R\$400 million in technologies that have enabled us to improve tailings management through dry filtering and stacking. This initiative has allowed us to become the first Brazilian mining company 100% independent from the use of tailings dams. In addition, we have our first large decharacterized dam, the B5 Dam.

These measures contributed to a 32% reduction in water consumption at the central ore beneficiation plant. Thus, we have made significant progress toward our commitment to reduce total water consumption per ton of ore produced by 10% until 2030.

CMIN collaborator at Casa de Pedra Complex

And there is more. We want to maintain the energy used by CSN Mineração coming from 100% renewable sources, as well as achieve ISO 14001:2015 Certification for TECAR - Coal Terminal.

In terms of participative performance, our goal [RA3] is to double the participation of women in our operations by 2025, reaching 28% of our workforce. We have already taken an important step by appointing two women to the Board of Directors, which places us in a unique position compared to other mining companies operating in Brazil and abroad.

We foresee this future in an optimistic and determined way, pursuing continuous improvement and focusing on our commitment to "fazer bem, fazer mais e fazer para sempre". I would like to thank everyone who was involved in CSN Mineração's projects in this symbolic and highly challenging year.

Good reading!

Enéas Garcia Diniz
Chief Executive Officer/ Superintendent

1. IPO – Initial Public Offering.
2. Referring to the initial letters of Brasil, Bolsa, Balcão, is the official stock exchange of Brazil, headquartered in the city of São Paulo (SP).

CORPORATE PROFILE

21 About CSN Mineração

CSN Mineração is Brazil's second largest exporter of iron ore, the sixth largest in the world, and features among the five most competitive companies in the overseas market for extracting, beneficiating, transporting and distributing iron ore to the domestic market and to the European and Asian markets.

About CSN Mineração

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



For more information
access our website.

A Company that operates in an integrated manner through operations in its own mines (Casa de Pedra and Engenho); ore processing; interest in MRS Logística, transporting product to the domestic market and port terminal; supply of high-quality iron ore to the overseas market, through the lease agreement of the TECAR Port Terminal. Moreover, it has one of the world's largest iron ore reserves, certified at more than 3.02 billion tons¹.

The Company's current structure was consolidated in 2015 after the merger

of the iron ore and related logistics businesses of the CSN Group and NAMISA², but CSN Mineração has a history of more than one hundred years in iron ore production.

Located in the Iron Quadrangle, a region with outstanding mineral wealth in the center-south of the State of Minas Gerais, CMIN has an installed production capacity of 33.0 million tons of iron ore per year in the beneficiation plants in Casa de Pedra (Central Plant) and Pires (Dry Plants) (MG) and an installed export capacity

of 45.0 million tons/year in the TECAR Port (RJ).

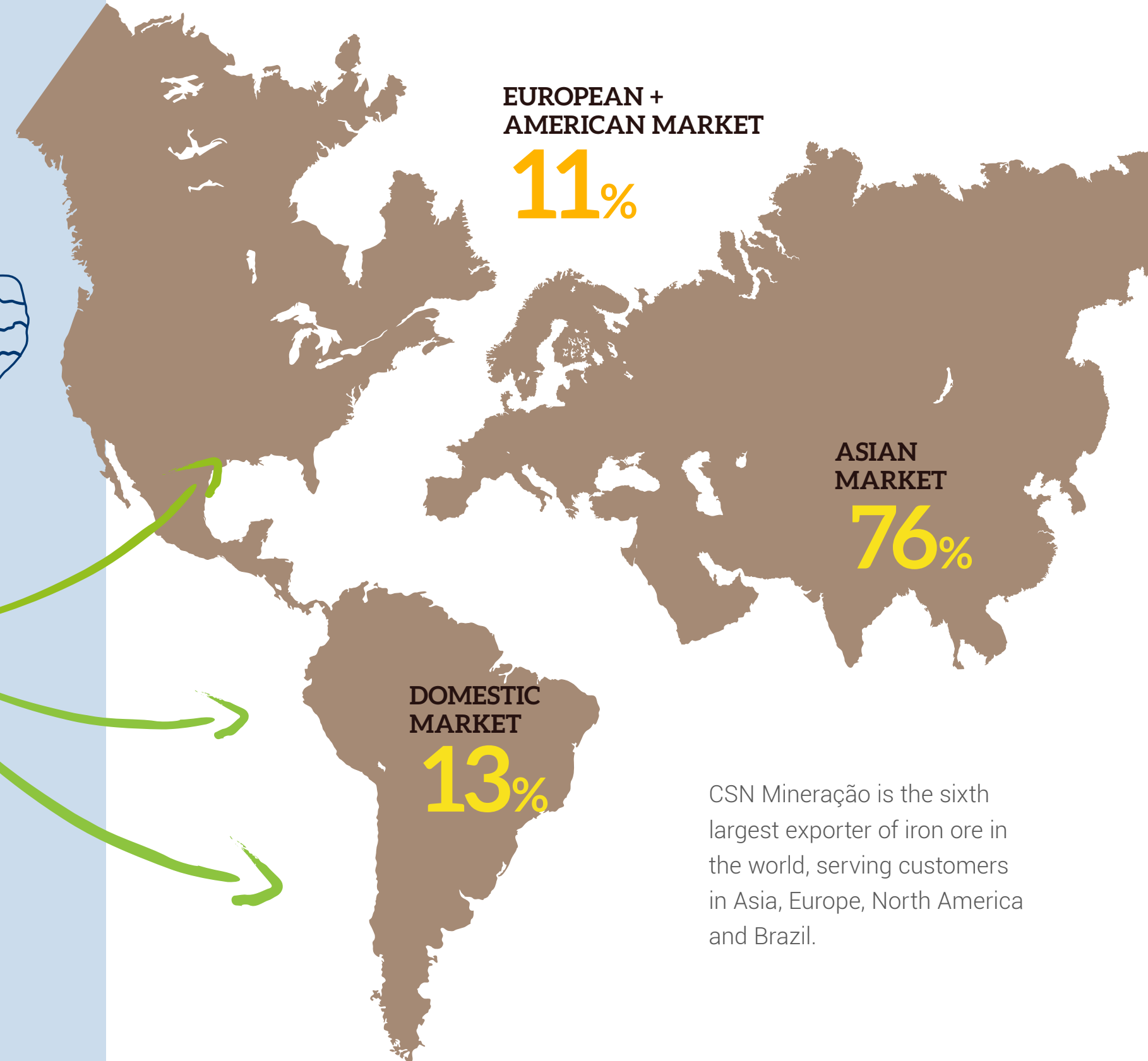
CSN Mineração's more than 6,400 employees work tirelessly to supply high-quality ore. The comprehensive product portfolio - Lump, Sinter Feed, and Pellet Feed - meets the growing demands of global markets. CSN Mineração is a company focused not only on sustainable return for its shareholders, but also on the search for a positive, real and lasting contribution to Society.

1. Report prepared by certifier Snowden do Brasil Consultoria Ltda. in February 2015, pursuant to the methodology adopted by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves JORC Code 2012 and industry best practices.
2. Nacional Minérios S.A., a company established in 2007 and controlled by the CSN Group.

Where We Operate



Where We Are



CSN Mineração is the sixth largest exporter of iron ore in the world, serving customers in Asia, Europe, North America and Brazil.

VALUES, STRATEGY AND MANAGEMENT

- 24 Our Strategy
- 26 Our Business Model
- 27 Our ESG Goals
- 29 Investment Thesis
- 31 Shareholding Structure
- 32 Corporate Governance



Guided by CSN Group's essence of *"fazer bem, fazer mais e fazer para sempre"*, our strategy is to operate with maximum innovation and respect for the Environment, workers, communities, customers, and legislation. Thus, we increase competitiveness, and offer a portfolio of high-quality and durable raw materials to provide sustainable value for all stakeholders.

Our Strategy

Deliver sustainable value to all our stakeholders through initiatives, policies, projects and operations that include.

 **Click on the capital icons**
to see our strategies



How do we measure the success of our strategies?

We monitor and analyze financial and non-financial performance with indicators based on our strategy, purpose, and guides:



Health and Safety

To ensure the physical and mental integrity of our employees.



Production

To deliver high-quality products and services while preserving natural and financial resources.



Financial

To ensure sustained growth and financial discipline in creating value for our shareholders and contribute to the socioeconomic development of the communities where we operate.



Cost

To be competitive and as efficient as possible.



Environment

To prevent and mitigate our impacts on the Environment, fostering the search for innovative and eco-efficient solutions.

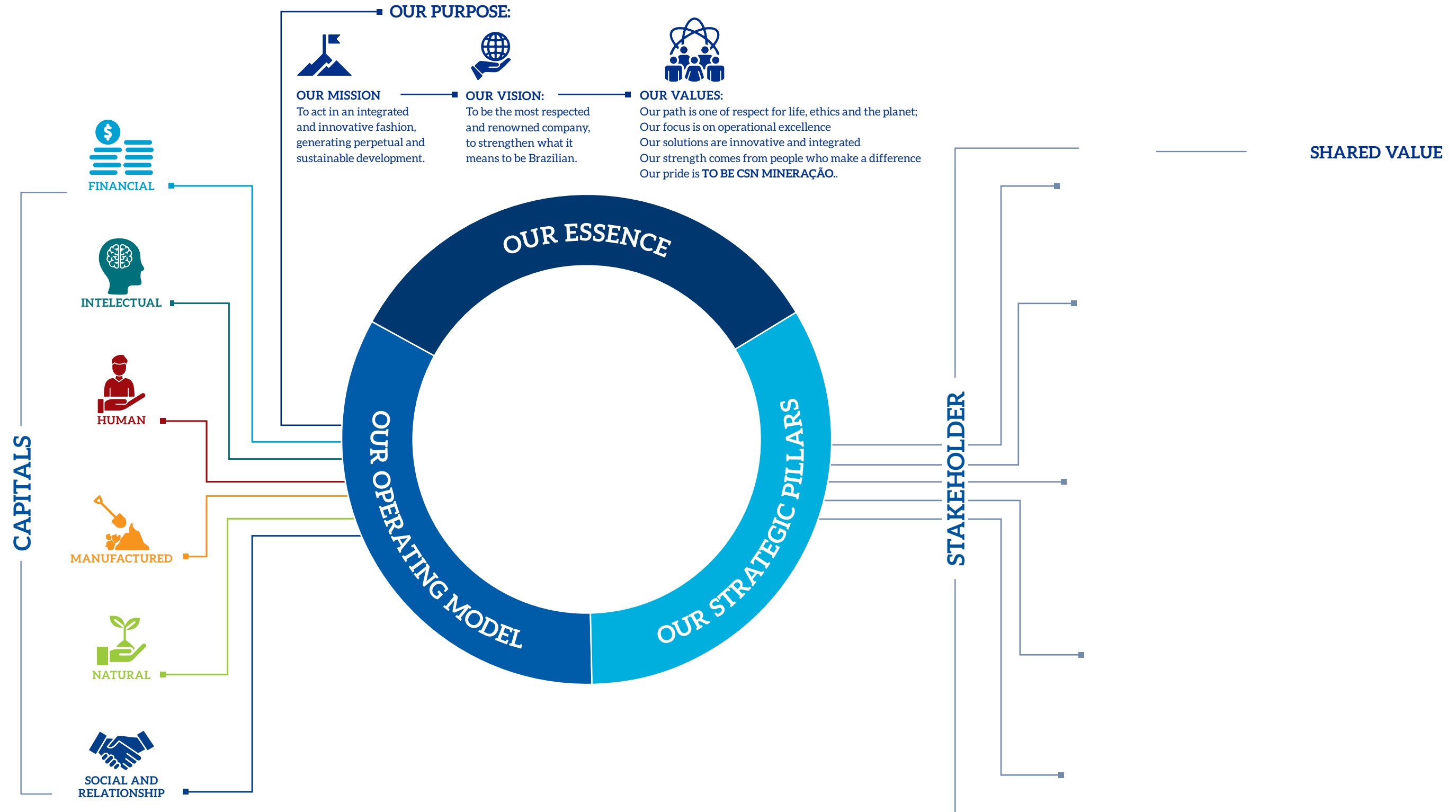


People

To create a healthy, safe, diverse, inclusive and collaborative environment that is purpose-driven and performance-oriented.

Our Business Model

GRI 102-15 | 102-16



Click on the central circle points and on each stakeholder to see the actions of shared value.

Our ESG Goals

We have established CSN Group's ESG goals, and specific goals for CSN Mineração, which will guide our journey towards more efficient, integrated and sustainable management, including:

WATER:

By 2030, reduce the **consumption of new water** in iron ore production by at least



per ton of ore (base year: 2018) and conduct the Company's Water Footprint in 2021

ENERGY

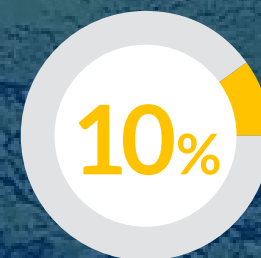
Maintain energy coming from

100% renewable sources

a milestone we reached in 2020

WASTE

Reduce waste (Class II) sent landfills by at least



compared to the total amount sent in 2020

GHG EMISSIONS¹

Reduce the reduce the intensity of scope 1 and 2 GHG emissions (tCO₂/ton of ore produced) by



until 2030 (base year: 2019)

CERTIFICATIONS

Certify, by 2021,

the **TECAR port** in ISO 14.001:2015

and certify **TECAR and the Casa de Pedra Mine** in ISO 9001

DAM SAFETY

Decharacterize all dams by 2033.

1. In this reporting cycle, CSN Mineração improved its methodologies to calculate scope 3 emissions, so that we can establish achievable goals for this scope in 2021.

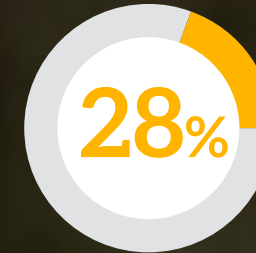


GENDER EQUALITY



by 2025, double the percentage of **women in CSN Mineração's workforce,**

based on 2019 figures, to



OCCUPATIONAL SAFETY

With the CSN Group, annually reduce the **accident frequency rate (CAF+SAF)** by

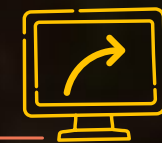


continuously achieve a zero fatality

Rate and, in 2021, reduce the number of days of absence from work due to accidents (own) by

10% versus 2020;

There are also important goals established by the CSN Group, to which CSN Mineração will provide a major contribution, in the areas of: corporate governance, anti-corruption, relationship with the community and business performance.



For more information, see CSN Group's integrated report.

Investment Thesis

GRI 103-2 | 103-3 | 201-2

CSN Mineração is an integrated company that operates in the supply of iron ore to the transoceanic market, in addition to supplying ore to the domestic steel industry, with efficient and competitive operations in mines, railways and ports. Offering relatively high iron content and, consequently, low generation of slag in steel production, the Company helps its customers to reduce greenhouse gas emissions, contributing to a sustainable future and pollution reduction.

Located in the Iron Quadrangle, a region recognized for its mineral wealth, in the center-south of the State of Minas Gerais, in Brazil, CSN Mineração has integrated logistics that allow for efficient transportation via the MRS railway to the TECAR port terminal, located in the Itaguaí Port. In addition to Casa de Pedra and Engenho mines, characterized by their high level of iron ore content, and its beneficiation plants (Central Plant and Dry Plant), CSN Mineração also owns the Pires beneficiation complex, an 18.63% interest in MRS Logística and the lease of the TECAR port terminal. Combining high-value assets with an integrated logistics operation structure allows the Company to be one of the most efficient in the sector, with an outstanding position in cost and product quality compared to the competition, according to the Company's evaluation.

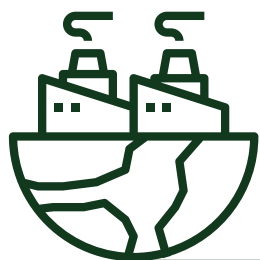
Another major characteristic of the Company is its full autonomy from dams. As a pioneer in the use of technologies that result in the possibility of stacking the tailings generated in the ore production process, the Company's production is currently 100% independent from tailings dams. After significant investments in recent years to increase the level of reliability, decharacterization and dry stacking, the Company has moved to a scenario where 100% of its tailings are dry filtered and stacked in areas exclusively intended for that purpose. This pioneering approach allowed the Company to master the technology, enabling current production and sustainable growth.

The investments made in recent years to increase productivity and improve the quality and sustainability of the Company's operations, together with its logistics integration, a market strategy that maximizes the value of the Company's product variety and the relationship with the different customers and regions covered, has enabled constant evolution of profitability.

The initiatives of the Company and its shareholders underline the focus on the social, environmental and corporate governance agenda. The Company follows strict standards of environmental conduct



As a pioneer in the use of technologies that result in the possibility of stacking the tailings generated in the ore production process, the Company currently has production that is **100% independent** of tailings dams.



Because it believes in sustainable development, CSN Mineração is committed to a proactive conduct in the mitigation of socio-environmental impacts. Therefore, it considers essential to invest in Circular Economy practices, recovering products that would have been disposed of and generating a lower volume of tailings.

in accordance with the IFC sustainability regulation, and with a record of protected regions, and waste and emission management.

On principle, the Company always strives to incorporate innovative solutions that result in safer and more efficient operations. The automation of the monitoring tools and the development of dam tailings processing to produce ore within the context of the decharacterization of the dams increases production, thereby creating value for shareholders and meeting a demand from current regulations, the authorities and the local community. This process is based on strict safety standards and promotes the sustainable use of resources.

Because it believes in sustainable development, CSN Mineração is committed to a proactive conduct in the mitigation of socio-environmental impacts. Therefore, it considers essential to invest in Circular Economy practices, recovering products that would have been

disposed of and generating a lower volume of tailings. For the same reason, the Company invests in the recirculation of water and in the reduction of the specific consumption of new water, and ensures that its energy comes from 100% renewable sources, a commitment that is annually reiterated by the Company. It also has a clear positioning regarding the challenges brought imposed by climate change, evolving in the structuring of increasingly assertive indicators and targets.

Building a diverse and inclusive environment reflects the Company's commitment, which begins with its leadership and extends to its entire workforce.

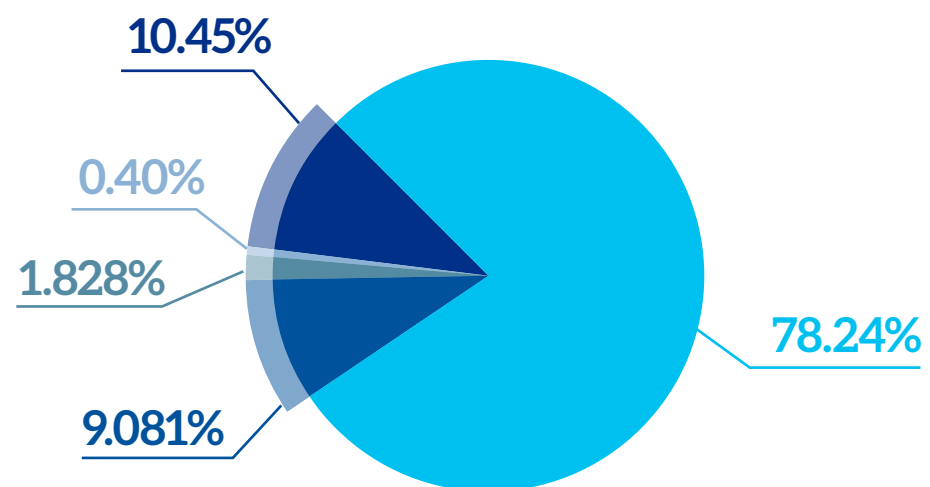
In addition, the Company has a strong governance with an extremely experienced management team, with over 30 years in the industry, and a structure of appointed and independent board members, in compliance with the best practices of the Level 2 listing.

Shareholding Structure

GRI 102-5

Since the IPO¹, the Company has been listed in Corporate Governance Level 2 of B3² (Novo Mercado³), sendo suas ações ordinárias conhecidas na Bolsa de Valores pelo código "CMIN3". with its common shares identified on the Stock Exchange under ticker "CMIN3". After the IPO, the Company's shareholding structure is as follow⁴:

On February 18, 2021, the share was launched on B3⁵ at R\$8.50, and generated a total activity of R\$5.219 billion. A group of twelve financial institutions coordinated the operation, with Morgan Stanley Bank acting as lead coordinator and XP Investimentos as stabilizing agent.




More information on CMIN IPO can be accessed at page 54.

1. IPO means "initial public offering". It represents the first time that a company will receive new shareholders by issuing shares in the market. Thus, it becomes a publicly-held company with shares traded on the Stock Exchange's trading floor.
2. As a reference to the initial letters of Brasil, Bolsa, Balcão, this is the Brazilian official stock exchange, headquartered in the city of São Paulo (SP). In 2017, it was the fifth largest financial and capital market exchange in the world, with assets of \$13.0 billion.
3. After the IPO, CSN Mineração became the 178th company listed on the Novo Mercado, the segment with the highest Corporate Governance standards.
4. Although this Report presents CSN Mineração's financial, economic, social, environmental and governance performance for the period from January 1 to December 31, 2020 (calendar year), we consider the IPO a "subsequent event" (favorable or unfavorable events that occur after the reporting date and before the release of the financial statements) and of extreme relevance to provide a context for the Company's data, information, goals and projects for the coming years.
5. As a reference to the initial letters of Brasil, Bolsa, Balcão, it is the Brazilian official stock exchange, headquartered in the city of São Paulo (SP). In 2017, it was the fifth largest financial and capital market exchange in the world, with equity totaling US\$13.0 billion.

Corporate Governance¹

GRI 102-22 | 202-2



Our governance structure enables prompt decision-making and transparency, ensuring the responsibilities inherent to honest, efficient, and reliable management.

We comply with corporate governance standards rigorously, both in terms of compliance practices and in the regulation of our processes, and we invest in the development of our governance, seeking references in the world's best practices. Our model is structured in order to meet the Company's strategic demands, and to lead our team to achieve all the planned goals.

Our governance structure enables prompt decision-making and transparency, ensuring the responsibilities inherent to honest, efficient, and reliable management. Our Compliance and Integrity Program establishes a series of mechanisms to operate pursuant to CMIN's Code of Conduct.



High standard of Governance

In February 2021, CSN Mineração held a Primary and Secondary Public Offering of Common Shares ("Offering"), and became listed in Corporate Governance Level 2 of B3², a special securities trading segment that has a unique corporate governance standard. Listing in this special segment indicates the institution complies with a set of even stricter corporate and governance rules, in addition to disclosing policies and having transparency, monitoring and control mechanisms in place.

Minority shareholders are represented at the Shareholders' Meeting through the exercise of voting rights, in the same way as the controlling shareholder, and, in the event of sale of control, they have the right to sell shares under the same conditions as the selling controlling shareholder (tag along).

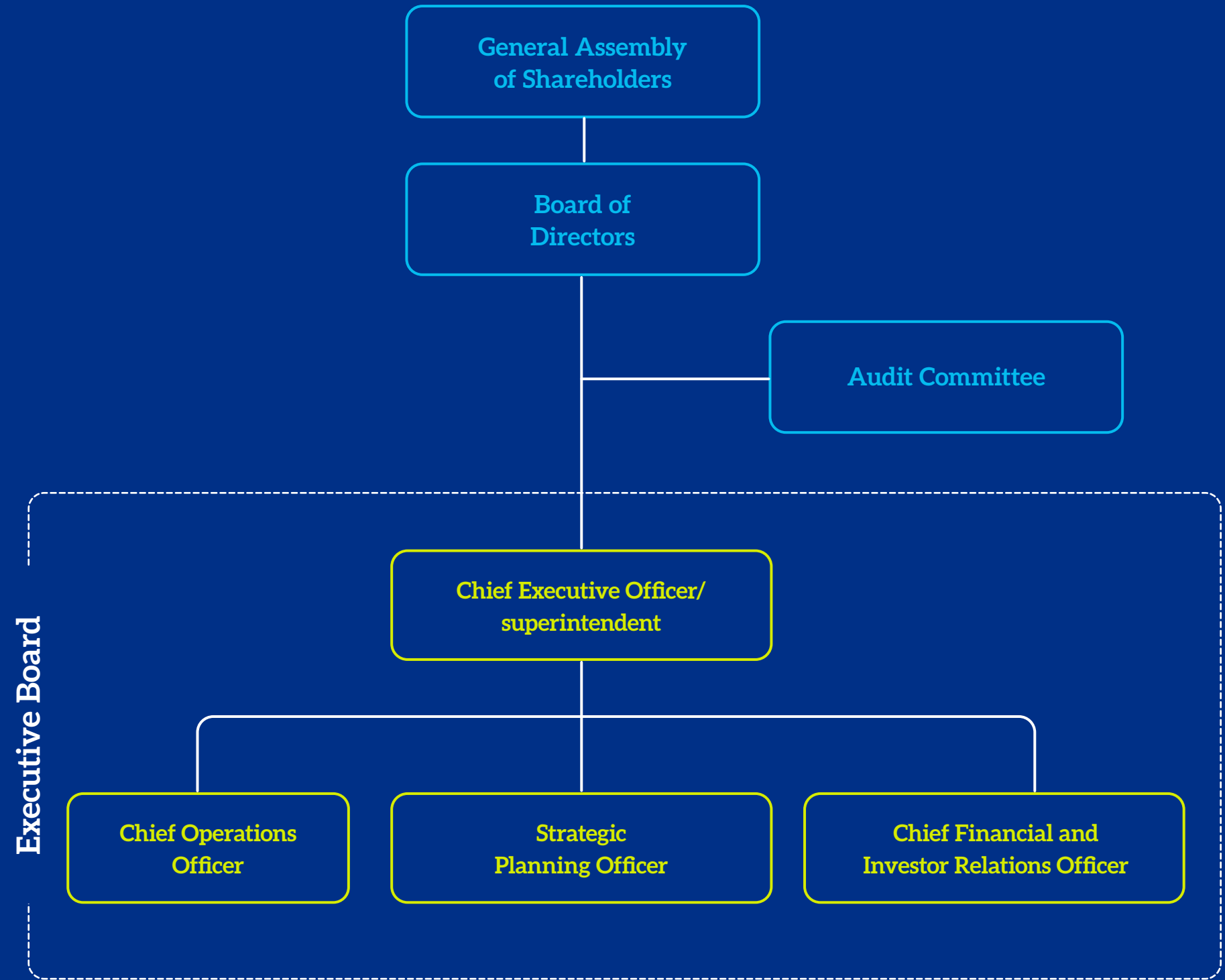
1. Although this Report presents CSN Mineração's financial, economic, social, environmental and governance performance for the period from January 1 to December 31, 2020 (calendar year), we consider the IPO a "subsequent event" (favorable or unfavorable events that occur after the reporting date and before the release of the financial statements) and of extreme relevance to provide a context for the Company's data, information, goals and projects for the coming years. In 2020, the Company has prepared for the IPO and, in this item, we will present the structure, regulations and governance practices for a Publicly-Held CMIN, listed in the Corporate Governance Level 2 listing segment of B3.

2. B3 S.A. – Brasil, Bolsa, Balcão.

Management Structure¹

GRI 102-18

The Company is managed by a Board of Directors and an Executive Board. In addition to these bodies, the Bylaws provide that the Board of Directors may create strategic and advisory committees, permanent or not, to analyze and express opinions on issues, as requested by the Board of Directors. Currently, the Company only has the Audit Committee established as an advisory body to the Board of Directors.



1. The governance bodies' composition presented herein reflects the structure established immediately after the IPO. For the current composition of these bodies, refer to the [Company's Reference Form](#).

Board of Directors

The highest body in CSN Mineração's organizational structure, the Board of Directors establishes the overall guidelines for the business, resolves on strategic issues, defines policies, assesses and monitors risks and ensures compliance with the Company's corporate purpose by protecting business longevity and the impacts on society and the environment. The Board of Directors is also responsible for appointing Officers and establishing their duties.

The Board of Directors is composed of a minimum of five and a maximum of seven sitting members and a number of alternates that will not exceed this figure, pursuant to the Bylaws. From the members of the Board of Directors, two, or at least 20%, whichever is higher, shall be independent members.

Considering the current composition of the Board of Directors, from the total members (sitting and alternate members), 50% are over 50 years old and 50% are between 25 and 50 years old, the minimum age being 28 years old and the maximum, 76 years old.

Cmin - Board of Directors (on 12/31/2020)

Indicated by the controller

Benjamin Steinbruch

Chairman
67 years old



Term of office from 10/15/2020 to 10/15/2022

Marcelo Cunha Ribeiro

43 years old



Term of office from 01/21/2021 to 10/15/2022

Helena Olimpia de Almeida Brennand Guerra

44 years old



Term of office from 01/21/2021 to 10/15/2022

Victoria Steinbruch

28 years old



Term of office from 01/21/2021 to 10/15/2022

Indicated by the consortium

Hiroshi Akiba

50 years old



Term of office from 01/21/2021 to 10/15/2022

Makoto Oishi

(Alternate)
43 years old



Term of office from 10/15/2021 to 10/15/2022

Independent

Miguel Ethel Sobrinho

74 years old



Term of office from 10/15/2021 to 10/15/2022

Yoshiaki Nakano

76 years old



Term of office from 01/21/2021 to 10/15/2022

The Board of Directors members are elected by the Shareholders' Meeting for a unified two-year term of office. The Shareholders' Meeting may, in accordance with the Company's Bylaws, remove Board members from office. The Bylaws also establish that the positions of Chairman of the Board of Directors and Executive Officer or main executive of the Company may not be held by the same person.

Currently, CSN Mineração's Board is composed of eight members, seven of whom are sitting members and one is an alternate. In 2021, two women will join this group of Board members, demonstrating a change process focused on diversity and equal leadership opportunities.

Compensation

The Board of Directors' independent members are entitled to the same fixed monthly amount, established at a Board of Directors' meeting. The non-independent members have waived their right to receive compensation. None of the members - independent or not - are entitled to direct or indirect benefits, variable or share-based compensation.



More information
on CMIN's Board of
Directors



Executive Board

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

The Executive Board is responsible for managing and operating the Company's business activities, and shall exercise the powers granted to it by the Shareholders' Meeting, the Board of Directors and the Company's Bylaws to perform the acts required to regulate the Company's operations. It is composed of at least two and at most five executive officers, all of whom residing in Brazil, eligible for the position in accordance with the applicable law and with specific expertise in their area. The term of office is two years, reelection being allowed for an unlimited number of terms, and lasts until the

investiture of the respective successors. The Executive Board is currently composed of four officers: one Chief Executive Officer/Superintendent Director, one Chief Operating Officer, one Strategic Planning Officer, and one Chief Financial and Investor Relations Officer. The Executive Board convenes whenever called by the Superintendent Director or by any two Officers.

Considering the current composition of the Board of Directors, 50% of the officers are over 50 years old and 50% are between 30 and 50 years old.

CMIN - Executive Board (on 12/31/2020)¹

Statutory Board

Enéas Garcia Diniz

Chief Executive Officer

60 years old



Term of office from 15/10/2020 to 10/15/2022

Armando Maurício Max

Chief Operations Officer

58 years old



Term of office from 10/15/2020 to 10/15/2022

Hironori Makanae

Strategic Planning Officer

50 years old



Term of office from 04/30/2021 to 10/15/2022

Pedro Barros Mercadante Oliva

Chief Financial and
Investor Relations Officer

35 years old



Term of office from 01/21/2021 to 10/15/2022

1. Para mais informações sobre o histórico profissional dos membros da Diretoria, acesse o Formulário de Referência da CSN Mineração.

Compensation

GRI 102-35 | 102-36

CSN Mineração's Executive Board members receive fixed monthly compensation and benefits such as health and dental plans, life insurance, additional private pension plan (CBS - Previdência - Caixa Beneficente dos Empregados da Companhia Siderúrgica Nacional, to which participants can contribute from three to six percent of their respective nominal wages/fees, and the Company contributes 100% of participants' amount)

and annual health check-up. There is no Company share-based compensation plan.

Regarding bonus payments, the Board of Director's members are entitled to receive it based on the goals achieved or in a variable form as recognition for specific work, projects or goals related to projects.



CSN Mineração's Executive Board members receive fixed monthly compensation and benefits such as health and dental plans, life insurance, additional private pension plan

Highest, lowest and average individual compensation of the Executive Board and Board of Directors

Valores anuais	Executive Board			Board of Directors		
	31/12/2020	31/12/2019	31/12/2018	31/12/2020	31/12/2019	31/12/2018
Number of members	3	3	3	2	6	6
Number of compensated members	3	3	3	-	-	-
Amount of the highest compensation	2.475.955	2.436.131	2.342.593	-	-	-
Amount of lowest compensation	510.128	501.923	850.080	-	-	-
Average compensation value (total compensation divided by the number of paid members)	1.294.853	1.274.026	899.007	-	-	-

Note: In the last three fiscal years, the Board of Directors did not have paid members and the Company did not have a Fiscal Council installed. Values do not include charges.

