

ANNUAL SUSTAINABILITY REPORT 2021



USIMINAS 

Summary





1

FOREWORD

Message from the Board of Directors	04
Letter from the CEO	06
About this report	08

MESSAGE FROM THE BOARD OF DIRECTORS

As the Board of Directors Chairman, I have the responsibility to share with you that we are pleased that our strategic guidance is evidently effective, which has allowed us to achieve, in 2021, the best results in Usiminas' history, with record figures in all our business units.

We must not fail to mention that 2021 was still a particularly challenging year with the pandemic hitting its worst in the first half and we faced strong price volatility in the foreign market.

After overcoming these challenges and posting significant financial and operational results, Usiminas keeps on strengthening its contribution through initiatives that have positive impacts on society, creating value for its stakeholders.

The results achieved in 2021 have helped us to reach the goals in our 2022-2026 Multi-Year Plan and enhance the discussion about the Company's strategy to meet the topics included in the Environmental, Social and Governance (ESG) agenda.

Over this past year, in line with the best Corporate Governance practices, we implemented the annual agenda on the topic for ordinary meetings, thus the Board of Directors had more predictability and time to examine and contribute with the respective agenda.

In the climate change field, one of the items in the annual agenda is the Company's decarbonization process and, by the end of 2021, we approved a partnership that will make a significant supply of solar energy possible, thus contributing with the topic. This initiative was announced in February 2022.

We have also followed up the preparation of Usiminas' greenhouse gas inventory, which has enabled the Company to receive the Golden Seal in the Brazilian GHG Protocol Program and report in the

"Climate Change" module of the Carbon Disclosure Project (CDP), thus reaching two goals set for 2021.

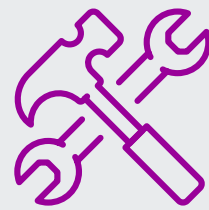
A report from the CEO on Usiminas' compliance with its environmental obligations was also included in the Board of Directors agenda. It is important to emphasize that we have been monitoring the adoption of several actions to create the Company's environmental compliance department and important initiatives to solve and prevent long-term non compliances.

Another highlight this year was the completion of the dry stacking system, which has enabled us to stop using dams in our mining operations and, coupled with the progress in our dams decommissioning, has made our operations safer.

The results achieved in 2021 contributes to reach the goals in our 2022-2026 Multi-Year Plan and enhance the discussion about the Company's strategy to meet the topics included in the Environmental, Social and Governance (ESG) agenda.



Ruy Hirschheimer
Chairman of Usiminas
Board of Directors



WE CONCLUDE THE DRY STACKING SYSTEM,

which has enabled us to stop using dams in our mining operations and, coupled with the progress in our dams decommissioning, has made our operations safer.

Other aspects have also contributed to enhancing the Company's Corporate Governance, including the creation of the Risk Management Committee reporting to the Audit Committee, whose aim is to ensure the integrated monitoring of risks arising from internal process, as well

as to support the Company's departments in managing their risks; and the approval

of new compensation rules for the Company's executive officers, including ESG goals in the HR Committee, in order to maintain Usiminas' competitiveness.

Lastly, we must not forget to mention that during the year we approved and reviewed the budgets and timetables for the recovery of blast furnace 2 and the revamp of blast furnace 3, aiming to boost our production capacity and make our product portfolio more

competitive given the increase in our customers' demands.

We remain optimistic about the resilience of our strategy, despite the challenging outlook for international political and economic instability and the GDP increase in 2022. We would like to end message by reaffirming Usiminas' commitment to creating long-term value for all our stakeholders.

Good reading!

LETTER FROM THE CEO

GRI 102-14

Year 2021 was a very special one for Usiminas. Through the commitment and dedication of the Usiminas team, we have built the best result in our history, with records in different business units and posted a consolidated EBTIDA of R\$12.8 billion.

A result that we must definitely celebrate, but without forgetting the several challenges we have faced during the year. For example, the steel demand dropped during the second half of 2021 and especially due to the Covid-19 pandemic, the specific actions that were required from Usiminas, which were focused on the health and safety of the entire workforce, including outsourced employees.

Going beyond numbers, in the three pillars of sustainability, our financial results were very positive and allowed us to make relevant progress in our social and environmental performance. We have a long history of presence

in the communities surrounding our operations, which was expanded in 2021 through important deliveries, such as the Usiminas Memory Center, in the city of Ipatinga, state of Minas Gerais. The venue is another historical, social and cultural legacy of Usiminas to the communities in the Vale do Aço region. In all, we allocated more than R\$75 million to 126 social, cultural, sports, education and health initiatives in the regions where we operate.

We have also expanded the support to our employees' volunteering initiatives. This action, which was previously distributed at the different units, was gathered in the *VOU - Voluntários Usiminas* (Usiminas Volunteers) Program, a platform that connects the Company's employees to several social initiatives. At the end of 2021, the platform celebrated its first year of operations, with 750 volunteers, more than 1.2 thousand hours dedicated to volunteering work and

over 2.1 thousand people served in their different needs.

Still in the social field, we must emphasize São Francisco Xavier Foundation's projects, such as the installation of Hospital Libertas in the building where our previous headquarters were located, which will contribute greatly to the healthcare system of the greater Belo Horizonte region as well as the entire state of Minas Gerais. We were also pleased to see Hospital Márcio Cunha, in the city of Ipatinga, stand out for its excellence for the second year in a row, as one of the best hospitals in Brazil, according to Newsweek magazine.

In the environmental field, we are committed to our long-term goals, our 2022/2026 Multi-Year Plan and devising our 2030 planning, focused on the main challenges of the ESG agenda. So much so that we joined the United Nations' (UN) Global Compact in April

In 2021, the Research Center celebrated 50 years of operations. Throughout these years, we have developed innovative products in the steel market as well as new technologies, improving our industrial processes and kept Usiminas's quality and safety standards.



Sergio Leite de Andrade
Usiminas CEO

R\$ **12.8** billion 

OF CONSOLIDATED EBTIDA

In 2021, we inaugurated the Usiminas Memory Center in the city of Ipatinga (MG).



IN 2021, WE CREATED THE DECARBONIZATION COMMITTEE,

which will be responsible for our performance in the topic of reducing greenhouse gases emissions by our productive activities.



IN 2021, WE INAUGURATED THE USIMINAS MEMORY CENTER IN THE CITY OF IPATINGA (MG).

The venue is another historical, social and cultural legacy of Usiminas to the communities in the Vale do Aço region.

2021, a new milestone in Usiminas' sustainability trajectory.

With regard to climate change, we are aware, motivated and organized to reduce greenhouse gas emissions in our production activities. Proof of this is the creation of the Decarbonization Committee, which will be responsible for our performance in the topic, in addition to conducting several studies and structuring projects that will allow us to begin our transition to a low carbon economy.

In 2021, we achieved the goals related to climate change in our ESG agenda

by taking inventory of our greenhouse gas emissions, with an independent certification, disclosing the inventory through the GHG Protocol and ensuring our participation in the Carbon Disclosure Project (CDP). The full publication of our inventory awarded Usiminas with the Golden Seal, the most important recognition granted by the Public Emissions Registry, Latin America's largest data bank for corporate inventory.

As a consequence of our commitment to transparency on the theme, in December 2021, we became part of B3's Carbon Efficiency Index (ICO2), which gathers the assets from companies

that adopt transparent greenhouse gas emissions practices.

We publish this report confident that we are strongly engaged to minimize our climate change impacts through a more efficient and modern production process, with less emissions, particulates, as well as other factors that have environmental and social impacts.

Finally, we would like to proudly mention the 50 years of our Research Center. Through its activities, throughout half a century, we have developed innovative products in the steel market as well as new

technologies, improving our industrial processes and kept Usiminas' quality and safety standards to deliver the best products and services to our customers.

In this report, you can learn more about the initiatives and indicators that made 2021 the best year in the Company's history. We remain strongly committed to creating even more value for all our stakeholders, thus building Usiminas present and future.

Good reading!

ABOUT THIS REPORT

GRI 102-1; 102-8; 102-32; 102-43; 102-45; 102-49; 102-50; 102-51; 102-52; 102-53; 102-54; 102-56

Usiminas' Sustainability Report is published every year and the last report was released in 2021, referring to year 2020. This report regards the period from January 1st to December 31st, 2021, and has been prepared according to the GRI Standards – Core option, the most complete and internationally known reporting standard. This report allows the Company to be more transparent about sustainability and make smarter strategic decisions.

Since the Company has begun to adopt GRI Standards' Core option, Usiminas has been learning and managing the environmental, economic and social impacts of its activities more efficiently and with more quality. The Company has also begun to adopt some requirements from the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD).

In this document, references to Usiminas and Company include all companies in the group, namely: Usiminas, Unigal Usiminas, Usiminas Mecânica, Mineração Usiminas and Soluções Usiminas. The term "Usiminas Group" can also be used in specific contexts. The GRI content refers to Usiminas, Soluções Usiminas and Mineração Usiminas only.

The Executive Board has formally approved this report and ensures that all material topics have been addressed.

The GRI Content Index is available at the end of this report, including all information available in accordance with the GRI guidelines.

This report has been externally validated by BSD Consulting.



Additional Information and clarifications of doubts on the contents of this report may be requested from the Usiminas' Sustainability team at the e-mail: sustentabilidade@usiminas.com

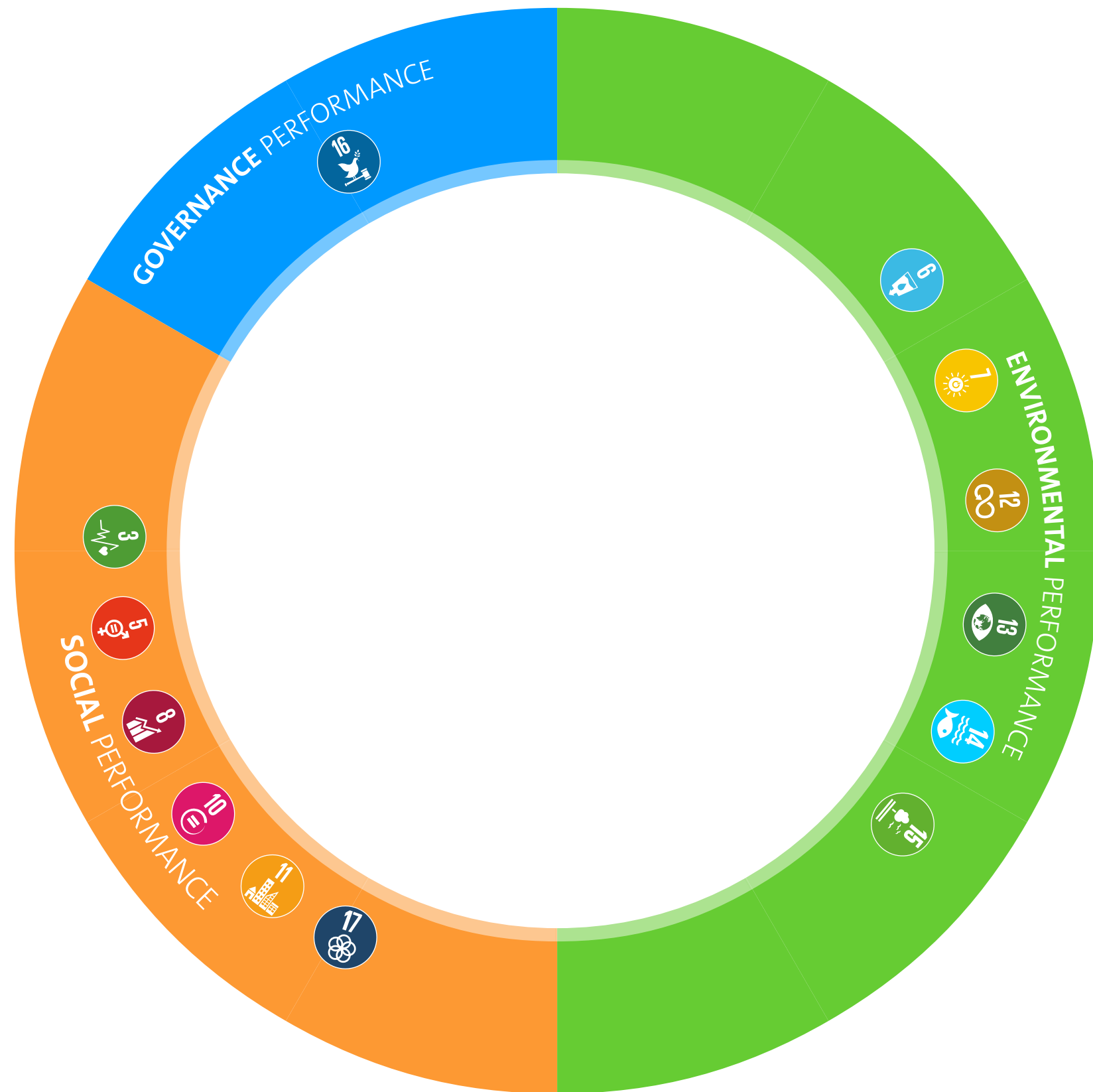
Materiality



GRI 102-46

Stakeholders



GRI 102-44; 102-47



Click in the material topic for more information about the boundary of each topic. 




2

CORPORATE PROFILE

Usiminas	11
Business Units and their products	13
Value Creation	24
Awards and Recognitions	28

USIMINAS

GRI 102-3; 102-4; 102-7

Usiminas was founded on April 25, 1956, in the city of Belo Horizonte (state of Minas Gerais - MG) and its operations began on October 26, 1962, in the city of Ipatinga (MG). The Company has Brazil's largest flat steelmaking complex and is a leader in the domestic market. The Company is headquartered at 6.594 do Contorno Avenue - 11th floor, Funcionários, postcode 30110-044, in the city of Belo Horizonte.

Where we operate

Present in Brazil's entire steelmaking chain, from iron ore extraction to steel production and its processing into customized products, its units are distributed as follows:



For more information click here to access our website [usiminas.com](https://www.usiminas.com)

Offices

Belo Horizonte (MG), São Paulo (SP) e Porto Alegre (RS)



Usiminas

Ipatinga (MG), Cubatão (SP) and Vitória (ES);



Mineração Usiminas

Itatiaiuçu (MG), Mateus Leme (MG) and Itaguaí (RJ);



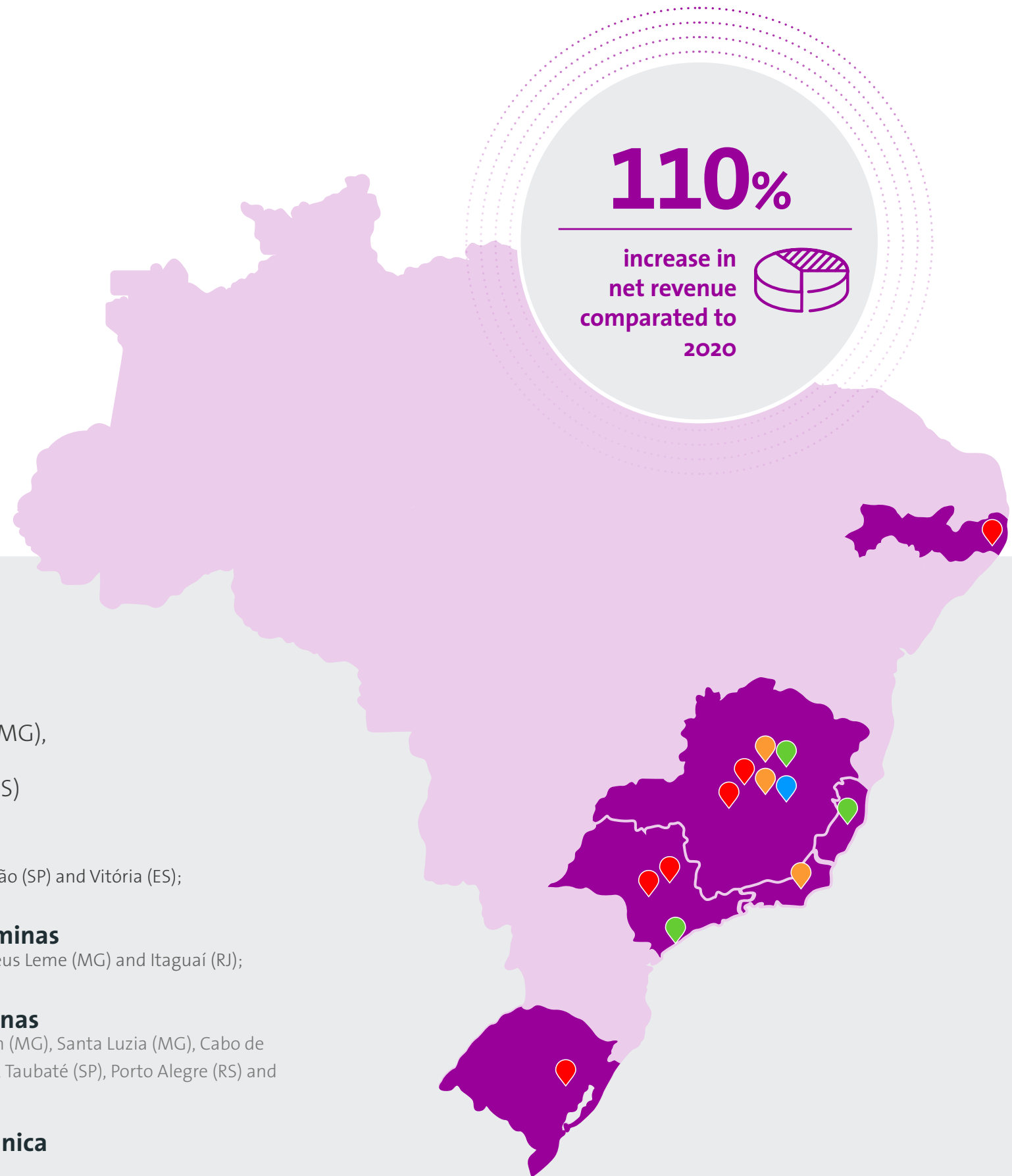
Soluções Usiminas

Guarulhos (SP), Betim (MG), Santa Luzia (MG), Cabo de Santo Agostinho (PE), Taubaté (SP), Porto Alegre (RS) and Ipatinga (MG);



Usiminas Mecânica

Ipatinga (MG)



Scale of the organization

Usiminas' steel is present in almost everything: cars, buildings, vessels, home appliances, solar panels, agricultural equipment, industrial machinery, wind towers, oil platforms etc.

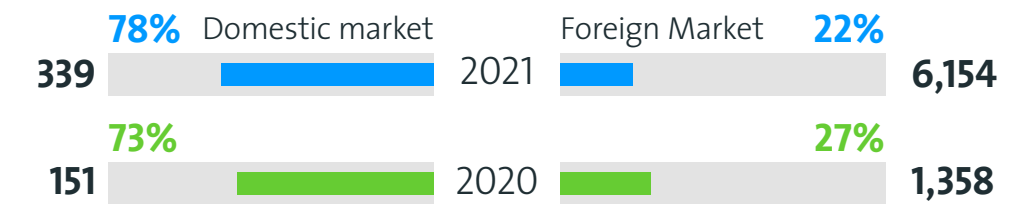
To serve the specific needs of each customer, the Company manufactures customized and complete products, also offering high value-added services.

Overall, 26,056 employees – 14,125 own and 11,931 outsourced –, participate and are committed to Usiminas' activities, working every day to make Usiminas thrive,

create jobs and income, as well as contribute to Brazil's industrial and economic development.

2021 results show the commitment of the entire team, which is why they are the best results in Usiminas' history. With operations in the automotive, civil construction, distribution, energy, white-good appliances, machinery & equipment, naval, as well as oil & gas markets, the company's net income reached R\$33.7 billion, 110% more than in 2020, when it totaled R\$16.1 billion.

Net Revenue Breakdown



BUSINESS UNITS AND THEIR PRODUCTS

GRI 102-2; 102-6; 102-45

Usiminas has 3 business units: steelmaking, mining and steel processing, operating through 5 companies:

- Mineração Usiminas S.A. (MUSA);
- Soluções em Aço Usiminas S.A.;
- Usiminas Mecânica S.A. (UMSA);
- Rios Unidos Logística e Transporte de Aço Ltda.;
- Usiminas Participações e Logística S.A. (UPL).



Steelmaking

By using cutting-edge technology that has sustainable features, Usiminas stands out in the domestic crude (pig iron) and rolled steel production. In 2021, the Company produced 5.1 million tons.

Usiminas is Latin America's largest steelmaking research Center, which was structured to develop high added-value steel with less environmental impact for cars, wind

and solar power towers and many other uses that began to be requested by the Brazilian industry.

The steelworks are located in the cities of Ipatinga (MG) and Cubatão (SP). The company's logistical structure is composed of five distribution centers, seven warehoused for customers and two ports, mainly located in the Southern and Southeastern regions.



steelmaking unit accounts for 89% of the Company's total sales

5 million tons of rolled steel produced in 2021

↑28% produced in 2021



At the Steelmaking business unit, Usiminas produces and sells carbon steel flat rolled products, namely: plates, thick plates, hot-rolled products, uncoated cold-rolled steel products, electrogalvanized and coated hot dip galvanized products.




Heavy Plates

-  Civil Construction
-  Machinery and Equipment
-  Pipelines
-  Capital Goods
-  Wind Energy
-  Oil and Gas



Hot Rolled

-  Civil Construction
-  Machinery and Equipment
-  Pipelines
-  Auto Industry
-  Solar Energy
-  Oil and Gas



Cold Rolled

-  Civil Construction
-  White Line
-  Auto Industry



Galvanized

-  Civil Construction
-  White Line
-  Auto Industry
-  Solar Energy

Usiminas' main export destinations in the past year were Europe, Argentina, Mexico, Colombia and Asia.

Usiminas Mecânica has been restructured and incorporated to the steelmaking unit in mid-2020. It currently provides services only to Usiminas companies in the Industrial Assembly and Maintenance segments.

In steelmaking, Unigal Usiminas is a joint venture between Usiminas and Nippon Steel Corporation. Operating for 22 years, its focus is to manufacture hot-dipped galvanized steel coils for the automotive, home appliances and civil construction industries. Unigal Usiminas operates at the Ipatinga unit.

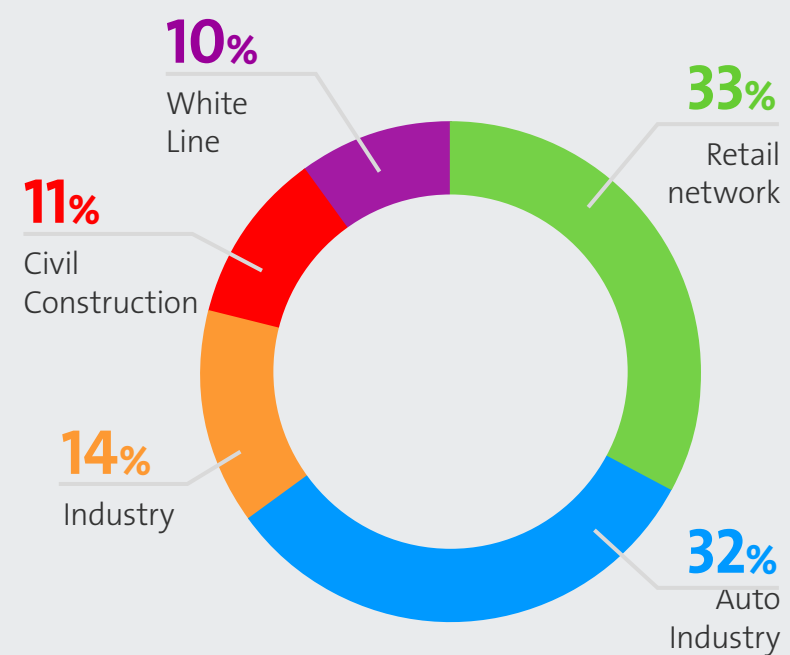
In the domestic market the steelmaking unit accounts for 89% of the Company's

total sales, representing 4.3 million out of the 4.8 million tons manufactured. In the foreign market, the unit represents 11% of total sales, corresponding to 500 thousand tons, the same share as in 2020.

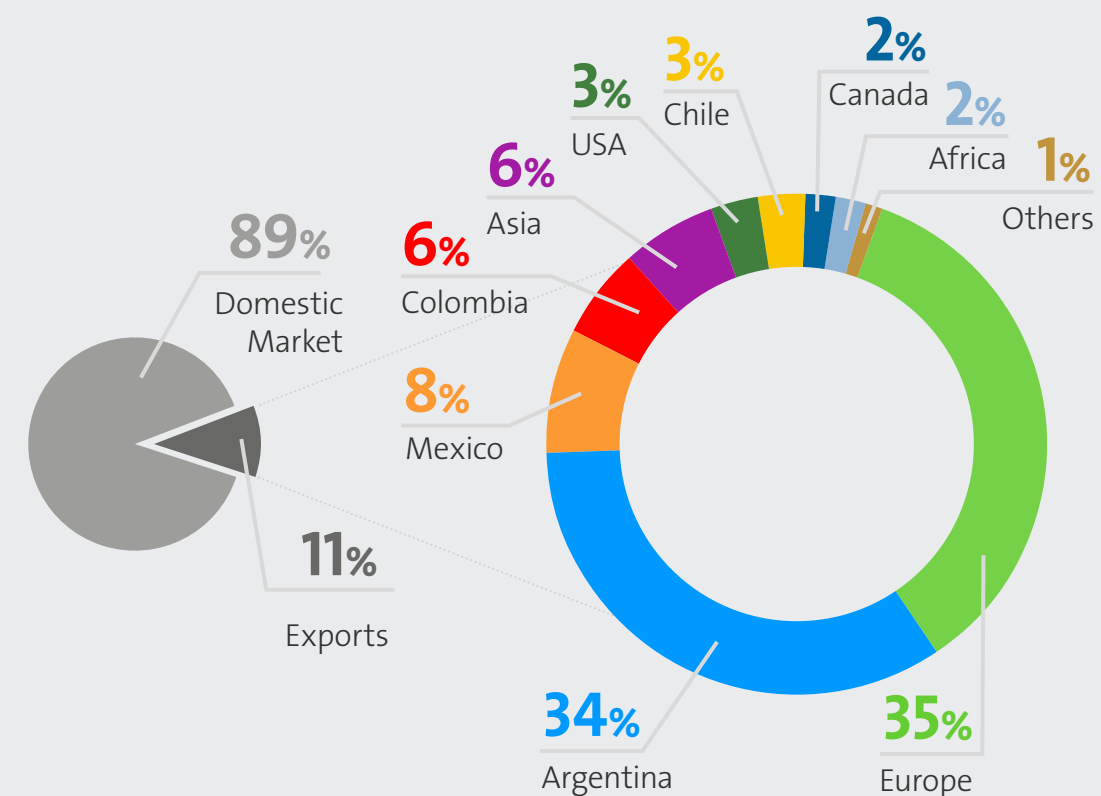
Usiminas' main export destinations in the past year were Europe, Argentina, Mexico, Colombia and Asia. The Company has capacity to produce a wide range of steel kinds, enabling flexibility to adjust its production to the demands of both the domestic and foreign markets.

In 2021, Usiminas steelmaking unit produced 3.2 million tons of crude steel, 5 million tons of rolled steel and 2.3 million of purchased slabs were processed.

Distribution of Volume Sold by Segment, 2021



Revenues by Country Share of Net Revenue



Revamp of blast furnace 3

Usiminas approved a new budget and updated the schedule for the revamp of blast furnace 3 at the Ipatinga plant (MG), in the Vale do Aço region. With an investment of more than R\$2 billion, the project will restore the equipment's nominal capacity, which has been lost during the years, enabling operational improvements and environmental benefits. Preparation began in 2021 and the works are scheduled to be completed by 2023.



Mining

Mineração Usiminas (MUSA) is a joint venture between Usiminas, which holds 70% (seventy percent) of the company and Japanese group Sumitomo Corporation, holding the remaining 30% (thirty percent). Usiminas acquired the mines in 2008 with the purpose of supplying iron ore for its steelmaking operation and, with Sumitomo joining in 20210, MUSA became a competitive mining company in the foreign market.

Considered one of the largest employers in the region of Serra Azul (MG), MUSA ensures benefits to the city of Itatiaiuçu (MG), where it is located and to several others, e.g., Itaúna, Mateus Leme and Igarapé, all close

to its operation. Currently, the unit employs more than 4.3 thousand people, including own and outsourced employees, significantly contributing to the economy of the cities in its surroundings.

MUSA's commitment to environmental sustainability can be seen in its preserved area, which is almost 7.15 times bigger than its operational area. Another important information is the water reuse rate in the operation, which came to 92.5% in 2021.

It is important to mention that MUSA is part of the Serra Azul Mining Companies Association (Amisa, in Portuguese). Together with the association's other members, the Company develops initiatives targeted at the communities, focused on the region's sustainable development.

Highlights of 2021

TOTAL SALES RECORD

9.0 mT 

EXPORT SALES RECORD

 **6.8** mT

OUTLET RECORD

9.0 mT 

DEVELOPMENT OF NEW MARKETS AND CUSTOMERS

 Europe and China

SALES FOR DOMESTIC MARKET VIA THE PORTAL E-MUSA



Through iron ore extraction and processing at the Itatiaiuçu and Matheus Leme mines, both in the state of Minas Gerais, MUSA produces pellet feed, sinter feed and granulates, which are indispensable raw materials for rolled steel production.

Contracted carriers are responsible for the logistics and provide road transportation for products from the mines to the railway terminals in Itaúna, Sarzedo and Santa Luzia, all of which in the state of Minas Gerais. From there, products are sent to the locations set forth in trade agreements entered into with customers, including Usiminas.

In 2021, MUSA produced 9.1 million iron ore tons, 75% of which sold to the foreign market and 25% to the domestic market.

Dam de-characterization

One of Usiminas' commitments in its sustainability agenda is to de-characterize all its dams located in Itatiaiuçu (MG), whether upstream or downstream. They include the Somisa Dam, de-characterized in the beginning of 2021; the Central Dam, whose de-characterization report was presented to the public authorities on February 24, 2022; and the Samambaia 0 Dam, which has also been deactivated, despite being built according to the downstream method, and its de-characterization process is under discussion.

De-characterization consists of changing the structures so that they lose their dam characteristics, reincorporating them into the relief and the environment.

The decision to de-characterize the dams was part of a strategy defined a few years ago, as MUSA's quick response to a legal requirement for upstream dams

and, mainly, to consolidate the sustainable practice of maximizing the use of mineral resources, offering greater safety to its employees as well as the population in the region through a healthier and safer environment.

Currently, MUSA's dams are not operational. Since December 2021, the company has been using a new technology called Dry Stacking System, which enabled MUSA to stop using dams to dispose of tailings generated in iron ore processing. The current target is to begin the de-characterization of Samambaia 0 dam.

Lastly, it is important to mention that Mineração Usiminas has been studying the feasibility of the Compactos Project, aimed at perpetuating the activities and production of the mines in the Itatiaiuçu (MG) unit. The project's main pillar is to explore fewer rich ores, diversifying MUSA's current extraction model.

Mineração Usiminas has been studying the feasibility of the Compactos Project, aimed at perpetuating the activities and production of the mines in the Itatiaiuçu (MG) unit.



Steel processing

Soluções Usiminas is one of Usiminas' subsidiaries, in which the Company holds a 69% interest, and stands out in the Brazilian market with a wide range of flat steel products, processing and distribution services.

Its portfolio includes thick plates, hot and cold rolled steel plates, hot dipped galvanized and electrogalvanized plates, Slitter/Rolls, Blank – regular, angular, shaped and washed, laser-welded sets, galvanized noncorrosive fluid conducting pipes, round, square, rectangular, black, galvanized, metallic structures, among other items, always with the highest quality standard.

Soluções Usiminas is Brazil's main flat steel processing company and is prepared to meet the individual needs of each customer as well as to offer

products and services in any amount and format. One of the Company's differentials is to supply products in a volume lower than the minimum available by the steel plants and its just-in-time service.

The modern infrastructure of its industrial lines ensures quality and high technological content for the most demanding industrial segments. More than that, the integration with the market allows Soluções Usiminas to add even more competitiveness to its industrial processes by developing customized products and offering high service capacity. After all, Soluções Usiminas' commitment is to process steel in the ideal solution for its customers.

The company has an installed capacity 2 million tons steel tons per year. In 2021, Soluções Usiminas

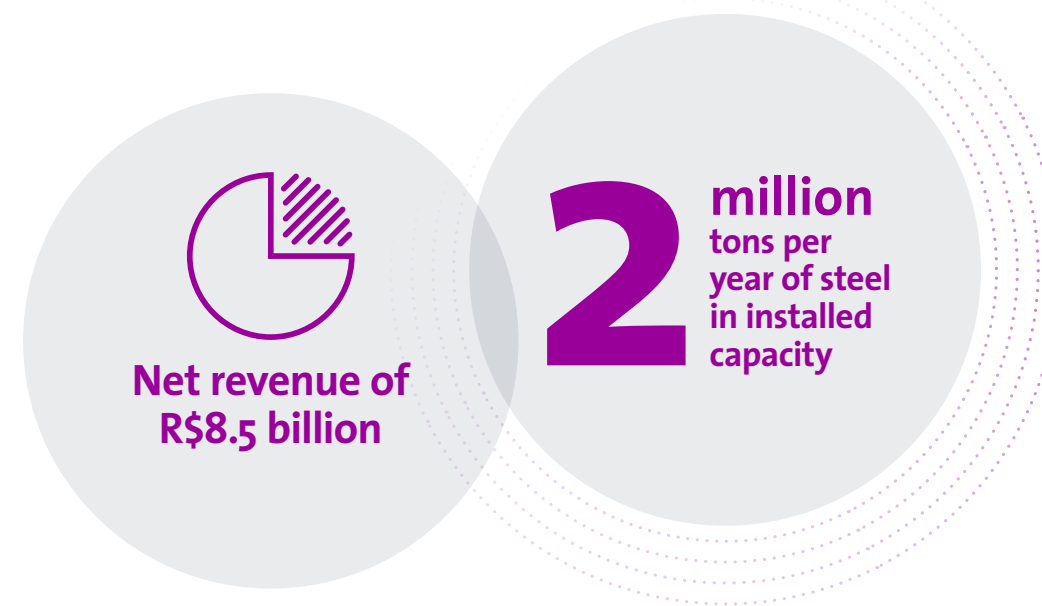


2021 new launch: steel e-commerce

In 2021, the Company launched the new online sales platform Mais Soluções Usiminas, aiming to democratize the access to Usiminas steel and meet the demands of several segments in different markets. The virtual store is intended to meet customers' needs with the best cost-benefit ratio in the market.

By cell phone, tablet or computer, customers can buy sheets, pipes, profiles, tiles and ridges in different sizes and shapes and in any volume, with simplified payment method; receive information about the features of each product type; and receive their orders safely and quickly. For example, if a customer needs a steel tube to make a handrail for their house, instead of hiring someone to do it, he/she can buy it directly at Soluções Usiminas' e-commerce.

E-commerce is an innovative project within the Company and is just at the beginning, with still much to be developed. The goal is to add more processed steel products and by-products to the portfolio, expanding the business. Moreover, the Company plans to enhance the platform with more educational content and service providers that turn projects into reality.



recorded net revenue of R\$8.5 billion with most of its sales in the domestic market, serving the following industries: automotive, white-good appliances, civil construction, machinery and equipment, large-diameter tubes, capital goods, wind and solar power and oil & gas.

It offers transversal cut, longitudinal cut (slitter), regular, irregular (angular) and shaped blank cuts, laser welding, plate stretch forming. Offline washing and in natura material.

Soluções Usiminas is present in four Brazilian states – São Paulo, Minas Gerais, Pernambuco e Rio Grande do Sul – and having its seven industrial units close to major business centers gives the Company an efficient logistical process, which enables it to serve the entire Brazilian territory by railway, road and cabotage.

As part of its progress, in 2021, Soluções Usiminas implemented the Project Sales Department to serve

specific projects, e.g., the supply of steel parts for the assembly of solar power plants in Brazil.

Also as part of its portfolio expansion, with all Soluções Usiminas' expertise in supply chain management for large industrial groups, a third business model has been implemented, which includes serving companies that are in the supply chain of carmakers.

Throughout 2021, the Company also invested in a new steel processing line at the Pernambuco plant, a type of technology that performs cuts in several different angles to serve the automotive industry. These investments will continue through 2022.

The production of ultra-high-strength steel for the heavy equipment sector, such as that used in mining trucks and dumpers, grew in 2021, but still remains a challenge.

Product Quality

For Usiminas, having a product portfolio aligned to the demands of the different industries is key to ensure customer satisfaction and boost the Company's results.



A product portfolio in compliance with the main standards and in line with the market is the first step towards closing a sale. Through an adequate portfolio, Usiminas remains a leader in a highly-competitive market, increases its sales and generates more resources.

Therefore, the Company's portfolio is continually updated in line with market demands, technological innovations and flat steel consumption patterns, keeping up with the advancements in the steelmaking industry.

Between 2014 and the end of 2021, Usiminas has developed more than 45 new products, many of them new releases in the Brazilian market and all of them in line with its customers' demands. For example, the Company has developed advanced high-strength steels for the automotive market, which addressed the needs of automakers and government agencies seeking to reduce CO₂ emissions and provide greater safety for vehicle passengers.

These innovations enrich Usiminas' portfolio, create new business opportunities, and bring cost reduction to customers. Currently, Usiminas has nine projects for new kinds of steel under development and has the goal of complete three of them still in 2022.

By the year of 2021 Usiminas has developed more than 45 new products, many of them new releases in the Brazilian market.

Periodically, the multidisciplinary Product Engineering team, part of the Corporate Department of Customer Service and Quality, discusses the main steel market trends and demands in Brazil and abroad. Besides innovation in steel products, the technological gaps in already developed products and with regular supply, compared to the competition and to customer satisfaction, are also pointed out.

Product Engineering is the team responsible for managing the development portfolio of new steel products, while the Integrated Quality Control teams at Ipatinga (MG) and Cubatão (SP) plants are responsible for the portfolio of products already consolidated in the market.

One of the short-term challenges is to automate data collection of each production line, analyze information gathered and make the best decisions to improve product quality management.

Usiminas' Product Engineering department comprises specialists, engineers and technicians from various professional backgrounds, aligned with the best trends in steelmaking and aiming to provide modern solutions in terms of products and services to customers. This entire process is guaranteed by computerized systems, labs, and adequate equipment.

For the development of new products, Usiminas also relies on the Research and Development Center, which studies future steel solutions and provides technical support to the Company's production departments.

New products developed by Usiminas are included in its portfolio only after they are standardized. Exceptions are addressed by a specific system in SAP, called Metallurgical Consultation for Non-Standard Products (Consulta Metalúrgica de Produto Não Padronizado) in which the conditions desired by the customer are evaluated by the plants' technical teams as to the possibility of being manufactured.

Usiminas' standard products are inserted in the portfolio by product type: thick plate, hot rolled, hot dip galvanized, cold rolled, and electrogalvanized. The main steel features, such as chemical composition and mechanical properties, are listed in the Corporate Manual for Steel Products, which is a reference for several of the Company's departments, especially sales, technical service, quality, technical production units and product.

Available on Usiminas' website for consultation, the product catalog is based on the Corporate Manual for Steel Products but is aimed to consumers. The catalog is periodically revised so that technical information is always up-to-date.

The systematic and continuous portfolio update makes it easier for stakeholders to understand the technical capacity of Usiminas' products and services, and speeds up technical and commercial negotiations. Additionally, it keeps technical references always in compliance with standards and/or specifications of steel and national and international entities.