Committees

Audit Committee

GRI 102-30 | 102-31

The creation of CSN Mineração's Audit Committee was approved at a Board of Directors' meeting held on January 21, 2021. It is a non-statutory advisory body to the Board of Directors, composed of at least three members, all of whom elected by the Board of Directors, for a two-year term of office, reelection being allowed, where (i) at least one of them must be an independent member of the Board of Directors and (ii) at least one of them must have proven expertise in corporate accounting matters. The same member of the Audit Committee may cumulate the characteristics of items (i) and (ii). Executive Officers of CSN Mineração, its subsidiaries, parent company, affiliates or jointly-controlled companies are not allowed to participate in the Audit Committee. The Committee has operational autonomy and its own annual budget, approved by the Company's Board of Directors, and enough to cover its operating expenses and enable the performance of the duties assigned to it by applicable legislation. The Committee also has autonomy to hire consultants, lawyers, accountants, experts and other external professionals, as the Committee sees fit to perform its duties.

The Audit Committee shall help the Company's Board of Directors in monitoring and controlling the quality



The Audit Committee shall help the Company's Board of Directors in monitoring and controlling the quality of the Financial Statements, internal controls, risk management and compliance, as well as regarding the results of internal audits and inspections

CMIN – Audit Committee (on 04/30/2021)

Titular Members (effective)

Tufi Daher Filho

Coordenador

60 years old



Term of office from 01/28/2021 to 10/15/2022

Yoshiaki Nakano¹

Member

73 years old



Term of office from 01/28/2021 to 10/15/2022

Angélica Maria de Queiroz

Member

63 years old



Term of office from 01/28/2021 to 10/15/2022

1. Mr. Yoshiaki Nakano meets the requirements of independent member of the Company's Board of Directors to the extent he meets all the requirements of the definition of independent member established in B3's Level 2 Listing Rules: 1) he does not have any relationship with the Company, except for equity interest; 2) he is not a controlling shareholder and is not related to it, as he also acts as an independent member of its Board of Directors; 3) in the last three years, he has not been an employee or Officer of CMIN or any of its affiliates; 4) he is not a supplier or buyer of CMIN's services or products; 5) he is not an Officer in a company that requires services or products in a scale that implies loss of independence, considering that in the nine-month period ended September 30, 2020 only 11.29% of the Company's net revenue arises from sales to the controlling shareholder, CSN, (vi) he is not a spouse or relative of another CMIN Officer, and 6) he does not earn any compensation from CMIN other than that related to the position of Board member.

of the Financial Statements, internal controls, risk management and compliance, as well as regarding the results of internal audits and inspections, having the following main duties: to review and assess the Financial Statements and other public information on the Company's operating performance and financial position and to review, consider and recommend to the Board of Directors the appointment, compensation, hiring and dismissal of an independent auditor to audit the Financial Statements and evaluate internal controls. An independent auditor which has provided internal audit services to the Company within the last three years cannot be hired. Considering the current composition of the Audit Committee, 100% of the members are

over 50 years old, with minimum age of 61 years old and maximum age of 76 years old. Diversity and equal opportunities are also present here, with the inclusion of one woman, or 33.3% of the total.

Compensation

The compensation of the members of CSN Mineração's Audit Committee is established by the Board of Directors and all members receive the same monthly amount. They do not receive direct or indirect benefits, nor do they receive variable compensation or participate in any share-based compensation plan.

Companhia Siderúrgica Nacional ("CSN"), the parent company of CSN Mineração, established an ESG Committee as an advisory tool for its Board of Directors. Thus, the projects and recommendations of CSN's ESG Committee - in its pillars of sustainable finance, social practice, technology and operational sustainability, governance, and diversity and inclusion - will also guide the management of the socio-environmental and governance agendas of CSN Mineração.



Other Committees

GRI 102-19 | 102-20

The Company holds other non-formalized Committees.¹



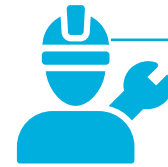
■ Sustainability Committee:

The Sustainability Committee convenes monthly with top management to critically examine the performance of Sustainability Management in indicators of Health, Occupational Safety, Emergency Response and Environment and disclose the decisions among the other hierarchical levels.



■ Crisis Committee :

To mitigate the effects of a crisis or to take preventive measures for events that may trigger a crisis with impacts on employees, operations, transactions, financial results and the Company's reputation.



■ Dams Committee :

It is comprised of members committed to ensuring the implementation of the world's best practices in the management of existing dams. The committee aims to ensure the best governance and accuracy in the analysis of all aspects related to dam management. This committee includes representatives from the technical areas of engineering, geology and projects, in addition to representatives from the legal and sustainability areas and the Company's executive board. Items related to dams and stacks are discussed from technical, legal and socio-environmental viewpoints, such as: monitoring of dams and tailings stacks; results analysis and data treatment; management and operation of; debate and monitoring and execution of the Emergency Plan (PAEBM).



■ CSN and Communities Committee :

Established in August 2018, the CSN and Communities Committee aims to build a permanent relationship channel between CSN Mineração and the community. This forum is used to discuss and clarify matters of common interest and provide greater communication and transparency between the company's processes and the city's daily life. The committee is composed of 23 major institutions in Congonhas and CSN Mineração. The meetings are held every two months.

1. There are also CSN Group Committees whose decisions and practices may have a wide scope, reaching different companies in the CSN Group, including CSN Mineração. For more information, see CSN Group's Integrated Report.

Board of Director's assessment of ESG matters

GRI 102-28

CMIN's Board of Directors still does not have an independent assessment process or formalized self-assessment mechanisms focused on economic, environmental and social topics. The Board of Directors has autonomy to discuss the performance of each member and propose improvement measures for economic, environmental and social themes

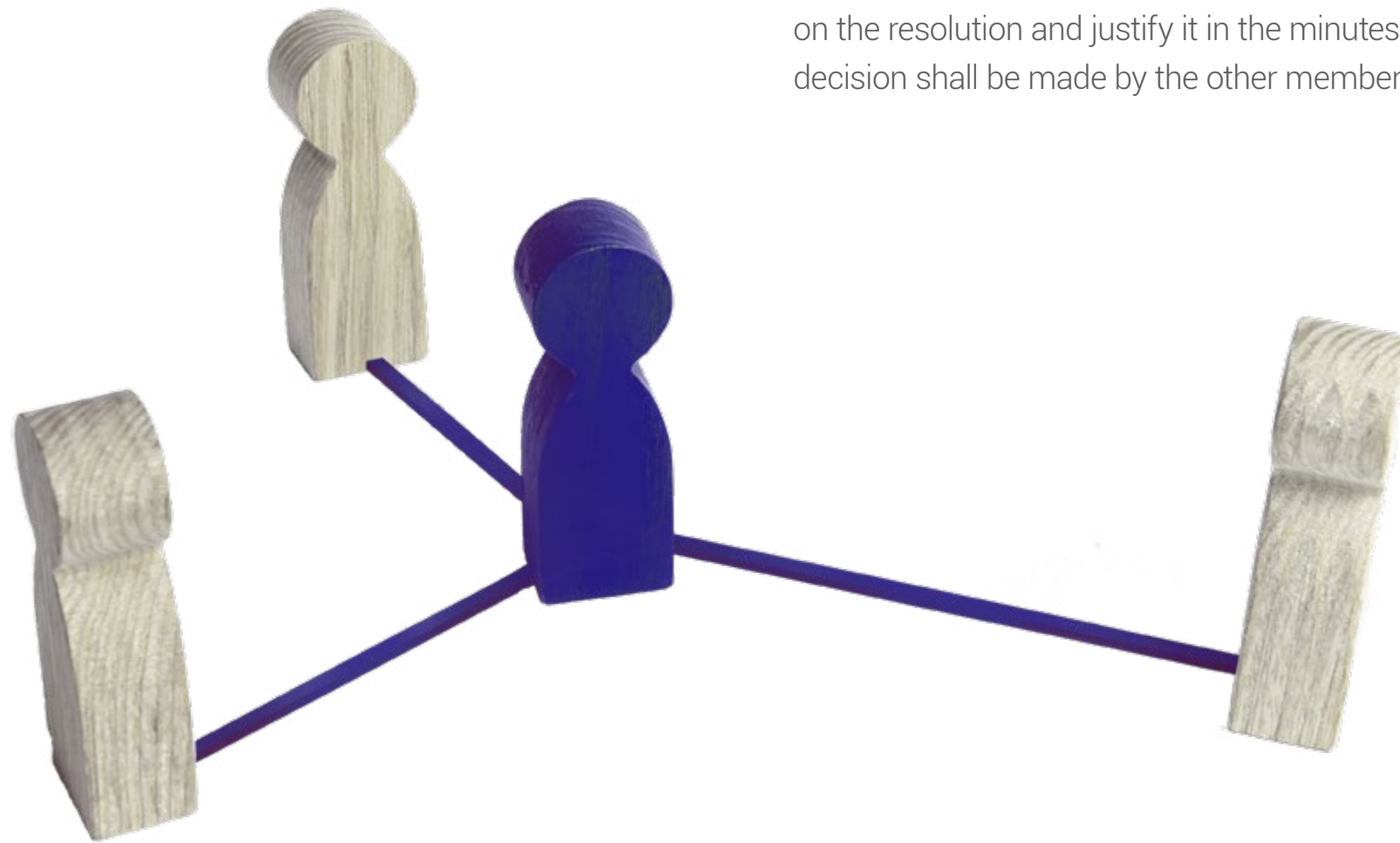
Conflicts of Interests

GRI 102-25

CMIN's Code of Conduct, approved by the Board of Directors on October 15, 2020, establishes specific rules and principles to protect the Company from any decision that could jeopardize the social interest, the adoption of ethical principles, as well as compliance with the Anti-Corruption Law. The Code is applicable to all employees, including members of the management bodies, service providers and any intermediary agents and associates. If there is a conflict of interest of any nature involving management members, they shall abstain from voting on the resolution and justify it in the minutes, and the decision shall be made by the other members not related

to the matter under examination. Any other person may inform the Board of Directors, the Committees, and the Officers if they are aware of the conflict of interest and the conflicted person does not manifest himself/herself.

Furthermore, the Company's Bylaws establish the exclusive competence of the Board of Directors to delegate and establish scopes for the executive board to practice specific acts, including those entered into with related parties. Pursuant to the Bylaws, legal businesses that are beyond the scope of the Executive Board shall be approved by the Board of Directors.



Risk Management

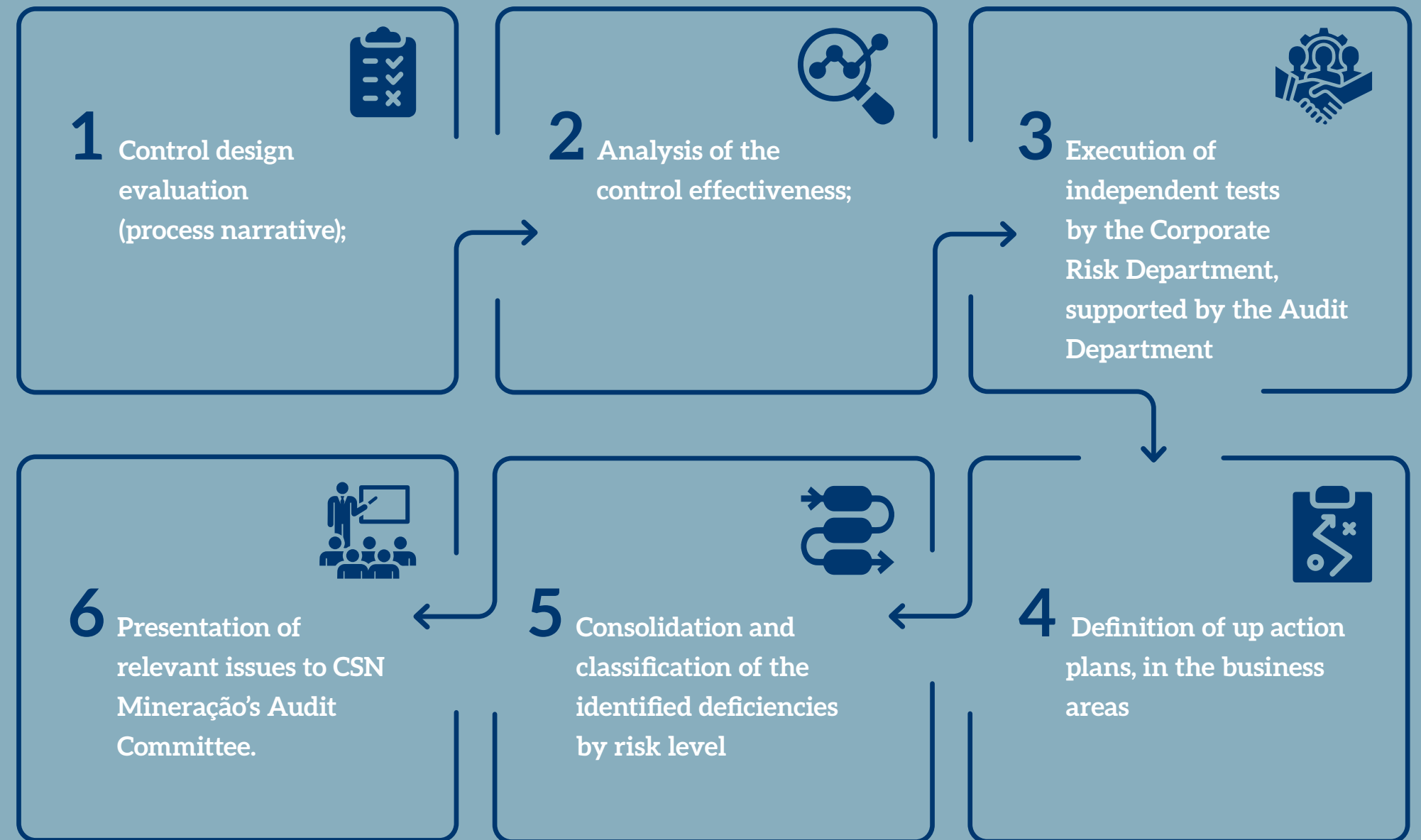
GRI 102-29 | 103-2 | 103-3 | 102-17 | 205-1

CSN Mineração follows and implements CSN Group's risk management procedures in its several corporate levels, complying with the applicable requirements, legislation, rules and regulations.

To this end, the CSN Group's Audit, Risk and Compliance Office acts pursuant to the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and CSN Group's Risk Manual to assess, report and mitigate the risks inherent to operations.

In addition, a Compliance area was created. It reports directly to the Audit Committee and has two seats in the Board of Directors. The area proposed Compliance Program, which was approved by CMIN's senior management.

For increased effectiveness, the process has steps are followed:



Code of Conduct

GRI 205-1

CSN Mineração's Code of Conduct formalizes the corporate commitment to maintaining a work environment free of any form of discrimination and harassment.

Any mention or manifestation of discrimination by origin, religion, ethnicity, race, gender, sexual orientation, condition of unionization, social class, age, marital status, political or ideological positions, physical aspect and disability of any nature are expressly forbidden.

It also establishes zero tolerance to any kind of harassment, including any act or behavior, verbal or physical, which implies humiliation, embarrassment or threat to employees, suppliers and customers.



Learn more about our Code of Conduct

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

Using the Compliance Program and the whistleblowing channels, stakeholders can express themselves on issues related to conflicts of interest, violations of ethical behavior, discrimination and corruption, among others. Complaints are analyzed, investigated and reported to CSN Mineração's Audit Committee.

Everyone has to know

GRI 205-2

All employees must be aware of and accept the Company's Code of Ethics and Anti-corruption Policy. During the induction process, new employees are instructed about Compliance

and, additionally, receive monthly communications on the theme (e-mail, internal TV).

Training

GRI 205-2

Training on the Code of Ethics, the Anti-corruption Policy, Compliance and Integrity are carried out periodically (annually) with the Company's employees. In 2020, through the use of electronic means, we remotely held informative events and events to highlight compliance practices, including Compliance Day. We were able to reach all employees of CSN - CMIN's parent company - at once.

In 2019, 2018 and 2017, 7,000, 17,800 and 7,000 CMIN employees, respectively, participated in these training sessions.



There are processes in place to monitor adherence to the principles set forth in the Code of Ethics and the Compliance Policy, to ensure full compliance with the internal rules and the practices of anti-corruption laws in force, thus preventing any form of discrimination and harassment.

Whistleblowing Channels

GRI 205-1 | 205-3

CSN Mineração, pursuant to CSN Group's guidelines, offers several whistleblowing channels for receiving and processing reports, providing any employee or person who reports possible violations of the Company's Code of Conduct, internal rules and Anti-Corruption Policy with ensured confidentiality, anonymity and non-retaliation.

Complaints can be made by phone, e-mail, mail and on the [website](#).

In this reporting cycle there were no corruption-related legal proceedings or confirmed cases reported, and no employees were dismissed or punished.

 **0800 884 2006**

 **canaldenuncia@csnmineracao.com.br**

 **A/C Área de Compliance**
 Área 39 salas Manganês,
 Estrada Casa de Pedra, S/N, Zona Rural,
 Caixa Postal 101 Congonhas/MG
 CEP: 36415-000

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



1. The complaint is received by an outsourced company;
2. The information is forwarded to the Compliance area;
3. The complaint is investigated;
4. The result of this investigation is presented to CSN Mineração's Audit Committee, ensuring the independence and impartiality of the process;
5. For cases ruled as justified, the applicable disciplinary measures are applied ¹.

1. Depending on the level of severity of the confirmed complaint, disciplinary measures include: verbal warning; written warning; suspension; dismissal without cause; dismissal with cause or notification/termination of contract for legal entities.

PERFORMANCE



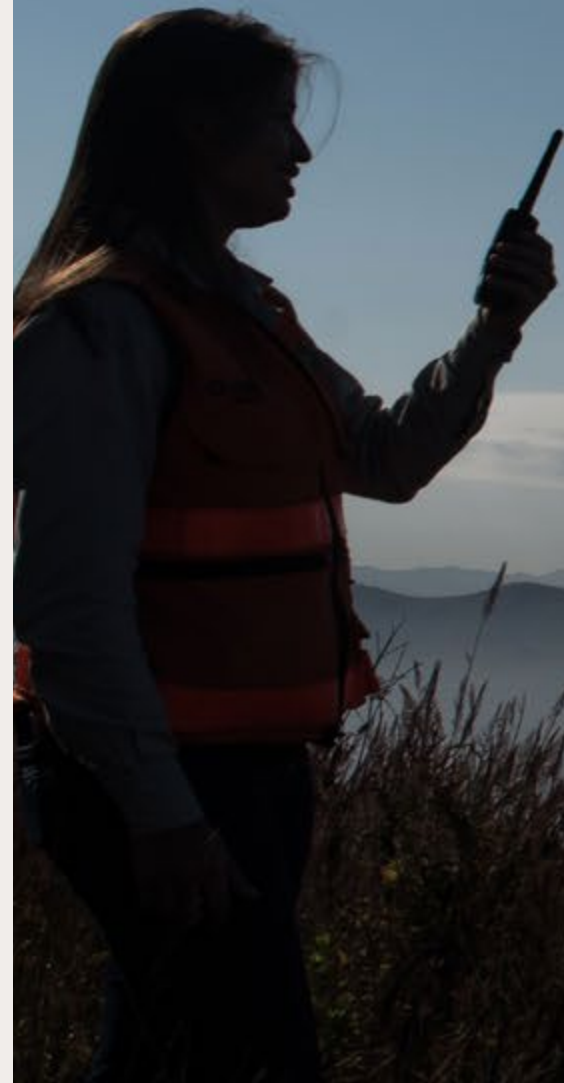


FINANCIAL CAPITAL

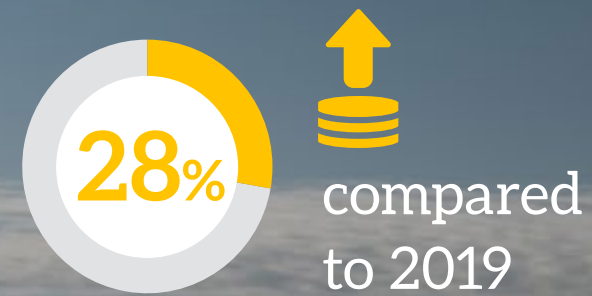
To build and maintain a competitive and sustainable operation, our initiatives, projects, relationships, and decisions are guided by seven capitals that are connected to our essence, our drivers, and our corporate strategy.

The Year

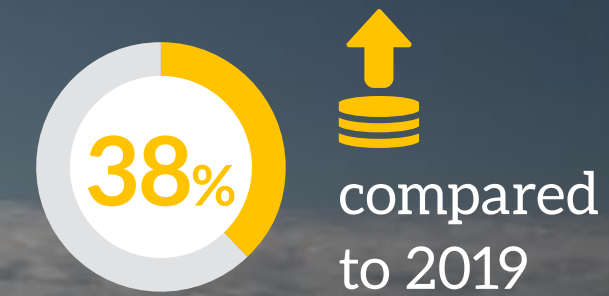
GRI 102-10



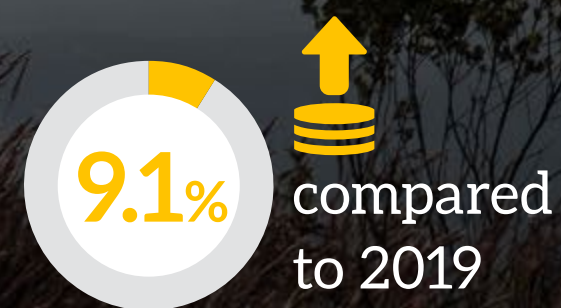
Adjusted Net Revenue¹
R\$**13.79** billion



Adjusted EBITDA of
R\$**8.14** billion



Net Income of
R\$**4.03** billion



Payment of R\$**3.8** billion divided into dividends and interest on equity² referring to 2020, equivalent to



1. The Adjusted Net Revenue is calculated by excluding the share of revenue assigned to maritime freight and insurance.
2. Interest on Equity. A share of a Company's profits, divided proportionally among its shareholders, as compensation for their purchase of the company's shares.

Data Analysis

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

Iron ore prices were important allies for CMIN to reach these financial records in 2020. Iron ore prices reached good levels and, combined with strict control of cost and working capital, enabled CMIN to achieve a unique profitability in 2020. On the other hand, heavy rainfall in early 2020 was a challenge, reducing mining production and preventing results from being even better. Besides the climate factor, other financial risks were presented due to possible operational stoppages due to the pandemic, which could affect the company's production capacity. However, excellent risk management ensured no interruption in our operations due to the strict sanitary measures adopted for the non-dissemination of the virus.

2020 Results (R\$ million)

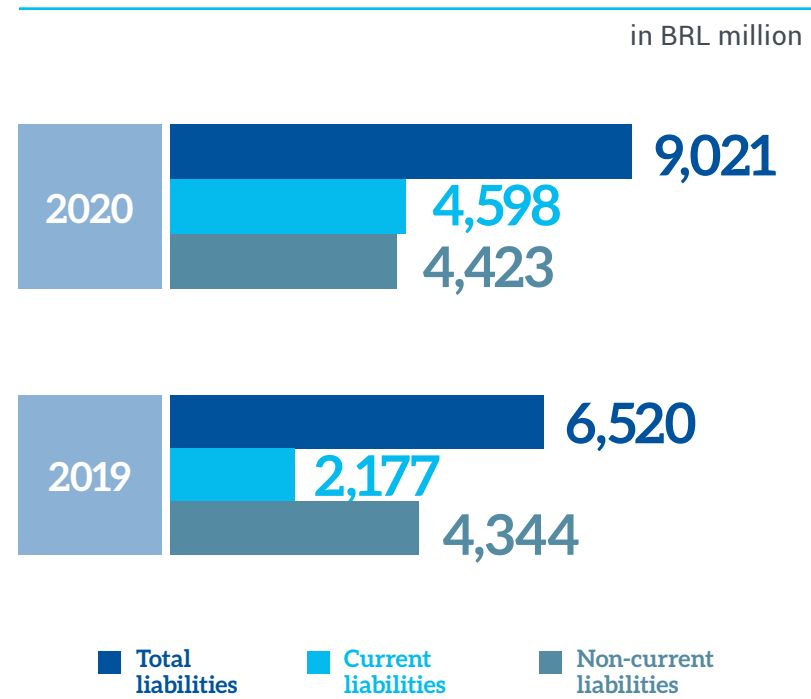
	2020
Net Revenue	13.790
Domestic market	1.497
Foreign market	12.293
COGS	(5.481)
Gross profit	8.309
SG&A	(347)
Depreciation	(1.213)
Adjusted EBITDA	8.143

Balance Sheet (consolidated)

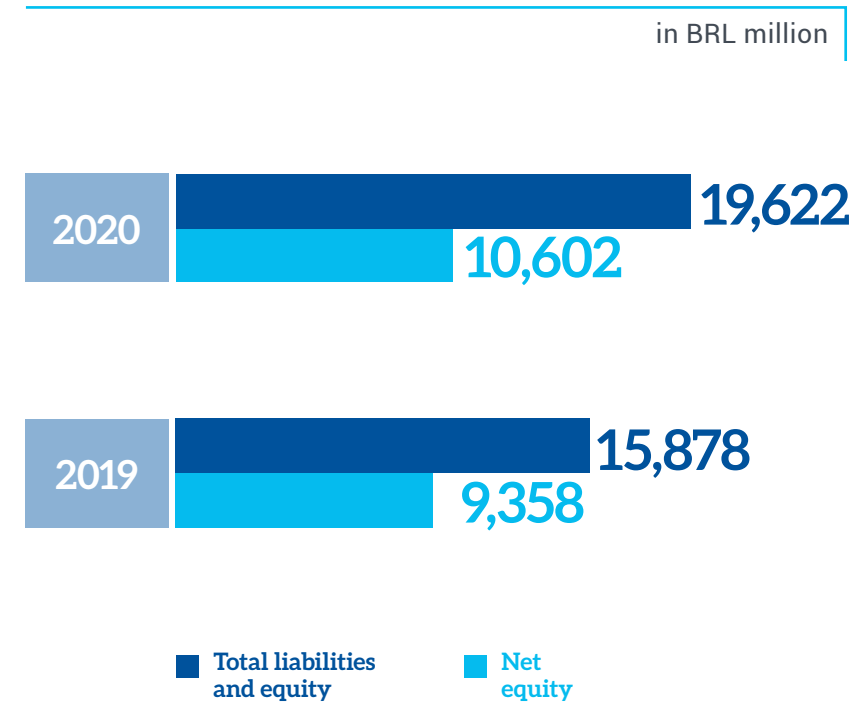
Corporate Legislation (in R\$ million)	2020	2019
Current Assets	6.597	2.646
Non-current Assets	13.025	13.232
Fixed, net and intangible assets	11.089	11.429
Investments	1.225	1.198
TOTAL ASSETS	19.622	15.878

Results

Total liabilities



Liabilities and equity liquid



Balance Sheet

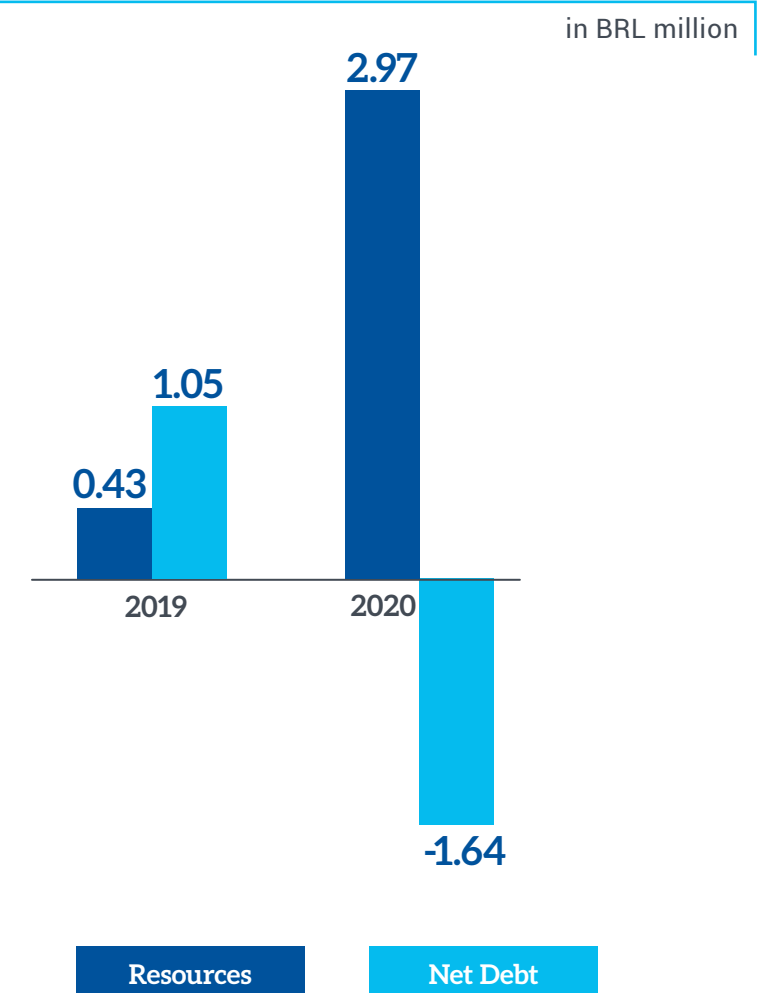
CSN MINERAÇÃO'S TOTAL ASSETS AMOUNT TO

R\$ **19.6** BILLION

Indebtedness

Amortizations and funding of **R\$344.0 million** and **R\$131.0 million**, respectively, in the last quarter of the year enabled the Company to end 2020 with sufficient cash to fully pay its debt. **The strong cash generation in the period allowed net debt** on 12/31/2020 to be negative, reaching (R\$1.64 billion).

Indebtedness and Net Debt



Value Generated and Distributed

GRI 201-1

In 2020, CSN Mineração has generated direct economic value of more than R\$7.39 billion, including the payment of R\$2.29 billion in taxes, fees and contributions.