GRI 416-1; 417-1

Customers have several ways to evaluate Usiminas' portfolio, including through the Customer Satisfaction Survey conducted

100%
of our suppliers
have environmental
licenses in effect and
in accordance with
the laws where they
operate.



periodically, technical assistants' perception or customers' testimonials included in the Technical Contact with Customers and Metallurgical Consultation for Non-Standard Products reports. The ongoing market and customer satisfaction monitoring provides feedback to the development of new products in order to expand Usiminas' portfolio.

Internally, the satisfaction survey results are disclosed monthly to the Executive Board through the Monthly Report of the Quality Management System. Externally, the Company relies on several channels, from direct release to potential consumers through presentations and technical meetings to technical events and industry-specific media.

It is important to emphasize that CAPEX constraints identified for the development of new products are mapped and included in the Company's planning and that portfolio management is aligned with Usiminas' Integrated Management Policy.

With regard to health and safety impacts, 100% of significant product and service categories are assessed. The goals linked to this topic include the certification of the flat rolled line products with information on Material Safety Data Sheet (MSDS), the testing and certification of the maximum radiation level of Usiminas products (< 1 kBq/kg) and maintaining the product release laboratories accredited by INMETRO.

As for product and service information and labeling requirements, they do not include the origin but information on product composition. The product line sold directly to customers has certificates attesting to their safety, in addition to pre-sale and post-sale assistance. Only products sold by auction are not certified. Product disposal, as well as environmental or social impacts are certified by RoHS and ELV standards.

Regarding suppliers, 100% of them have environmental licenses in effect and in accordance with the laws where they operate. Usiminas commits not to buy minerals from conflict areas.

Finally, 100% of the product or service categories are covered and evaluated for compliance with the Company's information and labeling procedures. Goals linked to this topic include having the entire flat rolled production certified by the RoHS and ELV standards; having all product lines with information, in the Inspection Certificate, of the product safety data file in line with the ABNT NBR 14.725 standard; and to promoting the achievement of the internal audit plan.

Customers have several ways to evaluate Usiminas' portfolio, including through the Customer Satisfaction Survey conducted periodically, technical assistants' perception or customers' testimonials included in the Technical Contact with Customers and Metallurgical Consultation for Non-Standard Products reports.

Certificates related to product and service quality

In order to ensure its product quality, Usiminas maintains its Quality Management System certification backed by the NBR ISO 9001:2015 and the IATF 16949:2016 standard, which is applicable to automotive supply chain manufacturers worldwide. In addition to these two certifications, Usiminas has the same certifications as the main steelmakers across the globe.

Sector	Certifying Entity	Certifier Country
Naval	American Bureau of Shipping – ABS	USA
	Bureau Veritas – BV	France
	Korean Register of Shipping – KR	South Korea
	Lloyd’s Register of Shipping – LR	Great Britain
	Det Norske Veritas – Germanischer Lloyd – DNV – GL	Norway
	Bureau Veritas– BV (steel plates grade IIB/ IIC, complying with Petrobras standard)	France
	Nippon Kaijji Kyokai – NKK	Japan
Energy	Eletrobras Termonuclear S/A	Brazil
	Brazilian Nuclear Quality Institute – IBQN	Brazil
Various	TÜV (AD2000W0/PED - pressure vessel products)	Germany
	Argentinean Institute for Standardization – IRAM / INTI	Argentina
	TÜV (USIPROT500– Brazilian Army armored vehicles)	Germany
	TÜV Nord (Sampling and preparation of iron ore - ISO 3082)	Germany
	TÜV Nord (Construction Products Regulation - CPR)	Germany
	DNV-GL – Local content	Brazil
	Bureau Veritas – BV (RoHS&ELV)	
Laboratories	Brazilian Association for Technical Standards – ABNT: NBR 7008 (zinc or zinc-iron coated steel plates and coils in continuous hot-dip galvanizing process).	Brazil
	INMETRO (in-house laboratory accreditation - Force, Torque and Hardness Calibration; Pressure Calibration; Tensile, Charpy, Hardness and Chemical Testing)	Brazil
	CGCRE Inmetro	Brazil

VALUE CREATION

GRI 102-16; 203-2

Usiminas creates value for society by offering quality products and services to its customers, generating return to its shareholders, fostering its employees' personal and professional development, controlling and mitigating environmental and social impacts, in addition to economic results that are distributed to society through job generation and tax payment.

Value creation also derives from projects developed in the communities where the Company operates, whether through partnerships with public authorities and the communities, or through the São Francisco Xavier Foundation and Usiminas Institute, which operate in the fields of health, education, culture and sports.



VISION
To be a reference in quality and management in the steel industry, focusing on people, customers and generation of sustainable results, with safety.

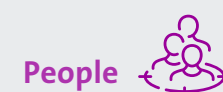
VALUES



Safety
Usiminas believes that Zero Accidents is achievable, and it is a daily priority goal in all its activities. In order to engage and inform employees about this goal, the Company develops actions and initiatives to reinforce the safety culture among own and outsourced employees. Usiminas has also invested heavily in training programs and courses in order to have an increasingly qualified team to carry out their activities properly and safely. At all Usiminas units, safety comes first.



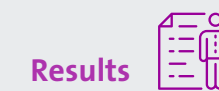
Customers
Focus on the customer is one of Usiminas' motivations in all areas. Knowing customers well and having a close relationship with them in the most diverse industries, allows the Company to create solid and lasting partnerships, based on mutual gains. At Usiminas, everyone is always willing to learn and innovate, developing customized products and anticipating each customer's needs. Together with partners and customers, day by day, Usiminas has been building the future it desires.



People
Usiminas believes and trusts people and its employees. The Company has qualified professionals, encourages cooperation and commitment and appreciates its professionals' contributions and potential, encouraging their development and growth within the Company. Usiminas always seeks to improve workplace climate and to humanize the environment, being respectful towards differences. It seeks to stimulate the best in each person so that together they can build a better future. Respect and appreciation foster a pleasant and enjoyable workplace.



Quality
The focus is excellence. Usiminas pursues customer satisfaction, winning their loyalty, meeting the agreed requirements at the same time it exceeds their expectations. This is the commitment to quality. Usiminas trains its professionals, understands customer needs and develops innovative and customized products and solutions, always focused on quality.



Results
Usiminas is always pursuing better results through collective and individual challenging goals. Agile decision making, strict spending and simplified bureaucracy contribute to an even more competitive positioning in both domestic and foreign markets. Results are essential to enable Usiminas' development and growth.



Usiminas DNA

- Protecting life through effective and perceived leadership, which consistently manifests safe and responsible behavior in all situations.
- Fostering ethics and sustainable development in conducting business, as well as acting transparently with all stakeholders, in addition to disseminating compliance culture and practices.
- Ensuring compliance with legal and other defined requirements applicable to people, processes, products, and facilities.
- Pursuing customer satisfaction, winning their loyalty, meeting agreed requirements, and offering technologically-advanced products and services, as well as identifying and managing the risks that may affect meeting said requirements.
- Identifying and evaluating environmental aspects, acting preventively on significant impacts, as well as implementing pollution prevention practices or technologies, the efficient use of natural and energy resources, the mitigation of greenhouse gas emissions, and the improvement of environmental and energy performance.
- Identifying hazards and controlling risks of accidents and illnesses in all facilities, processes and activities, protecting own and outsourced employees as well as other stakeholders through operational discipline, management and technological tools, and process safety.
- Performing laboratory activities with impartiality and in compliance with regulatory requirements, customer specifications, regulatory and accreditation authorities, in addition to monitoring performance through inter-laboratory comparisons and/or proficiency testing.
- Identifying and controlling risks that may compromise confidentiality, integrity and/or availability of information assets, aiming to ensure the Company's performance and operational continuity.
- Creating a fertile environment for innovation, by inspiring, developing, appreciating and respecting diversity inside and outside the workplace, so that people can develop professionally and personally, ramping up their performance through commitment, skills development and openness to the new.



BUSINESS MODEL

GRI 102-7

INPUTS

MANUFACTURED CAPITAL

- 2 steel mills located in Ipatinga and Cubatão (MG)
- 5 ore processing plants, located in Itatiaiuçu and Mateus Leme (MG)
- 3 mining sites in the Serra Azul region (MG)
- Usiminas currently has a logistical structure comprising 5 distribution centers, 7 warehouses, in addition to 2 ports
- Unigal Usiminas, a joint venture with Nippon Steel, enhancing Usiminas' steel technological content
- It owns 20% of MRS Logística, of rail transport
- 5 million tons/year of crude steel production capacity
- 12 million tons/year of iron ore production capacity

FINANCIAL CAPITAL

- Cash and cash equivalents of **R\$7 billion**, compared to a gross debt of **6.3 billion**
- Capital stock comprised of **1.25 billion shares**, of which 56% are common shares
- R\$ 306 million** investment in the Mining unit
- R\$ 1.2 billion** investment in the Steelmaking unit
- R\$ 28.7 million** investment in R&D activities

INTELLECTUAL CAPITAL

- Research & Development Center (R&D) in Ipatinga - MG with an area of 13,000 square meters and has a team of about 100 professionals, including researchers, technicians and laboratory technicians.
- Partnerships with universities, steelmakers and research centers abroad, such as Japan, the United States, England and France
- Inovaí - Usiminas innovation platform
- 101 patents
- 86 ongoing research
- 6 partnerships in projects/research completed and 11 in progress

ACTIVITIES AND MANAGEMENT

VALUES



USIMINAS DNA

Protect life | Cooperation | Openness to new things | Lead to results | Commitment to results | Operational discipline | Customer-driven | Simplicity and agility | Inspire and develop people

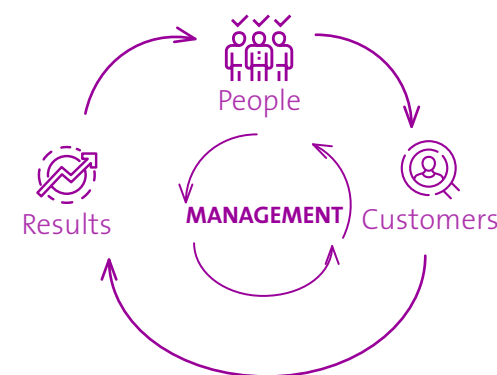
PRINCIPAL UNITS

Steelmaking
Minig
Steel Processing

MAIN PRODUCTS

Iron ore
Thick plates
Hot-rolled flat
Cold-rolled flat
Galvanized

PILLARS OF USIMINAS' MANAGEMENT



OUTCOMES

- 3.1 million tons** of crude steel
- 5 million tons** of laminates
- 9.1 million tons** of iron ore produced in 2021
- New tailings disposal system replacing the use of dams

- R\$ 33.7 billion** net revenue
- R\$ 12.8 billion** adjusted Ebitda
- R\$ 10.1 billion** net income

- 2 registered patents** in 2021
- Development of **45 new products** since 2014
- 340 Projects/Research** delivered
- Inovaí since 2019
 - **1,120 ideas** produced
 - > **R\$ 95 million** of potential return
 - 82 security risks reduced

INPUTS

HUMAN CAPITAL

- Outsourced employees
- Usiminas' Corporate University
- Occupational Health and Safety
- Usiminas Integrated Health System – SISU
- Usiminas Private Pension Fund
- Diversity Program
- **14,125 employees**
- **11,931 outsourced** employees
- **In 2021, investments in education** doubled
- **3,904 new hires**
- **100% of employees** served at SISU

SOCIAL AND RELATIONSHIP CAPITAL

- Trusting and cooperative relationship with customers
- Relationship with local communities, monitoring and minimizing its production activities impacts
- Partnership with local governments in the cities close to the company's operations
- Member of several associations
- Usiminas Institute
- São Francisco Xavier Foundation (FSFX)
- VoU - Usiminas Volunteer Program
- Suppliers: **13,625**, of which **12,122 are domestic** (88.97%) and **1,503 foreign** (11.03%)
- **4 hospitals** managed
- **R\$ 426 million invested** in social programs since 1993
- **964** volunteers

NATURAL CAPITAL

- Preservation of protected areas
- Protection of fauna and flora program
- Usiminas Mobiliza Todos pela Água
- Preservation of headwaters
- Use of recycled material
- Total consumption of **107,834.42 water megaliters (ML)**
- The organization's total fuel consumption amounts to 54.4 million GJ, of which 11.4% comes from renewable sources
- Total electricity consumption: **21,875,249.43 GJ**
- **11.5 million tons of mineral** extracted
- **1,802.62 hectares** protected

ACTIVITIES AND MANAGEMENT

VALUES



USIMINAS DNA

Protect life | Cooperation | Openness to new things |
Lead to results | Commitment to results | Operational
discipline | Customer-driven | Simplicity and agility |
Inspire and develop people

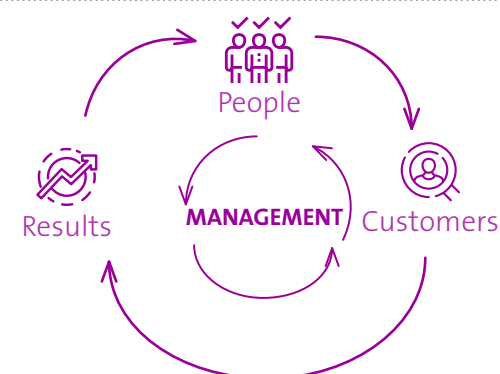
PRINCIPAL UNITS

Steelmaking
Minig
Steel Processing

MAIN PRODUCTS

Iron ore
Thick plates
Hot-rolled flat
Cold-rolled flat
Galvanized

PILLARS OF USIMINAS' MANAGEMENT



OUTCOMES

- **More than 800 thousand hours of training**, with an average of 78.7 hours per employee
- **9.1% are women** in the workforce
- Bi-annual internal engagement survey
- **0.61** Lost-time accident **frequency rate**

- Customer satisfaction rate: **89.5%**
- **Paving 3,000 km of rural roads**, serving 84 municipalities in Minas Gerais
- **79 cultural**, sports and social initiatives
- **57 actions** with **2,019 people** covered
- Inauguration of the Usiminas Memory Center
- **Márcio Cunha Hospital managed by the Foundation** was chosen among the three best hospitals in Minas Gerais, and the 17th place in Brazil.

- **96%** water recirculation rate
- Reuse of gases released in power generation
- **1.4 mil headwaters** preserved
- **12,500 seedlings were produced** at Usiminas' nursery, of which 5,000 were planted in the Company's preservation areas
- **1,692 rescued/collected animals** over almost five years
- **1,975.45 kt of reused recycled materials**
- **3,141,079.23 waste generated, 37.47%** reused or recycled internally

Note: The GHG Emissions Inventory for reference year 2021 is being assured and will be available on June 24, 2022 on the website www.usiminas.com/sustainability

AWARDS AND RECOGNITIONS

Learn more about the awards Usiminas received throughout 2021 for its performance in different fields of society:



2021 WEPs Brazil award – Companies Empowering Women

Usiminas received an honorable mention in its first participation in the award, which aims to encourage and recognize companies that promote gender equity culture and women empowerment in Brazil. The Company has been recognized for its Diversity and Inclusion Program, which has gender equality as one of its five pillars of action. From 2019 to 2021, the percentage of women holding leadership positions rose from 5.5% to 13.17%.



Usiminas stands out in two categories of the 2021 Aberje Award

Usiminas won the Minas Gerais and Mid-west regional leg of the 2021 Aberje Award in the Organizational Sustainability and Event categories. The Award is organized by the Brazilian Corporate Communication Association (Aberje).

In the Organizational Sustainability category, the Company was awarded for the *#IssoÉCoisaDaUsiminas* project, which strengthens Usiminas' actions in the social, environmental and economic axis in the Vale do Aço region through integrated communication initiatives. In the Event category, Usiminas won with the “10, 20, 30, 40 years” initiative, which has been developed to celebrate the time employees have worked at the Company.



Usiminas received the Golden Seal in the Brazilian sustainability transparency platform

The Public Emissions Registry, Latin America's largest database of corporate inventories, has granted Usiminas the Golden Seal, its highest recognition, for the full publication of its Greenhouse Gas Emissions Inventory. The Company joined the platform in September when the 2020/2021 cycle reports were announced.



Usiminas is elected as company that best communicates with journalists

Usiminas is once again among the Brazilian companies winning the 11th issue of the Survey “Companies that Best Communicate with Journalists”. The Company won in the Steelmaking and Metallurgy category, and the award was delivered during a virtual event. The award aims to recognize transparency and the maintenance of democracy through good communication.



Outstanding performance in the LIDE Litoral award

Usiminas was the big winner in the Industry of the Year category, in the 1st Leaders Award for the *Litoral Paulista* Region, organized by LIDE. The winner was announced during a ceremony held in the city of Santos (SP). The Company was also a finalist in the Sustainable Practices category.



Tribuna Top Of Mind Award

Usiminas won, for the 17th consecutive time, the Industry category of the Top Of Mind Award, in the Baixada Santista (SP) region. Competing with other companies operating in the Cubatão Hub and the Port of Santos, the Company held on to the top spot and was the most recalled brand by the majority of respondents who answered the question: “Which industry comes to your mind?”.

The traditional award is organized by the Tribuna Group, the largest communication conglomerate in the region. Overall, more than 1,800 people from the nine cities of the Baixada Santista Metropolitan Region participated in the survey, conducted between June 8 and 13, 2021. Among more than 30 categories, Usiminas ensured its hegemony in the Industry category since the award was created.



Usiminas' CEO is one of the 500 most influential people in Latin America

Usiminas' CEO, Sergio Leite, is one of the 180 Brazilians included in the list released by the economy and business news platform, Bloomberg Línea, with the most inspiring and resilient leaderships in Latin America.

The list highlights the 500 people in the continent that make a difference in their operating sectors and contribute to their country's social and economic development. The list features names from the industry, philanthropy, sports, and several other segments chosen by publishing teams in each of the countries where Bloomberg Línea operates. According to the publication, the list was prepared also focusing on many of these people's work to fight the Covid-19 pandemic.

Empresas



Usiminas was awarded at Randon Companies' suppliers event

Usiminas was the highlight in the Sustainability Focused on the Production Process category in the 4th edition of Randon Companies' Suppliers Meeting. The Company has been acknowledged for a project conducted by VOU - Usiminas Volunteer program in partnership with Ipatinga (MG) Plant's Department of Transportation, for the reuse of wood in furniture and toys produced by the inmates of the Coronel Fabriciano Prison. After the pieces are produced, the volunteers help putting the finishing touches on the toys through a manual painting process.



100 Open Corps Award

Usiminas is one of Brazil's most innovative companies for the 3rd consecutive year and has been acknowledged in the TOP 100 Open Corps award. The Company also debuted in the TOP 5 Mining and Metals - 2021's 100 Open Startups award. This shows that Usiminas is among the five companies that most perform open innovation in the steelmaking and mining industries.



MUSA wins the Brazilian Mining and Metallurgy Industry Excellence Award

The High Frequency Screening project ensured Mineração Usiminas (MUSA) an outstanding position in the 23rd Brazilian Mining and Metallurgical Industry Excellence Award. The Company is once again one of the winners in the award offered by the Minérios & Minerales magazine, which brings together the largest and most important companies in the sector in Brazil. The Central Mineral Processing team prepared the winning work. The High Frequency Screening plant was inaugurated in January 2021 and has allowed MUSA to improve the quality of the pellet feed produced, placing it at a new level among mining companies that produce premium pellet feed, with iron content above 65%.



Aberje University Award: MUSA's interns in the spotlight

The team formed at MUSA to compete for the 15th Aberje University Award (PUA in Portuguese) was one of the highlights of the competition, winning 3rd place in the Solution Creation category with the project Mining is More Than That. The team comprised interns from the West Industrial Maintenance, Mine Planning/Geotechnical, and Compact Project departments, as well as an intern from the Communication department, who works at the Cubatão (SP) plant. The challenge was to develop a creative solution to real situations experienced at the companies, stimulating the participants' creativity. This year, PUA was dedicated to the Mining Sector and was held in partnership with the Brazilian Institute of Mining (Ibram).



3

CORPORATE GOVERNANCE

Governance Structure	32
Transparency and integrity	39
Sustainability management	45
Risk management	57

CORPORATE GOVERNANCE

GRI 103-1; 103-2; 103-3

Usiminas recognizes the importance of corporate governance to the success of its business, as it conveys the idea of reliability and security to its stakeholders, especially to investors.

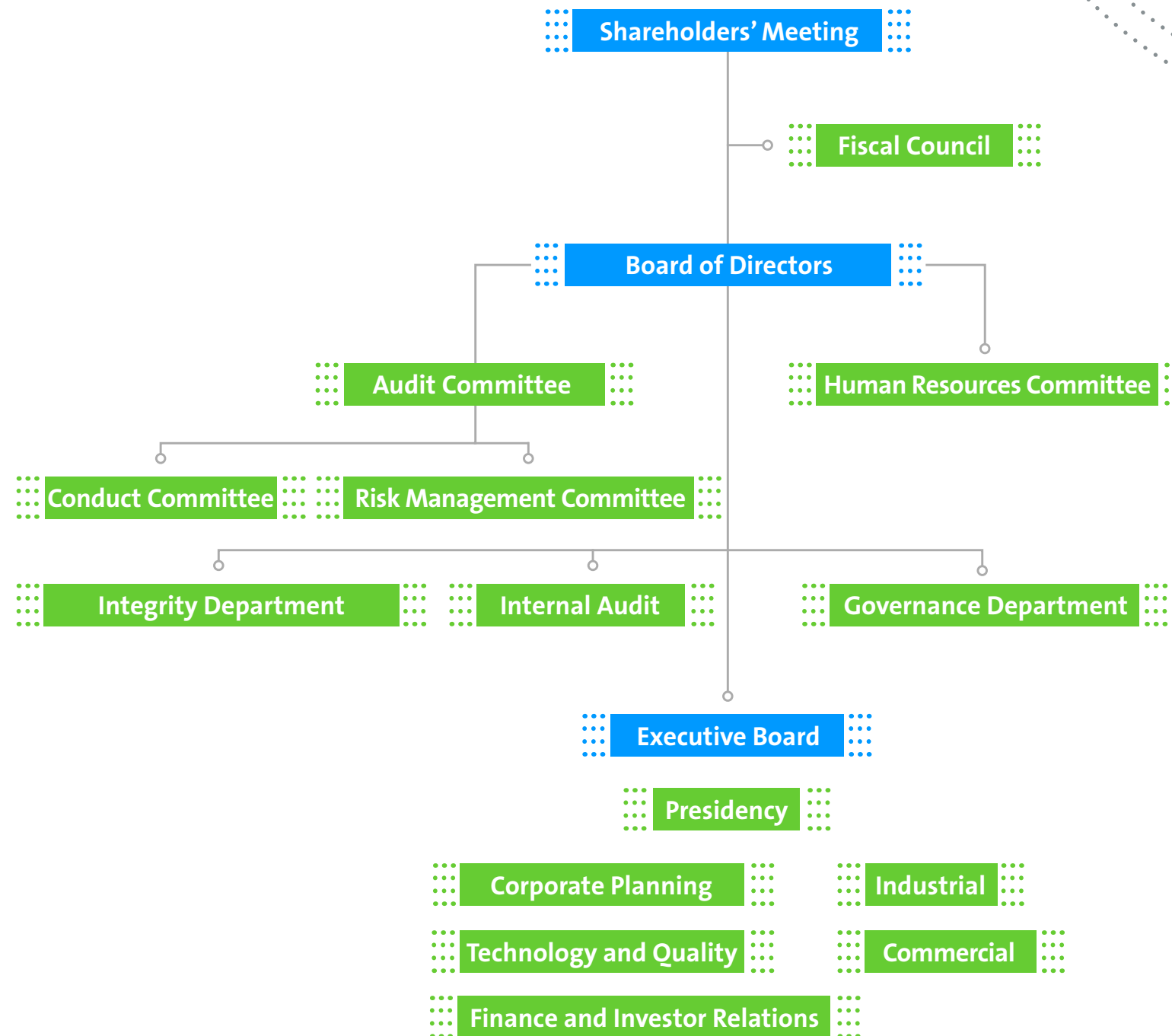
The Company knows that the role of governance is to improve management, optimize strategic decisions, establish standards, make operations more efficient, analyze market risk and increase financial return and business perpetuity.

The 2021 governance highlights are the creation of two new bodies: The Risk Management Committee and the Decarbonization Committee. The first one is creating Usiminas' Risk Policy, so that the Company can identify, treat and eliminate problems that bring negative impacts, as well as enhance opportunities. The second one is engaged in the decarbonization of the Company's production process.

Governance Structure

GRI 102-18

The chart below shows Usiminas' governance structure.



Board of Directors and committees

Board of Directors

GRI 102-19; 102-22; 102-23; 102-24; 102-25; 102-26; 102-31; 102-33

In constant evolution to adapt to market demands, Usiminas' Board of Directors must generally guide the Company's business and decide on strategic matters, seeking to meet the following guidelines:

- To promote continuous growth, always respecting its values and social duty, exercising its legal and statutory powers and complying with the corporate purpose of Usiminas and its controlled and affiliated companies, as well as subsidiaries;
 - To care for the interests of all shareholders, without disregarding other stakeholders;
 - To ensure the Company's perpetuity within a long-term and sustainable perspective, incorporating social, environmental and good corporate governance topics in defining its business and operations;
 - To adopt an agile management structure, composed of qualified professionals with an unblemished reputation;
 - To lay down guidelines for the management of the Company and its controlled and affiliated companies and subsidiaries, which will be reflected in the annual budget;
 - To ensure that strategies and guidelines are effectively implemented by the Executive Board, without, however, interfering in operational matters;
 - To prevent and manage situations of conflict of interest or divergence of opinions, so that Usiminas' interests always prevail.
- The Board of Directors is responsible for electing the Executive Board and defining its duties.
- It consists of eight sitting directors and their respective alternates, who are elected by the Shareholders' Meeting

– including the chairman – for a two-year term of office, with possibility of reelection. The Board of Directors Chairman is prevented from holding the position of Chief Executive Officer at the same time.

The Board of Directors currently has three independent directors, as per item 12 of the Reference Form. They are: Ruy Roberto Hirschheimer, Elias de Matos Brito and Ronald Seckelmann.

The Company does not have a formal nomination policy for directors, therefore the majority of Board of Directors members are nominated according to the rules set out in the Shareholders' Agreement. It is important to clarify, however, that the directors have a diversified profile, with variety of knowledge, education background, experience and culture, which enable a systemic evaluation from different perspectives.

The Board of Directors convenes, on an ordinary basis, four times a year,

according to a calendar established in advance and, extraordinarily, whenever necessary. Still under the effects of the Covid-19 pandemic, in 2021, the Board held 18 meetings, of which 4 were ordinary and 14 extraordinary.

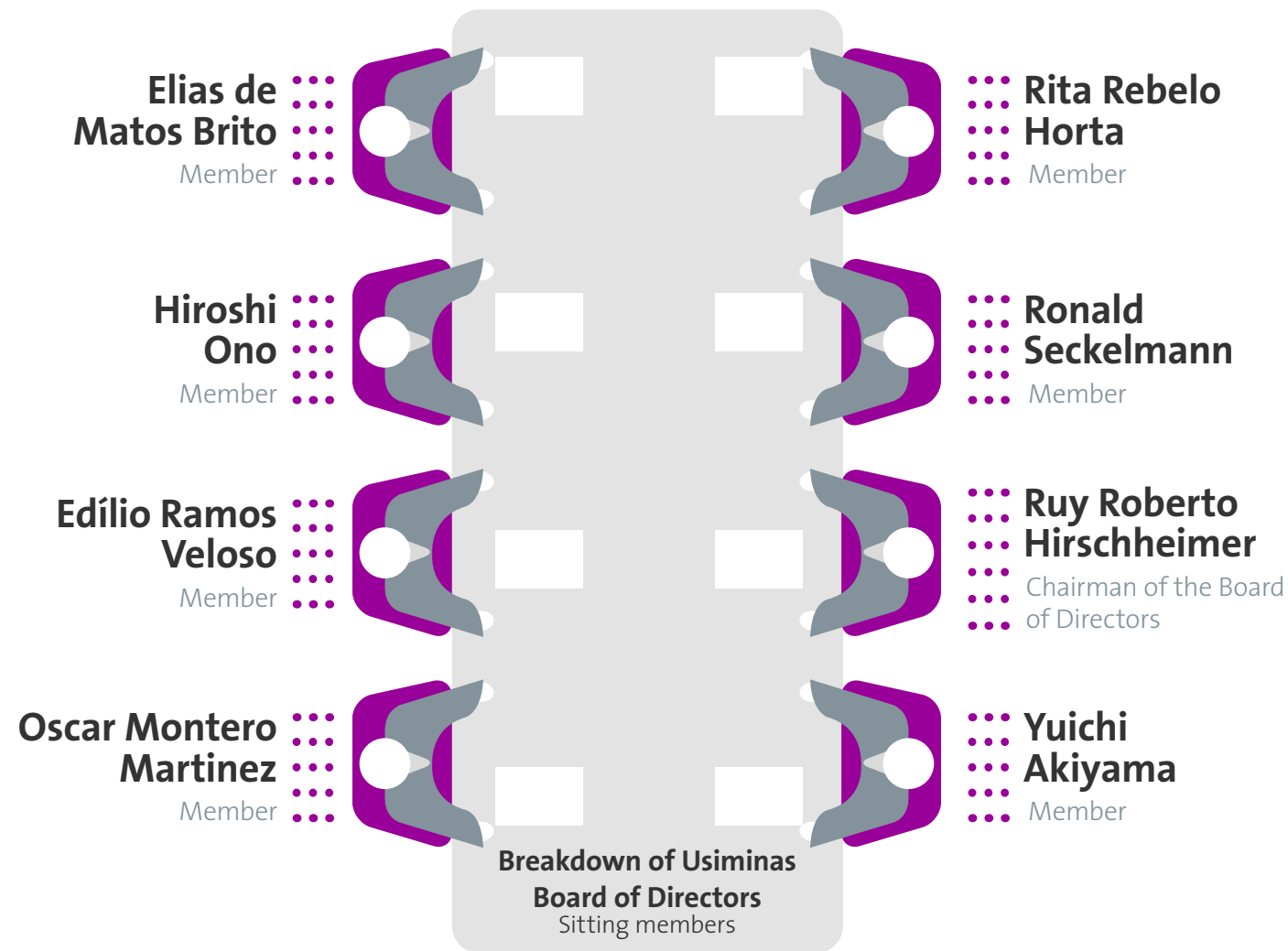
The matters to be discussed at the meetings are available to the directors on the Governance Portal, so they can prepare for the meetings and make decisions. The Executive Board periodically participates in these meetings to present and discuss economic, social and environmental topics that are material to Usiminas.

If a director has a possible conflict of interest with the matters on the Board of Directors' agenda, said member must inform it and abstain from discussing and voting. Decision shall be made by the other exempt members.

The conflict-of-interest disclosures are available in the Company Reference Form.

The Company's Bylaws, which are approved at the Annual Shareholders' Meeting – Usiminas' highest governance body – defines its main concerns, the powers and duties of each body regarding economic, environmental and social aspects, by setting an approval threshold for several transactions, scope/ theme, among others, as laid down in the Bylaws available on the [website](#).

The members comprising the Board of Directors will be resolved on the Annual Shareholders' Meeting scheduled for April 28, 2022. The candidates are listed in the Company's Management Proposal available on Usiminas Investor Relations' website Furthermore, as per [Notice to the Market](#) disclosed on March 28, 2022, the Company's controlling shareholders that are part of the T/T Group and NSC Group informed the names they wish to appoint to comprise Usiminas' statutory Executive Board. Said appointments will be subject to Board of Directors approval at a meeting to be held on May 19, 2022.



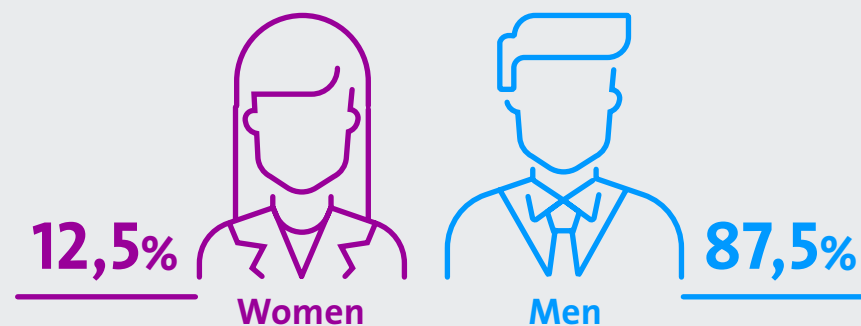
Alternate members

- Fernando Duelo Van Deusen
- Gileno Antônio de Oliveira
- Guilherme Poggiali Almeida
- Henrique de Rezende Vergara
- Mario Giuseppe Antonio Galli
- Tatsuya Miyahara
- Yusuke Tajiri

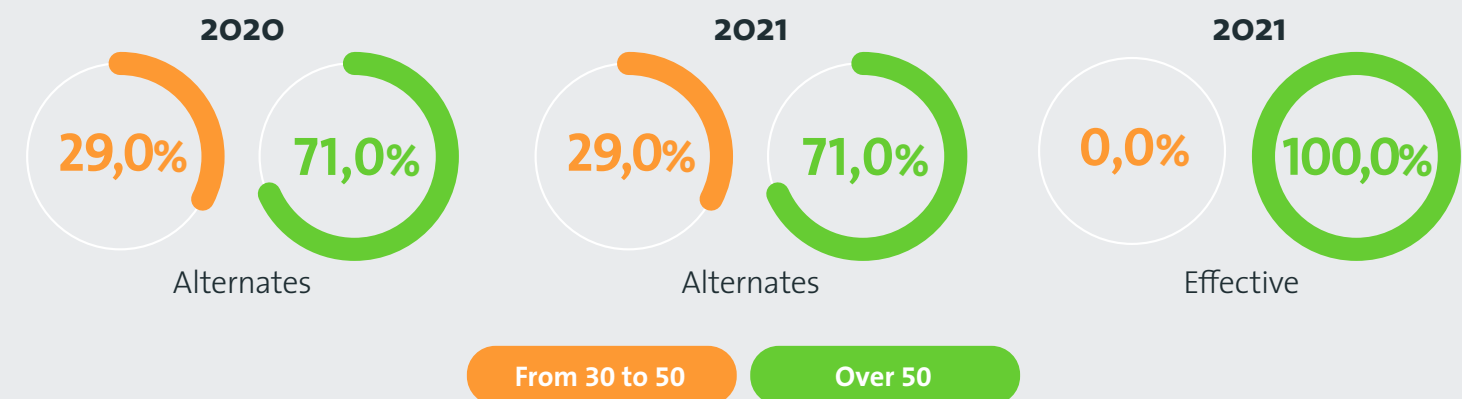
Diversity in governance bodies – Board of Directors, by gender | GRI 405-1

- 8 Effective
- 3 Independent
- 8 Alternates

Percentage of Board members by gender



Diversity in governance bodies – Board of Directors, by age



Fiscal Council

Comprised by members elected at the Annual Shareholders' Meeting, the Fiscal Council is a permanent body responsible for overseeing Usiminas' management and ensuring that they fulfill their legal duties, as set forth in the Company's Bylaws.

The Fiscal Council also analyzes the financial statements, issues opinions on investment plans and budget as well as opinions on proposals for capital stock changes, payment of dividends or a possible transformation, incorporation, merger or spin-off related to the companies of Grupo Usiminas.

The Fiscal Council comprises five members, of which two are independent members elected by the minority common and preferred shareholders and none of said members holds positions at Usiminas.

Advisory Committees

Usiminas' committees do not make decisions, they only advise and recommend actions. The Company has some advisory committees to the Executive Board, including the Commercial, Finance, Costs/Industrial, Strategy and Investments, People Management, Sustainability, Digital and Institutional Committees.

Their purpose is to advise, instruct and subsidize decision-making in matters regarding their respective responsibilities, relying, when necessary, on the participation of managers, employees, specialists and other professionals capable of clarifying the matters in question.

Its members and duties are described in item 12 of the Reference Form.

We present some of Usiminas committees below:

Audit Committee – according to Usiminas Bylaws (article 5, § 2, item “j”), the Board of Directors assigns the committee's responsibilities, which include ensuring that a system to identify, assess and manage the main legal and regulatory risks related to the Company's activities is implemented and periodically assessing its adequacy. Comprised of five members, the Audit Committee is also responsible for assessing and monitoring the external and internal audit works, the quality of the financial statements and exposure to economic, environmental social risks that may significantly impact Usiminas, in addition to playing an important part to ensure the Integrity Program's effectiveness.

Conduct Committee – Its responsibility is to oversee the Integrity Department's performance and work on the accountability process after claims of misconducts related to the Integrity Program's principles are confirmed. It reports to the Audit Committee and, eventually, to the Board of Directors. The committee comprises five members appointed by the Board of Directors.

Risk Management Committee – The Committee was created in 2021 as an advisory body to the Audit Committee, which, in turn, reports to the Board of Directors. Its purpose is to assess the risk management and control of Usiminas, as well as its subsidiaries, ensuring an adequate system to periodically identify and assess risks.

People Management Committee – It follows-up the gender-related goals in the composition of the Board of Directors. Comprised by five members, the Committee is responsible for setting direct and indirect compensation criteria for the Company's management.

Executive Board

GRI 102-19; 102-20

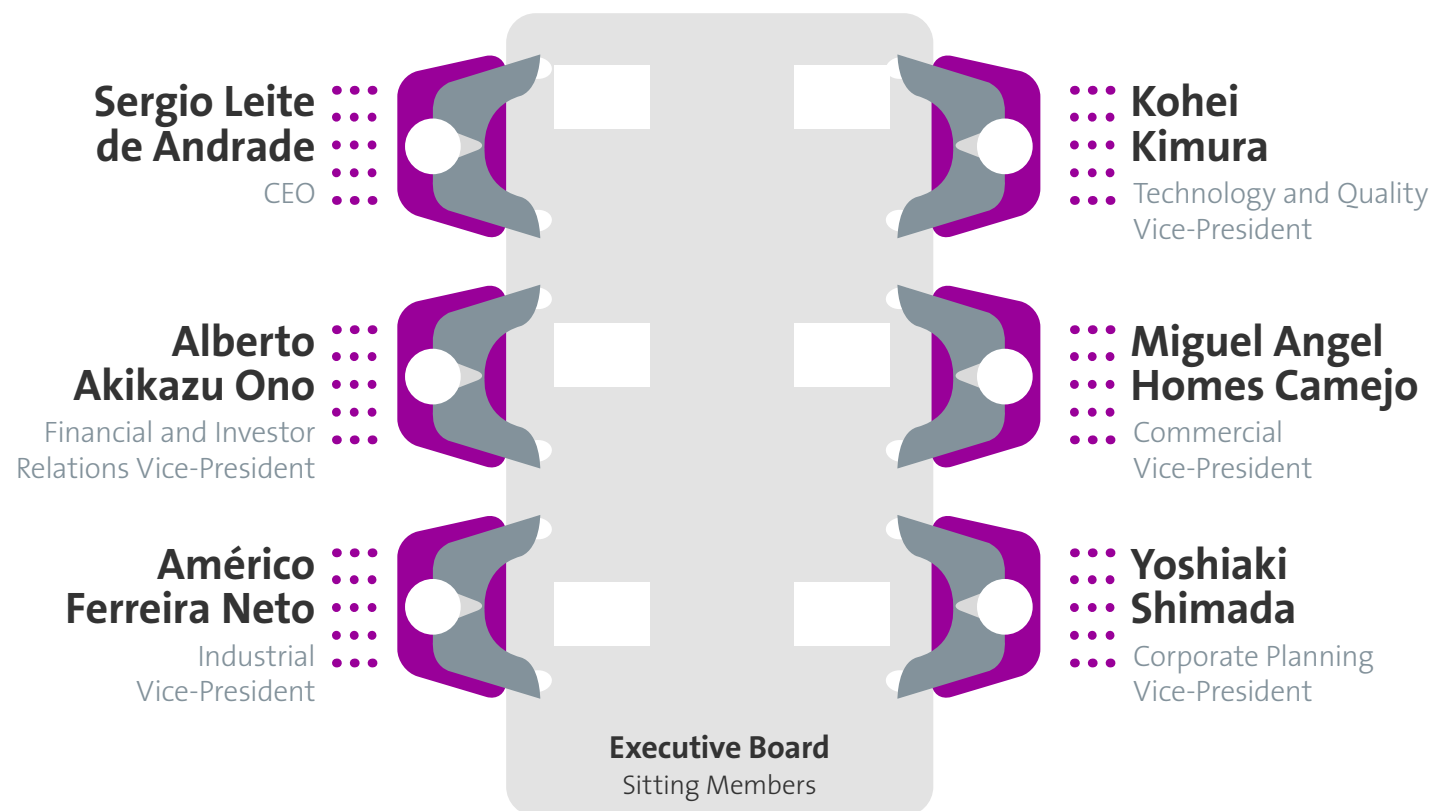
Usiminas Executive Board's mission is to establish the guidelines for its management, guiding them in internal and external relationships. The Board has the obligation to work in an ethical manner, geared towards the interests of the various parties involved in each of the companies and, at the same time, to be mindful of the high quality

of the products and services offered to society, fostering corporate social and environmental responsibility.