	31/12/2020	Consolidated 31/12/2019	31/12/2018
Revenue			
Goods, products and services sales	14,148	11,667	7,453
Other revenue/expenses	-5	41	41
Allowance for /reversal of doubtful accounts	1	0	0
	14,143	11,709	7,494
Inputs acquired from third parties			
Cost of goods, products and services sold	-3,523	-2,569	-2,189
Supplies, energy, outsourced services and other	-2,001	-2,326	-2,017
Impairment/recovery of assets	-55	-46	-42
Others			
Impairment assets available for sale			
	-5,579	-4,942	-4,248
Gross added value	8,564	6,767	3,246
Retentions			
Depreciation, amortization and depletion	-1,231	-497	-402
Net value added produced	7,333	6,270	2,844
Value added received in transfer			
Equity pick-up	49	55	67
Financial revenue	28	31	43
Other and exchange gains	-18	-18	43
	59	68	153
Total value added to distribute	7,392	6,338	2,997

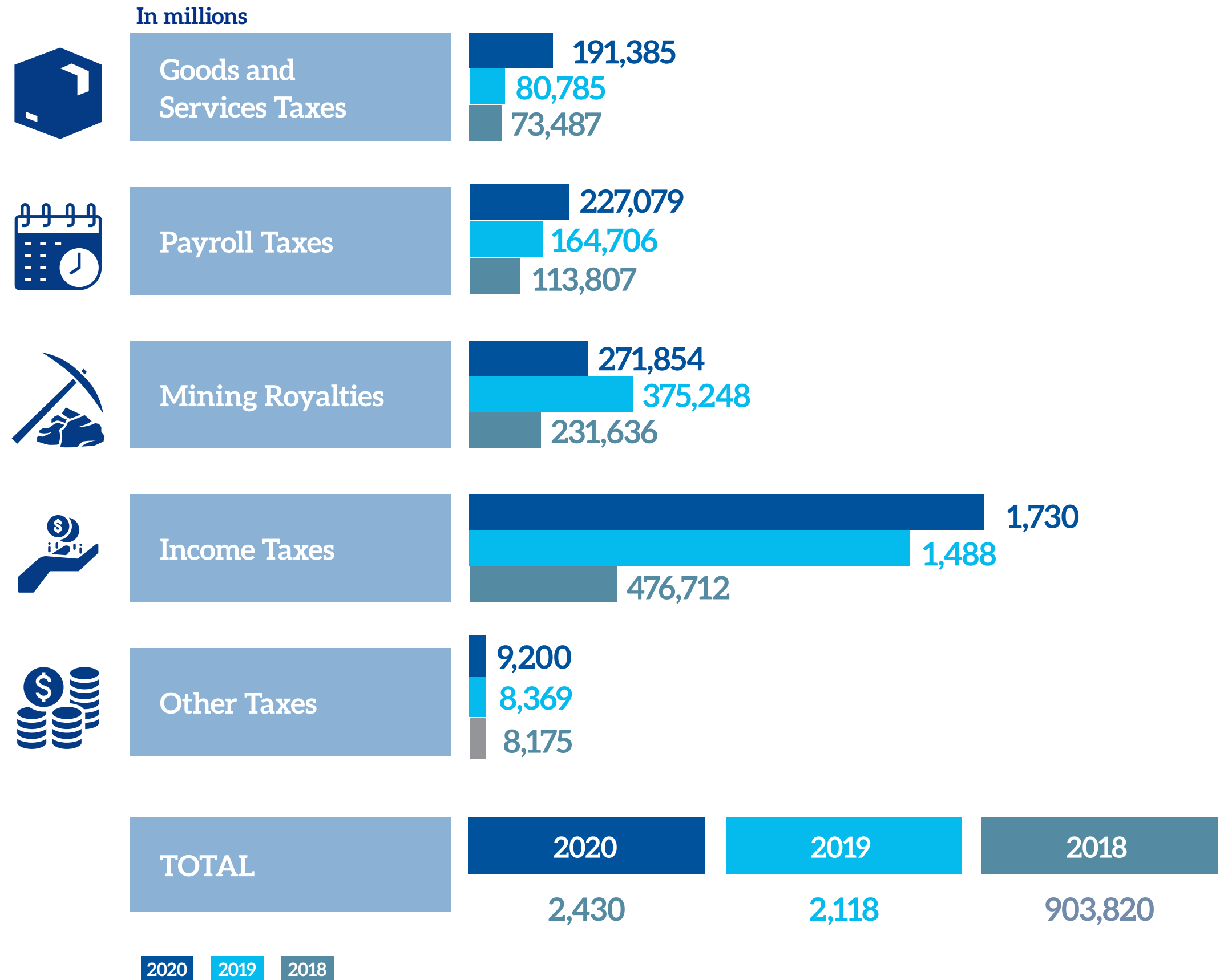
	31/12/2020	Consolidated 31/12/2019	31/12/2018
Personnel and charges	538	561	515
Direct compensation	411	425	386
Benefits	104	111	107
F.G.T.S. (Employment Time Guarantee Fund)	22	25	22
Taxes, fees and contributions	2,298	1,990	807
Federals	2,134	1,917	751
State	157	66	49
Locals	6	6	7
Return on third-party capital	525	123	613
Interest	404	176	399
Rentals	3	2	2
Other and Passive Monetary and Exchange Variation	119	-55	212
Return on equity capital	4,031	3,664	1,062
Interest on equity capital	405	521	-
Dividends	1,221	838	252
Income for the year / retained earning	2,405	2.305	810
Added value distribution	7,392	6,338	2,997

Tax Management

GRI 207-1 | 207-2 | 207-3

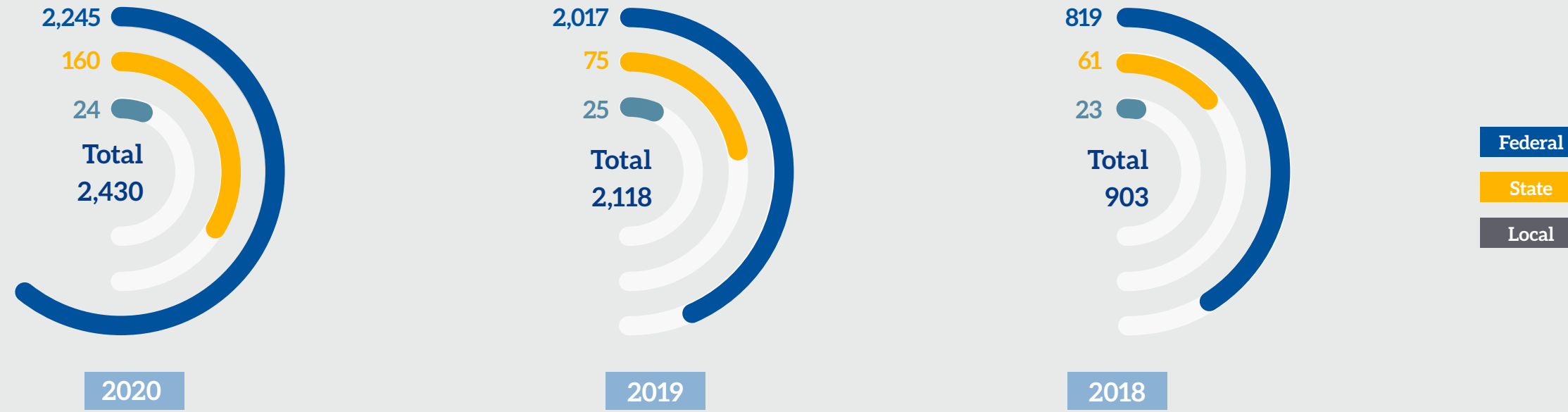
CSN Mineração's Tax Management complies with guidelines and orientations similar to those adopted by the CSN Group. For more details on management methods in this topic [\[click here to access CSN Group's 2020 Integrated Report\]](#).

Below are the total federal, state, and municipal taxes paid by **CSN Mineração**:



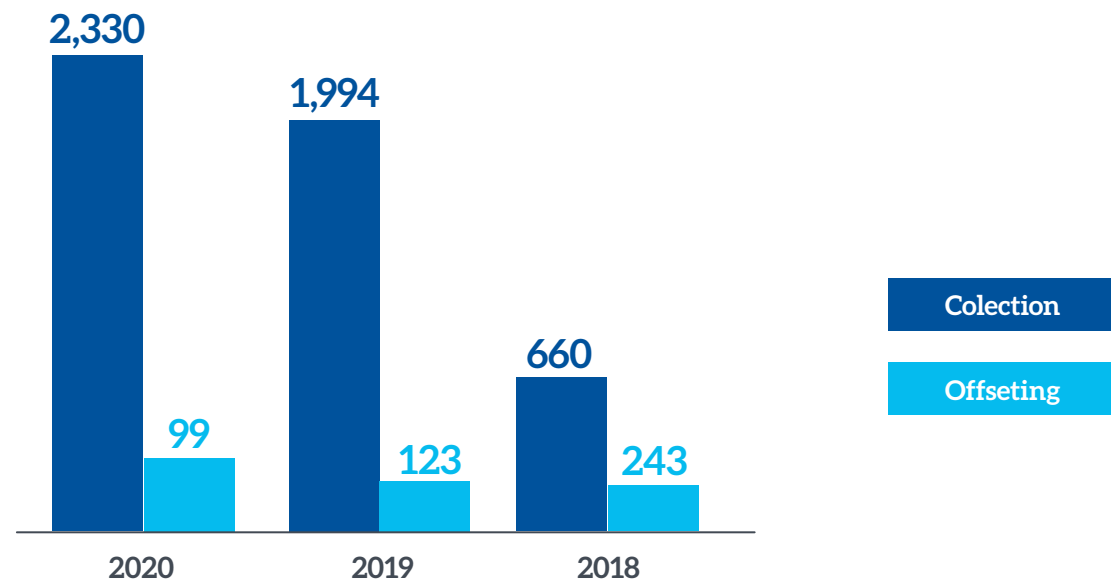
Allocation of taxes

in millions



Taxes by payment type

in R\$ millions



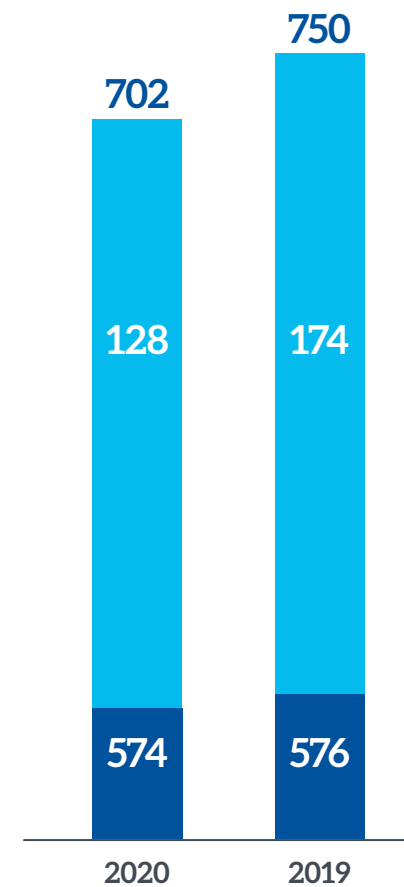
Investments and Expansion

GRI 203-1

In 2020, the Company's investments totaled R\$702 million, mainly referring to investments in the iron ore beneficiation plant, to increase ore recovery and quality and transform part of the tailings into products; renewal of the mine equipment fleet; decharacterization of our dams and safety maintenance in our tailings dams; compliance with environmental and safety requirements; and capacity management and spare parts in all our mining and port facilities. CSN Mineração believes the coming years will be disruptive, since it has projects in an advanced development stage and a robust investment plan to finance the acceleration of iron ore production. For example, the expected expansion of production capacity - from the current 33 million tons/year to 108 million tons/year by 2032 with the conclusion of all projects, which does not include volume of ore purchases, only own production.

Investments

(in R\$ millions)



Operational Continuity

Business Expansion



Em In 2020, the Company's investments totaled **R\$702 million.**

CMIN's ¹ IPO²

The IPO project was based on the idea of repositioning CSN Group's business, leveraging the favorable conditions presented of the Mining market, CMIN's reserves and the maturity of the segment in the Group. The IPO aimed at repositioning CSN Mineração to increase the value its large reserves of excellent quality iron ore and create an environment capable of developing its ambitious expansion project. The IPO project repositions the CSN Group's business

by taking advantage of the favorable conditions for the Mining market, CMIN's reserves and the segment's maturity within the Group.

CMIN's robust 2020 financial results have boosted the IPO project. The favorable price of iron ore and high demand, the prospect of sustainable prices and volume in the short, medium and long term for the commodity, the improvement in product quality and the reduction in costs

have led the Mining segment to present a significant result for the CSN Group and to increase its representativeness in the Group's business.

The IPO meant a step towards the CSN Group's value creation strategy and the proceeds will be used efficiently in CSN Mineração's growth initiatives and the deleveraging of its parent company.

1. Although this Report presents CSN Mineração's financial, economic, social, environmental and governance performance for the period between January 1 and December 31, 2020 (calendar year), we consider the IPO as a "subsequent event" (favorable or adverse events that occur after the balance sheet date and before the disclosure of the financial statements) and extremely important to contextualize the Company's data, information, goals and projects for the coming years

2. IPO means "initial public offering". It represents the first time that a company will receive new shareholders by issuing shares in the market. Thus, it becomes a publicly-held company with shares traded on the Stock Exchange's trading floor.





MANUFACTURED CAPITAL

Our business is based on a portfolio of long-life assets. These assets' quality allows us to achieve long-term growth with solid margins, increasing our capacity to generate free cash flow and create value for our shareholders.

Extraction, beneficiation and logistics processes

CSN Mineração operates in an integrated manner, from extraction of iron ore from its mines, processing in its beneficiation plants, transportation and distribution by railway and port, which ensures total control of the production process and logistics, and low production costs, a great competitive advantage.



**Click here to learn more
about our mining process.**



**Click on the buttons to see the extraction,
beneficiation and logistics processes.**

.....

CMIN Assets



CASA DE PEDRA AND DO ENGENHO MINES

6.0 tons
billion in **RESOURCES**

3.02 tons
billion in **AUDITED
RESERVES¹**

Current production
capacity is

**33.0 million
tons/year**

Casa de Pedra and do Engenho Mines hold more than **6.0 billion tons in resources** and more than **3.02 billion tons in audited reserves**. The ore is mined in four bodies and then processed in the Central Plant (wet process) or in the Dry Plants (dry process), located near the extraction areas. The products resulting from this process are Lump (50 mm - 6.3 mm), Sinter Feed (6.3 mm - 0.150 mm) and Pellet Feed (< 0.150 mm). Current production capacity is **33.0 million tons/year** (including Central Plant production - **22.5 million tons** – and Dry Plant production - **10.5 million tons**).

Casa de Pedra Mine

The oldest operating iron ore mine in Brazil and the second largest in capacity, Casa de Pedra is an open-pit mine that also has an ore beneficiation plant. It is located in the southwest region of the Iron Quadrangle, in the city of Congonhas, state of Minas Gerais (MG). It was incorporated in 1941, but the ore extraction process started in 1913.

Engenho & Pires Mines

Engenho Mine is also an open-pit mine located in the southwestern region of the Iron Quadrangle and was incorporated in 1950. It neighbors Casa de Pedra and its reserves are calculated at 300.0 million tons of ore (Snowden certification, 2015). The Pires complex has dry beneficiation plants, equipped with Mobile Sifting Units and an Ore Treatment Plant (ITM) that is composed of crushing and classification operations.



Learn more about the iron ore extracted by CMIN and the difference between them.

Million tons	2015 (Certificate)	(-) Depletion (Internal Analyses)	(+) Additions (Internal Analyses)	2020 Internal Estimates
Total Reserve (Proved + Probable)	3,021	(224)	558	3,355
Inferred Resource	2,081	-	463	2,544
Total (Reserve and Resource)	5,102	(224)	1,021	5,899
Serra do Esmeril Inventory (estimated exploratory potential)	-	-	2,000	2,000
Total (Reserve and Resource) + Mapped Inventory	5,102	(224)	3,021	7,899

Source: 2015 SNOWDEN Certification. Depletion values and additions to Company information



Coal Terminal – TECAR



The TECAR port terminal has annual export capacity of

45 million tons
OF IRON ORE

The TECAR port terminal, located in the Itaguaí Port, is managed by CSN Mineração and is interconnected to MRS. It has annual export capacity of 45 million tons of iron ore and reducer unloading capacity of up to 4 million tons per year, in addition to operations of other bulk commodities. The lease period for TECAR's operation is scheduled to end in 2047.

This mine/railway/port integration results in extremely competitive cost levels per ton in global terms.

Subsidiaries and Jointly-owned Subsidiaries



CSN Mineração also holds **18.63%** interest in MRS Logística S.A. (“MRS”).

CSN Mineração has ownership control of offshore companies, mainly CSN Mining Holding, S.L.U (“CSN Mining Holding”), which is located in Bilbao, Spain. CSN Mining Holding acts as a holding company, holding 100% interest in its subsidiaries CSN Mining GmbH

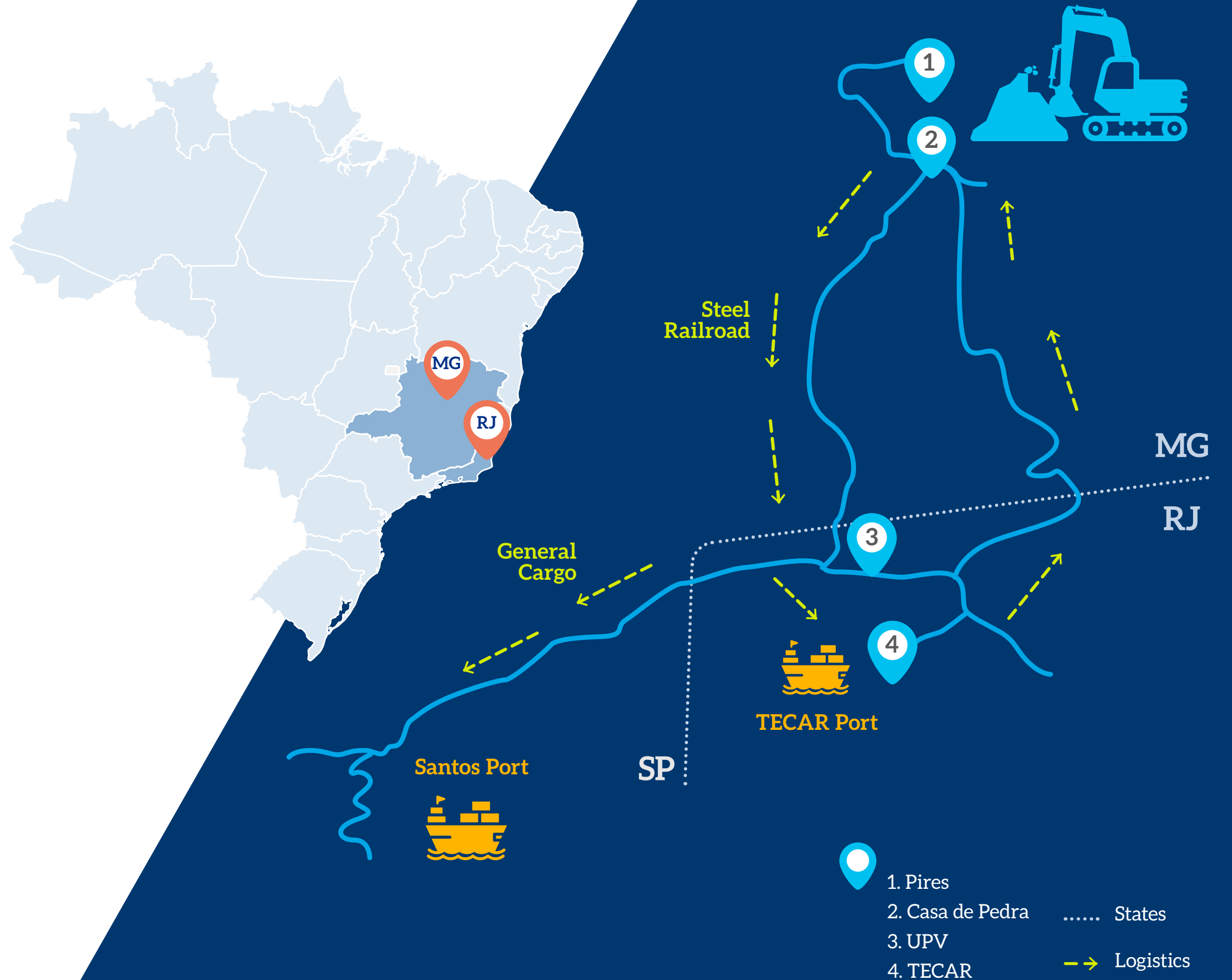
(Austria), CSN Mining Asia Limited (Hong Kong) and CSN Mining Portugal Unipessoal, Lda. (Portugal), which are indirectly controlled by CSN Mineração, and whose main activities are related to the sale of iron ore on the foreign market and financial operations.

CSN Mineração also holds an 18.63% interest in MRS Logística S.A. (“MRS”), providing greater efficiency and integration in its ore transportation and distribution logistics.



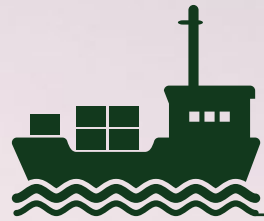
MRS Logística S.A.

Through its railway network, MRS, in the southwest region of Brazil, transports ore for exports from the mines where they are extracted and processed, in the state of Minas Gerais, to TECAR (Itaguaí Port), in the state of Rio de Janeiro. As MRS is located in some of the industrial parks in the Brazil, it also performs the railway transport of products to the domestic market, supplying the steel plants located in the southeast region. In 2020, the company transported around 98.2 million tons of ore, coal and coke cargoes, the so-called "heavy haul", its main segment, which is equivalent to 61.5% of the total transported by MRS in the year.



- 1. Pires
- 2. Casa de Pedra
- 3. UPV
- 4. TECAR
- States
- - - - - Logistics

Value Generated



In the global market, **Brazil, South Africa and Australia** are the largest exporters of iron ore, accounting for more than **82%** of the transoceanic volume.

Brazil, South Africa and Australia are the largest exporters of iron ore in the global market, accounting for more than 82% of the transoceanic volume. On the opposite end, China is currently the largest importer of the commodity, accounting for 76% of the transoceanic volume, an amount driven by the country's economic growth as a result of its infrastructure investment policies and consequent demand for steel.

In the foreign scenario, CSN Mineração is world's sixth largest exporter of iron

ore, and its main markets are Asia, the Americas, Europe and Brazil. In the domestic market, it is the second largest exporter of the commodity.

Regarding the pandemic, the most significant impacts were in the European, Japanese and Korean markets, where there was a significant drop in demand for iron ore mainly from the second quarter of 2020. However, the strong demand from the Chinese market made up for the lower demand from other customers.

In 2020, CSN Mineração sold 31,156,000 tons of ore, a volume 19% lower than the 38,545,000 of the previous year. The reduction is explained by the high levels of rainfall, especially in the first half of the year, which limited the production pace.

In 2020, cost of goods sold totaled R\$5,532 million, 21% higher than in 2019. The main reasons for this increase were higher purchase of ore from third parties and higher purchase prices for this ore from third parties.



Pioneering and Innovation



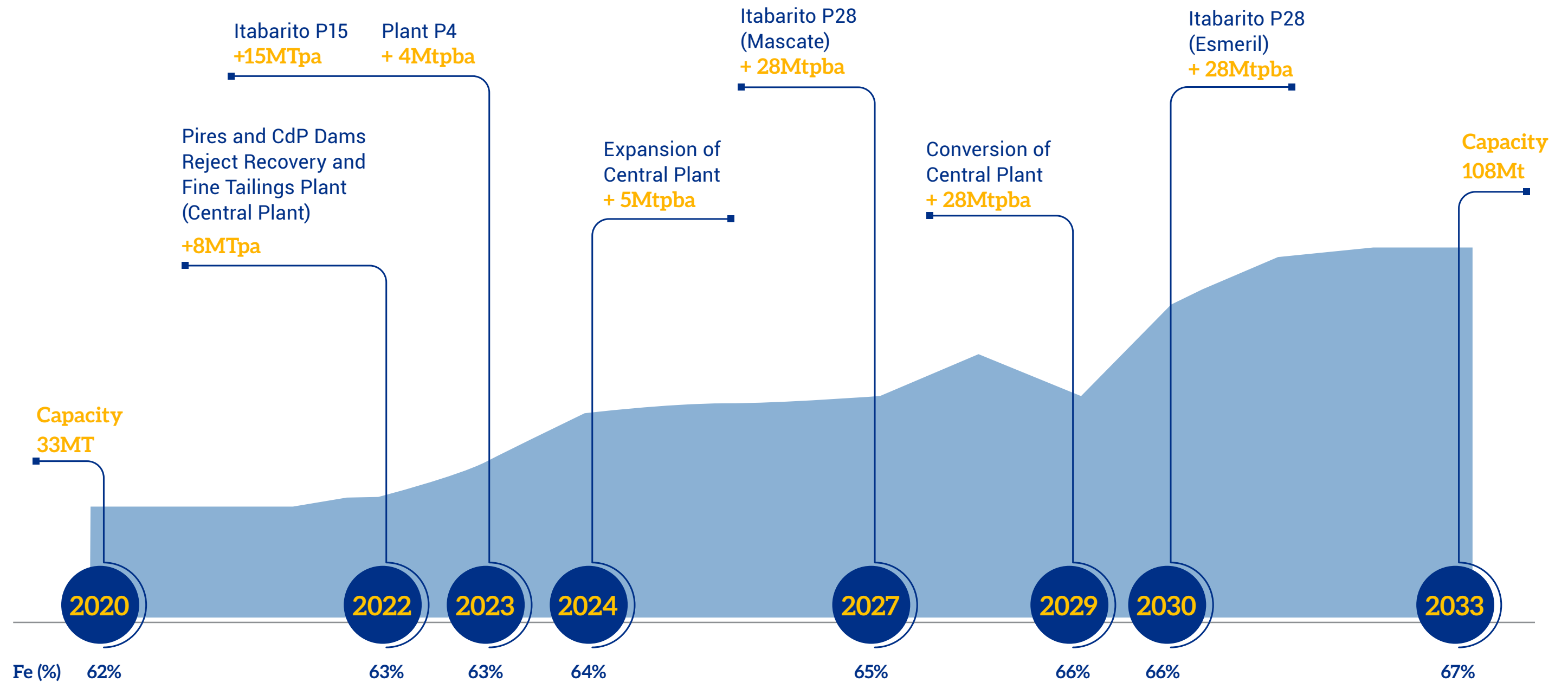
CSN Mineração has been **filtering 100% of the tailings generated**, since the beginning of 2020, which has eliminated the need to dispose of tailings by the conventional method in dams.

CMIN is a pioneer in filtering and dry stacking tailings, a very important competitive advantage. CSN Mineração has been filtering 100% of the tailings generated since the beginning of 2020, which has eliminated the need to dispose of tailings by the conventional method in dams. Some of the advantages provided by this technology are the reduction of socio-environmental impacts and risks, the reuse of a large amount of water present in the tailings by recirculating it for new use in the production process.

More than a competitive advantage, avoiding tailings disposal in dams means producing quality ore without the risk of accidents to employees, the surrounding population, and the society. Meanwhile, CMIN has been implementing the project to decharacterize all its dams, previously used for tailings disposal. There are five dams in total: one already decharacterized in 2020, and another expected to be decharacterized in 2021.

Expansion Projects

CSN Mineração has been developing four large blocks of projects that it plans to gradually execute over the next few years and which will result in a significant production increase:



Expansion Projects

CSN Mineração's focus on the execution of all these projects is based on three pillars: Sustainability; Low execution risk, as all the projects use technologies already consolidated in the market and widely dominated by CMIN's technical and operational staff; and Return, by producing and processing ore of the highest quality at a competitive cost.



- Recovery of Tailings from Dams (Processing of Tailings from Pires and Casa de Pedra)**

Brownfield¹ expansions that will create value by recovering 180.0 million tons of tailings currently stored in these dams, as part of their decharacterization program. These projects to recover tailings from dams are expected to increase production by 8 million tons per year, with an estimated investment of R\$1.1 billion over the next five years.

- Central Plant Expansion**

Deployment scheduled for 2022 and 2024. Brownfield expansions will increase pellet feed production at low operating costs. We estimate production increase of 6.0 million tons/year, with an expected investment of R\$1.2 billion over the next four years.

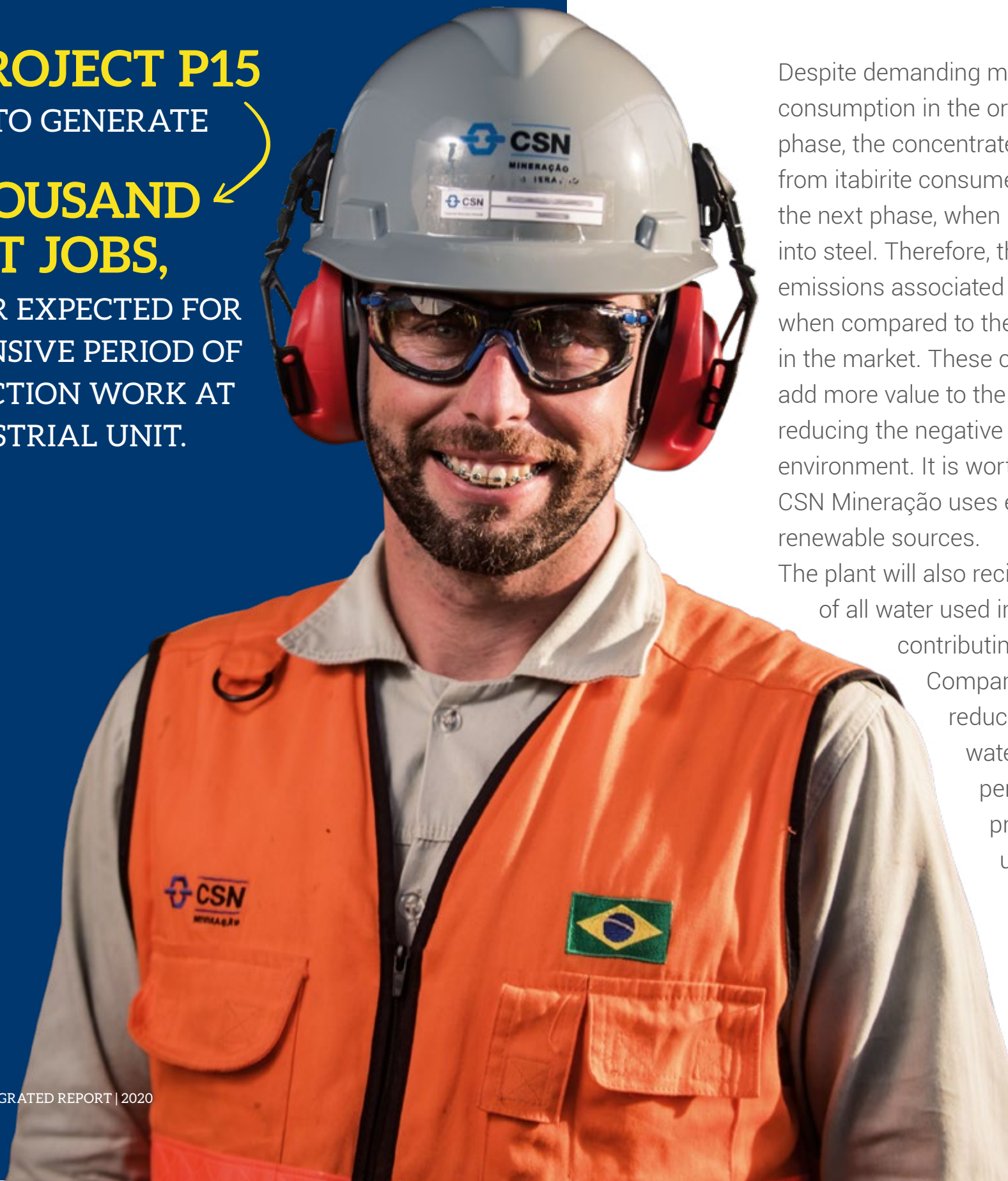
- Itabirite Projects (Itabiritos P10 - P4 Plant, Itabiritos P28 Mascate, Central Plant Conversion and Itabiritos P28 Esmeril)**

Several brownfield¹ (P15, ongoing equipment acquisition and construction works scheduled for 2022) and greenfield² expansions. All refer to projects with known technology and competitive investment per ton to produce premium pellet feed with low level of impurities and high iron content (including direct reduction pellet feed). It is estimated that these projects will allow us to achieve production of 103 million tons per year, with an estimated investment of R\$ 22.7 billion by 2033.

1. Term used whenever the product of the project is carried out to be added to something already existing, in situations in which there are already facilities and installations into which the product of the project will be incorporated. It usually refers to the expansion of projects. Originally, the term refers to physical implementation in places where there were already existing facilities, usually made of iron or steel (brown). In some types of projects, this term is also associated with revamp (renovation of existing facilities) and retrofit (modernization of existing facilities), other terms often used.
2. Term used whenever the product of the project is made from scratch, in situations where there are no pre-existing facilities that can be incorporated into the project's product. Usually refers to new developments. Originally, the term refers to the physical implementation in places where there was previously only bush (green). In some types of projects this term is also associated with from scratch, to reinforce the inexistence of previous work.

New itabirite plants and their benefits

THE **PROJECT P15**
EXPECTS TO GENERATE
4 THOUSAND DIRECT JOBS,
A NUMBER EXPECTED FOR
THE INTENSIVE PERIOD OF
CONSTRUCTION WORK AT
THE INDUSTRIAL UNIT.



Despite demanding more energy consumption in the ore beneficiation phase, the concentrate generated from itabirite consumes less energy in the next phase, when it is processed into steel. Therefore, the atmospheric emissions associated with it are lower when compared to the traditional ores in the market. These characteristics add more value to the product by reducing the negative impacts on the environment. It is worth mentioning that CSN Mineração uses energy from 100% renewable sources.

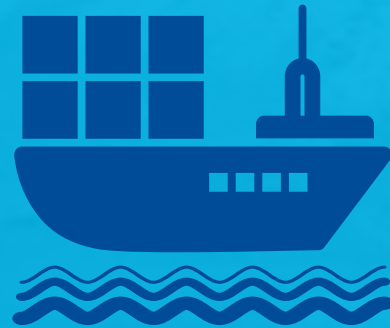
The plant will also recirculate 95% of all water used in the process, contributing to the Company's goal of reducing its specific water consumption per ton of ore produced by 10% until 2030.

From the social perspective, the P15⁴ Project expects to generate three to four thousand direct jobs, a number expected during the period of intensive construction works to build the industrial unit. The hiring of local labor is a priority, in order to generate income for Congonhas and surrounding cities, including Belo Vale, Conselheiro Lafaiete, Ouro Branco, among others. The construction works will generate income not only directly, for the employees, but also indirectly, since it implies greater demand for transport, food and housing. In 2023, when the industrial unit is scheduled to be launched, we expect to generate a significant number of direct and indirect jobs in the region.

4. The P15's licensing is underway in the environmental agencies. The P10 is already licensed.

TECAR Expansion

Brownfield investments to enable the ore production capacity expansions described above. These expansion projects are estimated to add operating capacity at TECAR in **three phases** (shipments of **60 million** [Phase 1], **84 million** [Phase 2] and **130 million** tons/year [Phase 3]), with estimated investments of **R\$6.3 billion** over eight years.