Like the Board of Directors, the Executive Officers are elected for a 2-year term of office, with possibility of reelection allowed.

Executive Board members

Effective Members



Internal Audit

Subordinated to the Board of Directors and directly reporting to the Audit Committee, the Corporate Department of Audit contributes to maintaining the Company's corporate governance level, supported by a risk-based audit methodology.

The audit's results allow improvements to the internal controls structure and to corporate governance practices, as well as contribute to implementing preventive measures to reduce the Company's risks.

The Annual Audit Plan, which is submitted to the Senior Management, includes the metrics adopted and the main economic, social and environmental risks mapped during the audit.

Senior Management Compensation

GRI 102-35; 102-36; 102-37

Usiminas' Compensation Policy lays down the guidelines that should be followed when determining the appropriate compensation for the Executive Officers, taking into consideration market standards.

Among the Compensation Policy's principles, we should denote:

- Adopting market practices that can add value to the Company, its shareholders and other stakeholders;

- Generating long-term economic value, in order to avoid conflicts of interest and maintain business perpetuity;
- Contribution of each member of the Board of Directors and the Executive Board to achieving Usiminas' strategic goals.

The senior management's annual overall compensation shall be determined by the shareholders at the General Meeting, as well as profit sharing, which should be calculated as long as shareholders have been assured the payment of mandatory dividends set forth in article 24, paragraph 5 of Usiminas' Bylaws.

For the 2021 cycle, compensation has been approved by majority of votes, of which more than 572 million votes in favor and 185,137 against, according to the [Minutes of the Annual Shareholders' Meeting \(available only in Portuguese\)](#).

The Executive Officers will be entitled to a fixed compensation, which should consider market standards for professionals with similar duties and responsibilities as well as the current economic scenario. Fixed compensation will be established by the Board of Directors after consulting with the Human Resources Committee and will be paid monthly throughout the year.



The officers are also entitled to a variable compensation – bonus – determined according to economic, financial, quantitative and qualitative indicators related to the Company's overall performance and to the achievement of collective and individual goals. These goals will be calculated based on the audited annual balance sheet and results will be presented to the Board of Directors for verification and approval before the payment of the bonus, if any.

In 2021, the Board of Directors approved and determined that about 20% of the Executive Board's bonus will be directly related to topics of the ESG Agenda, which represents Usiminas' commitment to improving its governance.

The executive officers' compensation can also include a long-term incentive compensation plan in the stock market, established according to Usiminas' results and interests.

They will also be entitled to benefits such as medical and dental insurance, life insurance and a private pension plan, which are generally extended to Usiminas' employees. If an executive officer is not eligible for such plan, an open private pension plan may be offered provided that it complies with the terms approved by the Board of Directors.

The methodology used to calculate and adjust the Executive Board's fixed compensation is based on the assessment of market practices and the current economic scenario, and is subject to Usiminas' best interests.

This methodology aims to ensure that compensation is competitive and in line with the market and the interests of shareholders.

Every year, based on the recommendation of the Human Resources Committee, the Board of Directors reviews the set of indicators and goals in order to adjust them to market practices, to the global and domestic economic scenario as well as to the interests of shareholders. This review aims to encourage the Company's sustainable long-term performance, always in Usiminas' best interests.

For the Board of Directors, compensation is paid based on amounts approved by the Annual Shareholders' Meeting and there is no variable compensation. The Company offers health and dental insurance as benefits to the chairman of the Board of Directors.

The monthly compensation of Fiscal Council sitting members is determined at 10% of the Company's statutory officers average fixed compensation, pursuant to paragraph 3 article 162 of Law 6.404/76. there is no variable compensation.

Usiminas relies on KornFerry HayGroup's Hay score methodology to evaluate the positions and holds periodic salary surveys to check its competitiveness compared to the market, concerning the different items of the overall compensation. The salary chart is adjusted based on said surveys, geared towards the alignment with market average.

Usiminas adopts the practice of contracting independent consulting companies to run customized periodic salary surveys. Consulting companies working on compensation projects sign a confidentiality agreement that protects Usiminas from leakage of information used in the compensation research and studies.

Plus, the Company has a profit sharing and bonus program with targets established for each employee group: CEO/ vice-presidents, executive officers, directors, general managers, senior and associate specialists, department heads and other employees.

Usiminas also hires renowned consulting companies to run customized periodic salary surveys and, whenever necessary, advise on the use of a specific methodology or the purchase of market tools and reports, always focused on having access to best practices.

Consulting companies working on compensation projects are always independent and sign a confidentiality agreement that protects Usiminas from leakage of information used in the compensation research and studies.

TRANSPARENCY AND INTEGRITY

GRI 102-12; 103-1; 103-2; 103-3

For Usiminas, working with ethical conduct, integrity and morality represents safeguarding the brand's perpetuity in the market and impacts building a fair, peaceful and inclusive society. Therefore, managing an Integrity system involves avoiding, mitigating and remediating possible negative impacts that may eventually harm Usiminas' reputation, while enhancing the positive impacts for the benefit of society and all stakeholders.

The work done throughout 2021 has echoed the entire Usiminas team's commitment to respect, integrity and transparency, attitudes that are required in the relationships with internal – all employees, regardless of hierarchical position, including the Board of Directors and Fiscal Council members – and external stakeholders, e.g. suppliers, third party intermediaries, customers, public authorities, civil society, press and several other stakeholders that are part of Usiminas daily activities.

Directly to employees, the Company offers in-person and online training, interactions, a week entirely dedicated to integrity, etc. Moreover, we continued with the meetings and training of Integrity Ambassadors, supporters on various fronts who help disseminate the integrity culture and reinforce that “doing what is right, always works out.”

More than just inspiring employees through the integrity culture, the Company is engaged in disseminating and affirming its practices by actively participating in national and international integrity movements, such as UN's Global Compact and Ethos Institute's Themed Guide, which foster an ethical and transparent environment.

With regard to the transparency of information, the Company relies on the Governance Portal, which ensures governance agents in general complete and equal access to information about the company and its subsidiaries.

The Program's main sponsors are the members of the Board of Directors and the Company's committees, officers and managers, who have the mission of applying it in their routines as role models to be followed and disseminated to the rest of the team. Through various initiatives, it is possible to see the Company's engagement in spreading ethics and transparency throughout the entire steel value chain.

The Integrity Program comprises the Code of Ethics and Conduct and other six Integrity Policies and is managed by a structure comprising three basic bodies: the Audit Committee, the Conduct Committee and the Integrity Department.



Audit Committee:

it is responsible for advising the Board of Directors on overseeing the actions performed by the Integrity Department and the Conduct Committee, ensuring that the Integrity Program is properly implemented and enforced;



Conduct Committee:

this committee, whose five members are appointed by the Board of Directors, follows-up and oversees the Integrity Department's performance and works on the accountability process after claims of breaches to the Integrity Program's principles are confirmed. It reports to the Audit Committee and, eventually, to the Board of Directors.



Usiminas Code of Ethics and Conduct and Integrity Policies

The Code of Ethics and Conduct and the Integrity Policies provide guidelines on ethical and lawful behaviors, in addition to establishing what the Company understands as organizational integrity.

Code of Ethics and Conduct: The document reflects the entire Usiminas team's commitment to the legislation in force and the internal rules that govern the activities of own and outsourced employees, both individually and as the Usiminas Group. Everyone must comply with the Code's conduct rules and guidelines, which lay down the principles that should ground the decision-making process and the relationship with all stakeholders.

Anti-Corruption Policy: its purpose is to establish minimum behavior standards for own employees – regardless of their level, position or place of work – as well as for outsourced employees when dealing with situations that may involve or be deemed as corruption, particularly in the relationship with public authorities, clearly stating Usiminas' intolerance towards any unlawful act.

Giveaways, Gifts and Hospitality Policy: it lays down Usiminas' position towards the deliver, offer, promise and receipt of giveaways, gifts, entertainment, trips and other hospitalities by Usiminas' employees.

Competition Policy: it establishes additional guidelines to the Code of Ethics and Conduct and the Brazilian antitrust

legislation – Law 12.529/2011 and its rules – on how Usiminas' employees should act in Brazil and abroad, amid business practices and corporate relations in which they may participate, to ensure compliance with Brazilian laws and the Company's internal rules. This policy ensures free and ethical business, in which trade relations are based on strict compliance to the law and based on principles of honesty and respect.

Policy on Conflict of Interest and Transactions with Related Parties: it lays down integrity guidelines and complements the provisions on conflict of interest set forth in the Code of Ethics and Conduct, in order to eliminate or mitigate any concrete or apparent situation that may result in conflict of interest. It is also aligned with Usiminas' Bylaws.

Policy for hiring additional services to the Audit works:

it sets forth the principles and guidelines that govern the hiring of additional services to the audit works, in order to ensure compliance.

Disclosure and Securities Trading Policy: it lays down criteria and procedures related to the disclosure of information regarding material acts or facts, as well as the rules for the Company itself, its controlling shareholders, executive officers and employees trade securities issued by the Company, who have access to Privileged Information, in order to prevent insider trading.

Sponsorship and Donation Policy: it provides guidance and helps on the conduct of employees in the case of sponsorships and donations to be given during their commercial and institutional relations, considering the need to avoid situations that may be deemed as corruption, as well as reinforce the ethical and integrity standards laid down in the Code of Ethics and Conduct. Among this Policy's guidelines, we must denote: it is prohibited to make donations in exchange of personal benefits or undue advantages, or to influence the decision of a public agent or government authority; donations to political parties, political campaigns and/or candidates for a public office by Usiminas companies or on their behalf, are absolutely prohibited.

Policy on Relationships with Third Party Intermediaries:

it governs the integrity guidelines for relationships with third party intermediaries and complements the procedures for their qualification, registration, assessment, hiring and interactions. Usiminas may only enter into agreements with third-party intermediaries that have been selected in accordance with the rules set forth in this policy. This prevents commercial agreements with companies that, for example, adopt corrupt and unethical practices.

Usiminas goes beyond the limits of the legislation, by actively encouraging and demanding from its partners an equally honest and transparent position.

The Company also complies with the applicable legislation and the even more restrictive provisions related to publicly traded companies and the regulations of the Brazilian Securities and Exchange Commission (CVM), as well as B3's Level 1 listing rules.



AMONG THIS POLICY'S GUIDELINES, WE MUST DENOTE:

it is prohibited to make donations in exchange of personal benefits or undue advantages.



Integrity department

GRI 102-16; 205-2; 412-2

The integrity Department is responsible for promoting the culture and encouraging a conduct based on ethics and transparency, and all employees must contribute and foster integrity in their daily activities.

Among its responsibilities is to hold lectures, training, engagement and communication actions, initiatives targeted at the leaders, among others, always with the aim of fostering a culture focused on ethics and transparency.

Comprised of eight professionals trained and specialized to meet the area's demands, the Department also has the support of 28 Integrity Ambassadors, Usiminas Group's employees who disseminate the ethics and transparency

culture. It reports to the Board of Directors and to the Conduct and Audit Committees.

Through the Corporate University, the Integrity Department makes Usiminas' guidelines accessible and didactic, offering training on the Code of Ethics and all integrity policies previously mentioned in this report.

The Integrity Department informs about anti-corruption procedures, laid down in the Company's Code of Ethics and Conduct and the Anti-Corruption Policy, to 100% of Usiminas' business partners. [Click on this link to learn more about these procedures.](#)

The Integrity Department informs about anti-corruption procedures, laid down in the Company's Code of Ethics and Conduct and the Anti-Corruption Policy, to 100% of Usiminas' business partners.



Integrity Department's initiatives

We present below are some activities developed by the Integrity Department in 2021

- Launch of 4 e-Learning trainings on the following policies: Policy on Conflict of Interest and Transactions with Related Parties, Sponsorship and Donation Policy, Competition Policy and Giveaways, Gifts and Hospitality Policy.
- Training 100% of the members of the Board of Directors, Fiscal Council, Audit Committee on anti-corruption practices.
- Informing 100% of the members of the Board of Directors, the Fiscal Council, the Audit Committee and employees about the anti-corruption policies and procedures adopted by Usiminas.
- E-learning Training offered to 100% of employees hired up to 2020 on the Code of Ethics and Conduct and Anti-Corruption Policy, which encompasses human rights topics, amounting to 9,600 training hours.
- Continued with the e-learning training offered to employees hired in 2021 on the Code of Ethics and Conduct and Anti-Corruption Policy. The Company expects that 100% of new employees will receive the training by 2022.
- Offering e-learning training to specific employees on the Policy on Relationship with Third Party Intermediaries and training Third Party Intermediaries on the Integrity Program.
- Regular meetings of the Integrity Ambassadors projects to train them on integrity, including the Open Channel.
- Campaigns and testimonials of the senior management to the Integrity Program.
- Informing, through external and internal channels, about integrity-related topics
- Release of campaigns about the Open Channel, addressing some of the key principles of complaint management, including anonymity of the user reporting the complaint, information confidentiality and non-retaliation, protecting all complaints and whistleblowers in good faith.
- Integrity Week, a period fully dedicated to disseminating the topic, encouraging discussions on the Integrity program and focused on matters related to ethics, respect and diversity.
- Mapping suppliers that have access to Usiminas' plants in order to offer training and raise their awareness about the Integrity Program.
- Mapping the Risks of the Integrity Department, which allowed to identify and treat risks inherent to the Department's activities.

The progress and maturity of the Integrity Program, which was launched in 2019, are notable. Increasingly sophisticated internal controls, such as the Integrity Tool, the Due Diligence tool and the Open Channel (the Company's whistleblower channel), help the Department to prepare more effective action plans and are some of the highlights. As the program advances, new challenges are presented, one of them being to revise the Integrity Program policies.



Integrity control at Usiminas and process automation

GRI 102-17



Integrity Tool

Its purpose is to record, facilitate and clarify doubts, as well as monitor compliance with the Integrity Program's guidelines. The tool has the following modules: Questionnaire attached to the Policy on Conflict of Interests, form for Contact with Public Authorities, form for registering the receipt of Giveaways, Gifts and Hospitality and consulting module named Integrity Consultation.



Due Diligence

Procedure that makes it possible to know and assess the integrity risks to which Usiminas may be exposed. The Integrity Department uses the due diligent to assess the profile, history, reputation and anti-corruption practices of individuals and/or legal entities that have a direct or indirect relationship with the Company.



Open Channel (Whistleblower Channel)

This tool allows the Company to record report complaints submitted by any stakeholder regarding the violation of the Integrity Program's principles, protecting the user's identity and information confidentiality.

In 2021, the Integrity Department outsourced the Open Channel tool, providing even more confidentiality, transparency and impartiality in treating complaints, which are received by Safe Contact and managed by the Integrity Department.

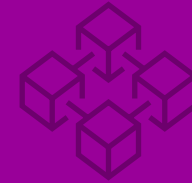
Complaints are assessed by the Integrity Department and results are submitted to the Conduct Committee, who decides on the disciplinary and remedy measures. They are also reported to the Audit Committee and the Board of Directors.

In 2021, the channel received 530 reports, of which 29% were confirmed. As a result of the investigations, 107

actions were taken, including process improvements and disciplinary measures.

The Open Channel's investigation lead time, i.e., the response time to complaints was 60 days in 2021, which corresponds to a market benchmark.

The Open Channel is available 24 hours a day, 7 days a week and can be accessed on Usiminas' website, on the Intranet – an internal tool for employees –, on the app or by phone at 0800 900 9093, free of charge and with a humanized service.



In 2021, the Company began to engage players in its value chain in a project called Steel Chain. Usiminas held an online event with customers and suppliers to present its sustainability strategy and its intention to work together with them towards sustainable development.



SUSTAINABILITY MANAGEMENT

GRI 102-20; 102-27

Usiminas continues to make progress in its sustainability management. After the creation of the Corporate Department of Sustainability and the Sustainability Committee in the previous year, the main topics of the ESG Agenda in 2021 were addressed with an even greater strategic focus and have been monitored by the corporate department and addressed in the committee's ordinary meetings. It is important to note that the Committee is composed of 15¹ members and 4 meetings are scheduled every year, which also include the attendance of guests and external experts as a way to enrich the discussions and the sustainability culture at Usiminas. The matters addressed by the Committee are also addressed by the Company's Executive Board and can be included in the Board of Directors' agenda.

The active participation and follow-up of the activities of the main sector entities, e.g., the World Steel Association, Alacero, Brazil Steel Institute and the Brazilian Institute of Mining (IBRAM), ensure that our strategic guidance is aligned with the best practices in our industry. It is important to mention that, since April 2021, Usiminas participates in UN's Global Compact and is aligned with its main commitments to sustainable development through its principles and SDGs.

An important outcome of the Company's strategic alignment with the ESG theme was setting goals for the executive board that are directly linked to the ESG agenda. They represent 20% of the global goals for the period, thus directly influencing their variable compensation.

Within the context of strengthening the sustainability strategy and management, Usiminas published 7 goals related to the ESG agenda in 2021, focused on carbon emissions, health and safety, diversity and dam safety. In 2022, the Company will have 10 commitments, with an even more comprehensive agenda, including topics such as water efficiency, renewable energy, customer satisfaction and environmental compliance.

In order to ensure a better alignment with the Company's sustainability strategy, Usiminas conducted an extensive training on its Sustainability Corporate Rules that had been defined by the end of 2020. We trained more than 7,600 employees.

In the environmental field, the main delivery in 2021 was the Dry Stacking System, for the disposal of tailings generated in iron ore processing, which allows Mineração Usiminas (MUSA) to stop using dams.

In relation to climate change, Usiminas prepared its Greenhouse Gas Emission Inventory and submitted it for external assurance according to ISO 14.064 standard, which offers a set of tools to measure, monitor, report and verify CO₂ emissions in the atmosphere. The Company also published its inventory in the GHG Protocol. It is worth highlighting that Usiminas participated in the Carbon Disclosure Project (CDP) program for the first time in 2021 and received score C.

1.This 15 members are members of the Decarbonization committee.

The company has demonstrated an important progress in reducing particulates in Ipatinga. After investments of R\$100 million between 2019 and 2021, a reduction of up to 66% of particulate matter in bordering neighborhoods can already be seen. For the coming years, the Company will make new investments and establish new reduction goals together with the Public Prosecutor's Office for the Environment.

In the social area, Usiminas continues to be a reference in the development and implementation of social projects, especially in the cities where it operates by participating in regional committees. Every six months, surveys are conducted to measure the impacts caused in local communities, creating a closer relationship with local stakeholders and enabling more assertive projects and initiatives in these locations. In 2021, Usiminas held its first public call for social and cultural projects.

In the governance field, the Management monitors sustainability management in order to strengthen it and also, in 2021, the Company has implemented the Risk Management Department, which is part of the Corporate Department of Internal Audit, whose scope has been expanded. This Department is responsible for assuring

the Executive Board and the Board of Directors that the risks arising from internal processes are monitored by means of a single methodology, as well as for supporting other Usiminas departments in managing their risks.

Also in 2021, the Company began to engage players in its value chain in a project called Steel Chain. Usiminas held an online event with customers and suppliers to present its sustainability strategy and its intention to work together with them towards sustainable development. By 2022, the Company will work in several initiatives involving these stakeholders.

Performance of ESG goals

Usiminas' goals are in line with the Company's material topics and important aspects of the ESG Agenda. Thus, it is possible to build a broader and more integrated report, keeping the information pattern throughout time.

Out of the seven goals presented for 2021, Usiminas reached five. Out of these five, three are related to the Carbon Emission indicator: concluding the inventory of GHG emissions with independent assurance, joining the Carbon Disclosure Project (CDP) and disclosing the GHG inventory through







the GHG Protocol. The other two are in line with the Dam Safety indicator: migration to dry stacking system and de-characterization of the Central dam with certification from proper authorities. All goals were achieved during the year.

With regards to the goal to have 10% of female employees in the industrial department by 2022, Usiminas identified the need to extend this deadline to 2025.

Accordingly, we will invest in affirmative actions that enable us to increase the number of women in the regions where Usiminas operates.


Lastly, Company has not met only one goal, which was to achieve lost-time injury frequency rate of less than 0.3. In 2021, this rate was 0.61, that is, Usiminas did not achieve the expected goal, however the Company renews its commitment to 2022.

Follow-up of Goals

Indicator	Goal	Status
Index of women in the company's Industrial area	10% of women in the company's Industrial area by 2022	Reviewed
Recorded accident frequency rate	Zero Accident Target. Lost Time Accident frequency rate less than 0.3 in 2021	
Carbon Emission	Conducting GHG emission inventories in 2021 with independent certification	
	Participation in the CDP (Carbon Disclosure Project)	
Dam Safety	Disclosure of the inventory through the GHG Protocol	
	Migration of the traditional waste disposal method to filtering in the 2Q21	
	Decharacterization of the Central dam in the 1Q22, certified by the proper authorities	

 In line with planning











 Late in relation to planning

 Not achieved



Continuing with the commitment to sustainable development and transparency, the Company continues to increase its ambitions focused on the ESG Agenda. Therefore, for 2022, the Company announced a new set of sustainability goals, this time in larger number and addressing more themes, keeping the commitment to transparency with its stakeholders.



New Goals for 2022





Indicator	Goal
 Water Efficiency	Achieve 94.6% annual average recirculation by 12/31/22 in Ipatinga Plant
 Self-generation of renewable energy	Contract at least 10% of Usiminas' total energy consumption from clean and renewable energy for 2025
 Emissions Inventor	Conducting a GHG inventory at the units of Mineração Usiminas and Soluções Usiminas until 12/31/22
 Scope 3 carbon emission	Engagement of 75% of Critical Suppliers with Scope 3 to Usiminas' climate agenda by 12/31/22
 Accident frequency rate	Zero Accident Goal. Lost-time accident frequency rate (CPT) recorded below or equal to 0.3 in 2022
 Women in apprentice training courses	Reach at least 55% of women in apprentice training classes by 12/31/22
 Pilots for safety risk reduction	Execute 80% of innovation pilots with potential to reduce security risk
 General Customer Satisfaction Index	General Customer Satisfaction Index higher or equal to 89.7% in 2022
 Products with RoHS and ELV certifications	100% of the production of laminates, certified in RoHS and ELV Standards
 Environmental Compliance Program	Implementation of the Environmental Compliance Program until 12/31/2022





Global Compact and Sustainable Development Goals

GRI 102-12; 203-2

Mindful of the importance of taking concrete sustainability initiatives, in 2021, Usiminas committed to all principles of the Global Compact and to take action on 14 out of the 17 United Nations' (UN) Sustainable Development Goals (SDG) – a global action plan developed in partnership with public authorities, the academy, civil society and the private sector.

GLOBAL COMPACT PRINCIPLES	COMMITMENT	2021 ACHIEVEMENTS
 <p>1. Business should support and respect the protection of internationally proclaimed rights.</p>	<p>Usiminas' commitment to human rights is laid down in the Sustainability Corporate Rule and the Code of Conduct. These instruments regulate the entire company's conduct and govern the relationship with all stakeholder groups.</p>	<p>Health remains one of the Company's concerns. Thus, Usiminas has maintained all initiatives to fight COVID-19 (See more on page 86). Another highlight was the new Hospital Libertas, which is under construction together with the São Francisco Xavier Foundation. When the hospital opens, it will feature 140 beds out of the 380 planned. Márcio Cunha Hospital, in turn, is the 17th best hospital in Brazil.</p> <p>It is also important to mention that all follow-ups and assessments related to Human Rights for the Company's new and current suppliers have been maintained.</p>
 <p>2. Make sure that they are not complicit in human abuses.</p>	<p>Usiminas' commitment to make sure the company is not complicit in human abuses is laid down in the Sustainability Corporate Rule and the Code of Conduct. These instruments regulate the entire company's conduct and govern the relationship with all stakeholder groups. The Company has created mechanisms to fight and prevent possible human rights abuses.</p>	<p>All follow-ups and assessments related to Human Rights for the Company's new and current suppliers have been maintained.</p>

GLOBAL COMPACT PRINCIPLES	COMMITMENT	2021 ACHIEVEMENTS
 <p>3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>Usiminas' commitment to support freedom of association and the effective recognition of the right to collective bargaining is laid down in the Sustainability Corporate Rule and the Code of Conduct. These instruments guide the Company's actions, determining affirmative initiatives and control mechanisms in case of misconducts.</p>	<p>100% of Usiminas employees are covered by collective bargaining agreements.</p>
 <p>4. The elimination of all forms of forced or compulsory labor.</p>	<p>Usiminas' commitment to the elimination of all forms of forced or compulsory labor is laid down in the Sustainability Corporate Rule and the Code of Conduct. These instruments guide the Company's actions, determining affirmative initiatives and control mechanisms in case of misconducts.</p>	<p>All follow-ups and assessments related to forced or compulsory labor for the Company's new and current suppliers have been maintained.</p>
 <p>5. The effective abolition of child labor.</p>	<p>Usiminas' commitment to the effective abolition of child labor is laid down in the Sustainability Corporate Rule and the Code of Conduct. These instruments guide the Company's actions, determining affirmative initiatives and control mechanisms in case of misconducts.</p>	<p>All follow ups and assessments related to child labor for the Comapany's current and new suppliers have been maintained.</p>
 <p>6. The elimination of discrimination in respect of employment and occupation.</p>	<p>Usiminas' commitment to the elimination of discrimination in respect of employment and occupation is laid down in the Sustainability Corporate Rule and the Code of Conduct. These instruments guide the Company's actions, determining affirmative initiatives and control mechanisms in case of misconducts.</p>	<p>Usiminas has made progress in gender diversity indicators, with the percentage of female employees increasing from 8.1% to 9.1%. For 2022, Usiminas has revised its diversity goal and will work on the qualification and training of female employees. The goal is to reach at least 55% of female apprentices in the training programs.</p>

GLOBAL COMPACT PRINCIPLES	COMMITMENT	2021 ACHIEVEMENTS
 <p>7. Business should support a precautionary approach to environmental challenges.</p>	<p>Usiminas' commitment to support a precautionary approach to environmental challenges is laid down in the Sustainability Corporate Rule and the Code of Conduct. These instruments, coupled with a robust Environmental Management System, guide the Company's actions, determining affirmative initiatives and control mechanisms in case of misconducts.</p>	<p>The sustainability corporate rule was released in 2021 (access the link). We achieved 6 out of the 7 goals set for 2021 and, for 2022, we disclosed 10 new commitments. See more on page 47.</p>
 <p>8. Undertake initiatives to promote greater environmental responsibility.</p>	<p>Usiminas' commitment to support a precautionary approach to environmental challenges is laid down in the Sustainability Corporate Rule and the Code of Conduct. These instruments, coupled with a robust Environmental Management System, guide the Company's actions, determining affirmative initiatives and control mechanisms in case of misconducts. Usiminas has environmental responsibility initiatives targeted at its entire value chain, especially its suppliers.</p>	<p>The sustainability corporate rule was released in 2021 (access the link). We achieved 6 out of the 7 goals set for 2021 and, for 2022, we disclosed 10 new commitments. See more on page 47.</p>
 <p>9. Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Usiminas' commitment to encourage the development and diffusion of environmentally friendly technologies is laid down in the Sustainability Corporate Rule.</p>	<p>Our InovaAí Program closed the 2021 cycle with 1,120 ideas produced. Usiminas organized an event with its customers to present its sustainability strategy.</p>
 <p>10. Business should work against corruption in all its forms, including extortion and bribery.</p>	<p>Usiminas' commitment to work against corruption in all its forms, including extortion and bribery, is laid down in the Sustainability Corporate Rule as well as in the Company's entire Integrity Program, which has 7 specific rules. These instruments guide the Company's actions, determining affirmative initiatives and control mechanisms in case of misconducts.</p>	<p>It is important to note that Usiminas organized an event with its customers to present its sustainability strategy.</p>

Sustainable Development Goals

GRI 203-2

SDG	MATERIALITY	DESCRIPTION	NEGATIVE EXTERNALITIES	POSITIVE IMPACTS	2021 EVOLUTION
Ensure healthy lives and promote well-being for all at all ages					
	Yes	The topic has been assessed and considered material. Usiminas takes action through several initiatives with its internal stakeholders and the communities where it operates, directly contributing to achieve this SDG.	Usiminas monitors and controls all its operation standards that may be harmful to health.	Usiminas' health and wellness programs, targeted at its employees. FSFX operations. Allocation of properties and equipment to common use, targeted at a fostering healthy life.	The start of the construction works of Hospital Liberta is one of the highlights of the Company's progress throughout 2021. The hospital will be opened in 2023 and will offer 350 beds. In this topic, it is also important to emphasize the inauguration of the Usiminas Memory Center. Márcio Cunha Hospital, in turn, is the 17th best hospital in Brazil.
Ensure inclusive and equitable quality education and promote lifelong learning opportunities to all					
	Yes	This topic was assessed and considered material. Through the FSFX, Usiminas Culture Institute and programs such as Usiminas Mobiliza pelos Caminhos do Vale, the Company indirectly contributes to achieving this SDG.	They have not been identified, however, Usiminas undertakes to annually reassess the matter.	In the Mobiliza pelos Caminhos do Vale program, steel aggregate from the steel mills is used to pave several rural and urban roads, improving accessibility to rural communities. For schools, this initiative resulted in a higher attendance rate for students living in rural areas.	Through the São Francisco Xavier Foundation and the Usiminas Institute, the Company continued to work on educational projects. One of results of said initiatives is the improvement seen in school attendance, through projects such as the Mobiliza pelos Caminhos do Vale, which has paved more than 3 thousand kilometers of rural roads.
Achieve gender equality and empower all women and girls					
	Yes	This topic was assessed and considered material. Usiminas has implemented its D&I program in 2019 and has a pillar dedicated to gender equality topics.	Inequality of gender is a hurdle to sustainable development.	Through the Diversity and Inclusion Program, the Company has contributed to reducing gender inequalities. Through the Gender Equality pillar, the Company carries out several initiatives that fosters the presence of women in several positions of Usiminas' operations	Usiminas has made progress in gender diversity indicators, with the percentage of female employees increasing from 8.1% to 9.1%. For 2022, the Company has revised its diversity goal and will work on the qualification and training of female employees. The goal is to reach at least 55% of female apprentices in the training programs.

SDG	MATERIALITY	DESCRIPTION	NEGATIVE EXTERNALITIES	POSITIVE IMPACTS	2021 EVOLUTION
Ensure availability and sustainable management of water and sanitation for all					
	Yes	This topic was assessed and considered material. Water is a fundamental input to the steelmaking process and the pursue of hydro efficiency is a material topic to the Company. At the Company's operations, water resources are constantly monitored, whether in water withdrawal, consumption, recirculation and/or effluent treatment.	Intensive water use and liquid effluent generation at the Steelmaking and Mining operations.	Through the Mobiliza Todos pela Água program, cities that receive Usiminas' steel aggregate undertake to recover headwaters. High water recirculation rate.	MUSA does not have operational dams. The Company has been using the dry stacking system since December 2021.
Ensure access to affordable, reliable, sustainable and modern energy to all					
	Yes	This topic was assessed and considered material. The Company contributes to this goal through the development of steel solutions to serve the photovoltaic and wind power sector.	They have not been identified, however, Usiminas undertakes to annually reassess the matter.	The Company entered into an agreement for the use of renewable energy, accounting for 12% of its total consumption, and also by serving clean energy industries (solar and wind power).	The Company entered into a partnership for the self-production of 30 average megawatts of solar power as of 2025, accounting for 12% of total energy used by Usiminas.
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all					
	Yes	This topic was assessed and considered material. Usiminas has contributed to this goal through the economic results from our operations, which are distributed to society through salaries paid to our staff, economic transactions in our production chain, health supporting programs and training offered to our employees. Financial transactions and job creation through Usiminas' steel value chain are also a highlight.	High economic dependence of some cities where the Company's operations are located.	Economic results from our operations, which are distributed to society through salaries paid to our staff, taxes paid and economic transactions in our production chain, health supporting programs and training offered to our employees.	Health remains one of the Company's concerns. Therefore, Usiminas has maintained all initiatives to fight COVID-19 (see more on page 86). Usiminas resumed Blast Furnace 2's operations in June 2021.

SDG	MATERIALITY	DESCRIPTION	NEGATIVE EXTERNALITIES	POSITIVE IMPACTS	2021 EVOLUTION
To build resilient infrastructure, foster inclusive and sustainable industrialization as well as innovation					
	Yes	This topic was assessed and considered material. Usiminas acts as an anchor company fostering the entire steel chain and new projects and technologies development.	The steelmaking process uses nonrenewable natural resources.	Steel is one of the world's most recyclable and recycled material, being broadly used in several sectors of the economy. Through technological innovation, the Company is able to produce even more efficient steel. The steelmaking sector fosters steel collection and recycling from products that reached the end of their useful life, using it to manufacture new steelmaking products, without losing quality.	The InovaAi Program closed the 2021 cycle with 1,120 ideas produced. 114 pilot projects were executed, 82 safety risks were reduced and 2 patents were registered together with partners. The pilot projects' potential return amounts to R\$95 million.
Reduce inequality within and among countries					
	Yes	This topic was assessed and considered material. Usiminas contributes through our operations' economic results, which are distributed to society through salaries paid to our staff, taxes paid and economic transactions in our production chain, including local suppliers.	Inequality among countries and their own population is an obstacle to sustainable development. Opportunities inequality has several social impacts.	Economic results from our operations, which are distributed to society through salaries paid to our staff, taxes paid and economic transactions in our production chain.	Added value to be distributed in 2021 is approximately R\$16 billion. Share of local purchase by business unit • Steelmaking (Usiminas + Unigal) - 9% • Usiminas Mecânica - 46% • Mineração Usiminas - 23% • Soluções Usiminas - 38%
Make cities and human settlements inclusive, safe, resilient and sustainable					
	Yes	This topic was assessed and considered material. It is important to emphasize the indirect impact through the Company's relationships with public authorities and the communities where it operates.	They have not been identified, however, Usiminas undertakes to annually reassess the matter.	Usiminas has a permanent relationship with local communities, monitoring, mitigating its production activities impacts, channeling the wishes, supporting local development, offering job opportunities and effectively fostering health, sports, social, education and culture development.	Health remains one of the Company's concerns. Therefore, Usiminas has maintained all initiatives to fight COVID-19 (see more on page 86) Another highlight was the new Hospital Libertas, which is under construction together with the São Francisco Xavier Foundation. When the hospital opens, it will feature 140 beds out of the 380 planned. Márcio Cunha Hospital, in turn, is the 17th best hospital in Brazil.

SDG	MATERIALITY	DESCRIPTION	NEGATIVE EXTERNALITIES	POSITIVE IMPACTS	2021 EVOLUTION
Ensure sustainable consumption and production patterns					
	Yes	This topic was assessed and considered material. Steel is one of the world's most recyclable and recycled material, being broadly used in several sectors of the economy. Steelmaking process has a significant impact in the environmental pillar, through the use of non-renewable natural resources, greenhouse gas emissions and particulate material emissions and waste generation.	Steelmaking process has a significant impact in the environmental pillar, through the use of nonrenewable natural resources, greenhouse gas emissions and particulate material emissions and waste generation.	Steel is one of the world's most recyclable and recycled material, being broadly used in several sectors of the economy. Through technological innovation, the Company is able to produce even more efficient steel. The steelmaking sector fosters steel collection and recycling from products that reached the end of their useful lives, using it to manufacture new steelmaking products, without losing quality. Value creation projects for waste generated in the production process (recycling, sale and donation).	In 2021, the sediment particulate deposit rate decreased in all monitored districts, varying between 13% and 66%, according to the reference period established in the Consent Decree (TAC) 2018-2019.
Take urgent action to combat climate change and its impacts					
	Yes	This topic was assessed and considered material. Usiminas' operations, especially the Steelmaking unit, contribute to Climate Change through greenhouse gas emissions. Usiminas seeks to invest in energy-efficiency initiatives to its operations.	Usiminas' operations, especially the Steelmaking unit, contribute to Climate Change through greenhouse gas emissions.	Usiminas seeks to invest in initiatives that contribute to mitigate greenhouse gas emissions, such as in-house use of steelmaking gases, in-house power generation to be used in industrial processes, implementing energy efficiency projects and managing and monitoring critical departments' consumption, focused on process performance.	In 2021, the Company prepared its GHG emissions inventory according to the GHG Protocol standards and received the Golden Seal. In this topic, it is also important to emphasize that the Company received score C on CDP.
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss					
	Yes	This topic was assessed and considered material. The Company relies on preservation and conservation programs for its green areas, and special care for protected areas and preservation of regional wild fauna.	The infrastructure of Usiminas' operations can have significant impacts on the biodiversity of the areas surrounding its operational units.	The Company runs programs focused on preserving riparian forests, conserving headwaters and regional wild fauna.	The sustainability corporate rule was released in 2021 (access the link). We achieved 6 out of the 7 goals set for 2021 and, for 2022, we disclosed 10 new commitments. See more on page 47.

SDG	MATERIALITY	DESCRIPTION	NEGATIVE EXTERNALITIES	POSITIVE IMPACTS	2021 EVOLUTION
Promote peaceful and inclusive societies for sustainable development, provide access to justice to all and build effective, accountable and inclusive institutions at all levels					
	Yes	This topic was assessed and considered material Transparency, ethical conduct and integrity are the main pillars of Usiminas' governance, reinforced by its management practices.	The Company engages in relationships with several stakeholders in its operations and activities. Non-compliance with legislation, regulations, rules and procedures (external and internal) can have a negative impact on the Company's operations, as well as on society, such as corruption, bribery and other misconducts, for example.	The Company's Integrity Program prevents and identifies noncompliances with the legislation, regulations, rules and procedures (external and internal), identifying risks and/or causes and acting in a preventive and/or corrective manner.	The Integrity Department worked in several initiatives focused on the Company's internal and external stakeholders in 2021. See more on page 43.
Strengthen the means of implementation and revitalize the global partnership for sustainable development					
	Yes	This topic was assessed and considered material In its operations, Usiminas engages with several stakeholders, e.g.: customers, suppliers, government authorities and the community.	They have not been identified, however, Usiminas undertakes to annually reassess the matter.	Usiminas has partnerships with the local government of several cities surrounding its operations, in programs such as the Usiminas Mobiliza pelos Caminhos do Vale.	In 2021, the Company engaged in 84 cities and participated in several associations. See the list on page 123.