Maintaining the high performance of our operations requires investment in new technologies, innovation, and sustainable solutions. These investments allow us to work safer, smarter and more efficiently. Operational excellence through innovation increases our productivity, reduces risks, and enhances our operational and environmental performance.

INTELLECTUAL CAPITAL

CSN Mineração constantly develops research, seeks for solutions and innovation for its processes and for products that add greater value to customers, investors and other stakeholders. To this end, the company relies on CSN Inova and the CSN Group's Research Center as support for CSN Mineração's projects.

CSN Inova, created in 2018, is CSN Group's innovation arm, with the purpose of systematizing and leading the innovation process in an organized and broad manner that can be applied in different areas of operation and segments. Similarly, CSN Mineração's Automation Coordination, also created in 2018, has the purpose of concentrating efforts in search of solutions for improvements and increased availability of automation assets.

Innovation Projects

CMIN's automation implementation strategy has advanced significantly and, within a few years, many of the operations that are currently performed by "on-site" employees will be done remotely, in addition IoT¹ and manufacturing 4.0² equipment and processes.



Autonomous Mine

The Autonomous Mine project reinforces the Company's commitment to promoting the health and well-being of its employees, in addition to providing further development of the professionals involved in the project.

More complex jobs will be generated, which will require new knowledge and skills to operate the automation system, from an Operations Room in the plant. Exposure of employees to the risk of accidents will be reduced by having fewer people circulating in the mining site, where there's movement of heavy vehicles and large volumes of cargo. This project is already underway and will meet the concepts of Industry 4.0.

1. IoT (Internet of Things) describes the network of physical objects - "things" - that are embedded with sensors, software and other technologies in order to connect and exchange data with other devices.
2. Smart plants or production facilities in which machines are integrated with the use of sensors and operators. They also allow people and machines to remotely change their manner of operation.

TRUCKS WITH CAPACITY TO TRANSPORT

240 TONS

WILL CIRCULATE ON THE MINING AREA ROADS WITHOUT AN OPERATOR IN THE CABIN



It will reduce



20 trucks used at the Casa de Pedra mine

in iron and waste rock handling.

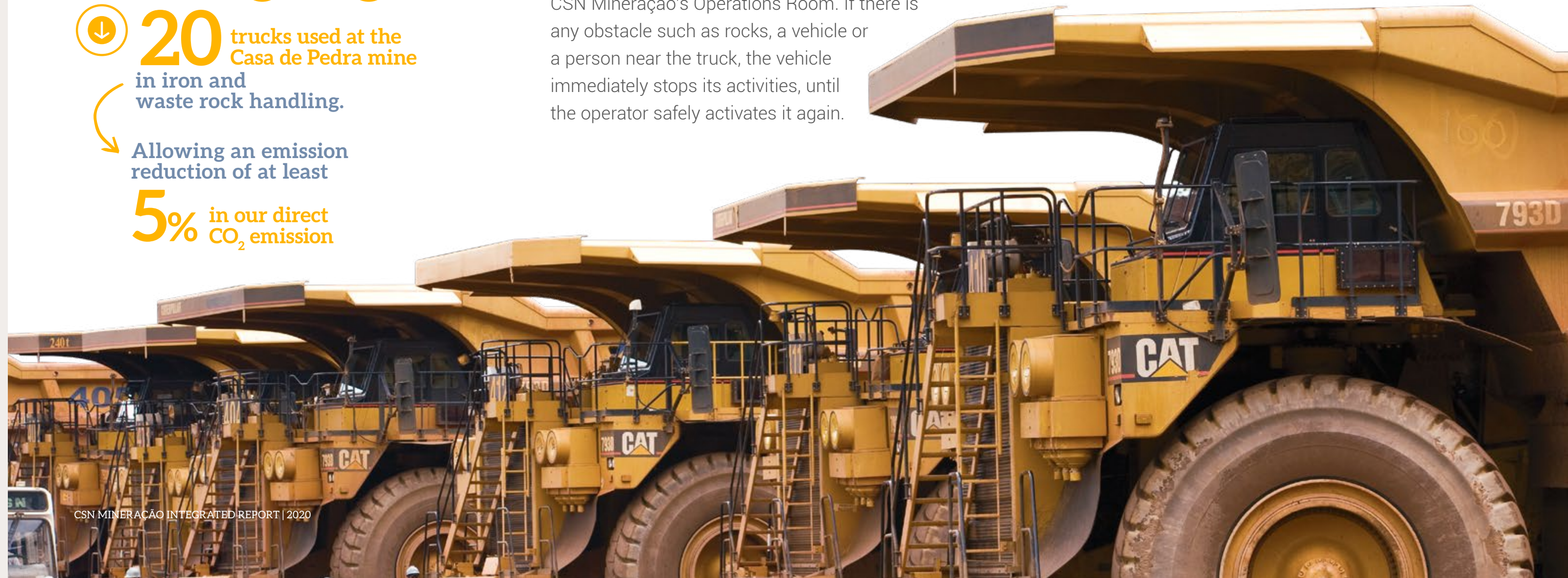
Allowing an emission reduction of at least

5% in our direct CO₂ emission

Autonomous Trucks

Trucks with capacity to transport 240 tons will circulate on the mining area roads without an operator in the cabin. The trucks will be controlled using computer systems, Global Navigation Satellite System (GNSS), radar, laser sensors, and artificial intelligence. The technology has a georeferencing system, which controls the traffic virtually and includes all the real parameters of the local roads and parking areas. The technology applied to the autonomous trucks allows them to detect obstacles or any change that was not foreseen in the route predefined by the controller on CSN Mineração's Operations Room. If there is any obstacle such as rocks, a vehicle or a person near the truck, the vehicle immediately stops its activities, until the operator safely activates it again.

The project aims to reduce by twenty the number of trucks used at Casa de Pedra mine in the movement of iron ore and waste rock. This will enable a significant reduction in operating costs, **a decline of at least 5% in our direct CO₂ emissions**, waste generation, dust and noise pollution.

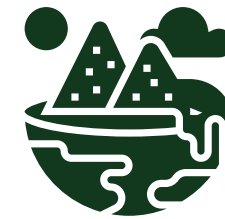


Fleet Management System

The Fleet Management System is fundamental for a high-productivity operation, allowing the optimization of routes to transport material throughout the operational areas and reducing the use of vehicles. This system is being implemented with a company in the agribusiness technology sector and will be applied to the ore transportation systems between the Engenho and Pires mines. In addition, it will assist in the handling system for filtered tailings from the Casa de Pedra dam and will be used together with the telemetry system to monitor equipment conditions. The anti-fatigue system will also be implemented in the fleets, which allows monitoring signs of operator fatigue.

Semi-autonomous Small Truck

This project is in the initial testing phase and will reduce operational costs, increase truck productivity, **reduce the number of vehicles in the fleet and consequently reduce CO₂ emissions.** It is a semi-autonomous truck that operates in the transport operations of ore and dry tailings. The project is being developed in partnership with one of the largest truck manufacturers and aims to increase the autonomy of equipment, from driving, braking and maneuvering, to the complete movement and autonomous operation of the vehicle.



These projects contribute to increase productivity, lead to a reduction in fuel consumption and consequently the CO₂ emission.

Remote operation of Crawler Tractors

This system allows the employee to remotely operate large crawler tractors, through a cabin similar to the one installed in the machine, with a real-time view of the mine and equipment operational data. It is a safer process, since the operator does not need to go to the equipment. This faster and more efficient technology reduces machine downtime, fuel consumption, and **resulting CO₂ emissions, while also ensuring greater equipment productivity.**

Semi-autonomous Drilling Rig

This system enables remote monitoring and operation of leveling, drilling, mast movement, and locomotion of the drilling rig. The equipment offers the same benefits as the other systems, such as greater safety and increased productivity. **This project contributes to reduce fuel consumption, CO₂ emissions, waste generation, and operational costs.**



High-Accuracy System

The high-precision geolocation system, using the Global Navigation Satellite System (GNSS), helps operators of mine equipment to move and position themselves in a more assertive manner, allowing for greater control, increased productivity and quality. The system ensures greater safety for employees, since there is no need for constant topographical surveys of the mine areas. This system is being implemented in excavators, loaders, crawler tractors and drilling rigs.

Mine Asset Monitoring (Telemetry)

Telemetry allows the real-time collection of data and operating conditions of each piece of equipment. This information is sent to data servers and contributes to the decision-making of CSN Mineração's operation and maintenance teams. Using this system, among several features, those in charge of the operation are able to cross-reference the information with the database and analyze: vibration, oil and temperature measurements, and any situations that may indicate possible failures or unexpected stoppages of the equipment monitored. This system also avoids the exposure of employees to risks, since they do not need to monitor the equipment on-site.

Monitoring and Control of Wells and Spillways

The remote monitoring of the mine's artesian wells and spillways ensures control of the water table, as well as the supply of the industrial processes and the maintenance of the watercourses that supply the communities where we operate. This monitoring system prevents flooding of the mining areas and maintains the mine's production process.

Tire Monitoring System

A system that monitors the temperature and internal pressure of the tires of large trucks and loaders. If there is any change, an alarm is immediately triggered in the asset monitoring room, so that the data can be evaluated and the need for immediate or scheduled equipment stoppage can be identified. This control is crucial to ensure the useful life of tires and guarantee everyone's safety.

Remote Control of Amphibious Excavator

Operations such as the decharacterization of dams require the entrance of the machine in places where there is a risk it can be bogged down and tip over. The implementation of remote control will allow for greater operator safety, since the machine will be operated from a distance.



Photovoltaic Towers

In the pursuit of sustainable energy generation, CSN Mineração develops and manufactures photovoltaic towers to replace the diesel lighting towers, which currently illuminate the operation areas at night. Using solar plates to transform solar energy into electricity will contribute to the reduction of operational costs and CO₂ emissions, in addition to being more beneficial to the environment.

This project allowed for an increase in the team's knowledge, since the entire development (design and construction) was conducted with our own engineers, technicians, and professionals. Besides improving the safety levels for night operations in the mine area and reducing costs, it also eliminated the emission of pollutants into the atmosphere, in a total of 500 tons per year.

Partnerships with Universities

CSN Mineração is aiming to strengthen its relationship with the academic world so that solutions can be developed to meet the mining sector's challenges. The project consists of presenting challenges to universities, which in turn can develop solutions that can be applied in the operational environment.

One of the partner institutions is the Federal University of São João del Rei (UFSJ). Through a multidisciplinary initiative, several studies have been developed with themes related to particulate monitoring, component control, and asset tracking.

In addition, CSN Mineração maintains a technological partnership with Universidade Presidente Antônio Carlos - UNIPAC, which focuses on the digitalization of processes and the study of new types of pipes.

Photovoltaic towers also promoted the elimination of pollutants emissions in the atmosphere, in a total of **500 tons of CO₂** per year.

01TIF017

Mining Hub

CSN Mineração is a member of the Mining Hub, an Open Innovation initiative aimed at members of the mining chain, to transform the culture and contribute to improving the industry's reputation. The initiative gathers the main mining companies operating in Brazil, suppliers and relevant institutions such as the Brazilian Mining Institute (IBRAM) and the Dom Cabral Foundation.

The Mining HUB is already in its fifth cycle of challenges. CMIN participated in the third stage with the challenge "Alternatives for filtered tailings. The expectation is that in 2021, CSN will participate in the sixth cycle with the themes: "Use of renewable energy to reduce the humidity of filtered tailings" and "Vegetal covering alternatives for slopes of waste rock and tailings piles".



Five Programs

The initiative has five programs:

M-START - Development of solutions to common challenges selected by the associated companies through Proofs of Concept (POC);



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



M-IMPACT - Addresses issues of 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;

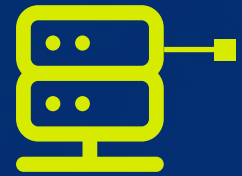


M-HUNTING - In this program, startups apply to solve specific challenges in each of the support areas addressed by the Strategic Groups.



Future

CSN Mineração is essentially a pioneer and seeks continuous improvement of its operations. See the next actions:



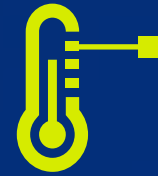
TA Network Infrastructure (Automation)

a mapping of the existing TA network architecture and elaboration of new architecture to improve network organization. Phase 2 will be implemented in 2021 and will enable greater security and reliability in network access security and automation.



Modernization of the Backup Management System

upgrade of the backup management system that allows the backup of the tailings filtering application together with the backup of central plant controllers, thus enabling greater reliability of the control system.



Monitoring of equipment temperature and vibration

The project will enable the real time monitoring of the useful life of equipment regarding vibration and temperature variables. The initiative started to be implemented in 2020 and is expected to be concluded by the end of 2021. The project will eliminate field inspections and ensure even greater safety for employees.



Video Analytics

It is intended to perform preventive inspection to control the useful life of equipment components and optimize the time of use, in order to avoid unexpected losses in the production process.



Data Integration and Analysis Project - CSN/General Electric/ Itochu

As a result of a partnership with Itochu and GE, CSN Mineração is developing a project to integrate the company's information and data. The software optimizes CMIN's production system, from the Mine to the Port. The platform also aims at increasing the operational performance by means of data integration and simulations that help in the decision making process. The project will be implemented in three phases, each lasting a year and a half. One of the main functionalities offered by the technology is the digital twin, which enables the creation of virtual models identical to the real ones, allowing the simulation of events that will enable the mapping of possible scenarios, in addition to tracing the operating profile of a new system and/or equipment, even before its implementation.



NATURAL CAPITAL

We carefully plan, design and operate to minimize and mitigate our social and environmental impacts. We invest in the best available technologies to safely manage our operational risks, reduce our water consumption, CO₂ emissions and energy consumption, protect biodiversity and positively impact the communities where we operate.

Respect for the environment is a priority for CSN Mineração, which is reflected in preventive practices, corrective actions, innovative solutions, full compliance with the environmental rules and legislation in effect, in addition to training employees and raising awareness on the sustainable use of natural resources.

CSN Mineração has an Environmental Management System (SGA), in accordance with the international standard ISO 14001/2015, certified by an independent international body duly accredited by the National Institute of Metrology, Quality and


Technology (INMETRO), in the Casa de Pedra and Pires units. In addition, the goal in 2021 is to certify the TECAR Port in ISO 14.001/2015 and ISO 9001, as well as the Casa de Pedra Mine in the latter.

The Company maintains an open and free communication channel with the internal and external public regarding environmental issues, the Green Line.



Green Line

The Green Line, which has been operational for more than a decade, is a direct communication channel with society. Through it, it is possible to send suggestions, compliments, criticisms or questions about the company's socio-environmental issues.

 Phone: 0800 282 4440

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

A specialized team from the unit is committed to answering the community's demands, presenting solutions or justifications within a maximum of 15 working days. The volume and content of the calls, as well as the internal directions arising from each call, are periodically reported to the Company's top management.



Always aiming to act according to the best practices, in 2020 CSN, the parent company, established the **Sustainability, Environmental, Occupational Health and Safety Office**, which operates in an integrated manner in all businesses of the CSN Group, including CSN Mineração. This new Sustainability Governance was created to help the company achieve full capacity in managing environmental, social and governance topics.



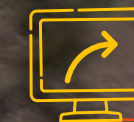
GRI 303-5 | 301-2

We have invested **R\$6 million** in the **Municipal Plan for Dam Safety** in partnership with mining companies and the City Hall of Congonhas (MG).

The purpose of the Plan is the construction of a modern headquarters for the municipality's Civil Defense, acquisition vehicles and equipment, preparation of an Integrated Contingency Plan that brings together all the mining companies in the region, signs, awareness campaigns and training of the Municipal Brigade.



Recently approved by our Board of Directors of CSN Group, the new **CSN Group's Sustainability, Environment, Health and Safety Policy**, prepared under the acronym "SEMPRE" and applicable to CSN Mineração is committed to the SDG (Sustainable Development Goals) and with the 10 Principles of the Global Compact - an initiative of the United Nations (UN) of which the CSN GROUP is "Signatory". This policy will guide the Company's strategic decisions, taking into account environmental, social and governance issues, and reinforces our commitment to the control and mitigation of possible environmental and social impacts in a proactive manner, in addition to aiming the safety of our operations, the health and well-being of our employees and communities where we are inserted.



Learn more about
SEMPRE Policy

Atmospheric Emissions

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

Air Quality

CSN Mineração has control mechanisms in place to reduce as much as possible the impacts on the air quality of the region in which it operates. Through the Air Quality Monitoring Program, we monitor parameters defined by environmental legislation and verify the efficiency of the proposed controls.

We currently control four monitoring stations, two meteorological and two air quality stations. These stations are part of the Air Quality Monitoring Network of Congonhas and Region, which also includes other companies with mining and steelmaking activities. The air quality monitoring stations are located in the Novo Plataforma and Basílica districts, in Congonhas. The stations which evaluate the meteorological parameters are located in CSN Mineração's Casa de Pedra and Pires units.

The Basílica Station monitors Total Suspended Particles (TSP), Inhalable Particles (IP), ozone (O₃), sulfur dioxide (SO₂), nitrogen oxide (NO), nitrogen dioxide (NO₂), and meteorological parameters of wind speed and direction, temperature, and relative humidity. The Novo Plataforma Station monitors Total Suspended Particles (TSP) and Inhalable Particles (IP). The Casa de Pedra and Pires Stations monitor meteorological parameters of wind speed and direction, air temperature and relative humidity, global solar radiation, atmospheric pressure and rainfall.

The data transmission from the Optimized Air Quality Monitoring Network occurs online 24 hours a day 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.

This monitoring allows an integrated analysis in space and time, as well as the verification of compliance atmospheric particulate concentration standards, contributing to decision making regarding the improvement of operational controls and to better air quality in the surrounding areas of CSN Mineração's operations.

With the monitoring results from the Basílica and Novo Plataforma Stations, it was possible to calculate the Air Quality Index (IQA) throughout 2020, and this index fully complied with current legislation (CONAMA No. 491/2018).



Climate Changes and Greenhouse Gas Management

Climate change presents concrete challenges to society and this scenario demands that organizations position themselves on the forefront of climate action, preventing and mitigating their environmental, social, and economic impacts on climate.

CSN Mineração, aligned with the Sustainability strategies of its parent company, has increasingly focused on having a robust climate strategy. The first step was integration of its policies to have its Sustainability, Environment and Occupational Health and Safety Policy as the main guideline, where the commitment to mitigate and adapt to climate change is formally established.

Another important step was adhering to the UN Global Compact as a Signatory, participating in the Climate Action Platform.

In 2019, CSN Mineração established goals to reduce the intensity of scope 1 and 2 GHG emissions (t CO₂/ton of ore produced) by 10% until 2030 (base year: 2019);

There are several initiatives to reach this goal, such as: investments in the Autonomous Mine, fleet replacement and modernization, operational efficiency programs that reduce diesel consumption in such a way that this goal is met and even exceeded over the next ten years



In 2019, CSN Mineração established goals to **reduce the intensity of scope 1 and 2 GHG emissions** (tCO₂/ton of ore produced) by **10% until 2030** (base year: 2019);



Learn more on the Group's Integrated Report, p. 111.



See more on Innovation Projects, p. 69.

By investing in the new itabirite beneficiation projects (P15 and P28 Mascate and Esmeril), with the consequent production of high content pellet feed, we will have a product with higher iron concentration, more energy-efficient, resulting in a significant reduction in CO₂ emissions by steel mills for steel production.

By producing ore with high iron content, CSN Mineração is helping its customers reduce

greenhouse gas emissions. This initiative will have a direct impact on the reduction of emissions reported in its scope 3.

In 2020, CSN Mineração improved its methodologies for calculating Scope 3 emissions, making them more complete and fully measurable. With this information, we started working with our customers and suppliers to establish feasible reduction targets for this scope.



In 2021 the Company has committed to reviewing and disclosing new, even more restrictive targets for Scopes 1 and 2, including long-term neutrality targets, as well as Scope 3 reduction goals, considering the timeframe up to 2035.





Progress in Climate Management (2020)

- Adherence to the Global Compact's Climate Action Platform, through its parent company;
- CDP Climate Change score increase from D to C, exceeding the Latin American and industry averages. In 2021, the Company will report specific information for CSN Mineração;
- Improvement of the calculation methodology for scope 3 emissions at CSN Mineração; and
- Gold Seal of the GHG Protocol for the sixth consecutive year, in the reporting of information for the entire CSN Group.

We report our greenhouse gas emissions integrated with the CSN Group, pursuant to the guidelines of the GHG Protocol, one of the main tools for the identification and calculation of emissions used by the world's largest companies. For the sixth consecutive year the CSN Group received the Gold Seal of the Brazilian GHG Protocol for having reported our emissions and submitted them to external verification.

We also annually report to the Disclosure Insight Action (CDP) the guidelines followed with respect to climate change, supply chain and water security. In 2020, the CSN Group achieved a score improvement in Climate Change from D to C. In 2021, CSN Mineração will also report its emissions individually to CDP.



See Annexes for more information, p. 156.

We have established a CO₂ roadmap to assess the current scenario, with its respective baselines. The next step is to analyze the feasibility of different mitigation options using a Marginal Abatement Cost Curve (MACC)¹, to prepare the Company to evaluate carbon pricing scenarios in order to define feasible commitments until 2050.

In order to make progress in this climate agenda, in 2021 we will start training in the Task Force on Climate-Related Financial Disclosures (TCFD) structure so that we can measure, analyze and disclose climate-related financial risks. This team will be involved in developing a climate risk and opportunity matrix and defining action plans. The results will be presented to senior management - including the Board - who will also receive training on the methodology applied, and the results will be presented in the next cycle of the Report.

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

Greenhouse Gas (GHG) Emissions Data

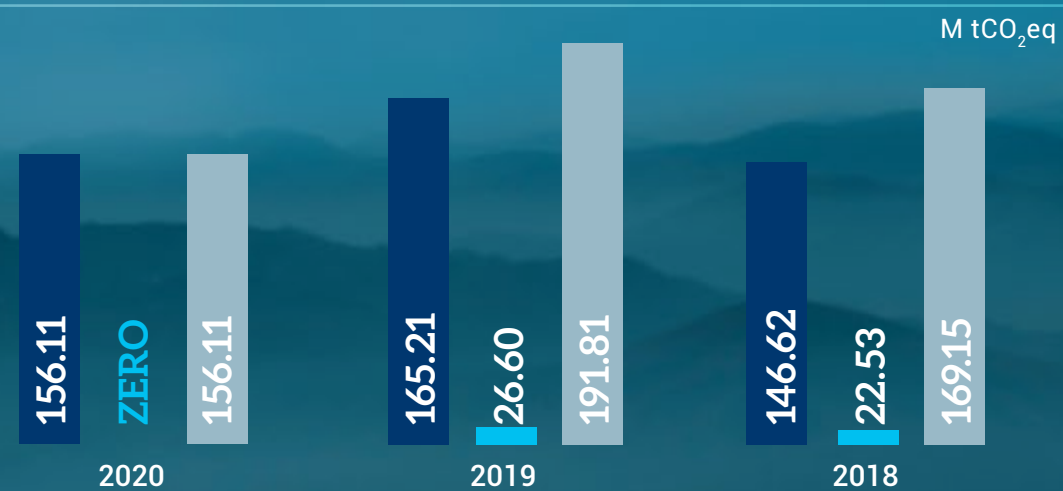
IN CSN MINING, IN 2020:

↓ **18,61%**

reduction in absolute CO₂ emissions (scopes 1 and 2)

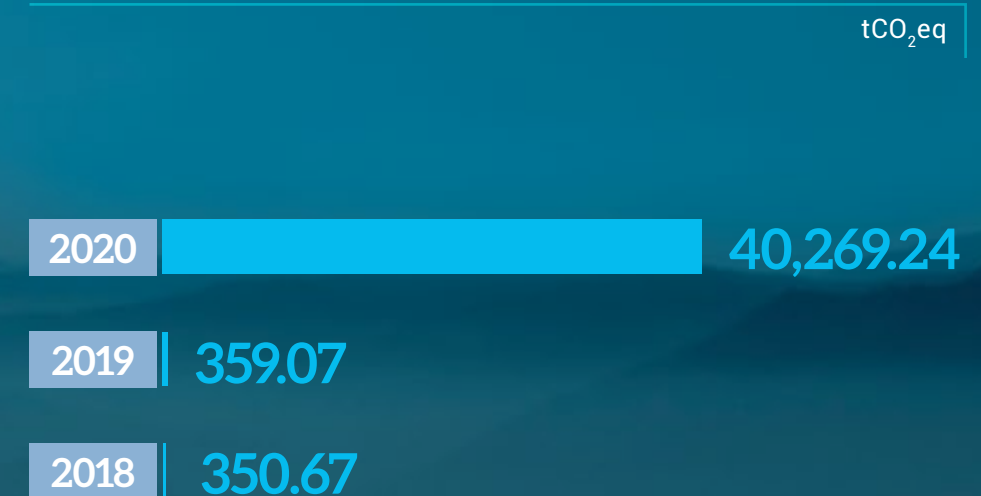
100%
of the energy used in the processes from renewable sources

Total Emissions Scopes 1 and 2 - CSN Mineração



CMIN in 2020 performed an assessment of all categories of Scope 3 emissions relevant to the business that had not been quantified in previous years.

Total Emissions Scope 3 - CSN Mineração



Water Resources

GRI 103-1 | 103-2 | 103-3 | 303-1 | 303-2

Water is a fundamental resource for CSN Mineração's operations. The company is rigorous in the use of this resource, monitoring it through forty control systems for effluents and drainage and more than thirty monitoring points in the watercourses located in the areas. In addition, it actively participates in the Paraopeba River Hydrographic Basin Committee (MG), by holding an open dialogue with the varied sectors represented, discussing more efficient management actions, ensuring the

multiple uses of water, evaluating and proposing improvements to the environmental quality of the territory to which it belongs.

In 2020, the Company registered a total of 14,981.91 ML in total water withdrawal volume. However, water use efficiency (megaliters/t of ore produced) at CSN Mineração stood at 0.000207. Despite the increase in relation to 2019, the volume of water remains lower when compared to

2018, the reference base year. This result was due to the investments made in the Central Plant, through the Tailings Filtration technology, leading to a water recirculation index in this operation close to 90%. Before the implementation of Tailings Filtration, this percentage was close to 80%.

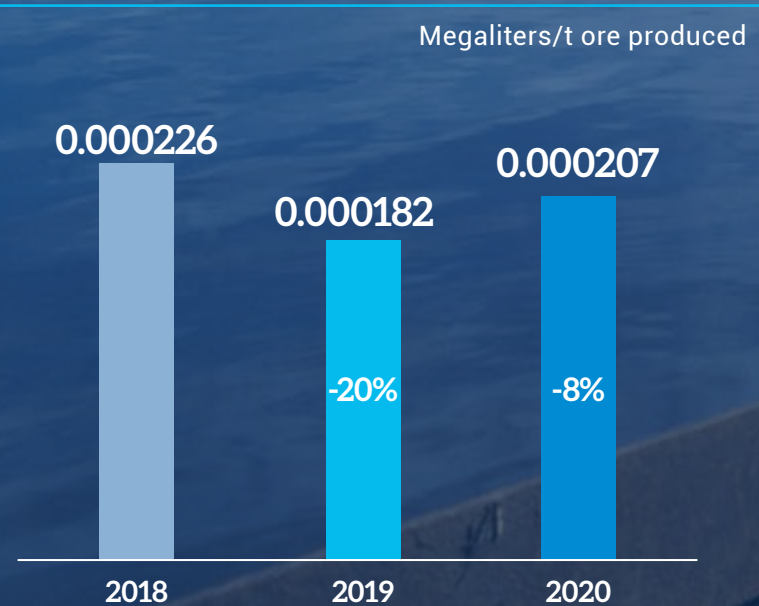


See Annexes for more information, p. 153.

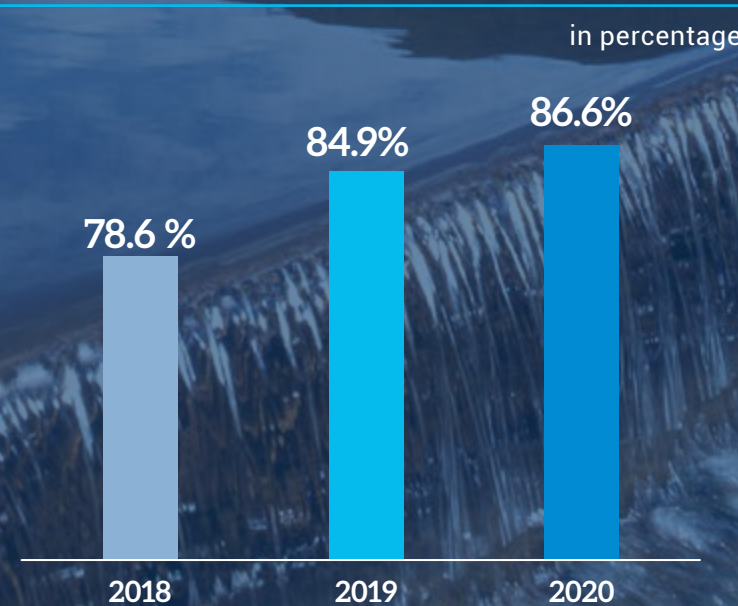


In the Central Plant, through investments in new technologies, the water recirculation increased from 79% in 2018 to 87% in 2020, and will reach 95% in 2023.

Efficiency in water use



Recirculation Rate CMIN





1. Withdrawal refers to surface water, rainwater, groundwater, and third-party water. The increase in comparison to the previous year was due to the lowering of the water table, the advance of mining, and the increased rainfall in the first quarter.

Water Stress Map

CSN Mineração has assessed water risks¹ pursuant to the following methodologies: Water Risk Filter², from the World Wildlife Fund (WWF); and Aqueduct (WRI)³. These initiatives contribute to the Company's ability to assess, analyze, value and react to water-related risks.



-  1. Tecar (RJ)
-  2. CSN Mineração (MG)

-  Medium Risk
-  High Risk

1. The Organization for Economic Cooperation and Development (OECD) identifies the main risks related to water: risk of too much, too little and too polluted water; and disruption of freshwater systems. Furthermore, lack of access to water supply and sanitation can be considered as another water-related risk.
2. The WWF Water Risk Filter, launched in 2012, is an online reference tool designed to explore, assess, respond to and value water risk for water-related companies and investors facing their operations and investments around the world. The tool helps to minimize risks.
3. The Arqueduct Water Risk Atlas is a global data platform administered by the World Resources Institute (WRI), an environmental research organization, and is comprised of tools that help businesses, governments and civil society understand and respond to risks such as water stress, season-to-season variability, pollution and access to water. The Atlas uses a robust, peer-reviewed methodology and the best available data to create global maps of water risk.

The CSN Mineração units have presented a medium to high risk in relation to water stress in the basin. We have proactively considered these units as priorities in water resource management.

In 2021, CSN Mineração will proactively conduct an assessment of its **Water Footprint**, in accordance with the criteria of NBR ISO 14.046:2017, which aims 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;



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

CMIN Initiatives

Some initiatives and projects have been implemented by CSN Mineração to reduce water consumption in its operations in Congonhas (MG):

After this process, the humidity percentage is approximately 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 existing installed capacity for tailings filtering, in view of the increased production expected for the coming years.

■ **Cental Plant** – Com a implantação dos projetos *brownfield* é esperada até 2024 uma redução de 45% no consumo específico de água nova na Planta Central, tendo como referência o ano de 2017. Essa redução significará a mudança de nível de **consumo de 0,22 m³/t para 0,12 m³/t na referida planta**, que irá contribuir para o atingimento de níveis de recirculação acima de 90%. Consequentemente, haverá também a redução na geração de rejeitos e aumento da eficiência nos processos de separação sólido/líquido existentes na planta de beneficiamento.

After this process, the humidity percentage is approximately 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 existing installed capacity for tailings filtering, in view of the increased production expected for the coming years.

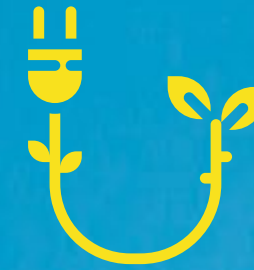
■ **Cental Plant** – With the implementation of the *brownfield* projects, a 45% reduction in the specific consumption of new water at the Central Plant is expected by 2024, with reference to the year 2017. This reduction will mean a change in the **consumption level of 0.22 m³ /t to 0.12 m³/t at the aforementioned plant**, which will contribute to achieving recirculation levels above 90%. Consequently, there will also be a reduction in the generation of tailings and an increase in the efficiency of the solid/liquid separation processes existing in the beneficiation plant.

Energy Efficiency

Considering that the expansion projects of Casa de Pedra mine will demand significant volumes of energy, CSN Mineração has been working on the development of new projects, always considering the use of renewable energy, in order to supply this future demand.



See Annexes for more information, p. 152.