Task force on climate-related financial disclosure (TCFD)

GRI 102-12

Throughout 2021, Usiminas adopted a series of measures to mitigate climate change risks, in addition to being transparent about how they are governed. See below:

Governance

In 2021, Usiminas brought the decarbonization topic to discussion in the Board of Directors, which decided that the theme will be included in the agenda each semester. The Company has also created the Decarbonization committee, whose sponsor is the Industrial Vice President and members are the Sustainability, Corporate Planning, Industrial Engineering, Research and Development Center and Environmental departments.

Decarbonization has also a fixed item in the agenda in the Sustainability Committee's bimonthly meetings, comprised by the Company's main executives (the CEO, the Financial and Investor Relations VP, the Industrial VP, the Sales VP, the Technology and Quality VP, the Corporate Planning VP, the Mineração Usiminas Executive Board, the Soluções Usiminas Executive Board, the People Management and Innovation Office, the Legal Office, the Communication and Institutional Relations Office, the Economic and Financial Corporate Planning Office, the corporate department of Sustainability, the corporate department of the Environment, and the corporate department of Investor Relations). Usiminas also features a Corporate Department of Sustainability, responsible for following-up all specific themes related to the company's sustainability agenda.

Strategy

The Steelmaking unit took stock of its Greenhouse Gas Emissions according to standard ISO 14.064, certified by the GHG Protocol with the Golden Seal.

The Carbon Disclosure Project (CDP) awarded the company score C in 2021.

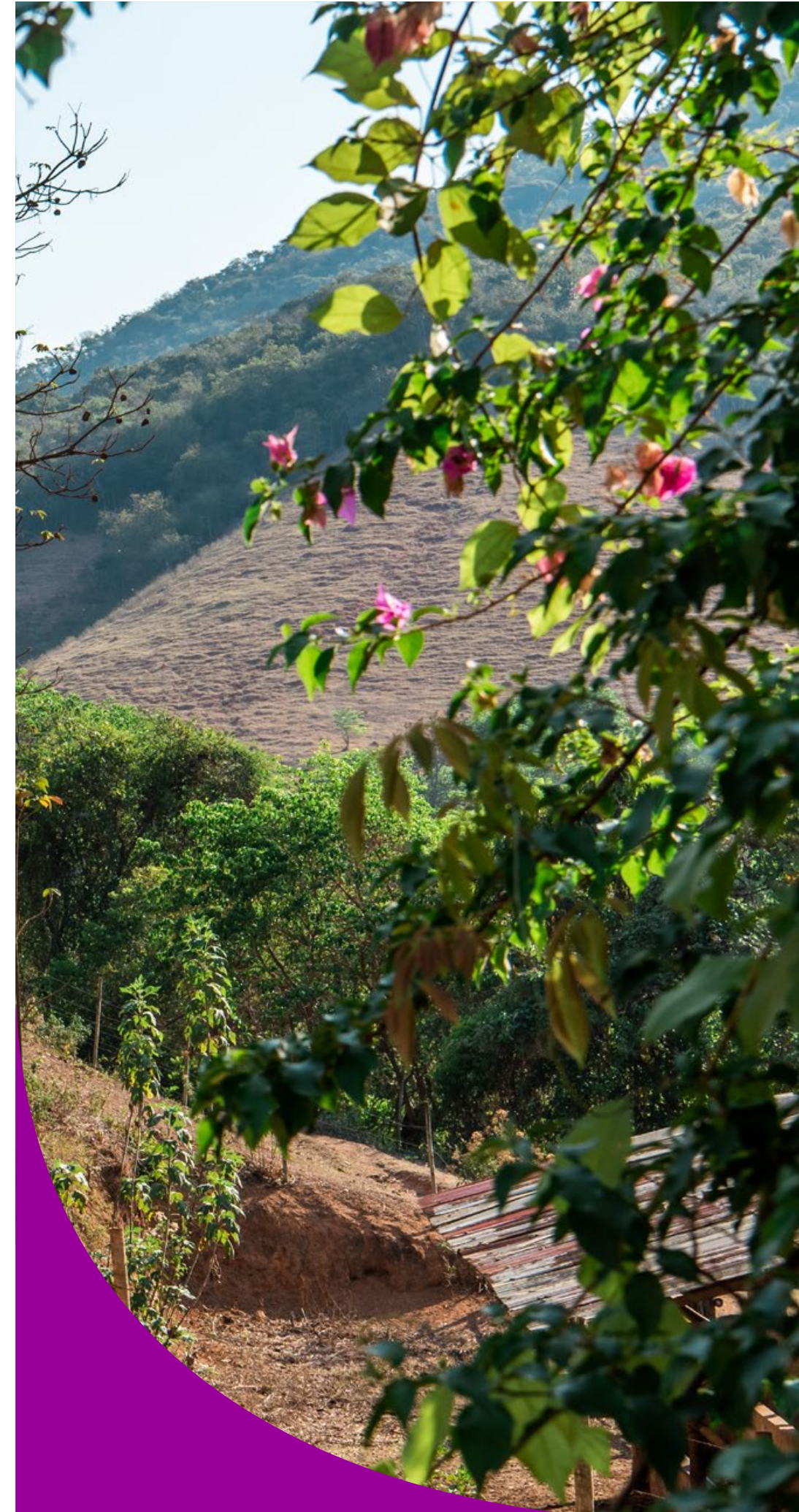
Supported by the specialized company WayCarbon, the Company began to identify opportunities to reduce short-, medium- and long-term emissions in the plan to decarbonize its operations.

Risk Management

Supported by WayCarbon, in 2021, Usiminas began to gather information and organize risks and opportunities linked to climate matters.

Metrics and goals

In terms of metrics, Usiminas uses the GHG Protocol and the ISO 14.064 standard, in addition to the World Steel Association (WSA) methodology that takes into account the specific characteristics of the steel industry. For 2022, the Company will expand the greenhouse gas emissions inventory to Usiminas Mineração and Soluções Usiminas. These are the goals set by the Company for the year, with the engagement of 75% of the critical suppliers for Usiminas' scope 3, according to the WSA methodology.



RISK MANAGEMENT

Usiminas devotes its efforts to control the main risks to which it is exposed, acting not only reactively in the effective risk control and monitoring, but also preventively in order to minimize potential impacts and vulnerabilities that may incur in its processes.

To control strategic business risks, Usiminas relies on important tools, including the Board of Directors, Fiscal Council, Audit Committee, Financial Committee, Investment Committee, the

Sales Committee, Strategic Engineering Committee, Intellectual Property Committee, Cost Committee, Digital Strategic Committee, Safety Strategic Committee, among others.

All Usiminas departments participate in the risk management process, receiving and providing customized information according to the contexts in which they operate. Thus, they understand the importance of knowing and monitoring risks more effectively. This approach

with the departments is dynamic, structured, comprehensive, and continuously improved.


Risk Management was created in 2021 and is currently being implemented. This report briefly describes the methodology and approach to classifying criticalities, always in a conservative way, analyzing all vectors and considering the worst case scenario for classifying inherent and residual risks.


The Impact vs. Probability Ruler used in the Company results in a 5 x 5 matrix. There are Impact grades, classified as 5 for “extreme”, 4 for “high”, 3 for “moderate”, 2 for “low” and 1 for “minimal” impact, and five grades for Probability, being 5 for “almost certain”, 4 for “likely”, 3 for “possible”, 2 for “unlikely”, and 1 for “rare” to happen.


Regarding the vectors for Impact classification, Usiminas considers that there are six of them, as described below:

 **Financial:** financial analysis, based on the Company’s materiality, calculated using the ERM Cloud tool, which adopts quantitative and qualitative calculation methodology for Risk Appetite. The scales are proportional, with the lowest being below 20% of the reference value - low - and the highest above 80% of the reference value;

 **Image:** analysis of risk impact in relation to exposure, being Local, Regional, National and International, besides other factors such as public interest involvement, internal repercussion – organizational environment – and external, government authorities, representatives, media, among others;

 **Operation:** analysis of the impact on the Company’s direct operation or on supporting processes to the operation, in addition to product quality;

 **Compliance/Legal:** analysis that evaluates if the risk impact is limited to the Company or if there is the possibility to impact the industry or the market as a whole, as well as if there is solid evidence for eventual defenses in case restrictions are imposed by regulatory agencies or in the case of any inspection/ investigation/lawsuit against the Company;

 **Health and Safety:** analysis of Occupational Safety and Health (OSH, or SSO and SST in Portuguese) impacts;

 **Environment:** analysis of environmental impact within the limits of the business unit or in the city, region or national and international scope, with the involvement of internal or external stakeholders, and according to the deadline to resolve the matter, considering short-, medium- and long-term aspects.



4

FINANCIAL- ECONOMIC PERFORMANCE

Results	60
Tax Strategy	63
Investor Relations	65
30 years of the privatization	66

Year 2021 is being considered the best in Usiminas' history in terms of economic and financial performance. The Company reached record figures in all production units, closing the reporting period with a R\$7 billion cash position, R\$720 million more than gross debt, which means it would be enough to pay all of Usiminas' debts.

In the beginning of 2021, the pent-up steel demand as a result of the pandemic created a favorable environment and pushed prices to record highs in the steel market. Thus, the Company had to adapt to fill all the orders, which also resulted in historic production volumes.

Usiminas already anticipated a production recovery after the coronavirus pandemic, but demand was much higher than expected, especially in the first half of 2021. Given this scenario, the Company prioritized the domestic market, protecting its market share and ensuring financial results above the target.

In the third quarter of 2021, EBITDA (earnings before interest, taxes, depreciation and amortization) had

already reached its historic record, which is the result of a strong operational work throughout the year. Competition with imported goods and discounts requested by our customers by the end of 2021 were not enough to compromise Usiminas' positive and historic performance in 2021.

Historic results contribute to ensure the Company's sustainability in the medium and long terms, especially for investments in operational improvements, such as the revamp of Ipatinga Plant's blast furnace 3, in the Vale do Aço region in the state of Minas Gerais, in the amount of over R\$2 billion, and the development of social and environmental projects.

The 2021 results will make possible an even stronger performance in topics related to the ESG agenda, since all of Usiminas' social and environmental initiatives are currently ensured by its own cash.

For instance, Usiminas tripled its investments in social and cultural projects by allocating R\$75 million to them in 2021.



We've closed the period with a record production and the best economic and financial performance of Usiminas' history

R\$ **75** million

investments in social and cultural projects in 2021



RESULTS

GRI 102-7; 201-1

Financial sustainability is extremely important for Usiminas and is relevant when assessing and making decisions. Financial performance is one of the main production and efficiency indicators, therefore it is closely monitored, allowing the Company to quickly adapt to market movements.

The main initiatives to ensure financial sustainability include the efficient management of cash liquidity, strict debt control, efficient tax planning and an ethical and a transparent relationship with investors.

Within this context, focus on results – achieved by way of challenging goals –, agile decision making, and strict spending enable Usiminas to take on an even more competitive position in both domestic and foreign markets, creating value to society and its stakeholders.

The Company's Financial Policy, which is also applicable to its subsidiaries and affiliated companies, came into effect in 2009, after being approved by the Executive Board. The Policy was last revised in June 2019. Its guidelines include maximizing and diversifying investments, efficient cash liquidity management and improved processes.

On a daily basis, cash is managed so that the Company has a considerable liquid reserve, at the same time

it seeks to safely maximize Usiminas' gains. Through training and creativity, Usiminas works to identify investments opportunities that bring more profitability to its business.

The Company's current indebtedness is fully sustainable, and it ended 2021 with a negative net debt. However, the Company is still aware of possible movements that may put it in a more comfortable situation, because Usiminas understands that an efficient debt management provides more security to the market and, consequently, attracts more investors.

Furthermore, Usiminas always assesses its exposure to foreign exchange and seeks alternatives to mitigate such risk.

In terms of the organizational structure directly involved in the management of the Company's financial sustainability, it is important to emphasize the role of the Board of Directors in identifying and assessing legal and/or regulatory risks that may significantly harm the Company and its business.

The Finance Committee, an advisory body to the Executive Board, is responsible for following-up Usiminas' financial position and capital structure. The Committee's main duties include:

The main initiatives to ensure financial sustainability include the efficient management of cash liquidity, strict debt control, efficient tax planning and an ethical and a transparent relationship with investors.

- Defining financial strategies;
- Deciding on borrowing new loans or renegotiating debts;
- Monitoring the compliance with the Financial Policy;
- Authorizing transactions with derivatives, taking responsibility for such operations' approval and submitting them to the proper authorities, according to the Company's governance structure;
- Controlling, measuring and following-up the effects of risk variables on the transactions carried out;
- Guiding the preparation of statements required by law and the regulatory agencies regarding transactions with derivatives, especially those set forth in article 3 of CVM Resolution no. 550/2008.

2021 Financial Performance

IN 2021, NET REVENUE WAS

R\$ **33.7** billion

UP BY 109.7% VERSUS 2020 (R\$16.1 BILLION), a historic record for Usiminas in all its business units.



USIMINAS CLOSED 2021 WITH A CASH POSITION OF

R\$ **7** billion



44.3% MORE than in 2020, when it totaled R\$4.9 billion.

IN THE STEEL UNIT, NET REVENUE WAS

R\$ **28.4** billion



IN 2021, UP BY 129.2% VERSUS 2020 (R\$12.4 BILLION), the highest net revenue in the unit's history.

Other results are presented in the following chart and in the 2021 Earnings Release.



The complete financial information is presented in the Company's Individual and Consolidated Financial Statements, available on the website www.ri.usiminas.com

NET INCOME CAME TO

R\$ **10.1** billion



A 678.8% HIKE COMPARED TO 2020 RESULTS (R\$1.3 BILLION).

IN TERMS OF LOANS AND FINANCING, debentures and taxes payable in installments, Usiminas' gross debt was

R\$ **6.3** billion



CONSIDERING THE R\$7 BILLION CASH POSITION, negative net debt stood at R\$720 million.

THE STEEL PROCESSING UNIT RECORDED NET REVENUE OF

R\$ **8.5** billion

IN 2021, AN 121.6% INCREASE COMPARED TO 2020 (R\$3.8 BILLION),

a record for Soluções Usiminas. This growth was due to higher prices and higher sales volume compared to 2020.



ADJUSTED EBITDA REACHED

R\$ **12.8** billion

ANOTHER RECORD, totaling R\$12.8 billion, up by 301.7% on 2020 (R\$3.2 billion).



IN THE MINING UNIT, NET REVENUE CAME TO

R\$ **5.9** billion



UP BY 51.8% VERSUS 2020 (R\$3.9 BILLION), mainly due to higher iron ore prices and increased sales volume in the foreign market, in addition to the depreciation of the Brazilian Real vs. the US Dollar.

USIMINAS' TOTAL SHAREHOLDERS' EQUITY IS

R\$ **24** billion



Direct economic value generated (R\$ thousand) | GRI 201-1

	2018	2019	2020	2021
Total gross revenue	17,499,783	18,841,146	19,812,127	41,853,879

Distributed added value (R\$ thousand)

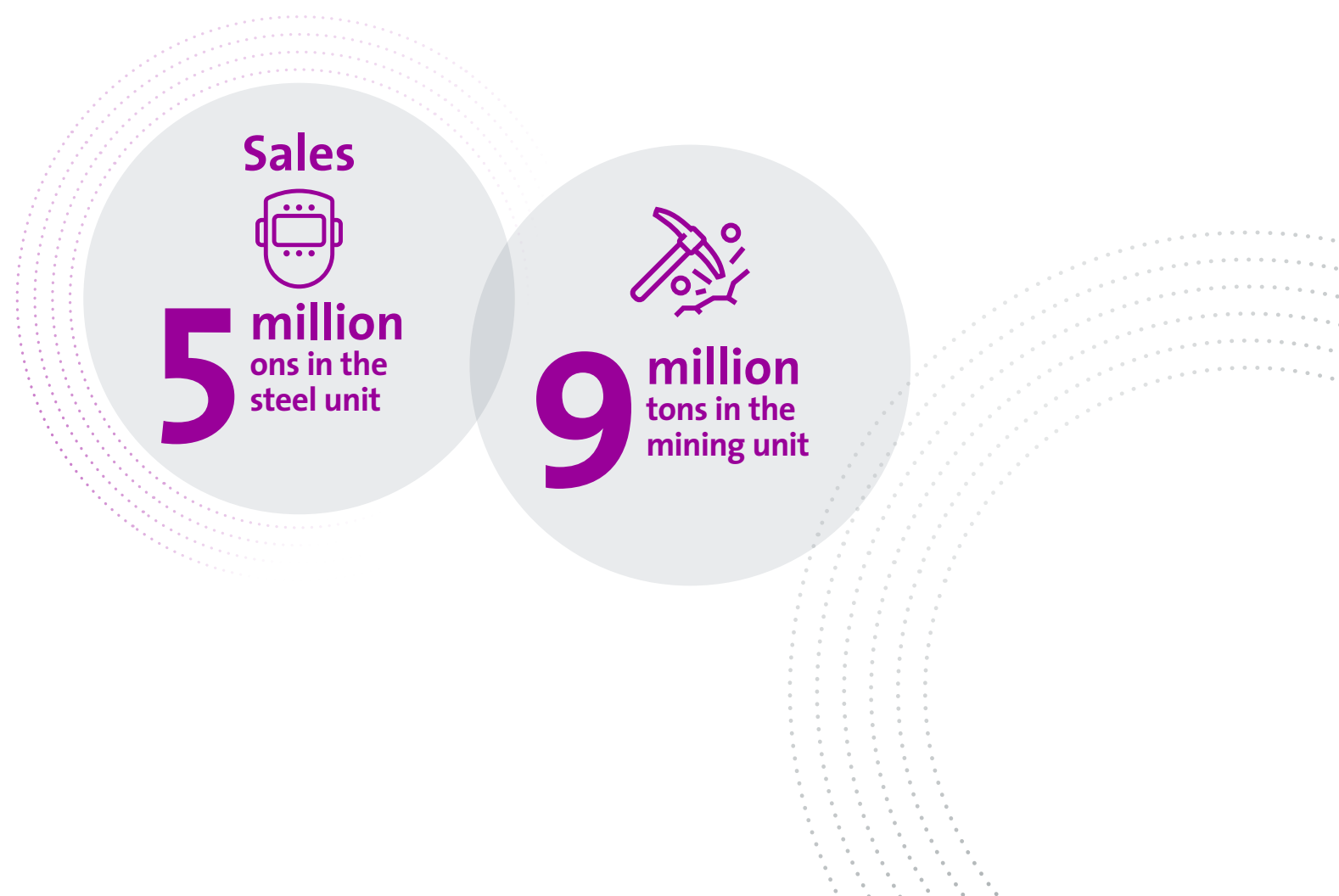
	2018	2019	2020	2021
Personnel and charges	1,048,119	1,120,390	1,086,011	1,202,967
Salaries and charges	866,268	964,503	861,725	883,824
Severance Guarantee Fund (FGTS)	77,256	81,766	94,884	75,104
Management compensation	35,817	31,115	33,419	47,605
Employee Profit Sharing	65,206	39,736	94,539	174,468
Retirement plans	3,572	3,270	1,444	21,966
Taxes, fees and contributions	1,191,719	1,269,142	2,088,253	3,799,541
Federal (i)	634,157	136,438	735,946	1,208,250
State	476,244	1,041,313	1,265,112	2,405,912
Municipal	73,657	80,305	79,894	81,040
Tax incentives	7,661	11,086	7,301	104,339
Remuneration of third-party capital	1,138,128	1,208,005	1,597,522	1,083,887
Interests	915,426	944,997	582,163	673,217
Foreign exchange expenses	225	261	1,016,894	410,670
Others	2,719	1,696	-1,535	0.00
Remuneration of own capital	828,695	376,691	1,291,743	10,059,954
Retained profits (losses)	726,658	213,265	672,790	9,070,524
Non-controlling shareholders' share in retained profits	102,037	163,426	618,953	989,430
Distributed added value	4,206,661	3,974,228	6,063,529	16,146,349
Retained economic value	13,293,122	14,866,918	13,748,598	25,707,530

2021 Operational performance

Despite the complex scenario in 2021 with economic volatility, the accident in a process in blast furnace 2 and the preparation for the revamp of blast furnace 3 in the Ipatinga Plant (MG), Usiminas had a good operational performance throughout the year, which is shown in the historic records achieved. It is important to denote the incorporation of a new gasometer and the repair in the hot strips line.