BY 2020, WE ACHIEVED THE MILESTONE OF HAVING **100% OF OUR ELECTRICITY COMING FROM RENEWABLE SOURCES**. THIS GOAL WAS ACHIEVED AHEAD OF THE DEADLINE INITIALLY ESTABLISHED FOR 2021.

Biodiversity

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

CSN Mineração has been monitoring the fauna near its operational units for approximately fifteen years. We monitor the groups of mammal fauna (small, medium, large and flying), herpetofauna (reptiles and amphibians) and avifauna (all birds of a region or environment). In 2021, we will start monitoring ichthyofauna (the study of fish). Based on the data collected, it is possible to identify the relation between the company's productive activity and the biodiversity conservation actions, also acting as an indicator for the proposition and improvement of these actions. The results obtained annually indicate that the environmental quality of CSN Mineração's green areas has been continuously improving. This is proven by the fact that several endangered species have been identified that find in our green areas a suitable habitat for their survival. As an example of some species we can mention: cougars, giant anteaters, southern tamanduas, ocelots, howler monkeys and several migratory and endemic birds of the Atlantic Forest and rupestrian fields.

Habitat conservation

GRI 304-3

The conservation of protected habitats is based on perpetual conservation easements, environmental restoration, protection through Conservation Units, and conservation of the legal reserve and permanent preservation areas in the company's properties.

Conservation easement is carried out in already preserved native areas, which prevents any environmental intervention. The degraded habitats undergo an environmental restoration process, in which several initiatives are carried out to resume their original state. These initiatives include fencing of the areas, construction of firebreaks, planting of seedlings and monitoring of the evolution of the restoration of the area until it is able to continue the regeneration process without the need for direct human interference (anthropic interference).



See more about the list of endangered species on page 155.



Preservation Areas

CSN, protects or helps protect more than 10,000 hectares in the state of Minas Gerais and Rio de Janeiro.

Some of these areas were acquired for future environmental compensation linked to the expansion projects, which can be done through land title regularization and donation to the government entities, preservation, recovery or planting of new species.

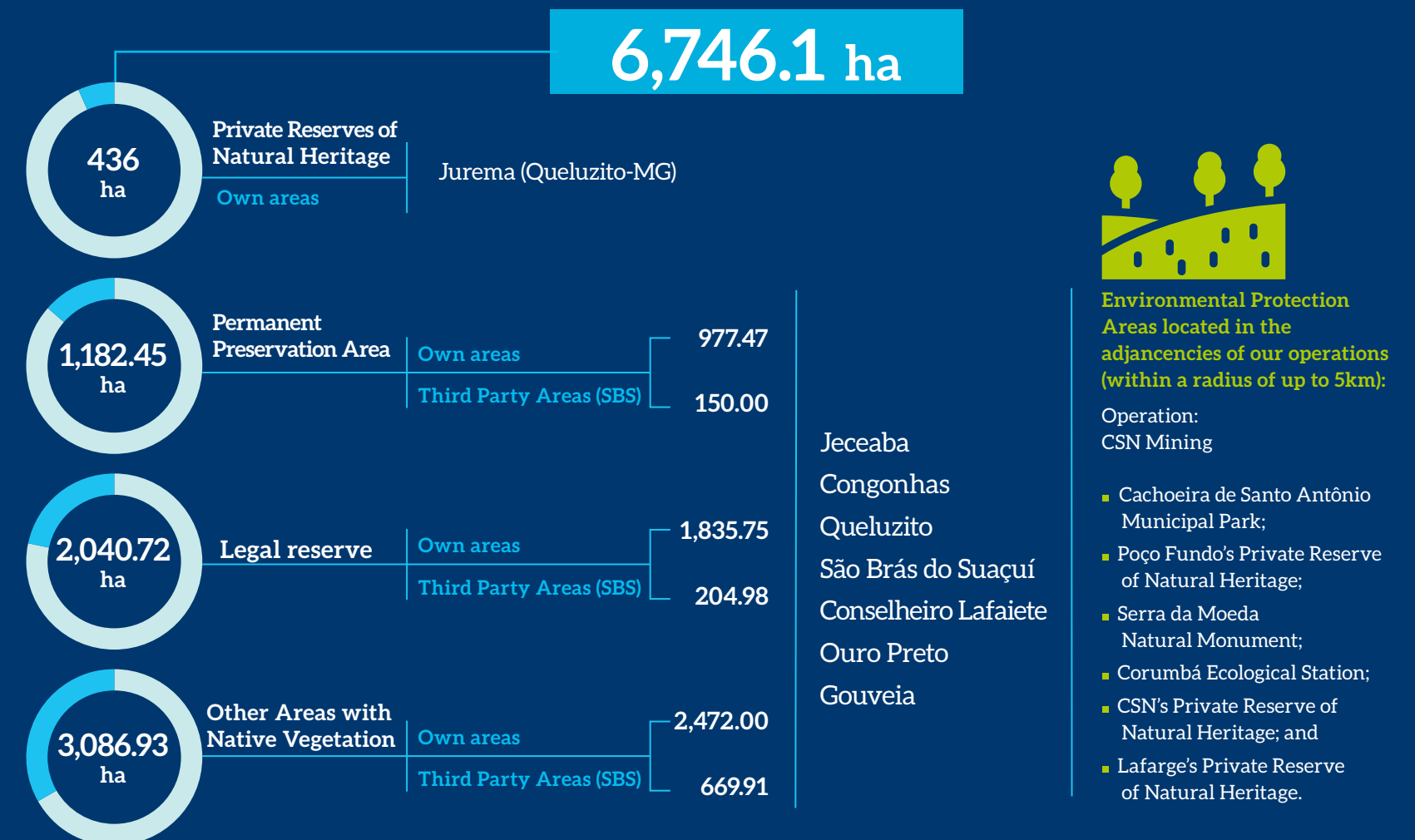


Environmental Protection Areas located in the adjacencies of our operations (within a radius of up to 5km):

- Port Operations**
- Baía de Sepetiba Seafront;
 - Itaguaí Itingussú Espigão Taquara Environmental Protection Area;
 - Saco de Coroa Grande Environmental Protection Area



Preserved Areas outside Conservation Units and in Sustainable Use Conservation Units



The legal reserve of the Casa de Pedra Complex currently covers an area of 1,411 hectares, of which 920 hectares are in the complex itself, 417 hectares in the Serra do Ouro Branco State Park and 73 hectares in a property located in Itabirito (MG). All of them have vegetation characteristic of a highly preserved Semideciduous Seasonal Forest, with a great wealth of species of flora and fauna.

Through a Technical Cooperation Agreement with the Belo Vale (MG) city hall, CSN Mineração is investing in expansion and improvement

works in the city's forest and native seedling nursery, which will be used by the unit for recovery projects of degraded areas and possible environmental compensations. In addition, through an Agreement signed with the State Forest Institute (IEF), a major renovation was conducted in the forest seedling nursery in Conselheiro Lafaiete, completed in 2020. Both nurseries will serve the local community by generating positive socio-environmental impact and reinforcing CSN Mineração's commitment to Sustainability.



The legal reserve of the **Casa de Pedra Complex** currently covers an area of **1,411** hectares, of which **920** hectares are in the complex itself, **417** hectares in the Serra do Ouro Branco State Park and **73** hectares in a property located in Itabirito (MG)

Environmental Compensation

In 2020, CSN Mineração signed nine Agreements for Environmental Compensation with environmental agencies of the state of Minas Gerais, covering the themes of Atlantic Forest, Significant Environmental Impact, Permanent Preservation Area (APP), speleology and cutting of single trees.

Payment of

R\$205,559.04

to IEF to be invested in Conservation Units in the state of Minas Gerais, completed in 2020



These compensations included the following obligations:

Restoring **146 hectares** of degraded areas of Atlantic Forest;



Establishing permanent environmental easement of **39 hectares** in the company's environmental conservation area;



Conducting land title regularization and donation of land located in the Sempre Vivas National Park to ICMBio, covering a total of **119 hectares**.



Projects

At CSN Mineração, the implementation of projects that impact vegetation of the Atlantic Forest biome, native vegetation, areas of permanent preservation (APP) and endangered species are subject to environmental compensation. Therefore, since 2017, the company has been executing activities, which are currently concluded or under analysis by the competent environmental agencies:



Atlantic Forest Compensation of 1,494.97 hectares.

We performed forest restoration initiatives, established environmental easements and acquired areas in Full Protection Conservation Units for land title regularization and donation to the environmental management body. The environmental restoration and easement actions occur close to areas already protected by CSN Mineração, contributing to the improvement of the regional environmental quality and the formation of ecological pathways;



Mining Compensation in 1,214.4550 hectares.

We performed acquisitions of areas and land title regularization for the related environmental management body, which covers the Sempre Vivas National Park, the Cavernas do Peruaçu National Park (site of great vegetation, faunal, speleological and archaeological relevance) and the Serra do Cabral State Park ((site of great vegetation and water relevance, due to the presence of veredas and a large number of springs, respectively);



APP compensation in 78.1159 hectares. We developed forest restoration actions in damaged APP areas and donated areas inserted in the Sempre Vivas National Park to the environmental management body;

Compensation of endangered species in an area of 35,565 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 acquired by the company to make these compensations, contributing to the improvement of the environmental quality in the region where the project is located.

Impacts

GRI 304-2

CMIN's operations may cause impacts on biodiversity. These include:



Change or loss of habitat:

the cutting of native vegetation for the implementation of projects may cause change or loss of physical and geographical conditions for the life and development of flora and fauna. This habitat loss may also occur indirectly, by compromising the conditions necessary for the survival of species in terms of soil and water resources. The environmental aspects of the initiatives are the generation of sediments, suppressed areas, soil compaction, particulate emissions, noise and others.



Loss of biota²:

Cutting and suppressing vegetation jeopardizes animals that are smaller and have reduced mobility, since larger species with more ability to move may disperse to the surroundings of the area impacted by the project. At this stage the ground cover is also removed, compromising the life and shelter of soil fauna and those species adapted to digging and living under the ground. The generation of sediments and liquid effluents may compromise water quality and, as a result, the aquatic biota and associated fauna. The intensification of road traffic may increase the number of terrestrial fauna roadkills. In addition, the use of internal access roads to transport equipment, materials, inputs and labor will also be responsible for generating sediments and liquid effluents.



Change of the biota communities:

The suppression of vegetation is the main activity generating this change and it manifests itself immediately as the flora is suppressed in the ADA³ and part of the fauna that is not lost is driven away. This movement increases competition for niches in the remaining areas and changes predation and reproduction rates. Pioneering species may also be favored over shade species. It is also known that high levels of noise and vibration can scare fauna away and change the behavioral pattern of animals, including impairing reproductive behavior and foraging⁽⁴⁾⁴, and subjecting them to exposure and increased risk of being run over by a vehicle.

2. All living beings of a region.

3. Directly Affected Area corresponds to the area where a project is located and its extension area, in addition to the immediate surroundings. This is where we have the most significant direct impacts resulting from installation, maintenance and operation.

4. É o ato de se movimentar ao redor do próprio habitat à procura alimentos ou presas. Nos biomas, o forrageio ocupa de 60% a 70% do tempo em que o animal está acordado.

Waste Management

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

At CSN Mineração, waste management is carried out taking into consideration the entire life cycle of the waste through the stages of disposal, storage, internal transportation, sorting and final disposal. In this last stage, we always seek to prioritize circular economy. In addition, the company fully complies with the legal requirements throughout the life cycle of this waste.

At CMIN, waste generation is classified into two categories: industrial waste and mining waste.

Industrial waste is waste not directly related to ore extraction and processing, such as packaging of inputs and equipment, sundry metal scraps and materials contaminated with oil and grease, sweeping and sanitary waste etc. Mining waste is related to the production process, which are tailings and waste rock.

Waste with the potential to cause significant impacts is called Class I (hazardous waste) and is generated in the maintenance processes of mine equipment, plant and/or light vehicles. We use a large fleet for the mining process and the transportation of product, waste rock and tailings. We need to wash all this equipment and their components and/or parts in order to enable the required periodic maintenance, thereby generating said waste. In addition, these maintenance processes generate blankets, filters and other unserviceable products contaminated with oils, lubricants and/or grease.

(Liquid) waste generated during the washing of equipment, components and/or parts is sent for treatment in a specific system located next to the generating source, in which the oily sludge accumulated in the system is collected through suction using

appropriate equipment and then sent directly for external treatment.

Subsequently, the liquid phase, free of oil contamination, is sent to storm drains existing in the plant. Contaminated solid waste is stored in collectors approved by INMETRO in the generating area and then forwarded to the Recyclables Warehouse, from where it is sent for external transportation and final disposal/treatment. The final disposal/treatment of this waste is co-processing, i.e., a blend is prepared for subsequent use as fuel in cement kilns.

Regarding Class II (non-hazardous) waste, which has less potential to cause environmental impacts, it is important to point out that all this waste is separated and stored in the generating area itself, and subsequently sent to sorting, where it is organized in batches for later external disposal, always prioritizing reuse and/or recycling, i.e., adding value to waste through sale.



At CMIN, waste generation is classified into two categories: industrial waste and mining waste.

Waste that could not be reused/recycled is sent to landfills duly licensed and with all the necessary environmental controls to avoid environmental impacts on nature.

The Company has an internal project called “Projeto Repensar” (Rethink Project), which seeks continuous improvement of waste management in the site. The project was designed pursuant to the 5Rs (rethink, refuse, reduce, reuse and recycle) and aims to develop a culture where all employees understand the importance of reflecting on the theme, and how their correct actions in the separation stage have a positive impact on the process up to the final disposal/treatment of the waste. Each and every one of us, in all hierarchical levels of the project, are responsible for correct management through more conscious actions in the phases of disposal, correct separation, storage, and environmentally appropriate final disposal, with a focus on improving results.

Within this project, several initiatives are implemented to ensure the objectives are achieved, minimizing the impacts caused by waste generation. These initiatives

are measured periodically, through a confirmatory check performed in all the processes carried out by the company and third parties operating in the project, in order to verify the commitment in complying with the program.

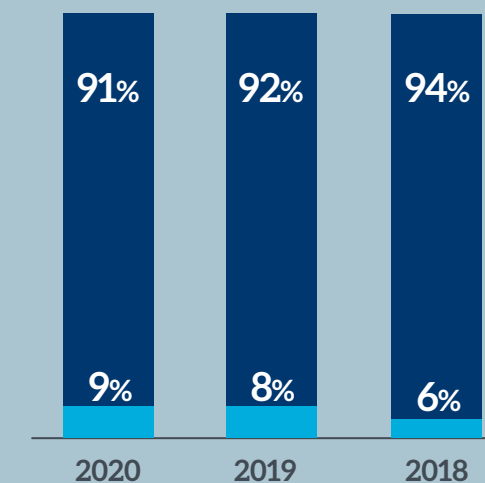
In addition to “Projeto Repensar”, the Company uses its internal communication channels and activities within the Environmental Education Program to increase waste awareness among its employees, also encouraging the reduction of generation and the maximization of reuse and recycling practices, focusing on waste separation and storage, in order to prevent deviations and manage the negative impacts caused by incorrect waste management.

Waste CMIN – Mining and Port (ton)

Waste	2018	2019	2020
Hazardous waste	1,677	2,493	1,890
Non-hazardous waste	26,193.55	27,277.00	18,441.00
Total	27,871.04	29,770.21	20,330.76

Generation / Disposal of waste

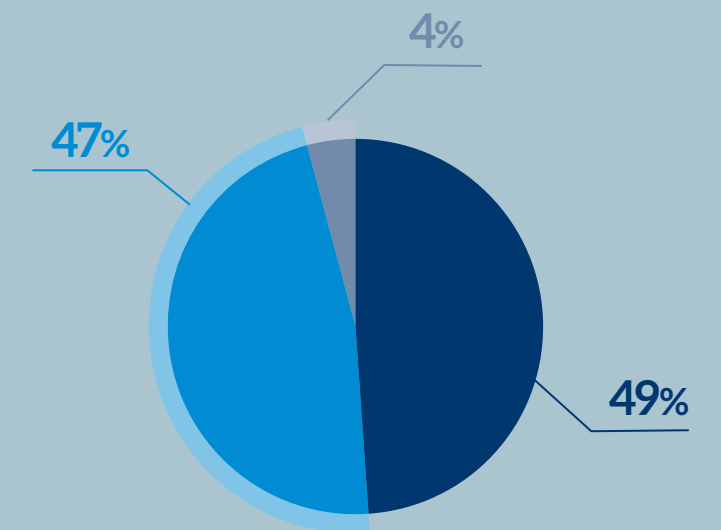
in percentage



Class I Class II

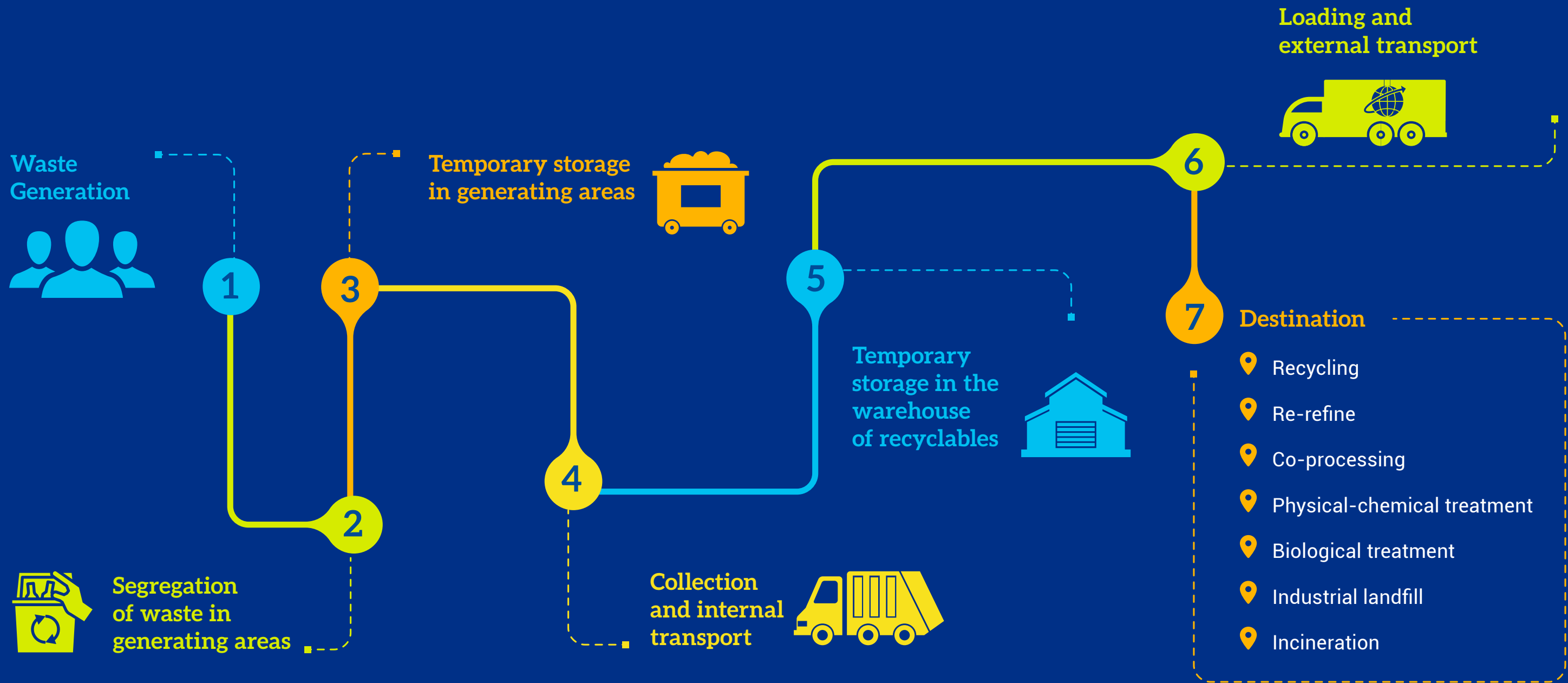
Destination class II | 2020

in percentage



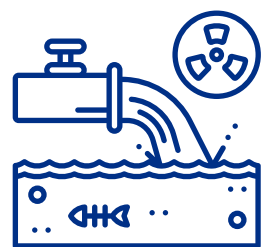
Co-processing
Refine
Others

Waste Management Process

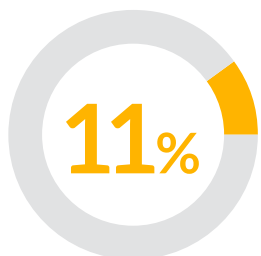


Mining Waste - Tailings and Waste Rock

GRI 201-2



Reduction of



in waste generation of mining

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

Waste from mining processes such as waste rock and tailings are not classified as Class I (hazardous). Waste rock is the material not economically useful, whose disposal becomes necessary for ore mining, and tailings

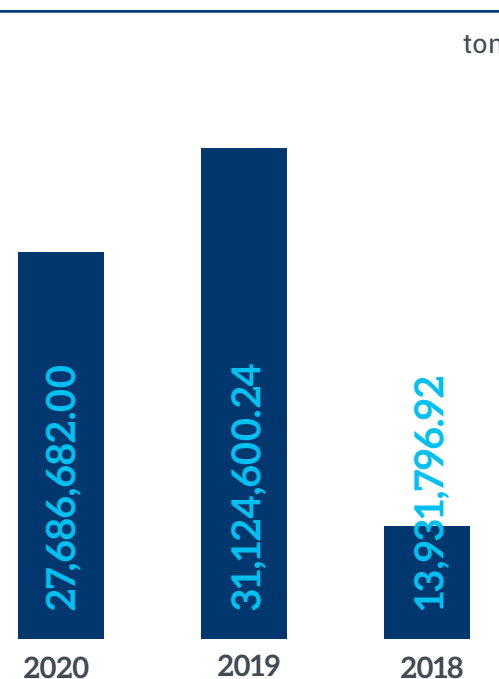
is the material discarded during the ore beneficiation process.

Waste disposed in piles that go through a safety management system and regular inspections to ensure the best geotechnical practices that guarantee their stability. The slopes between berms are shaped with inclinations that guarantee the recommended safety factors. The berms are wide enough to meet drainage considerations and to ensure access of maintenance equipment. In these areas, structures are designed to contain sediments and rainwater drainage, in order to discharge effluents downstream - watercourses - with the least impact. Subsequently, as the slopes and berms are shaped and finished, surface drainage is installed and the piles are re-vegetated to avoid erosive processes and create green areas.

According to the circular economy concept, at CSN Mineração, the tailings disposed of in the Casa de Pedra Mine Dams and the B4 Dam will

be reprocessed in the High Intensity Magnetic Concentration Plant, because they still contain high iron content. In this process, the powerful magnetic concentrators are able to remove iron ore from the tailings and, consequently, there is a reduction in the amount of tailings that goes to piling.

Mining Waste



Impacts

GRI 306-1

The impacts related to the waste generated in CMIN's operations may include contamination and aggradation of waterways, soil and groundwater contamination, air contamination with particulates from the waste rock dumps and tailings piles, and social impacts, given that the impacts on the physical environment or on living beings may be related to the quality of life of populations.

Industrial waste is adequately disposed of according to its characteristics. It may be sent to landfills, recycling, reuse, re-refining, decontamination and incineration.

Mining waste is stored in structures owned by the company, including dams (no longer used since 2019, but still with stock from previous years), tailings piles and waste rock dumps.

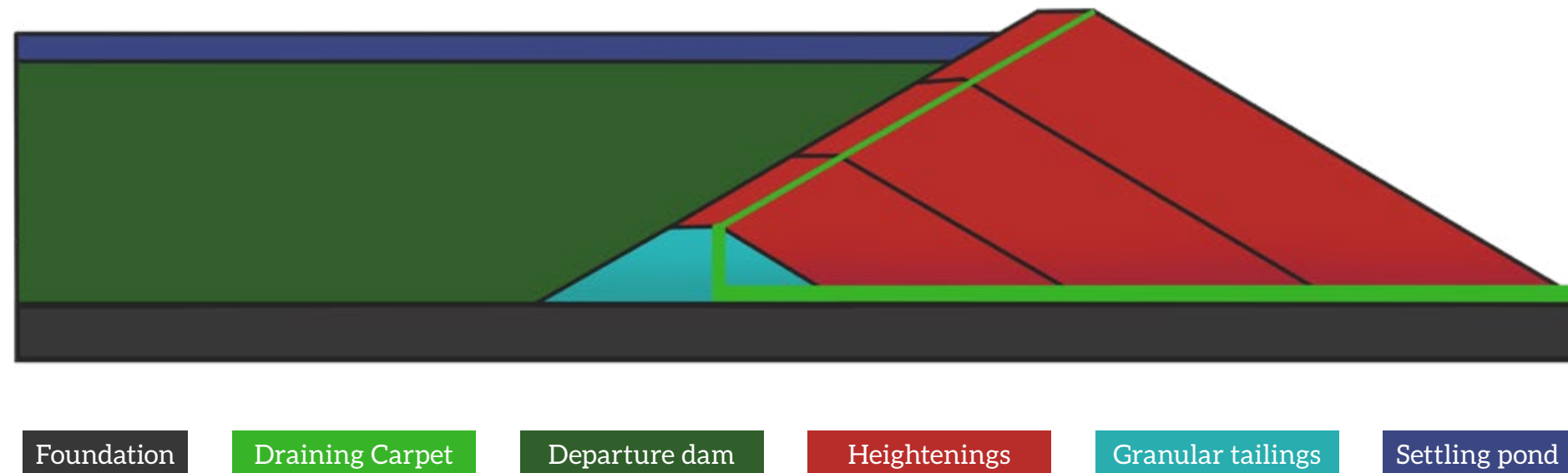
Dam Management

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

Building Models of Casa de Pedra Dam

This dam's structure is built of compacted and resistant soil formed by clay and silt¹. The advantages of this construction method include reduced liquefaction risk, lower probability of internal ruptures, and an efficient drainage system. Similarly to the starter dyke, which was built on natural ground, it allows for better support of the structure.

Downstream Building Model



Casa de Pedra: downstream
Casa de Pedra Dam follows the downstream model, in which the dam grows only on itself, in the direction of the waste flow, which improves the stability of the structure.



1. Rock debris or particles smaller than a grain of sand that enter into the formation of soil or sedimentary rock.

CSN Mineração preserves its essence of world leadership in the management of mining tailings. Over the years, we have invested around R\$400 million in technologies that have enabled tailings to be filtered and dry stacked. In 2020, the company has become 100% independent from the use of tailings dams.

Regarding dam operation and safety, the Company follows the guidelines and recommendations established by the International Commission on Large

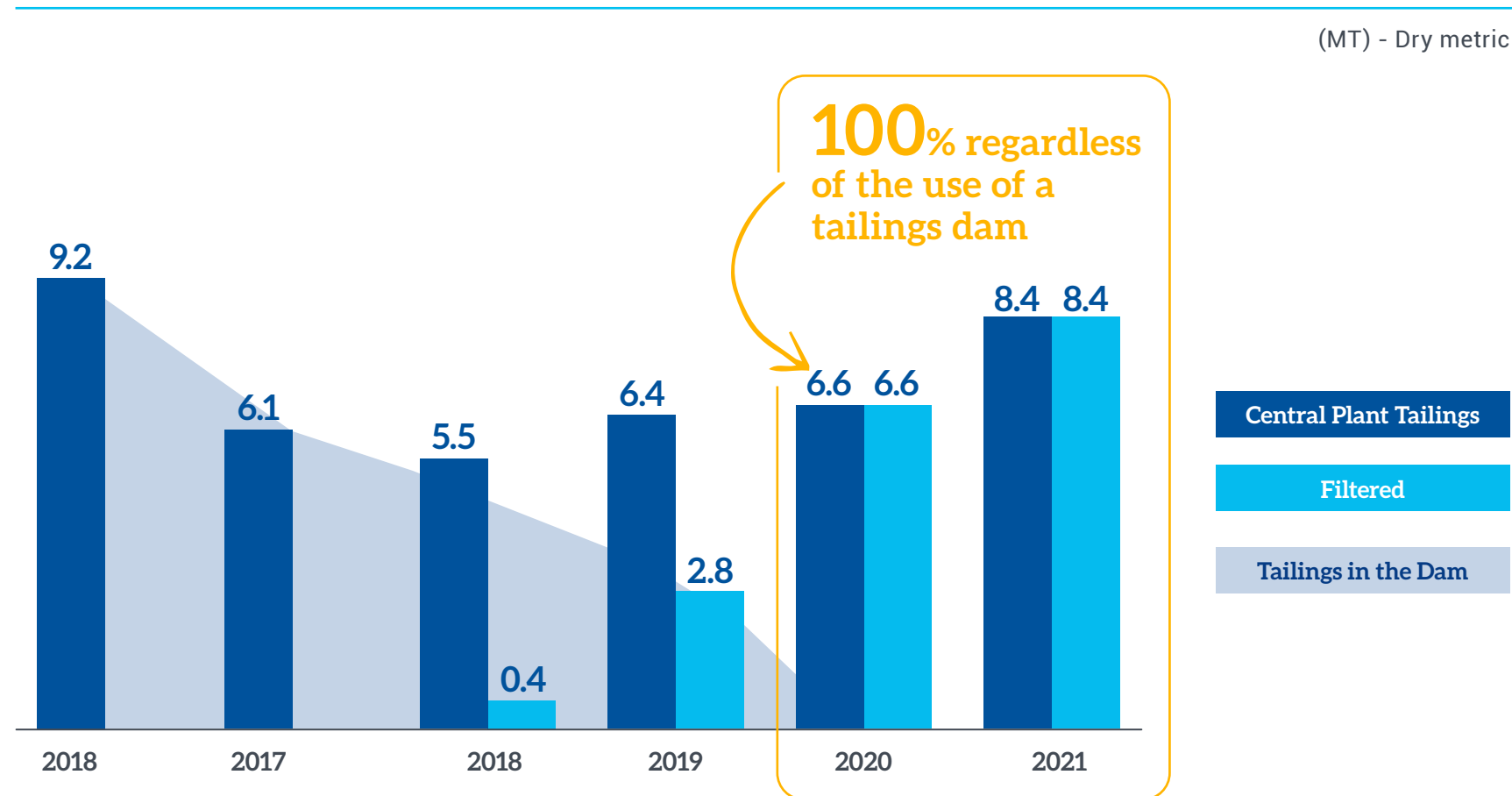
Dams (ICOLD), a non-governmental international commission that encourages the exchange of information on the planning, design, construction and operation of large dams. These standards and practices are in line with the requirements of the International Council on Mining and Metals (ICMM).

According to dam classification (Decree 70,389/2017 of the National Mining Agency - ANM), all dams are audited by independent companies specialized in

the subject, in order to certify whether the dams are stable and identify preventive actions to ensure this stability. The Dam Safety Plan and the Emergency Action Plans for Mining Dams (PAEBM) of CSN Mineração are concluded, with all the necessary volumes consolidated in compliance with the ANM decree. On another front, 2020 also marked the end of the decharacterization process of the first Tailings Dam, B5. During 2021, the company plans to advance in the schedule TO DECHARACTERIZE the other four (4) dams of CSN Mineração, with the conclusion of the decharacterization of the Vigia dam scheduled for the first quarter of 2021, leaving only 3 dams that will be decharacterized in the coming years.

It is important to emphasize that all CSN Mineração dams have no emergency level triggered and have declarations of stability issued by the National Mining Agency (ANM).

Tailing Generation of Central Plant





Summary of iron ore tailing dams status

Dam Name	Main Use	Substance	Height (m)	Capacity (m³)	Construction Method	Last Certification	Risk	Status	Decharacterization
B5 (Casa de Pedra)	Ore tailings containment	Iron ore	41	5,393,580	(Single step Downstream)	Sep-2020	Low	Inactive	Finished
Auxiliar do Vigia (Pires)	Ore tailings containment	Iron ore	35	3,140,693	Upstream	Sep-2020	Low	Inactive	1Q 2021
Vigia (Pires)	Ore tailings containment	Iron ore	25	812.901	Upstream	Sep-2020	Low	Inactive	4Q 2022
B4 (Casa de Pedra)	Ore tailings containment	Iron ore	65	13,001,821	Upstream	Sep-2020	Low	Inactive	4Q 2025
CdP (Casa de Pedra)	Ore tailings containment	Iron ore	84	65,374,575	Downstream	Sep-2020	Low	Inactive	Start in 2023



CSN Mineração's main dam, Casa de Pedra, is a structure built using the downstream¹ method, pursuant to all safety standards in force and authorized by all competent bodies, and is classified by the ANM² as low risk.

It should also be noted that the structure's Declaration of Stability Condition (DCE) was filed with Minas Gerais State Prosecutor's Office (MPMG) and the ANM on March 11, 2019, through the ANM's Integrated System for Managing Mining Dams (SIGBM) and in accordance with ANM Resolution 4.

Tailings Filtration - A Pioneer Process in Brazil
 In the dry filtering process, tailings undergo a thickening process in decanter cones, with the addition of flocculants. These cones still receive the filtered liquor from the filters and, through the solid-liquid separation that occurs inside, 90% of the water is recovered, which is recirculated and returns to the beneficiation process. The thickened material goes to a homogenization tank and is subsequently forwarded to the high pressure filters. During pressing, there is a reduction of humidity and the formation of pressed reject plates, which are unloaded on conveyor belts and transferred to the loading pile. Then, the filtered material is transported by trucks to form the final dry material piles.



1. The dam massif is built on compacted soil, regardless of the type of tailings deposited on it. The heightening is carried out in the direction of the water flow (downstream), that is, all the water that goes down to the mouth of the river.
2. ANM - National Mining Agency was created by Law No. 13.575/2017 and replaced the National Department of Mineral Production (DNPM). Its purpose is to promote the planning and promotion of mineral exploration and the use of mineral resources and oversee geological, mineral and mineral technology research, as well as ensure, control and supervise the exercise of mining activities throughout the national territory, in the the form of the Mining Code, the Mineral Water Code, the respective regulations and the legislation that complements them.


Emergency Response Coordination


CSN Mineração offers training to its employees and third parties in emergency response, from small fires that can be put out with a fire extinguisher to the bursting of a dam.


Specifically, in the case of dam safety and following the Emergency Plan for Mining Dams (PAEBM), the company constantly conducts studies and registers families in the areas near the dams, pursuant to international recommendations such as Dam Safety Guidelines – Dam Break Inundation Analysis and Downstream Hazard Classification, prepared by the Washington State Department of Ecology. The objective of the studies and the registration is to monitor the families within the Self-Safeguard Zones (ZAS) and Secondary Safeguard Zones (ZSS), develop social assistance initiatives, define escape routes and mitigate damage caused by a hypothetical dam break, i.e., burst of the complex's dam.


Related Initiatives


The measures related to the Emergency Response Plan include:


- 

Management of mass evacuation sirens.
- 

Elaboration of the Dam Safety Plan (PSB) and the Emergency Action Plan for Mining Dams (PAEBM), as established by the Brazilian legislation.
- 

Signaling of escape routes and meeting points in communities belonging to the Self-Safeguard Zone (SAZ).
- 

Execution of large-scale external simulations, involving the communities belonging to the ZAS.
- 

Attendance to external agencies (State Civil Defense, Municipal Civil Defense, among others).
- 

Implementation of fire Detection and Suppression Systems in substations and Management of the Fire Department Inspection Certificate (AVCB).

Safety Inspection

CSN Mineração performs visual inspections every fifteen days on the dams and dykes to check the structures and identify any signs of erosion and cracks, for example. Every six months the Regular Safety Inspection Report (RISR) is prepared, pursuant to dam safety legislation. Drones are also used during the inspections, which allow the visualization of points that are difficult to access, with high-resolution images. Topographic surveys and orthorectified images are made, a process through which satellite images are improved by georeferencing with control points collected in the field, thus allowing for greater precision and data quality.

The dams are equipped with automated instruments that enable real-time monitoring,

allow for information collection and data transfer directly to the dam management system. These instruments generally measure variations in pore pressure inside the embankment, drained flow, surface displacements, water table position, and reservoir water level. The collection of this data is essential for the adoption of any corrective measures that may be necessary.

Analysis of Readings

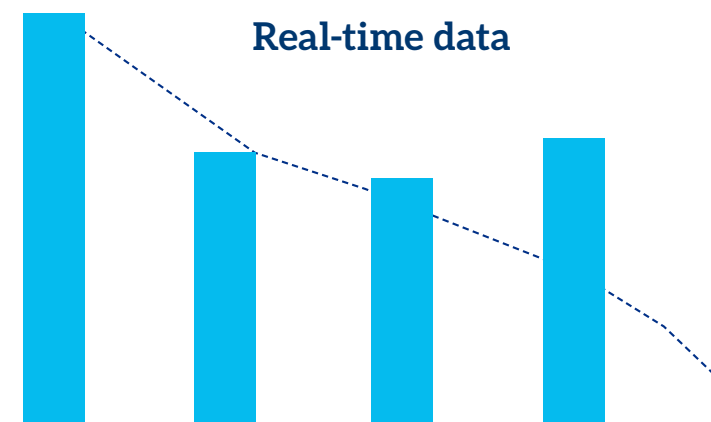
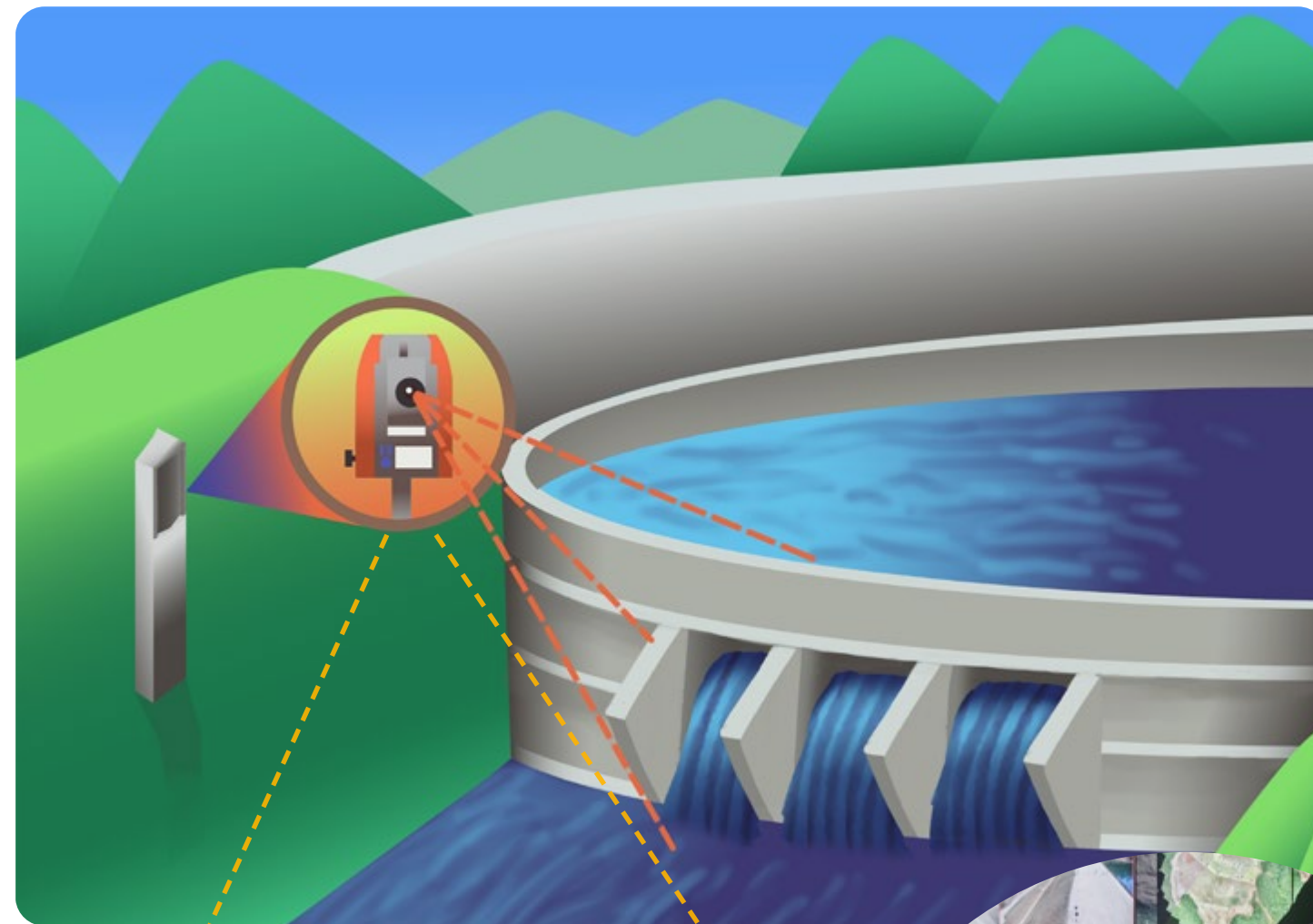
As soon as the data is collected, CSN Mining's team of engineers, responsible for Dam Management, prepares graphs that are correlated with the existing data to identify if there was any change. The Slope Health Monitoring System (SHMS) signals whenever the readings reach the levels of interest defined by the engineers, divided into levels classified as: normal, alert and emergency.

Endoscopic Inspection

Smaller and flexible, the endoscopes allow the identification of obstructions or any damage that may appear in the piezometers that measure the pressure and water level indicators installed in the dams.

Equipment Automation

The video surveillance system of CSN Mineração's dams has state-of-the-art hardware and software technology, using cameras with night vision. This equipment is installed in towers with an autonomous energy system by means of solar panels and batteries, with wireless network connection and video recording with storage capacity for ninety days in accordance with the legislation in force. To monitor these cameras, the company has a videowall system with six 55-inch monitors in high resolution and a VMS Barco system that integrates the network to all equipment and systems.



Initiatives carried out

- Equipment automation (piezometer, water level indicator, internal drainage flow meter and reservoir level);
- 24-hour video surveillance;
- Implementation of Dam Management System: GeoInspector and SHMS software;
- Use of drones;
- Paralisação de operação de todas as barragens de disposição de rejeitos;
- Processamento e empilhamento a seco de 100% dos rejeitos gerados;
- Descaracterização e descadastro da Barragem B5 aprovada pela Fundação Estadual do Meio Ambiente (FEAM) no mês de outubro e Agência Nacional de Mineração, no mês de dezembro de 2020.

Ongoing Initiatives

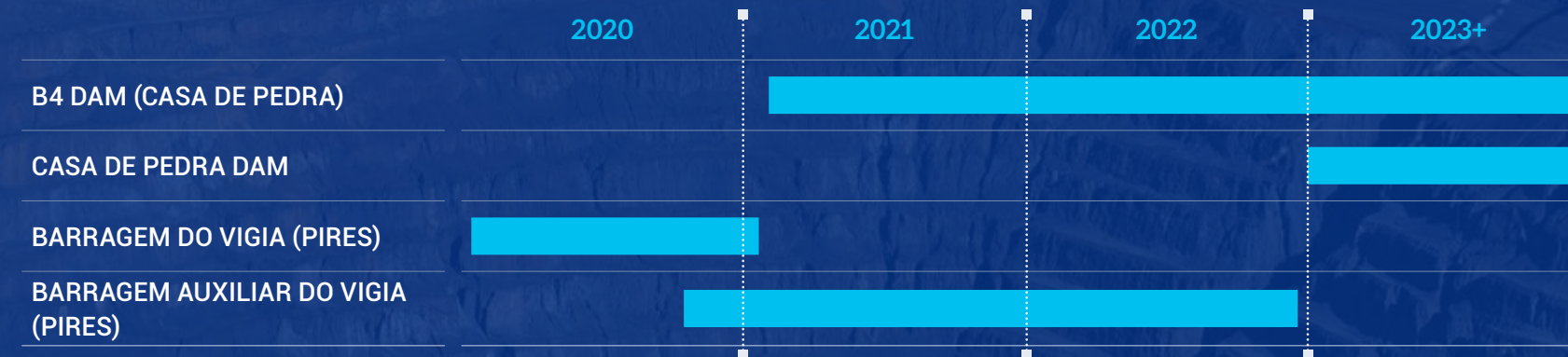
- Auxiliar do Vigia Dam's decharacterization works approaching conclusion (scheduled for March 2021);
- Decharacterization of Vigia Dam (peripheral channel and lowering of the water table);
- Installation of robotic stations and inclinometers.

Future

- Decharacterization project that includes the definitive channel in the Casa de Pedra Dam;
- Implementation of the B4 Dam decharacterization project.

Decharacterization

The schedule for the decharacterization of the dams follows ANM's rules and regulations.



Environmental Licenses

In 2020, we were granted important environmental licenses to meet our expansion projects and for the continuity of our operations:

- **Installation + Operation License - Waste Rock and Tailings Pile -**

Currently, all waste rock generated at the Casa de Pedra mines is deposited in a controlled manner in the Batateiro Waste Rock Pile. This license authorizes the expansion of this deposit, called Batateiro expansion Phase 3A, to continue receiving waste rock from the mining fronts.

- **Simplified Environmental License - Recyclables Warehouse**

Refers to the installation and operation of a central plant to receive, separate and temporarily store industrial waste.

- **Operating License (LO) – Tailings Pile**

Authorizes the controlled disposal of tailings in the Piles called “Fraile II, CDRI and Integrated”. These piles meet the disposal needs of the tailings generated at the Casa Pedra beneficiation plants, after going through the filtering and dewatering process.

- **Preliminary License + Installation License (LP+LI) - Itabiritos 10Mtpa Beneficiation Plant³**

Authorizes the implementation of an Itabirite Beneficiation Plant, with annual production capacity of 10 million tons. With the implementation of this plant, CSN Mineração will have technology that will allow the use of poorer ores, having as main gains the increase of the mine’s useful life, the release of hematite for processing in the existing Central Plant and the reduction of the volume of tailings, since a fraction that was previously destined as tailings will become product;

- **Authorization Document for Environmental Intervention (DAIA) - Mining in Corpo Mascate**

Authorizes suppression of vegetation for expansion of mining in the ore deposit called “Corpo Mascate”.

- **Authorization Document for Environmental Intervention (DAIA No. 0041146-D)**

Authorizes suppression of native vegetation for construction of the B4 Dam’s Belt Channel. The construction of this channel is an integral part of this dam’s decharacterization process.

- **Simplified Environmental License (LAS) – Gas Station**

Authorizes the installation and operation of a Gas Station, with installed/ tank capacity of 30 m³ to supply equipment and trucks that transport tailings between the filtering plants and tailings deposits.

- **Waiver of Licensing – Warehouse Area 10**

Waiver of Environmental Licensing issued on 10/09/2020 for the suitability of the Materials Warehouse located in Area 10, in Casa de Pedra, related to the infrastructure works of rainwater drainage and paving.

- **Authorization Document for Environmental Intervention (DAIA No. 0042924-D)**

Authorizes the suppression of native vegetation for the expansion of mining in the ore deposit called “Corpo Norte”.

³. This project is still under analysis by environmental agencies.



CSN Mineração's People Management model is based on five pillars: Attract; Align and Engage; Evaluate; Develop; Recognize and Reward. The company believes that its competitive advantage is its human capital, even more so in a year full of uncertainties and challenges, such as 2020. Through this model, knowledge is transformed into a success story, based on passion, dedication, and competence that generate opportunities, achievements, and recognition, creating an environment of inclusive and sustainable development.

HUMAN CAPITAL

CSN Mineração Employee Journey

In 2020, we started the new People Cycle, which is part of CSN Mineração's Employee Journey. In it, all employees had the opportunity to receive and give feedback on their current moment and their career expectations.

The Cycle consists of the following stages: assessment - calibration/people committee - feedback - career & succession - elaboration of the IDP - development.

The leader's role in this process is crucial. The leaders are responsible for the development of the team, in order to make them better professionals than themselves, thus ensuring people growth and the continuity of CSN, through the career and succession program.

The Competence Evaluation was reformulated and the 360°; 180° and 90° model was implemented.



Diversity

GRI 103-2 | 103-3

We believe diversity and inclusion are fundamental pillars for the construction of an innovative and sustainable company. To reinforce diversity and value inclusion at CSN Mineração, in 2020, we implemented recruitment processes to hire new professionals on five fronts: ethnic-racial, gender equality, people with disabilities, generational employability, and LGBTQIA+¹, and to expand the representativeness and employability of these groups.

We began our Strategic Plan by establishing a gender equality goal: double the percentage of women in the Company by the 2025, compared to the 2019 figures. However, CSN Mineração, in line with its parent company, intends to expand these commitments to comprise other underrepresented groups.

In the pursuit of acting pursuant to the best social and governance practices, in 2021, the CSN Group intends to create of a Diversity and Inclusion Department. This department will lead CSN Group companies, including CSN Mineração, toward challenging objectives, such as:

- **Increasing representativeness of gender, ethnicity, and people with disabilities;**
- **Strengthening diversity and inclusion, and employee awareness initiatives;**
- **Fostering Diversity, mainly in leadership positions; and**
- **Investing in inclusion, with actions directed towards education and corporate culture.**



Learn more about our workforce diversity and the ratio between male and female basic wage and compensation in the Annexes, p. 166.

1. L (lesbian), G (gay), B (bisexual), T (transsexual, transgender and cross-dresser), Q (queer), I (intersex), A (asexual), + (other gender identities).

Equal Opportunities and Environment

GRI 404-2

Leadership Engagement



We recorded a **22,7% increase** in the number of women in leadership positions¹ compared to the previous year. This result reflects our inclusion and diversity initiatives.

In 2020, we reinforced our commitment to an environment of equal opportunities with the appointment of two women to the Board of Directors of CSN Mineração, which corresponds to 28.57% of the body's sitting members and contributes to the achievement of the goal of increasing, throughout 2021, the participation of women in CSN Group's governance bodies.

We recognize that there is a significant progress to be made in terms of opportunities. Even so, in the period, we recorded a 22.7% increase in the number of women in leadership positions compared to the previous year. This result reflects our inclusion and diversity initiatives.

CSN Mineração had been experiencing significant increase in leadership positions held by ethnic-racial diversity groups. However, in 2020, due to the challenges imposed by the pandemic, this number experienced a small impact.

1. We consider "leadership positions", all employees who are three functional levels below the CEO, including officers, executive officers, managers, general managers, supervisors and coordinators.

Diversity in leadership

	2020		2019		2018	
	M	W	M	W	M	W
Senior management	13	0	14	0	14	1
Coordinator	57	14	59	11	56	12
Members of the Board of Directors	3	0	3	0	4	0
Executive Directors	1	0	1	0	1	0
Manager	30	5	32	5	29	4
Supervisor	153	8	149	6	162	4
Total	257	27	258	22	266	21

Percentage of women in leadership positions

in percentage





Opportunities

The Company offers direct employment in the locations where it operates, contributing to the development of the local community through the generation of employment, income, and professional training and experience.

Internship Program

The program's objective is to attract future professionals for CSN Mineração, developing talents capable of reaching permanent positions in the medium and long term. During the program, interns receive the benefits of a salary, meals, transportation, life insurance, and a health plan. In 2018, 102 interns were hired, 132 in 2019, and 53 in 2020. In 2020, due to the challenges imposed by the pandemic, the Internship Program was discontinued at CSN Mineração.

Young Apprentice Program

The program invests in the training of young professionals for the job market in the mining sector. Apprentices receive a salary proportional to the minimum wage, health and dental plan, life insurance, and transportation vouchers. In 2020, 212 apprentices were hired, compared to 203 in 2019 and 214 in 2018.

Capacitar Program

The young people are hired after going through the Young Apprentice Program and receive guidance from senior professionals in the various operational areas of our business. The newly hired receive a salary proportional to the minimum wage, meal vouchers, health and dental plans, life insurance, private pension plan, pharmacy discounts, transportation, and meals.

In 2019, 64 young people were hired; in 2020, the number declined due to the COVID-19 pandemic scenario, to 6 young people.

Scholarships

We are committed to developing our employees' competencies as a people management model, and to this end we invest in these professionals. In 2018, 88 scholarships were granted for vocational and higher education levels, compared to 79 in 2019 and 50 scholarships in 2020.

Training

GRI 103-2 | 103-3 | 404-3

CSN Mineração constantly invests in training and qualification that strengthen the skills of its employees, as well as contribute to the construction of an innovative culture, of ethical and safe behavior, and respect for the environment.

In 2020, we needed to reinvent ourselves. Many initiatives were restructured so that it would be possible to provide the development for employees with total safety. To maintain a high performance and qualified team, CSN Mineração was able to offer training to its employees, complying with all safety protocols: distancing, fewer working hours, open and ventilated places, use of masks and frequent sanitation, and many training courses conducted online. As a result, the Company provided more than 119,000 hours of training to its employees.

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

Leaders play a key role in this process is essential. 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.

In 2020, all CMIN employees had the opportunity to assess themselves, with 83% of assessments completed. Our executive group had 100% adherence. The administrative group had 73% of evaluations completed; supervisors/ collaborators, 79%; and operational staff, 80%. The latter group was even able to self-evaluate itself and have their feedback meeting with the manager for the first time.

The Competency Assessment was redesigned and we implemented the 360°, 180° and 90° model, as shown below:



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].

Leadership Development – School of Leaders

The program promotes knowledge and tools that help leaders in the processes of managing and developing their teams and training successors to hold leadership roles; in the processes of results management, in line with the Company's strategic planning, and diffusion of knowledge. To support managers in all their challenges as a leader, the company defined what it means to be a leader in the CSN group:



Act as owners of the business, performing your best with resilience and creativity in the solutions. This means behaving with ethically and transparently, guiding, developing and engaging your team in the pursuit of the best results to ensure the business' continuity.



And to reinforce this challenge, the Chairman of the Board of Directors of CSN Mineração, Benjamin Steinbruch, hosted the opening of the 2020 School of Leaders.



Employees and Labor Rights

GRI 103-2 | 103-3

CSN Mineração believes that its employees are its greatest asset and the basis for the success of its operations. It therefore encourages harmony between professional development, personal fulfillment, social participation, health and safety. The CSN Group's People & Management Office is responsible for applying the best labor practices, in compliance with the Consolidation of Labor Laws (CLT), the Universal Declaration of Human Rights, the Global Compact and the Sustainable Development Goals (SDGs), of the United Nations (UN), in all companies of the CSN Group, including CSN Mineração. During the induction of new employees, everyone receives information about salaries, benefits, vacations, collective agreement, rights and duties and a copy of CSN Mineração's Code of Conduct.

Compensation

The Company's compensation method is to provide internal balance (among employees) and external balance (competitively in relation to the market), aiming to make the compensation offered compatible with the responsibility exercised by the position, in order to attract, retain and motivate its employees.

All employees receive Fixed and Variable Compensation. The Fixed Compensation is composed of a nominal wage, vacation and Christmas bonus, as established by the Brazilian Labor Law (CLT), and the variable compensation, paid annually, offers an opportunity for additional compensation as a consequence of the results of the Company's goals, as well as of the achievement of individual or collective goals and competence evaluation, pursuant to the rules and agreements entered into by the Company.

CSN MINERAÇÃO complies with the collective agreements or conventions applicable to its employees, and also grants salary increases as a result of adjustments, in addition to merits and promotions depending on the employees' performance and level of engagement.

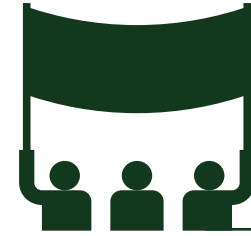
Benefits

The benefits granted are in line with market practice:

CMIN Benefits

GRI 401-2

Day Care Assistance	Offered in accordance with the law or collective bargaining agreement to Company employees, except for branches that don't have a minimum number of women for applicability of the benefit.
Health Plan	
Dental Plan	
Complementary Welfare Plan	Offered by the company to employees.
Life Insurance	
Food Voucher	
Meal voucher or cafeteria	



In the last three years there have been no stoppages in the Company's activities due to strikes and/or other protests.

Unions and Collective Bargaining

GRI 103-1 | 103-2 | 103-3 | 402-1 | 407-1

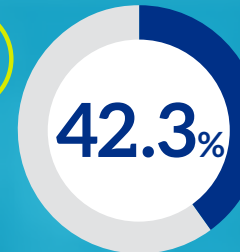
CSN Mineração understands the relevance of the role played by labor unions and maintains a relationship with them pursuant to the applicable legislation. The majority of its employees are represented by the Union of Workers of the Iron and Base Metal Extraction Industries of Congonhas, Belo Vale and Ouro Preto - and the Company respects free association with labor unions, just as outsourced professionals are represented by their respective entities. Collective labor agreements are negotiated directly with the unions, covering 100% of the represented employees. Any operational changes are explained to the employees by their line managers or through newsletters and meetings. In the last three years there have been no stoppages in the Company's activities due to strikes and/or other protests.



Occupational Health and Safety Risk Management

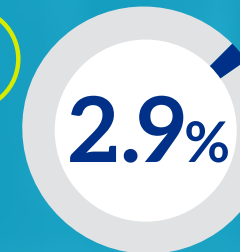
GRI 103-1 | 103-2 | 103-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-6 | 403-7 | 403-8 | 403-10

Reduction



in the accident frequency rate in the last 3 years.

Reduction



reduction in the accident severity rate in the last 3 years.



Learn more about safety indicators on page 160.



ZERO fatalities

The identification and analysis of risks and impacts in Occupational Health and Safety are essential to guide the management of all our activities. CSN Mineração acts to preserve the health and safety of its employees, through a robust management system to identify and analyze the risks and impacts regarding the Health and Safety of our direct outsourced employees.

All own and outsourced employees are covered by formal health and safety committees, namely: Central Safety Committee (Business Unit), Corporate and Steering Committee for Occupational Health and Safety, Leadership Committee, Contracts Committee and working groups for Regulatory Standards, including: NR 10 - Safety in Electricity services and Installations, NR 12 - Machinery and Equipment, NR 13 - Boilers, Pressure Vessels and Steel Storage Tanks, NR 20 - Health and Safety at Work with

Flammables and Fuels, NR 29 - Health and Safety at Work in Ports, NR 33 - Health and Safety at Work in Confined Spaces and NR 35 - Working at Heights.

In 2020, an automated system was implemented for distribution and registration of Personal Protection Equipment (PPE) deliveries. This technology allows greater employee safety by ensuring control over the periodicity of equipment replacement and reducing costs due to unnecessary losses.

In addition, specific programs are maintained for the well-being of our employees, such as the Hearing Conservation Program, Respiratory Protection Program, Ergonomics Program, Despertar Program, and the Alcohol and Drug Prevention (PPAE), to promote a work environment free of the use of harmful substances, through prevention, information, and treatment for employees, making the environment

safer, healthier, and more productive. The Program encourages employees to seek assistance and join rehabilitation programs. In 2020, the tests were reduced due to COVID-19 restrictions and we prioritized assistance to employees already included in the program.

Another highlight is Viva+, a quality of life program that contributes to the physical, mental and social health of our employees. The program is held in partnership with a chain of fitness centers and brings benefits to our employees and their first-degree relatives such as children, stepchildren, spouses, parents, and siblings.

The Personal Support Program (PAP), on the other hand, is a free service that provides phone help in situations involving personal and professional issues, with psychological, financial, and legal guidance.



Another highlight is Viva+, a quality of life program that contributes to the physical, mental and social health of our employees. The program is held in partnership with a chain of fitness centers and brings benefits to our employees and their first-degree relatives such as children, stepchildren, spouses, parents, and siblings.

CMIN and COVID-19

CSN Mineração has worked proactively to minimize the effects of the pandemic and overcome the challenges. We adopted measures to protect our employees and continued our activities to meet the demands of our customers. The Mining sector, due to its great importance in the production chain of goods that are essential to the country's economy and to fight pandemic, was considered an essential activity by the Federal Government during the COVID-19 pandemic.

Initiatives to prevent and fight the pandemic



Creation of a Prompt Response Management Committee, responsible for monitoring the pandemic and planning actions to mitigate the spread of the disease;



Provision of a phone communication channel, exclusively for questions and guidance to employees;



Reinforcement of the medical team with specialization in pulmonology and on-call doctors to provide daily care in the Company's emergency room;



"Daily Health Assessment - COVID-19", for everyone in the Company to answer questions about symptoms and how to proceed in suspected cases.



Distribution of masks to employees and donations to the communities where we operate;



Implementation of remote work for employees in risk groups, and leave for Young Apprentices, with no change in compensation;



Reinforced sanitation of locations and availability of 70% alcohol gel;



Guidance on social distancing, expansion of the chartered transportation fleet, so buses transporting the employees were only carrying 50% of their capacity;



Reinforcement of internal publications with information about disease prevention and cancellation of trips, meetings and in-person training.

Daily Operation



Performing temperature checking of all employees upon entering the mines, plants and offices. We performed RT-PCR tests on all employees with symptoms or in case of contact with positive cases. Following the recommendations of the health authorities, employees who tested “positive” for the new coronavirus immediately received leave from work for 14 days.



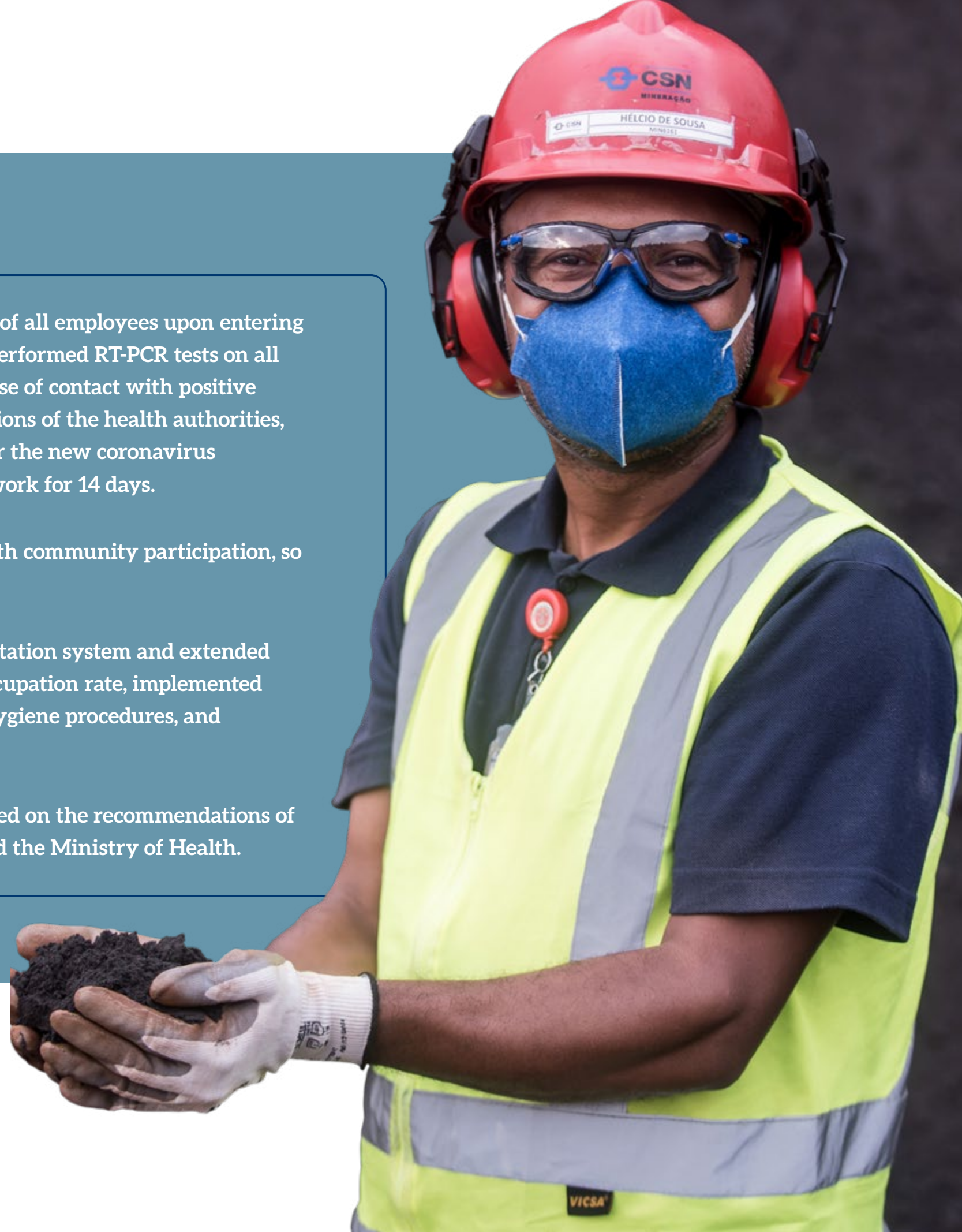
We held online health lectures, with community participation, so that ideas could be shared.



In the restaurants, we adopted a rotation system and extended the meal period to reduce room occupation rate, implemented acrylic partitions and reinforced hygiene procedures, and educational warnings.



All measures implemented are based on the recommendations of the World Health Organization and the Ministry of Health.





SOCIAL AND RELATIONSHIP CAPITAL

We have a close relationship with the communities. Most of our employees and outsourced employees live near the regions where we operate. We prioritize local suppliers and labor so that we can ensure opportunities for socioeconomic and territorial development in the surrounding regions.



IN 2020, **R\$ 50.5 MILLION**
WERE INVESTED BY CSN MINING
VIA INCENTIVE LAWS.

These resources were essential for conducting projects for the benefit of communities.

Relationship with the community

GRI 103-2 | 103-3 | 203-1 | 203-2 | 413-1 | 413-2

We maintain an ongoing dialogue with the communities through open and transparent communication channels (green line) and relationship programs to address any issues observed by the communities, such as: suggestions, criticism and praise about our operations and to clarify doubts, including details about the environmental management of our main impacts. In this way, we operate transparently and collaboratively in building solutions and improving our management.

CSN Mineração's social activities are mainly promoted by the CSN Foundation, which aims to act in the communities where we operate, through socio-educational and cultural projects that include partnerships with public authorities, companies and local institutions. In 2020, CSN Mineração invested R\$50.5 million through incentive laws. These resources were crucial to conduct projects to benefit the communities. Due to the pandemic, some projects had to adapt to the digital environment.

Mine Visit Program

THE PROJECT PROMOTES VISITS BY FAMILY MEMBERS OF EMPLOYEES TO KNOW THE CASA DE PEDRA UNIT AND GET A CLOSER LOOK AT THE MINE'S SAFETY MEASURES.

Additionally, CSN Mineração receives visits from residents of the neighboring communities and members of civil society, to clarify any doubts regarding the processes related to the safety of its operations and dams. It is an opportunity for local residents to get to know the structures, attend lectures, and receive a booklet with information about the actions to ensure the safety of the structures.

Technological Education Center



IN 2020, 219 SCHOLARSHIPS WERE GRANTED, IN 2019, 260 SCHOLARSHIPS AND, IN 2018, 348.

The Company offers scholarship programs at the Technological Education Centre (CET), in Congonhas (MG) to increase access to education, professional training and the insertion of young people into the job market.

Young Apprentice Program

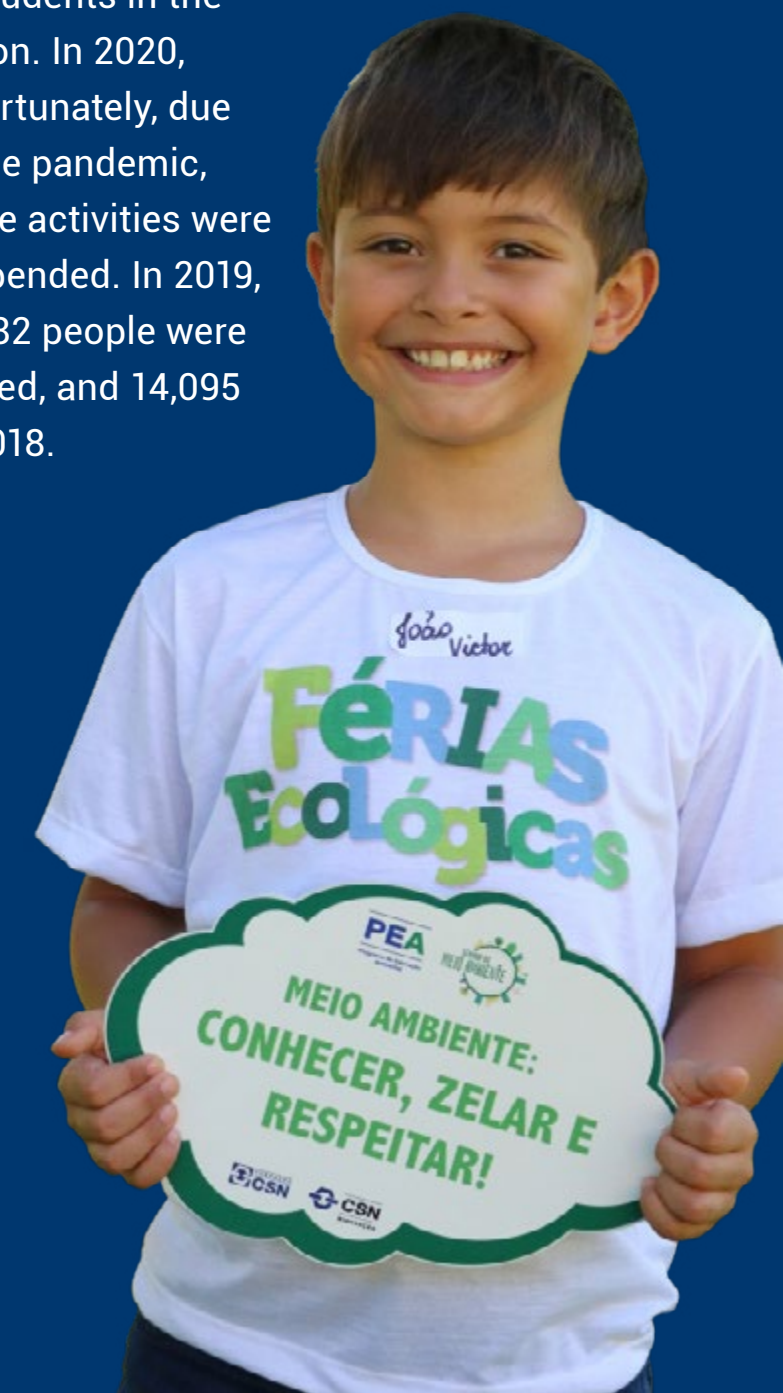


IN 2020, 816 YOUNG PEOPLE WERE TRAINED BY THE PROGRAM FOR INSERTION IN THE LABOR MARKET.

The Company operates the Young Apprentice Program in six units, located in Congonhas, Belo Horizonte, Conselheiro Lafaiete, Contagem, Ouro Branco and São Gonçalo do Rio Abaixo, in the State of Minas Gerais. In 2019, 893 young people were served, and in 2018, 725 young people.

Environmental Education Program (PEA)

CSN Mineração offers events and courses for employees, communities and schools in the municipalities of Congonhas, Belo Vale (MG) to disseminate training, lectures and socio-environmental workshops to students in the region. In 2020, unfortunately, due to the pandemic, these activities were suspended. In 2019, 11,082 people were served, and 14,095 in 2018.



Community Committee

Created in August 2018, the committee aims to build a permanent relationship channel between CSN Mineração and the community. This forum is used to discuss and clarify issues of common interest and provide greater interaction and transparency between the company's processes and the daily lives of the communities located in its surroundings.

The meetings are held every two months and the committee is composed of CSN Mineração and 23 institutions of great significance in the municipality of Congonhas, including: Municipal Secretaries; Representatives of the neighborhoods, Municipal SINE, Commercial Association, Municipal Council for the Environment, City Council, Association of Pensioners, Rotary Club, OAB, CREA and GORCEIX Foundation.



IN TOTAL, **98 CULTURAL ACTIVITIES** WERE CONDUCTED IN DIGITAL FORMAT, REACHING **101,697 PEOPLE.**

Garoto Cidadão Project (Citizen Kid)

The project offers socio-cultural workshops in music, dance, theater, art, communication, soirées, development of musical instruments with recyclable materials, and video editing for 400 children and teenagers in the municipality of Congonhas (MG) and 250 in Itaguaí (RJ). In 2020, due to the pandemic, the workshops were held in a digital environment. Many students used the mobile phones of their relatives, who also started to follow the remote activities. In this scenario, it was also possible to strengthen the relationship with the families, welcoming and guiding them about the health measures in the face of the pandemic. In total, 98 cultural activities were conducted in digital format, reaching 101,697 people.

CSN Foundation Cultural Center

CSN Mineração also sponsors the CSN Foundation Cultural Center in the city of Volta Redonda (RJ). It is a place with free educational and cultural activities. It also promoted digital meetings through virtual exhibitions, lives, podcasts, workshops and webseries. These actions reached an audience of 31,511 people.

The CSN Foundation is also responsible for curating projects of partner institutions. In 2020, CSN Mineração supported 86 projects, thus expanding its social activities.

Highlights of initiatives supported by incentive laws:

- 24th Tiradentes Film Festival;
- Painting on Canvas - Bracher Series;
- Cidade dos Profetas de Congonhas Chorus;
- Ponto de Partida de Barbacena Theater Group;
- Community nursing home Operárias de São José, in Congonhas;
- Financial Education for the Elderly for the Congonhas Elderly Council;
- Caminhos do Amanhã Socio-cultural Project in Belo Vale.



Learn more at
<https://www.fundacaocsn.org.br/>



Relationship with Stakeholders

Our operations and activities require continuous and direct contact with several stakeholders. We maintain regular contact, for example, with investors, communities, non-governmental institutions, suppliers, customers, regulatory agencies, environmental agencies, and federal, state and municipal governments.

The Company's institutional website and Investor Relations site serve as a source of news and information on performance, operations, ESG and other topics of interest to our stakeholders.



Learn more on our websites:
[Investor Relations](#)
[ESG website.](#)



Human Rights

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

Respect for human rights guides all decision-making in the CSN Group, and this includes CSN Mineração. Our Materiality Report (see page 14) further reinforced the strategic relevance of this agenda for CSN Mineração.

This commitment is publicly expressed in CSN Group's Sustainability, Environment and Occupational Health and Safety Integrated Policy. In this document, CSN reinforces its intention to align with the United Nations Guiding Principles on Business and Human Rights, in addition to its adherence to the United Nations Global Compact, which

formalized the engagement of the CSN Group and all its companies with the Human Rights Agenda.

To ensure compliance with these criteria, CSN Mineração has effective mechanisms in place to prevent misconduct related to the theme, such as: training sessions, marketing campaigns and the Compliance Day, (held by CSN covering all its companies), an annual event that offers guidance to employees on the importance of "doing the right thing", promoting respect as a core value for the relationships established inside and outside the Company. In the event of

Human Rights violations, stakeholders can use the Whistleblowing Channel, with guaranteed anonymity and non-retaliation.

CSN Mineração also manages several initiatives related to the Human Rights theme through the Diversity and Inclusion axes and in the several projects of the CSN Foundation.



Click here and learn about our Code of Conduct in full.



Click here and learn more about the management of initiatives related to Human Rights.



CSN Mineração's Code of Conduct is the instrument that ensures that Company suppliers and other business partners are committed to following all guiding principles in respect to Human Rights, in order to prevent the establishment of commercial relations with companies or individuals that do not adopt Human Rights standards compatible with those of the Company.

Supply Chain

GRI 103-2 | 103-3 | 102-9 | 204-1

The procurement processes are conducted by the CSN Group's Procurement area, focused on the corporate level, and support all the group's business units, including CSN Mineração's suppliers.

The structure reports directly to CSN Group's CEO. The management focus is on the digitalization of processes, using recognized systems to generate standardization, control, and compliance. In addition, all contracts are duly formalized with electronic signatures, preventing the use and storage of paper. This provides traceability and efficiency to the purchasing and contracting processes, as well as unrestricted and timely access to CSN Group's audit.

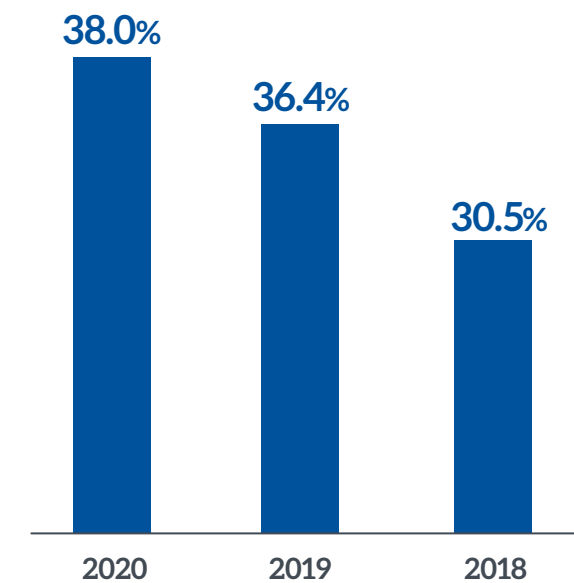
We have a total of 1,356 suppliers in CSN Mineração, the domestic ones are mostly located in the following states, MG (63.51%), RJ (9.43%) and SP (5.02%). Our

international suppliers represent 20.58%. Most of CSN Mineração's suppliers provide materials (60.49%) and services (39.51%). The most representative categories of expenses are maritime transport, railway transport, vehicles, facilities, and fuel, respectively. The percentage of spending with local suppliers in 2020 was 38%.

CSN Mineração is committed to complying with its internal rules and the prevailing legislation in all its procurement practices, as well as to investing in businesses that generate employment and income and increase economic activity in the locations where it operates.

Suppliers

in percentage



Learn more about Supply Management in Integrated Reporting of the CSN Group, page 157.

Child Labor and Forced or Compulsory Labor

GRI 408-1 | 409-1 | 412-1 | 412-3

At CSN Mineração and in all CSN Group companies, the presence of child labor and forced or compulsory labor is prohibited under any circumstances. The Code of Conduct, the internal rules and procedures and the signature of the Global Compact by the CSN Group publicly reinforce these commitments to all our stakeholders. In addition, in accordance with the general hiring conditions in our contracts, all CSN Mineração suppliers shall undertake the same commitment that cases of child, forced or compulsory labor are not tolerated. The procurement and contracting process and the auditing, checking and Due Diligence campaigns performed by the compliance area ensure that our suppliers comply with the same practices applied by the Company.

Environmental Assessment

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

CMIN has processes in place for the procurement of raw materials, inputs and services, which establish the environmental assessment of 100% of suppliers in these categories, when the services carried out interfere with the environmental and quality management system, such as waste disposal and transportation. In addition, we require presentation of environmental licenses and permits. Failure to comply with the evaluation criteria established in this procedure makes it impossible to contract the supplier.

Fight against corruption

GRI 205-2 | 205-3

All suppliers are required to fill in a Compliance form and accept CSN's Anti-corruption Policy. This procedure is essential to ensure that all the Company's business partners acting on its behalf comply with the Brazilian and international laws to which we are subject.

During this reporting cycle there were no confirmed cases of contracts or other business operations terminated or not renewed due to violations of CSN's Compliance Program or Anti-Corruption Policy.

Customers

Customer Safety

GRI 416-1 | 416-2

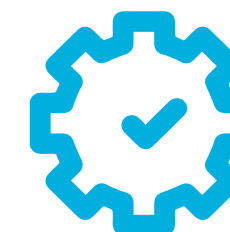
CSN Mineração's Lump, Sinter Feed, and Pellet Feed products are sold for the Foreign and Domestic Markets, with the largest volumes allocated to the foreign market. The main clients are steel plants or traders that resell the products. Considering this customer profile and the type of product sold, CSN Mineração sends a product safety sheet, the Material Safety Data Sheet, a document that records some characteristics of the products and guidelines regarding the health and safety impacts when loading ore onto ships or trains. It is important to emphasize that all products sold by CSN Mineração have the same characteristics described in the document, the only difference being the characteristics regarding the product's physical and chemical properties.

The products sold by CSN Mineração do not have applicable legislation that defines requirements for controlling their specification. However, the Company

must comply with the requirements established in the International Maritime Solid Bulk Cargoes Code (IMSBC). The objective of the code is to establish criteria and procedures to ensure that bulk cargoes, including iron ore, are shipped within safety standards.

A CSN Mineração also adopts a procedure to control the moisture of the cargoes during shipping so as to ensure that it is lower than the Transportable Moisture Limit - TML of each product. The procedures adopted by CSN Mineração to determine moisture are based on rules issued by the International Standard Organization (ISO), and are audited and certified by the Brazilian Navy. By the end of 2020, there is no record of accidents with any of the cargoes shipped by the Company.

The Company must comply with the requirements established in the International Maritime Solid Bulk Cargoes Code (IMSBC). The objective of the code is to establish criteria and procedures to ensure that bulk cargoes, including iron ore, are shipped within safety standards.



Customer Relationship

CSN strives to establish partnerships with companies and people with common values: quality, trust, and transparency.

CSN is a global player in the sale of iron ore. Sales and technical assistance teams are strategically located in business offices in Asia, Europe and Brazil, enabling direct contact with customers and continuous demand monitoring.

Negotiations are conducted in an orderly, fair and transparent manner, preserving the confidentiality of commercial information, complying with the laws and regulations in force to foster a long-lasting relationship of mutual trust with our customers. Furthermore, we inform our customers, suppliers, partners and investors of reliable data about our daily operations through regular communications.

Information Security

GRI 418-1

CMIN has an Information Security area responsible for maintaining and improving the Information Security Management System (SGSI) by means of best practices and globally recognized frameworks such as: ITIL, COBIT and ISO 27001.

The Company has processes and infrastructure to prevent and respond to cyberattacks. In addition, vulnerability analyses, including penetration tests, are routinely carried out.

All controls are carried out in accordance with the guidelines established in policies and procedures, enabling employees to work safely. In addition, all employees are instructed about the use and protection of personal and CMIN data. Moreover, we are annually

audited in relation to SOX¹ controls and our datacenters are hosted with an external supplier certified in ISO/IEC 20000, ISO/IEC 9001, ISO/IEC 27001, ISAE 3402.

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

1. 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).

GRI TABLE OF CONTENTS

- 131 GRI Table of Contents
- 146 Assurance

GRI Table of Contents

GRI 102-55

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
STANDARD CONTENT					
GRI 102: GENERAL DISCLOSURES					
ORGANIZATIONAL PROFILE					
102-1	Organization name	6, 21			
102-2	Activities, brands, products and services	21			
102-3	Headquarters location	21, 167			
102-4	Location of operations	21, 167			
102-5	Ownership and legal form	21, 31			
102-6	Markets served	21			
102-7	Size of organization	21			
102-8	Information about employees and other collaborators	21			
102-9	Suppliers chain	126			
102-10	Significant changes in the organization and its supply chain	47			
102-11	Precautionary principle or approach				In line with the principles of precaution and prevention, the Company seeks to adopt effective measures to prevent serious or irreversible damage to the environment and human health, even when there is no scientific consensus on the matter.
102-12	External Initiatives	10, 11, 12			
102-13	Membership in association	10			

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
STRATEGY					
102-14	Statement from the organization's top executive	18			
102-15	Main impacts, risks and opportunities	26			
ETHICS AND INTEGRITY					
102-16	Values, principles, standards and norms of behavior	26			
102-17	Ethical advice and concern mechanisms	42			
GOVERNANCE					
102-18	Governance structure	33		10	16
102-19	Delegation of authority	36, 40		10	16
102-20	Responsibility of executives for economic, environmental and social issues	36, 40		10	16
102-21	Consultation with stakeholders on economic, environmental and social topics	14		10	16
102-22	Members of the highest governance body and its committees	32		10	16
102-23	Chairman of the highest governance body		The Chairman of the Board of Directors also holds the position of Chief Executive Officer, 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.	10	16
102-25	Conflicts of interest	41		10	16
102-26	Role of the highest governance body in defining purpose, values and strategy	36		10	16
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.	10	16
102-28	Evaluating the highest governance body's performance	41		10	16
102-29	Identifying and managing economic, environmental, and social impacts	42		10	16
102-30	Effectiveness of risk management processes	38		10	16
102-31	Analysis of economic, environmental and social issues	38		10	16

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
GOVERNANÇA					
102-32	Highest governance body's role in sustainability reporting	6, 14		10	16
102-33	Communicating critical concerns			10	16
102-34	Nature and total number of critical concerns			10	16
102-35	Remuneration policies	37		10	16
102-36	Process for determining remuneration	37		10	16
102-37	Involvement of stakeholders in remuneration		None.		
STAKEHOLDER ENGAGEMENT					
102-40	Stakeholders list	14			
102-41	Collective bargaining agreements		100% of employees are covered by collective bargaining agreements.		
102-42	Identifying and selecting stakeholders	14			
102-43	Approach to stakeholder engagement	6, 14			
102-44	Main topics and concerns raised	15			
REPORTING PRACTICE					
102-45	Entities included in the consolidated financial statements	6			
102-46	Defining the content of the report and the boundary of topics	6			

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
PRÁTICAS DE RELATO					
102-47	List of material subjects	15			
102-48	Reformulation of information	6			
102-49	Changes in reporting	6			
102-50	Period covered by the report	6			
102-51	Date of last report	6			
102-52	Report emission cycle	6			
102-53	Contact point for questions about the report	6, 167			
102-54	Statement of compliance report with GRI Standards	6			
102-55	GRI content summary	131			
102-56	External verification	6, 145			
MATERIAL TOPIC					
STANDARD CONTENT					
CORPORATE GOVERNANCE					
102-18	Governance structure	33		10	16
102-19	Delegation of authority	36, 40		10	16
102-20	Responsibility of executives for economic, environmental and social issues	36, 40		10	16
102-21	Consultation with stakeholders on economic, environmental and social topics	14		10	16
102-22	Members of the highest governance body and its committees	32		10	16
102-23	Chairman of the highest governance body		The Chairman of the Board of Directors also holds the position of Chief Executive Officer, 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.	10	16

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
CORPORATE GOVERNANCE					
102-25	Conflicts of interest	41		10	16
102-26	Role of the highest governance body in defining purpose, values and strategy	36		10	16
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.	10	16
102-28	Evaluating the highest governance body's performance	41		10	16
102-29	Identifying and managing economic, environmental, and social impacts	42		10	16
102-30	Effectiveness of risk management processes	38		10	16
102-31	Analysis of economic, environmental and social issues	38		10	16
102-32	Highest governance body's role in sustainability reporting	6, 14		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.	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.	10	16
102-35	Remuneration policies	37		10	16
102-36	Process for determining remuneration	37		10	16
102-37	Involvement of stakeholders in remuneration		None.	10	16

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
ECONOMIC SERIES					
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, 43, 44		10	16
205-2	Communication and training about anti-corruption policies and procedures	43, 127		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	77			
103-3	Evaluation of the management approach	77			
301-1	Materials used by weight or volume	151			
301-2	Recycled input materials used	78			
GRI 302: ENERGY					
302-1	Energy consumption within the organization	151	EM-MM-130a.1		
302-3	Reduction of energy consumption	151			
GRI 303: WATER AND EFFLUENTS					
103-1	Explanation of the material topic and its boundary	12, 84			
103-2	The management approach and its components	84			

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
GRI 303: WATER AND EFFLUENTS					
103-3	Evaluation of the management approach	84		7, 8, 9	
303-1	Interactions with water as a shared resource	84			
303-2	Management of water discharge-related impacts	84		7, 8, 9	
303-3	Water withdrawal	153	EM-MM-140a.1	7, 8, 9	
303-4	Water discharge	154	EM-MM-140a.1	7, 8, 9	
303-5	Water consumption	78, 154	EM-MM-140a.1	7, 8, 9	
GRI 304: BIODIVERSITY					
103-1	Explanation of the material topic and its boundary	12, 88			
103-2	The management approach and its components	88			
103-3	Evaluation of the management approach	88			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	88			
304-2	Significant impacts of activities, products, and services on biodiversity	88, 93			
304-3	Habitats protected or restored	88, 92			
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	88, 155			
GRI 306: WASTE					
103-1	Explanation of the material topic and its boundary	12, 94			
103-2	The management approach and its components	94			
103-3	Evaluation of the management approach	94			
306-1	Generation of waste and significant impacts related to waste	94, 97		7, 8, 9	

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
GRI 306: RESÍDUOS					
306-2	Management of the significant impacts of waste generation	94		7, 8, 9	
306-3	Waste generated	155		7, 8, 9	
306-4	Waste diverted from disposal	95		7, 8, 9	
306-5	Waste directed to disposal	95		7, 8, 9	
CLIMATE ACTION					
GRI 305: EMISSIONS					
103-1	Explanation of the material topic and its boundary	12, 79			
103-2	The management approach and its components	79			
103-3	Evaluation of the management approach	79			
305-1	Direct (Scope 1) GHG emissions	79, 156	EM-MM-110a.1		
305-2	Energy indirect (Scope 2) GHG emissions	79, 156			
305-3	Other indirect (Scope 3) GHG emissions	79, 156			
305-4	GHG emissions intensity	79, 156			
305-5	Reduction of GHG emissions	79			
305-7	Nitrogen oxides NOX, sulfur oxides SOX and other significant air emissions	79	EM-MM-120a.1		
GRI 201: ECONOMIC PERFORMANCE					
103-1	Explanation of the material topic and its boundary	12			
103-2	The management approach and its components	29, 48			
103-3	Evaluation of the management approach	29			
201-2	Financial implications and other risks and opportunities due to climate change	29, 48, 96			8

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
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	98			
103-3	Evaluation of the management approach	98			
307-1	Non-compliance with environmental laws and regulations	156			13
SUPPLY CHAIN MANAGEMENT					
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT					
103-1	Explanation of the material topic and its boundary	12			
103-2	The management approach and its components	127			
103-3	Evaluation of the management approach	127			
308-1	New suppliers that were screened using environmental criteria	127			
308-2	Negative environmental impacts in the supply chain and actions taken	127			
GRI 414: SOCIAL EVALUATION OF SUPPLIERS					
103-1	Explanation of the material topic and its boundary	12			
103-3	The management approach and its components	126			
103-3	Evaluation of the management approach	126			
414-1	New suppliers selected based on social criteria				During the Due Diligence process, various factors related to integrity are analysed. Regarding labor aspects, the pending issues of suppliers were analysed. We have an area that manages third parties in the company and assesses Labor and Social Security aspects, mainly the collective agreements of the employees dealing with suppliers.

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
GRI 414: SOCIAL EVALUATION OF SUPPLIERS					
414-2	Negative social impacts in the supply chain and actions taken	As per contract clause, there are no agreements signed with Suppliers who cause negative social impacts. They must submit all Labor and Social Security documents, pursuant to the analysis of the Company's Third Party Management Center (NGT): 2018: 0%; 2019: 0%; 2020: 0%.			
SOCIAL SERIES					
EMPLOYMENT AND DEVELOPMENT					
GRI 401: EMPLOYMENT					
103-1	Explanation of the material topic and its boundary	12			
103-2	The management approach and its components	113			
103-3	Evaluation of the management approach	113			
401-1	New employee hires and employee turnover	157			
401-2	Benefits granted to full time employees not granted to part time or temporary employees	113			
401-3	Maternity/Paternity leave	159			
GRI 402: LABOR RELATIONS					
103-1	Explanation of the material topic and its boundary	12, 114			
103-2	The management approach and its components	114			
103-3	Evaluation of the management approach	114			
402-1	Minimum notice period for operational changes	114			
GRI 404: TRAINING AND EDUCATION					
103-1	Explanation of the material topic and its boundary	12			
103-2	The management approach and its components	111			

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
GRI 404: TRAINING AND EDUCATION					
103-3	Evaluation of the management approach	111			
404-1	Average hours of training per year per employee	160			
404-2	Programs for upgrading employee skills and transition assistance programs	109			
404-3	Percentage of employees receiving regular performance and career development reviews	111			
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	108			
103-3	Evaluation of the management approach	108			
405-1	Diversity of governance bodies and employees	162			
405-2	Ratio of basic salary and remuneration of women to men	167			
GRI 406: NON-DISCRIMINATION					
406-1	Incidents of discrimination and corrective actions taken	There were 1, 13 and 20 cases of discrimination reported in the whistleblowing channel in 2018, 2019 and 2020, respectively.			
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
103-1	Explanation of the material topic and its boundary	12, 114			
103-2	The management approach and its components	114			
103-3	Evaluation of the management approach	114			
407-1	Operations and suppliers where the right of association and collective bargaining may be violated or there is a risk	114			

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
OPERATIONAL HEALTH AND SAFETY					
GRI 403: OCCUPATIONAL HEALTH AND SAFETY					
103-1	Explanation of the material topic and its boundary	12, 115			
103-2	The management approach and its components	115			
103-3	Evaluation of the management approach	115			
403-1	Occupational health and safety management system	115			
403-2	Hazard identification, risk assessment and incident investigation	115		3, 4, 5, 6	3, 8
403-3	Occupational health services	115		3, 4, 5, 6	3, 8
403-4	Worker participation, consultation and communication on occupational health and safety issues	115		3, 4, 5, 6	3, 8
403-6	Promotion of worker's health	115		3, 4, 5, 6	3, 8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	115		3, 4, 5, 6	3, 8
403-8	Workers covered by an occupational health and safety impacts directly linked by business relationships	115		3, 4, 5, 6	3, 8
403-9	Work-related injuries	115, 160		3, 4, 5, 6	3, 8
403-10	Work-related ill health	115		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	125			
103-3	Evaluation of the management approach	125			
408-1	Operations and suppliers at significant risk for incidents of child labor	127			

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
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	125			
103-3	Evaluation of the management approach	125			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	127			
GRI 410: SECURITY PRACTICES					
410-1	Security personnel trained in human rights policies or procedures	All the Company's concierge and security services are provided by outsourced companies specialized in the sector. The employees are trained by the service provider. All security/concierge services are outsourced. Training is carried out by the company that provides the trained professionals.			
GRI 412: HUMAN RIGHTS ASSESSMENT					
103-1	Explanation of the material topic and its boundary	12, 125			
103-2	The management approach and its components	125			
103-3	Evaluation of the management approach	125			
412-1	Operations subject to human rights impact assessment or analysis	125		1, 2	5, 8
412-2	Training employees in human rights policies or procedures	125		1, 2	5, 8
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	127		1, 2	5, 8

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
LOCAL COMMUNITIES RELATIONSHIP					
GRI 411: RIGHTS OF INDIGENOUS PEOPLES					
411-1	Incidents of violations involving rights of indigenous peoples	There are no records of violation of rights of indigenous peoples in the units managed by CMIN. The operations do not directly or indirectly affect indigenous communities because they are located no closer than 5 km of these communities. In addition, CMIN fully complies with the laws and regulations, and the decisions issued by the Indian Foundation (FUNAI) and the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA).			
GRI 413: LOCAL COMMUNITIES					
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			
413-1	Operations with local community engagement, impact assessments and development programs	120			
413-2	Operations with significant real and potential negative impacts on local communities	120			
Extras GRI Disclosures - disclosures not considered in materiality, but which CSN Mineração decided to report to maintain the historical series and comparability					
ECONOMIC SERIES					
GRI 201: ECONOMIC PERFORMANCE					
201-1	Direct economic value generated and distributed	48, 50			8
201-3	Defined benefit plans and other retirement plans	150			8
201-4	Financial assistance received by the government	151			
GRI 202: MARKET PRESENCE					
202-1	Ratio of lowest paid salary, by gender, compared to local minimum salary	151			
202-2	Proportion of senior management hired from the local community	32			

Disclosure	Page/Link	Answer	SASB Standards	Global Compact	SDG
GRI 203: INDIRECT ECONOMIC IMPACTS					
203-1	Investments and services in infrastructure	48, 53			
203-2	Significant indirect economic impacts	48, 120			
GRI 204: PURCHASE PRACTICES					
204-1	Proportion of spending on local suppliers	126, 152			
GRI 207: TAXES					
207-1	Tax approach	51			
207-2	Governance, control and management of tax risks	51			
207-3	Stakeholder engagement and management against taxes	51			
SOCIAL SERIES					
GRI 416: CUSTOMER HEALTH AND SAFETY					
416-1	Assessment of the health and safety impacts of product and service categories	128			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	128			
GRI 418: CUSTOMER PRIVACY					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	129			
GRI 419: SOCIOECONOMIC COMPLIANCE					
419-1	Non-compliance with laws and regulations in social and economic areas				No relevant/significant labor proceedings were filed. We emphasize that the Company has not been fined and has no lawsuits related with slave, child or forced labor.

Assurance

GRI 102-56

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

To The Board of Directors, Management and other Stakeholders
of CSN Mineração S.A. - CMIN
São Paulo - SP

Introduction

We have been engaged by CSN Mineração S.A. ("CSN Mineração" or "CMIN" or "Company") to present our limited assurance report on the information contained in CMIN Integrated Report that was 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 Mineração management

CMIN management is responsible for the adequate preparation and presentation of the sustainability information disclosed in CMIN 2020 Integrated Report, 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.

CMIN 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, in accordance with The GHG Protocol and with ABNT NBR ISO 14064-3:2007 and with the internal controls that CMIN has 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 CMIN 2020 Integrated Report, 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 CMIN 2020 Integrated Report, 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 CMIN management and other CMIN personnel involved in the preparation of the information contained in CMIN 2020 Integrated Report 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, 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 CMIN 2020 Integrated Report 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 CMIN 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 CMIN 2020 Integrated Report;
 - 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 CMIN 2020 Integrated Report;
 - 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 CMIN 2020 Integrated Report as well as the structure and content of the report, based on GRI Content and Quality Principles of GRI Standards.
 - The comparison of financial indicators with the financial statements and/or accounting records.
- d) The evaluation of the sampled non-financial indicators:

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 CMIN 2020 Integrated Report.

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 CMIN 2020 Integrated Report and did not include the evaluation of the adequacy of its policies, practices and sustainability performance.

Conclusion

Based on the 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 CMIN 2020 Integrated Report 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, 31 of August 2021

RUSSELL BEDFORD BRASIL
AUDITORES INDEPENDENTES S/S
2 CRC RS 5.460/0-O "T" SP



Roger Maciel de Oliveira
Contador 1 CRC RS 71.505/O-3 "T" SP
Sócio Responsável Técnico

ANNEXES

- 150 Annexes
- 167 Corporate Information
- 168 Acknowledgements




GRI 201: Economic Performance


GRI 201-3. Defined benefit plan obligations and other retirement plans

CSN Mineração (in millions)	Consolidated			
	12/31/2020	12/31/2019	12/31/2018	
		Actuarial assets		
Pension plan benefits	(12)	(14)	(14)	
		Actuarial liabilities		
Pension plan benefits	-	-	-	
		Consolidated and Holding		
CSN Mineração (in millions)	31/12/2020	31/12/2019	31/12/2018	
Present value of defined benefit obligations	7	7	6	
Fair value of the plan's assets	(19)	(20)	(20)	
(Surplus)	(12)	(13)	(14)	
Restriction to actuarial assets due to limited recovery	-	-	-	
Net (Assets) recognized in the balance sheet	(12)	(13)	(14)	
Assets	(12)	(13)	(14)	
Net (Assets) recognized in the balance sheet	(12)	(13)	(14)	

CSN Mineração (in millions)	Consolidated and Holding			
	31/12/2020	31/12/2019	31/12/2018	
Fair value of the plan's assets at the beginning of the year	7	6	7	
Interest revenue	1	6	-	
Benefits paid	-	1	1	
Participants' contributions in the period	-	-	-	
Return on the plan's assets (excluding interest revenue)	(1)	(1)	(1)	
Fair value of the plan's assets at the end of the year	-	(0)	(1)	
Valor presente das obrigações no final do exercício	7	7	6	
		Consolidated and Holding		
CSN Mineração (in millions)	31/12/2020	31/12/2019	31/12/2018	
Fair value of the plan's assets at the beginning of the year	(20)	(20)	(23)	
Interest revenue	(2)	(3)	(2)	
Benefits paid	1	1	1	
Participants' contributions in the period	-	-	-	
Return on the plan's assets (excluding interest revenue)	2	2	4	
Fair value of the plan's assets at the end of the year	(19)	(20)	(20)	

GRI 201-4. Financial assistance received from government

Business area	Incentive amount (in millions)	2018	2019	2020
	Rouanet Law	7.77	16.07	28.04
	Sports Activities	1.88	3.4	7.02
 CMIN	Elder Law	1.96	3.89	6.99
	Children's and Adolescents Funds	1.93	3.96	7.00
	PRONON	1.95	1.04	1.45
	PRONAS	0.92	1.04	-

Business area	Number of projects supported	2018	2019	2020
	Rouanet Law	18	24	46
	Sports Activities	5	10	13
 CMIN	Elder Law	5	4	9
	Children's and Adolescents Funds	9	13	16
	PRONON	3	4	4
	PRONAS	6	8	-


Business area		2018	2019	2020
 CMIN	Benefited R&D expense ¹	**	24	46


1. In millions
 ** Value still being calculated

GRI 202: Market presence

GRI 202-1. Ratios of standard entry level wage by gender compared to local minimum wage


2020						
Minimum basic wage	Entry level wage				Ratio with entry level wage	
Line labels	Average basic wage Men	Number of people	Average basic wage Women	Number of people	Men	Women
 CMIN	1,126.29	8	1,048.60	19	1.00	1.08

2019						
Minimum basic wage	Entry level wage				Ratio with entry level wage	
Line labels	Average basic wage Men	Number of people	Average basic wage Women	Number of people	Men	Women
 CMIN	1,126.29	8	1,048.60	19	1.13	1.05

2018						
Minimum basic wage	Entry level wage				Ratio with entry level wage	
Line labels	Average basic wage Men	Number of people	Average basic wage Women	Number of people	Men	Women
 CMIN	954.00	3	954.00	8	1.00	1.00


GRI 204: Procurement practices

GRI 204-1. Proportion of spending on local suppliers

	2018	2019	2020
			
	2018	2019	2020
% of local spending (consolidated)			
	30.5%	36.4%	38.0%
% Spending on Materials (Products)			
Mining	37.0%	41.9%	39.5%
% of local spending on Services			
	23.4%	30.9%	35.7%



GRI 301: Materials

GRI 301-1. Materials used by weight or volume

Business area	Description	Unit	2018	2019	2020
Materials used					
 CMIN	ANFO	t	3,920	3,436	2,385
	TNT	t	94	33	36
	Bulk emulsion	t	2,280	2,392	3,740
	Acetylene	t	-	13	15
	Diesel	t	47,125	54,591	51,588
	LPG	dry metric ton	57	52	54
	Gasoline	t	168	373	196
	Total Materials	t	53,644	60,890	57,944
Produced Products					
	Iron ore produced	t	27,874,933	32,089,837	21,726,858
	Total Produced Products	t	27,874,933	32,089,837	21,726,858


GRI 302: Energy

GRI 302-1. Energy consumption within the organization

Business area	Description	Unit	2018	2019	2020	
Total non-renewable fuel consumption			GJ	2,023,185	2,348,770	2,172,466
 MINERAÇÃO	Diesel / Brazil	GJ	2,013,472	2,330,981	2,162,203	
	Liquefied Petroleum Gas (LPG)	GJ	2,896	2,699	2,563	
	Gasoline / Brazil	GJ	6,817	15,089	7,699	
Total renewable fuel consumption			GJ	-	-	-
Electricity, heating, cooling and steam acquired for consumption			GJ	1,086,505	1,276,828	1,211,857
 CMIN	i. electricity consumption	GJ	1,086,505	1,276,828	1,211,857	
	Electricity acquired from the grid	GJ	1,086,505	1,276,828	1,211,857	
	Total energy consumption within the organization	GJ	3,109,691	3,625,597	3,384,322	

1. It does not have heating, cooling or steam consumption. It does not sell electricity, heating, cooling or steam. It does not have self-generated electricity, heating, cooling or steam.
2. Sources of the conversion factors: National energy balance, GHG Protocol and specific data from CSN.


GRI 302-4. Reduction of energy consumption

Business area	Description	Unit	2018	2019	2020
 CMIN	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives	GJ	-	515,907	274,631
	Types of energy included in the reductions: whether fuel, electricity, cooling, steam, or all	GJ	-	-	-
	Fuel	GJ	-	325,584	149,280
	Electricity	GJ	-	190,322	125,351

1. Base year 2018.
2. Sources used: National Energy Balance (BEN), GHG Protocol and specific data from CSN.


GRI 303: Water and effluents

GRI 303-3. Water withdrawal

Business area	In megaliters ML	Source	2018		2019		2020	
			All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
 CMIN	WATER WITHDRAWAL BY SOURCE	Surface water (total)	7,327.2	7,327.2	6,069.17	6,069.17	6,870.03	6,870.03
		Surface water (general) with Total Dissolved Solids ≤1.000 mg/L	1,326.43	1,326.43	953.40	953.40	207.7	207.7
		Rain water with Total Dissolved Solids ≤1.000 mg/L	6,000.77	6,000.77	5,115.77	5,115.77	6,662.33	6,662.33
		Groundwater (total) with Total Dissolved Solids ≤1.000 mg/L	6,886.24	6,886.24	6,437	6,437	7,988.36	7,988.36
		Seawater (total)	-	-	-	-	-	-
		Produced water (total)	-	-	-	-	-	-
		Third-party water (total) with Total Dissolved Solids ≤1.000 mg/L	101.57	101.57	101.57	101.57	123.53	123.53
		Total water withdrawal Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	14,315.01	14,315.01	12,607.73	12,607.73	14,981.91	14,981.91

			2018	2019	2020
	AVS	In millions R\$	2,969.01	6,338.14	7,360.93
	Withdrawal in ML all areas/ R\$ millions AVS	ML/ millions R\$ AVS	4.82	1.99	2.04
	Withdrawal in ML areas with water stress/ R\$ millions AVS	ML/ millions R\$ AVS	4.82	1.99	2.04
	Produced iron ore CSN Mineração in t	t produced iron ore CSN Mineração	27,874,933	32,089,837	21,726,859
	Withdrawal ML CSN Mineração/ t produced iron ore	ML/t produced iron ore	0.00051354	0.00039289	0.00068956

GRI 303-4. Water discharge

Business area	In megaliters ML	Source	2018		2019		2020	
			All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
 CMIN	WATER DISCHARGE BY DESTINATION	Surface water (Total)	7,591.09	7,591.09	6,234.76	6,234.76	8,496.04	8,496.04
	TOTAL WATER DISCHARGE	surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	7,591.09	7,591.09	6,234.76	6,234.76	8,496.04	8,496.04
	TOTAL WATER DISCHARGE BY QUALITY	Water with Total Dissolved Solids ≤ 1.000 mg/L	7,591.09	7,591.09	6,234.76	6,234.76	8,496.04	8,496.04
	TOTAL DE ÁGUA DESCARTADA POR TIPO DE TRATAMENTO	Treatment level	Physical	7,591.09	7,591.09	6,234.76	6,234.76	8,496.04

1. There was no discharge of groundwater, ocean water, local water and third party water.

GRI 303-5. Water consumption

Business area	In megaliters ML	Source	2018		2019		2020	
			All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
 CMIN	WATER CONSUMPTION	Total water consumption	6,718.42	7,273.08	6,367.48	6,868.92	6,583.05	6,675.67

304 - Biodiversity

304-4: IUCN Red List species and national conservation listspecies with habitats in areas affected by operations

GENERAL FLORA	
Species (flora)	CNCFlora
<i>Accara elegans</i> (DC.) Landrum	EN
<i>Anemopaegma arvense</i> (Vell.) Stellfeld ex de Souza	EN
<i>Anthurium megapetiolatum</i>	EN
<i>Apuleia leiocarpa</i>	VU
<i>Araucaria angustifolia</i>	EN
<i>Arthrocerus glaziovii</i>	EN
<i>Aspilia reticulata</i>	VU
<i>Baccharis cf concinna</i> G.M.Barroso	VU
<i>Calibrachoa elegans</i>	EN
<i>Cedrela fissilis</i> Vell.	VU
<i>Cedrela odorata</i>	VU
<i>Cinnamomum erythropus</i>	EN
<i>Cipocereus minensis</i> (Werderm.) Ritter	VU
<i>Comanthera elegans</i> (Bong.) L.R.Parra & Giul.	EN
<i>Dalbergia nigra</i>	VU
<i>Eremanthus elaeagnus</i> (Mart. ex DC.) Sch.Bip.	VU
<i>Esterhazyia nanuzae</i> V.C.Souza	EN
<i>Euplassa incana</i>	VU
<i>Euplassa semicostata</i>	EN
<i>Euterpe edulis</i> Mart.	VU
<i>Hoffmannseggella ghillanyi</i> (Pabst) H.G. Jones	EN
<i>Lepidaploa spixiana</i> (Mart. ex DC.) H.Rob.	EN
<i>Luxemburgia damazioana</i> Beauverd	VU
<i>Lychnophora syncephala</i>	EN

GENERAL FLORA	
Species (flora)	CNCFlora
<i>Lychnophora tomentosa</i> (Mart. ex DC.) Sch.Bip.	VU
<i>Lychnophora villosissima</i> Mart.	EN
<i>Melanoxylon brauna</i>	VU
<i>Mikania argyreae</i>	VU
<i>Mikania glauca</i>	EN
<i>Mikania neurocaula</i> DC.	EN
<i>Minaria cf. refractifolia</i>	VU
<i>Minasia alpestris</i> (Gardner) H.Rob.	EN
<i>Ocotea odorifera</i>	EN
<i>Paralychnophora glaziouana</i> Loeuille	EN
<i>Pilosocereus aurisetus</i> (Werderm.) Byles & G.D.Rowley	EN
<i>Plinia nana</i> Sobral	VU
<i>Richterago arenaria</i> (Baker) Roque	VU
<i>Richterago polyphylla</i> (Baker) Ferreyra	EN
<i>Rudgea jasminoides</i> (Cham.) Müll.Arg.	VU
<i>Setaria sp.1</i> P. Beauv.	CR
<i>Sinningia rupicola</i>	EN
<i>Smilax lutescens</i>	EN
<i>Syagrus glaucescens</i> Glaz. ex Becc.	VU
<i>Symplocos glaberrima</i> Gontsch.	EN
<i>Uebelmannia pectinifera</i> Buining	EN
<i>Vellozia cf tillandsioides</i> Mello-Silva	CR
<i>Vellozia glabra</i> J.C.Mikan	EN
<i>Vellozia tillandsioides</i> Mello-Silva	CR
<i>Vriesea minarum</i>	EN
<i>Wunderlichia senae</i> Glaz. ex Maguire & G.M.Barroso	EN
<i>Xyris paradisiaca</i> Wand.	EN
<i>Zeyheria tuberculosa</i>	VU

Species (fauna)	IUCN Category	Group
<i>Coryphaspiza melanotis</i>	VU	Avifauna
<i>Culicivora caudacuta</i>	VU	Avifauna
<i>Jacamaralcyon tridactyla</i>	VU	Avifauna
<i>Microspingus cinereus</i>	VU	Avifauna
<i>Scytalopus iraiensis</i>	EN	Avifauna
<i>Spizaetus tyrannus</i>	-	Avifauna
<i>Hydromedusa maximiliani</i>	VU	Herpetofauna
<i>Pithecopus ayeaye</i>	CR	Herpetofauna
<i>Alouatta guariba</i>	LC	Mastofauna
<i>Chrysocyon brachyurus</i>	NT	Mastofauna
<i>Herpailurus yagouaroundi</i>	LC	Mastofauna
<i>Leopardus guttulus</i>	VU	Mastofauna
<i>Leopardus wiedii</i>	NT	Mastofauna
<i>Myrmecophaga tridactyla</i>	VU	Mastofauna
<i>Puma concolor</i>	LC	Mastofauna

Caption (CNCFlora, IUCN and Group):

CR - Critically Endangered
 EN - Endangered
 VU - Vulnerable
 NT - Nearly threatened
 LC - Safe or Least Concern




GRI 305: Emissions

GRI 305-1. Direct (Scope 1) GHG emissions


GRI 305-2. Energy indirect (Scope 2) GHG emissions

GRI 305-3. Other indirect (Scope 3) GHG emissions

Business area	Emissions by scope (tCO ₂ e)	2018	2019	2020
 CMIN	Scope 1	155,618.47	175,078.74	156,114.76
	Scope 2	18,338.43	21,773.85	0
	Scope 3	344,567.79	349,650.28	40,269,239.73

Note: The increase in Scope 3 emissions is related to the improvement on the accounting methodology and management of the company's data.

GRI 305-4. GHG emissions intensity

Business area	GHG emission intensity index for the organization	2018	2019	2020
 CMIN	AVS (in R\$ thousand)	R\$2,969,005.00	R\$6,338,139.00	R\$7,360,927.00
	tCO ₂ / R\$ AVS	0.0000586	0.0000311	0.0000212

GRI 307: Environmental Compliance

GRI 307-1. Non-compliance with environmental laws and regulations

Mining	Company	Notice of Infraction	Date of Issue	Restated fine amount	Root cause	Status
Notice Of Infraction with Fine ≥ 1mm	CMIN	1095/2019	11/02/19	R\$2,464,973.29	Non-compliance with requirements	Notice of Infraction canceled by the Municipal Environment Department of Congonhas/MG
	CMIN	1131/2019	24/04/19	R\$2,190,000.00	Non-compliance with requirements	Awaiting administrative defense analysis
Notices + Embargoes	CMIN	1220/2019	26/09/19	R\$1,095,000.00	Water pollution	Awaiting administrative defense analysis
	CMIN	1361/2020	17/07/20	R\$2,190,000.00	Air pollution	Awaiting administrative defense analysis

GRI 306: Waste


GRI 306-3. Waste generated

Description	Unit	2018	2019	2020
Total weight of waste by composition of the waste				
Hazardous waste	t	1,677	2,493	1,853
Non-hazardous waste	t	26,194	27,277	17,892
Total waste	t	27,871	29,770	19,745
Waste rock from Mining	t	-	-	22,532,916
Tailings generated by Mining	t	-	-	5,153,766
Total waste from Mining	t	13,931,797	31,124,600	27,686,682


GRI 401: Employment

GRI 401-1. New employee hires and employee turnover


a. Total number and rate of new employee hires during the reporting period, by age group, gender and region"


Business area	HR area	Age range compiled	2018		2019		2020	
			Women	Men	Women	Men	Women	Men
 CMIN	CORPORATE	< 30 years old	-	1	-	-	-	1
		30 to 50 years old	-	-	1	1	-	1
		> 50 years old	-	-	-	-	-	-
	MINING	< 30 years old	70	295	103	596	43	194
		30 to 50 years old	33	270	87	590	35	178
		> 50 years old	-	16	1	65	5	9
	Overall Total			103	582	192	1252	83

b. Total number and rate of employee turnover during the reporting period, by age group, gender and region


				Turnover					
Business area	HR area	Region	Age range compiled	2018		2019		2020	
				Women	Men	Women	Men	Women	Men
 CMIN	CORPORATE	Southeast	< 30 years old	-	-	-	-	-	-
			30 to 50 years old	-	-	20%	10%	12.5%	50%
			> 50 years old	-	-	-	-	-	-
	MINING	Southeast	< 30 years old	16.57%	15.96%	18.78%	20.81%	9.91%	11.71%
			30 to 50 years old	11.37%	10.5%	13.55%	14.5%	8.42%	9.5%
			> 50 years old	8.33%	7.16%	20.83%	13.59%	15%	5.33%
	Overall Total			13.33%	11.94%	15.74%	16.39%	11.13%	9.64%

b. Total number and rate of employee turnover during the reporting period, by age group, gender and region

				New hires					
				2018		2019		2020	
Business area	HR area	Region	Age range compiled	Women	Men	Women	Men	Women	Men
 CMIN	CORPORATE	Southeast	< 30 years old	-	1	-	-	-	1
			30 to 50 years old	-	-	1	1	-	1
			> 50 years old	-	-	-	-	-	-
	MINING	Southeast	< 30 years old	70	295	103	596	43	194
			30 to 50 years old	33	270	87	590	35	178
			> 50 years old	-	16	1	65	5	9
	Overall Total			103	582	192	1,252	83	383


				Dismissal					
				2018		2019		2020	
Business area	HR area	Region	Age range compiled	Women	Men	Women	Men	Women	Men
 CMIN	CORPORATE	Southeast	< 30 years old	-	-	-	-	-	-
			30 to 50 years old	-	-	1	-	1	3
			> 50 years old	-	-	-	-	-	-
	MINING	Southeast	< 30 years old	39	239	33	178	22	182
			30 to 50 years old	73	424	58	451	58	476
			> 50 years old	2	42	4	66	1	47
	Overall Total			114	705	96	695	82	708

b. Total number and rate of employee turnover during the reporting period, by age group, gender and region


				Total workforce					
				2018		2019		2020	
Business area	HR area	Region	Age range compiled	Women	Men	Women	Men	Women	Men
 CMIN	CORPORATE	Southeast	< 30 years old	-	2	-	2	-	2
			30 to 50 years old	6	4	5	5	4	4
			> 50 years old	1	-	1	-	1	-
	MINING	Southeast	< 30 years old	329	1,673	362	1,860	328	1,606
			30 to 50 years old	466	3,305	535	3,590	552	3,442
			> 50 years old	12	405	12	482	20	525
	Overall Total			814	5,389	915	5,939	905	5,579

GRI 401-3. Parental leave

b. Total number of employees that took parental leave, by gender

Business area	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
 MINING	54	245	38	237	52	278
Overall Total	54	245	38	237	52	278


c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender

Business area	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
 MINING	39	214	32	206	50	259
Overall Total	39	214	32	206	50	259


GRI 403: Occupational health and safety

GRI 403-9. Work-related injuries


Total Fatalities and Fatality Frequency Rate

Business area		2018	2019	2020
 CMIN	Fatalities	0	0	0
	Number of fatal incidents	0	0	0
	Fatality Frequency Rate	0.0	0.0	0.0

Safety Performance Data

Business area		2018	2019	2020
 CMIN	Total Recordable Fatalities (TRF)	0	0	0
	Fatality Frequency Rate	0	0	0
	Total Recordable Injuries (TRI)	37	35	21
	TRI Frequency Rate	2.01	1.83	1.16
	Total Hours Worked	18.383.996	19.109.913	18.046.215

Total Recordable Injuries and Frequency Rate

Business area		2018	2019	2020
 CMIN	Total Recordable Injuries (TRI)	37	35	21
	Total Recordable Injuries Frequency Rate	2.01	1.83	1.16

GRI 404: Training and education


GRI 404-1. Average hours of training per year per employee

Level	2018				2019				2020			
	Gender		Average		Gender		Average		Gender		Average	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Administrative	222	357			1,044	536			290	472		
Senior management	42	330			-	369			-	103		
Operational	5,413	82,715			10,088	152,586			5,136	84,797		
Coordinator/Supervisor	523	8,448			883	9,692			140	2,668		
Board of Executive Officers	-	20			-	3			-	3		
Engineering/Specialist	600	3,372	13	23	1,265	4,749	20	33	98	4,534	7	19
Manager	36	799			108	1,095			-	224		
Higher education	886	6.602			1,538	845			64	552		
Technicians	2,572	23,224			3,398	23,684			1,193	19,227		
Total by gender	10,294	12,5867			18,324	19,3559			6,921	112,580		
	136,161				211,883				119,501			
Total average	21.95083		22 horas		30.91377		31 horas		18.43014		18 horas	

GRI 405: Diversity and equal opportunity

GRI 405-1. Diversity of governance bodies and employees


b. Percentage of employees per employee category in each of the following diversity categories

Business area	HR area	Employee subgroup	Age group	2018				2019				2020			
				Number of people	Percentage of women	Number of people	Percentage of men	Number of people	Percentage of women	Number of people	Percentage of men	Number of people	Percentage of women	Number of people	Percentage of men
 CMIN	CORPORATE	Senior management	< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-
			30 to 50 years old	-	0.00%	2	100.00%	-	0%	2	100%	-	0%	1	100%
			> 50 years old	-	-	-	-	-	-	-	-	-	-	-	-
		Specialists	< 30 years old	1	100.00%	-	0.00%	-	0%	1	100%	-	-	-	-
			30 to 50 years old	2	66.67%	1	33.33%	2	66.67%	1	33.33%	2	66.67%	1	33.33%
			> 50 years old	1	100.00%	-	0.00%	1	100%	-	0%	1	100%	-	0%
		Managers	< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-
			30 to 50 years old	2	66.67%	1	33.33%	2	66.67%	1	33.33%	2	66.67%	1	33.33%
			> 50 years old	-	-	-	-	-	-	-	-	-	-	-	-
		Higher education - Level I	< 30 years old	-	0.00%	1	100.00%	-	-	-	-	-	0%	1	100%
			30 to 50 years old	-	-	-	-	-	0%	1	100%	-	-	-	-
			> 50 years old	-	-	-	-	-	-	-	-	-	-	-	-
		Higher education - Level II	< 30 years old	-	-	-	-	-	0%	1	100%	-	-	-	-
			30 to 50 years old	-	-	-	-	-	-	-	-	-	0%	1	100%
			> 50 years old	-	-	-	-	-	-	-	-	-	-	-	-
		Higher education - Level IV	< 30 years old	-	0.00%	1	100.00%	-	-	-	-	-	0%	1	100%
			30 to 50 years old	2	100.00%	-	0.00%	1	100%	-	0%	-	-	-	-
			> 50 years old	-	-	-	-	-	-	-	-	-	-	-	-

GRI 405: Diversity and equal opportunity

GRI 405-1. Diversity of governance bodies and employees


b. Percentage of employees per employee category in each of the following diversity categories

Business area	HR area	Employee subgroup	Age group	2018				2019				2020				
				Number of people	Percentage of women	Number of people	Percentage of men	Number of people	Percentage of women	Number of people	Percentage of men	Number of people	Percentage of women	Number of people	Percentage of men	
 CMIN	MINING	Administrative	< 30 years old	16	61.54%	10	38.46%	24	52.17%	22	47.83%	19	47.5%	21	52.5%	
			30 to 50 years old	18	46.15%	21	53.85%	26	50.98%	25	49.02%	27	50.94%	26	49.06%	
			> 50 years old	1	33.33%	2	66.67%	1	16.67%	5	83.33%	1	14.29%	6	85.71%	
		Senior management	< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-	-
			30 to 50 years old	-	0.00%	8	100.00%	-	0%	7	100%	-	0%	7	100%	
			> 50 years old	1	20.00%	4	80.00%	-	0%	5	100%	-	0%	5	100%	
		Apprentices from	< 30 years old	28	34.57%	53	65.43%	6	24%	19	76%	1	100%	-	0%	
			30 to 50 years old	-	-	-	-	-	-	-	-	-	-	-	-	
			> 50 years old	-	-	-	-	-	-	-	-	-	-	-	-	
		Coordinators	< 30 years old	1	100.00%	-	0.00%	-	-	-	-	-	-	-	-	
			30 to 50 years old	11	18.33%	49	81.67%	11	17.46%	52	82.54%	14	22.22%	49	77.78%	
			> 50 years old	-	0.00%	7	100.00%	-	0%	7	100%	-	0%	8	100%	
		Officers	< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-	
			30 to 50 years old	-	0.00%	2	100.00%	-	0%	1	100%	-	0%	1	100%	
			> 50 years old	-	0.00%	1	100.00%	-	0%	1	100%	-	0%	1	100%	
		Executive Officers	< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-	
			30 to 50 years old	-	-	-	-	-	-	-	-	-	-	-	-	
			> 50 years old	-	0.00%	1	100.00%	-	0%	1	100%	-	0%	1	100%	
		Engineering	< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-	
			30 to 50 years old	9	13.64%	57	86.36%	4	8.51%	43	91.49%	6	11.76%	45	88.24%	
			> 50 years old	-	0.00%	6	100.00%	-	0%	7	100%	1	11.11%	8	88.89%	
		Engineers I	< 30 years old	-	-	-	-	1	50%	1	50%	2	40%	3	60%	
			30 to 50 years old	-	-	-	-	-	0%	1	100%	1	50%	1	50%	
			> 50 years old	-	-	-	-	-	-	-	-	-	-	-	-	

GRI 405: Diversity and equal opportunity

GRI 405-1. Diversity of governance bodies and employees


b. Percentage of employees per employee category in each of the following diversity categories

Business area	HR area	Employee subgroup	Age group	2018				2019				2020			
				Number of people	Percentage of women	Number of people	Percentage of men	Number of people	Percentage of women	Number of people	Percentage of men	Number of people	Percentage of women	Number of people	Percentage of men
 CMIN	MINING	Engineers II	< 30 years old	2	25.00%	6	75.00%	2	18.18%	9	81.82%	4	33.33%	8	66.67%
			30 to 50 years old	5	23.81%	16	76.19%	2	11.76%	15	88.24%	1	12.5%	7	87.5%
			> 50 years old	-	-	-	-	-	-	-	-	-	0%	1	100%
		Engineers III	< 30 years old	-	0.00%	6	100.00%	1	11.11%	8	88.89%	2	16.67%	10	83.33%
			30 to 50 years old	7	21.88%	25	78.12%	8	12.5%	56	87.5%	10	13.33%	65	86.67%
			> 50 years old	-	-	-	-	-	-	-	-	-	0%	1	100%
		Engineers IV	< 30 years old	1	50.00%	1	50.00%	1	33.33%	2	66.67%	-	0%	2	100%
			30 to 50 years old	6	13.04%	40	86.96%	14	21.88%	50	78.12%	13	19.4%	54	80.6%
			> 50 years old	-	0.00%	2	100.00%	-	0%	5	100%	-	0%	2	100%
		Specialists	< 30 years old	2	66.67%	1	33.33%	2	66.67%	1	33.33%	1	50%	1	50%
			30 to 50 years old	15	51.72%	14	48.28%	15	37.5%	25	62.5%	10	33.33%	20	66.67%
			> 50 years old	1	50.00%	1	50.00%	1	25%	3	75%	2	28.57%	5	71.43%
		Managers	< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-
			30 to 50 years old	2	7.69%	24	92.31%	3	13.04%	20	86.96%	2	10%	18	90%
			> 50 years old	-	0.00%	4	100.00%	-	0%	11	100%	1	8.33%	11	91.67%


GRI 405: Diversity and equal opportunity

GRI 405-1. Diversity of governance bodies and employees

b. Percentage of employees per employee category in each of the following diversity categories

Business area	HR area	Employee subgroup	Age group	2018				2019				2020					
				Number of people	Percentage of women	Number of people	Percentage of men	Number of people	Percentage of women	Number of people	Percentage of men	Number of people	Percentage of women	Number of people	Percentage of men		
 CMIN	MINING	Operational	< 30 years old	129	9.29%	1.260	90.71%	165	10.07%	1473	89.93%	163	11.49%	1256	88.51%		
			30 to 50 years old	193	8.28%	2.137	91.72%	215	8.36%	2357	91.64%	208	8.65%	2198	91.35%		
			> 50 years old	3	1.04%	285	98.96%	5	1.44%	342	98.56%	10	2.6%	375	97.4%		
		Higher education - Level I	< 30 years old	13	61.90%	8	38.10%	18	72%	7	28%	17	80.95%	4	19.05%		
			30 to 50 years old	20	80.00%	5	20.00%	29	80.56%	7	19.44%	34	79.07%	9	20.93%		
			> 50 years old	-	-	-	-	-	-	-	-	-	-	-	-		
		Higher education - Level II	< 30 years old	4	44.44%	5	55.56%	4	50%	4	50%	5	71.43%	2	28.57%		
			30 to 50 years old	23	62.16%	14	37.84%	23	62.16%	14	37.84%	24	58.54%	17	41.46%		
			> 50 years old	1	25.00%	3	75.00%	1	33.33%	2	66.67%	1	33.33%	2	66.67%		
		Higher education - Level III	< 30 years old	6	100.00%	-	0.00%	5	55.56%	4	44.44%	2	40%	3	60%		
			30 to 50 years old	16	55.17%	13	44.83%	19	61.29%	12	38.71%	15	53.57%	13	46.43%		
			> 50 years old	3	33.33%	6	66.67%	3	37.5%	5	62.5%	3	33.33%	6	66.67%		
		Higher education - Level IV	< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-		
			30 to 50 years old	9	28.12%	23	71.88%	13	38.24%	21	61.76%	15	46.88%	17	53.12%		
			> 50 years old	1	25.00%	3	75.00%	-	0%	2	100%	-	0%	2	100%		
		Supervisors	< 30 years old	-	0.00%	12	100.00%	3	30%	7	70%	2	25%	6	75%		
			30 to 50 years old	4	2.76%	141	97.24%	3	2.29%	128	97.71%	6	4.41%	130	95.59%		
			> 50 years old	-	0.00%	9	100.00%	-	0%	14	100%	-	0%	17	100%		
		Technicians	< 30 years old	127	29.00%	311	71.00%	130	30.02%	303	69.98%	110	27.5%	290	72.5%		
			30 to 50 years old	128	15.17%	716	84.83%	150	16.56%	756	83.44%	166	17.83%	765	82.17%		
			> 50 years old	1	1.39%	71	98.61%	1	1.37%	72	98.63%	1	1.33%	74	98.67%		
		Overall Total				814	13.12%	5.389	86.88%	915	13.35%	5939	86.65%	905	13.96%	5579	86.04%

GRI 405-2. Ratio of basic salary and remuneration of women to men

Business area	HR area	Employee subgroup	2018	2019	2020
 CMIN	CORPORATE	Manager	0.68	0.65	0.65
		Engineering/Specialist	1.05	0.98	0.85
		Administrative	0.59	0.47	-
	MINING	Senior management	0.97	-	-
		Manager	1.12	1.08	1.05
		Coordinator	1.07	1.02	1.02
		Supervisor	0.92	0.93	0.91
		Engineering/Specialist	1.03	1.03	1.07
		Technicians	1.21	1.22	1.2
		Administrative	1.14	1.09	-
		Operational	1.09	1.08	-
		Apprentices/interns	1.00	1.00	-

Corporate Information

GRI 102-3 | 102-4

For questions about this document, the Company, its assets and subsidiaries, comments and suggestions that may improve the reporting process, please send an e-mail to sustentabilidade@csn.com.br

GENERAL DATA

CSN Mineração S.A.
Corporate Taxpayer's ID (CNPJ) no. 08.902.291/0001-15 – Company Registry (NIRE) no. 31.300.025.144
Trading Name/Ticker at B3: CSN MINERACAO (CMIN3)

CSN Mineração S.A. (Headquarters)

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Casa da Pedra Mine

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Engenho Mine

Rodovia dos Inconfidentes, Km 40, s/nº
Zona Rural – Rio Acima - MG
CEP: 34.300-000

Pires Mine and Beneficiation Complex

Rodovia BR 040 Km 590, s/nº (parte),
Zona Rural, Distrito de Miguel Burnier,
Ouro Preto - MG
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Bulk Terminal (TECAR)

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GRI 102-53

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Pictures

CSN¹ Image Database; Envato; iStock

1. The pictures presenting CSN's employees were taken before the COVID-19 pandemic and are part of the Company's in-house image bank. As a result, some professionals are not wearing masks. CSN has established a Crisis Committee to preserve employees' health and safety ([see more about the measures adopted on page 117](#)).