According to preliminary data from the Brazil Steel Institute, domestic steel consumption ended the year up by 23.2% compared to 2020. Demand increased by 24.2% in the flat steel market.

In 2021, Usiminas sales volume was close to 5 million tons in the steel unit and 9 million tons in the mining unit, figures that are also historic records for the Company.



TAX STRATEGY

GRI 207-1; 207-3; 207-2; 207-4

The Brazilian tax burden reaches 34.5%, one of the highest in the world, according to data released by the Brazilian Tax Planning Institute (IBPT). In this scenario, tax management is fundamental for Usiminas in order to reduce the burden of taxes on its business and mitigate the tax risks related to them, which is the responsibility of the Tax Planning Department, reporting to the Controller's Office.

Tax planning is integrated in all of the Company's departments, from the registration of supplies, customers e suppliers, to determining the tax parameters in the procurement processes in the domestic and foreign markets, including sales processes, up to the development of business models, special regimes and review of existing processes.

In Usiminas there are regular internal and external audit programs to verify accounting, tax as well as compliance matters in general.

Usiminas' tax strategy includes incorporating tax analysis into the registration processes for supplies and services to be acquired by the Company, in order to optimize tax credits and mitigate tax risks arising from the supplies department's processes.

This means working closer to the business areas, where activities occur, creating partnerships, sharing knowledge and generating a greater awareness of the tax impacts to the end user.

Tax risks are monitored through the follow-up of changes to tax legislation and jurisprudence related to tax matters, so that Usiminas is able to maximize tax assets captured and mitigate tax risks. The automation of tax controls, periodic data base review and specific and continual training to the staff are allies in facing this challenge.

There are regular internal and external audit programs to verify accounting, tax as well as compliance matters in general. Usiminas also conducts an internal audit of its processes to validate the tax department's internal controls.

Coupled with that is the important work of monitoring and reviewing tax credits to which the Company might be entitled, an activity that contributes to the Company's financial sustainability.

This strategy is also translated into building up transparent relationships with government agencies, e.g., FIEMG and the Brazil Steel Institute, geared towards minimizing possible impacts to Usiminas' business.

Every year, the Controller's Office defines and reviews the main metrics of the tax strategy, when it prepares the indicators for the tax planning department. Furthermore, it holds monthly meetings on specific tax topics to verify if possible adjustments are needed in view of the main tax matters.

It is important to denote that the Brazilian tax system and different tax rules between states and cities demand a stricter monitoring of regional scenarios since Usiminas has business units and commercial operations in five Brazilian states.

a) Approach for the relationship with tax authorities - consists of building a transparent relationship with government agencies, always in accordance with the principles of Usiminas' Code of Ethics and Conduct.

b) Approach for advocacy in tax-related public policies – presents a transparent approach to the tax effects from measures under discussion in the segment and tax payment, always technically demonstrating the basis of the analysis and the origin of the data.

c) Processes to collect and assess stakeholders' opinions and concerns, including external ones – periodic meetings with customers and suppliers to discuss specific topics; being open and transparent in technical discussions with government agencies regarding impacts. As set forth in Usiminas Bylaws, certain decisions are submitted to the Executive Board and the Board of Directors.

Description of the stakeholder engagement approach and management of their concerns about taxes

Tax jurisdictions GRI 207-4

Jurisdiction	Entity	Primary Activity	Number of employees	Sales to third parties	Inter-group sales	Profit/loss before deductions	Tangible assets	Paid Income Tax	Accrued Income Tax
Brasil	Usinas Siderúrgicas de Minas Gerais AS - Usiminas	Manufacturing or production	7,786	R\$30,209,542,655.76	R\$10,641,335,000.00	R\$10,067,011,000.00	R\$16,098,556,000.00	R\$1,259,663,000.00	R\$1,206,556,000.00
	Usiminas Mecânica AS	Manufacturing or production	2,445	R\$150,829,000.00	R\$223,253,000.00	R\$136,819,000.00	R\$2,573,000.00	R\$20,503,000.00	R\$11,024,000.00
	Mineração Usiminas AS	Manufacturing or production	1,523	R\$5,390,002,000.00	R\$1,181,174,000.00	R\$3,559,791,000.00	R\$1,338,179,000.00	R\$714,547,000.00	R\$1,103,526,000.00
	Unigal	Manufacturing or production	307	R\$11,561,000.00	R\$387,141,000.00	R\$211,536,000.00	R\$846,385,000.00	R\$42,926,000.00	R\$53,901,000.00
	Rios Unidos Logística e Transportes de Aço Ltda	Sales, marketing or distribution	4	R\$1,900,000.00	R\$930,000.00	R\$0.00	R\$143,000.00	R\$2,282.86	R\$0.00
	Soluções em aço Usiminas AS	Manufacturing or production	1,416	R\$10,942,295,000.00	R\$17,345,000.00	R\$980,399,000.00	R\$1,747,046,000.00	R\$313,798,480.99	R\$290,820,824.91
Luxembourg	Usiminas International S.A.R.L	Holds the Company's investments abroad	0	R\$0.00	R\$0.00	R\$4,848,000.00	R\$0.00	R\$0.00	R\$0.00

Notes:

(1) Income tax paid refers to the amounts duly paid by the group's companies during 2021.

(2) Accrued income tax refers to amounts that are stated in the Company's 2021 results, but a portion is only paid in the following year due to the maturity dates set forth by the Brazilian legislation.

(3) The fiscal period considered is from 01/01/2021 to 12/31/2021.

INVESTOR RELATIONS

GRI 102-5

At Usiminas, the Investor Relations (IR) department is responsible for having a strategic dialog with the market, by disclosing clear, accessible and timely information to all of the Company's stakeholders.

The IR team also has a very close relationship with rating agencies, ensuring that the information published by Usiminas is being correctly received and understood by this audience as well. This closeness allows the IR department to understand the main critical points in the agencies' view and seek ways to reduce its exposure to them.

In the relationship with investors, the Company seeks to maintain transparency in the information about the goals of the ESG agenda, especially about decarbonization, a recurring topic in the sustainability debate in the companies.

The management of financial sustainability relies on a Disclosure Committee composed of the IR, Legal and Controllership departments, which analyzes the documents that will be made available to investors. Before disclosing the financial results to the market, the IR teams holds several meetings with the Executive Board to align how the topics will be addressed publicly.

Thus, Usiminas expects to mitigate risks related to the incorrect disclosure of information or confidential

information, which could harm the company in regulatory, competitive or strategic aspects.

Through the IR department, Usiminas operates in the market in accordance with laws, instructions and regulations issued by regulatory agencies, such as the Brazilian Securities and Exchange Commission (CVM) and B3 - the Brazilian stock exchange. Moreover, the Company complies with internal documents such as the Bylaws, Shareholders' Agreement, Code of Ethics and Conduct, Material Act or Fact Disclosure Policy, Securities Trading Policy, Sustainability Standards and other policies that comprise the Integrity Program.

The main communication channel between the IR team and the stakeholders is the Contact IR (investidores@usiminas.com), an address where investors can submit their doubts, concerns or comments, which are answered by the team.

Lastly, every year the Company holds a public meeting in partnership with the Brazilian Association of Capital Markets Investment Analysts and Professionals (APIMEC Brasil). In 2021, Usiminas was awarded the Selo de Assiduidade APIMEC Brasil Platina, for holding public meetings for 18 consecutive years.

Performance on the stock exchanges

Usiminas is a publicly-held company, with its shares listed on Governance Level 1 of B3 S.A. (Brasil, Bolsa, Balcão), on the Over-the-Counter Market (OTC), in New York; and on LATIBEX, an index that gathers shares from Latin American companies traded in Euros on the Madrid Stock Exchange.

Usiminas' shares are traded on B3 under tickers USIM3, USIM5 and USIM6; in New York (OTC), as Level I ADR, under tickers USNZY and USDMY; and in Madrid (LATIBEX), under tickers XUSI and XUSIO. Additionally, Usiminas securities are also part of the main market indexes.

On B3, Usiminas' common shares (USIM3) ended the year quoted at R\$14.51 and its preferred shares (USIM5), at R\$15.16. During 2021, USIM3 shares depreciated by 8% while USIM5 appreciated by 4%.

Through the IR department, Usiminas operates in the market in accordance with laws, instructions and regulations issued by regulatory agencies, such as the Brazilian Securities and Exchange Commission (CVM) and B3 - the Brazilian stock exchange.

30 YEARS OF THE PRIVATIZATION

On the OTC, Usiminas has American Depositary Receipts (ADRs) traded on the North American over-the-counter market: the USDMY, guaranteed by common shares, and the USNZY, guaranteed by class A preferred shares. On December 31, 2021, the most liquid ADR, the USNZY, was quoted at US\$2.65 and appreciated 3% in the year.

On LATIBEX, Usiminas has preferred share XUSI and common share XUSIO. On December 31, 2021, XUSI ended the year quoted at € 2.30, appreciating by 1% in the year.

The capital stock is divided into 1,253,079,108 shares, of which 56.3% are common shares (voting shares) and 43.7% are preferred shares.

The Company's main shareholders are solid and experienced groups in the steelmaking and steel processing industries. This structure reinforces its financial structure and expands Usiminas' technical knowledge to grow globally and face all market challenges.

In 2021, Usiminas celebrated 30 years of its privatization, having been one of the first companies to be privatized in Brazil due to its favorable financial standing and operational quality in steel production.

The privatizations occurred in accordance with the National Privatization Program (PND), created by the Brazilian Federal Government in the 1990s, which was supported by a trend that advocated less state intervention in the Brazilian economy.

Within this context, steelmaking companies began to be privatized in 1991. About two years later, eight state-owned companies with production capacity of 19.5 million tons of steel – 70% of the domestic production - had been privatized.

These privatizations brought a relevant influx of capital to the industry through very diverse shareholding compositions. A proof of that is Usiminas being listed on the stock markets of Brazil, the United States and Spain.

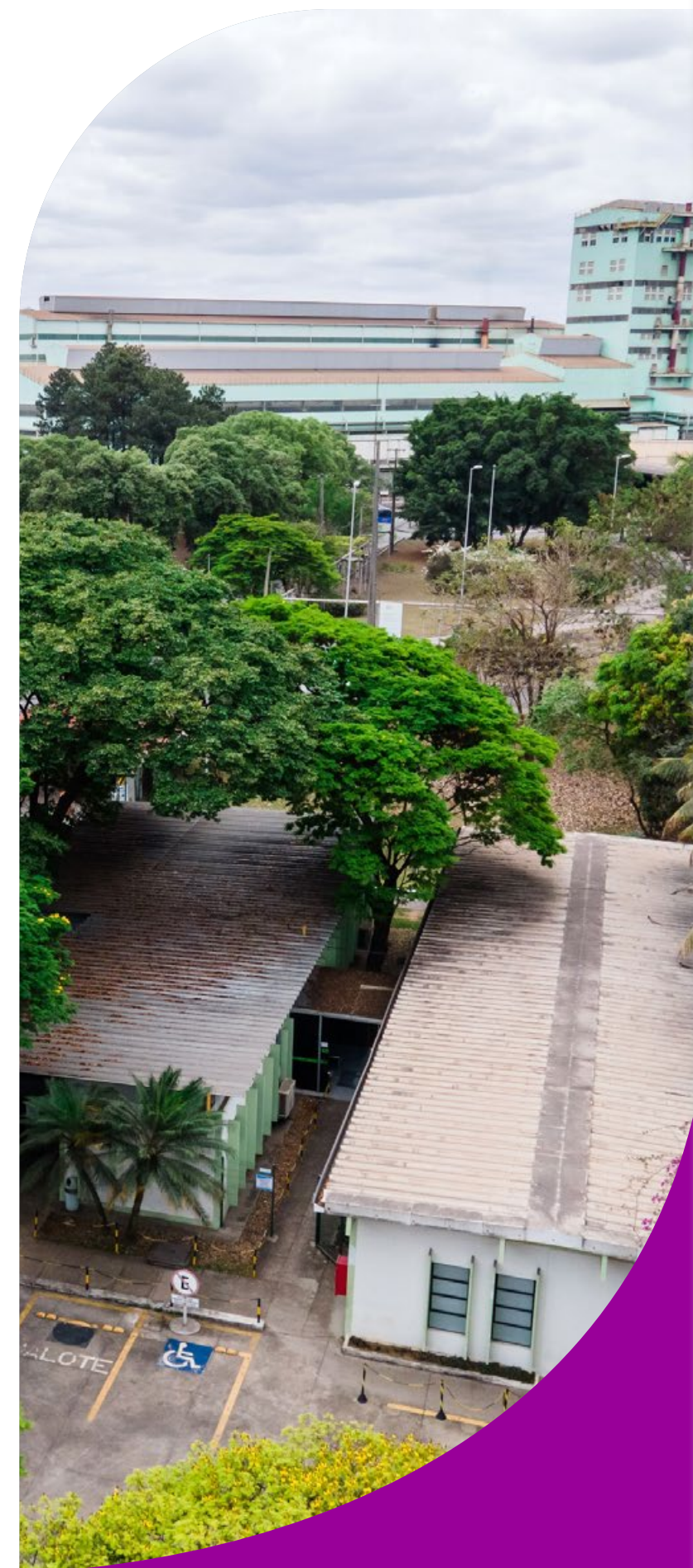
After the privatization, the Company also improved its social and environmental performance through the São Francisco Xavier Foundation and the Usiminas

Institute. In the regions where the Company operates, it generates direct and indirect jobs and invests in social and environmental initiatives.

Over these three decades, Usiminas has experienced major national and international changes, such as economic crises, recessions, emergence of new technologies, improvements to production processes, the Covid-19 pandemic, among many other challenges.

Throughout its transformations, the Company was able to adapt and move forward, becoming a reference in steel production and heavily investing in technological innovation to increase customer satisfaction.

Currently, Usiminas presents record results and is committed to a consistent Environmental, Social and Governance (ESG) agenda, becoming increasingly inclusive and diverse. All of that so the Company can continue doing what we have been historically doing best: to create value for our customers, employees, shareholders, the government, community and the entire Brazilian society.





5

STRATEGY

Innovation	69
Customers	74
Suppliers	76
Stakeholder communication	82
Initiatives to fight Covid-19	86

Usiminas' strategy is anchored in its Multi-Year Plan and the short-term developments represented by the annual budget cycles. This process has generated significant results in recent years and ensured the continuity and expansion of our business. Aiming to ensure competitiveness in the domestic and foreign markets, the Company has been working focused on results, which are achieved through challenging goals, agile decision making, and strict spending. Thus, it ensures the creation of value for its stakeholders.

Among the main strategy pillars, innovation, the Company's historical strength since the creation of the Research Center in 1971, should be noted. Another important pillar is the customer, working to meet their demands and bring them satisfaction.

In the latest review cycle of the Company's strategy, Usiminas started to develop a long-term strategic plan and strengthened the ESG agenda in order to meet its stakeholders' demands and provide a long-term vision, aligned with UN's 2030 agenda. By joining the Global Compact, Usiminas has reinforced its commitment to this Agenda.

Thus, in the 2021 cycle, the Company ensured that social and environmental impacts and opportunities were incorporated in the planning, which was more restricted to capital goods investment analysis in previous cycles and has been gaining more space on the agenda over time.

Some relevant ESG aspects embedded in the planning, on which the Company focused its efforts with a short, medium and long term vision, are:

 Environmental Compliance	 Air quality	 Energy efficiency
 Decarbonize	 Water and effluents	 Waste and circular economy
 Occupational safety and health	 Diversity	 Decommissioning and dam safety
 Risk management	 Portfolio position	 Community

Click on the icon to access the related themes.



Therefore, throughout its history, Usiminas has always sought to improve its processes, products and services, by investing in new technologies and coming up with innovative solutions in the steel production chain.

We must also emphasize the incorporation of ESG aspects in the corporate goals, which have an impact on the senior and medium management variable compensation, [see page 37](#), which reinforces the alignment of the sustainability vision with the execution of the strategy. From 2021 to 2022, the goals have been reviewed and expanded, [learn more about them on page 47](#).

Thus, Usiminas continues to strengthen its competitiveness in the domestic and foreign markets by designing more sustainable products and solutions, contributing to the development of the value chain, focusing not only on preventing, mitigating and remediating negative impacts, but also on boosting opportunities that generate positive impacts. Finally, it is worth pointing out that, as a result of the Company's strategy, a partnership for self-production of 30 average megawatts of photovoltaic energy was approved at the end of 2021 by the Board of Directors and formalized at the end of February 2022. This amount accounts for 12% of the energy used by the Company.

INNOVATION

The need for companies to remain competitive in an increasingly competitive market, such as the steel production and processing market, leads them to strategically invest in research and development to be increasingly efficient and sustainable.

Therefore, throughout its history, Usiminas has always sought to improve its processes, products and services, by investing in new technologies and coming up with innovative solutions in the steel production chain. Through innovation, Usiminas is ensuring the perpetuity of its business.

One of the tools to open new paths is *InovaAí*, an innovation platform created to foster the execution of creative ideas and promote a change in mindset, contributing to keep Usiminas in a pioneering position in steel production and generate sustainable results.

This is the responsibility of the Corporate Innovation Department, which develops specific actions to boost the emergence of innovative ideas, including the InovaAí Ideias program, which trains Usiminas' professionals on innovation and trends, going beyond the limits of theory with training on how to innovate in practice.

The gains brought by innovative initiatives are measured by the Industrial Engineering department. In addition, every year a survey is carried out with all employees to assess their perception of innovation within the Company.

50 Years of the Research Center

Usiminas has a Research & Development Center (R&D) in Ipatinga, state of Minas Gerais, focused on generating, mastering and applying scientific and technological knowledge to give the Company competitive advantages.

This knowledge is mostly used in the following activities:



Development of new kinds of steel and improvement of those already produced;



Applied engineering, which analyzes steel patterns in its several uses and offers technical support to customers;



Improvement of industrial processes for steel manufacturing;



Identification and evaluation of new technologies.

In October 2021, the Research Center celebrated 50 years of operations. Considered Latin America's largest research center in the steel industry, it has been responsible, for example, for the development of high added-value steel for safer automobiles with less environmental impact, for the installation of wind and solar power towers and many other uses by the Brazilian industry.

The research activities are aligned to domestic and foreign scenarios, which offers Usiminas greater speed

90  **professional**

work in R&D, including researchers, technicians and laboratory technicians.



The R&D has partnerships with universities and research centers both in Brazil and abroad.

in anticipating its customers' needs. The Center's actions are geared towards absorbing, generating and disseminating scientific and technological knowledge focused on the development and improvement of industrial processes and steel products as well as cost reduction, always integrated with sustainability concepts.

Currently, the Research Center occupies an area of 13,000 square meters and has a team of about 90 professionals, including researchers, technicians and laboratory technicians, in addition to partnerships with universities and research centers both in Brazil and abroad.

In the product area, where the largest R&D efforts are concentrated, the main goals are to develop new steels and

improve those already produced for the automotive, electronic devices, home appliances, packaging, civil construction, heavy machinery, pipes, platforms, and vessel markets. The kinds of steel for each of these purposes have been evolving over time and one goal is to always be able to anticipate the demands of the different markets.

Among the 2021 highlights were the optimization of eight new kinds of steel industrially manufactured and the support for the industrial development of ten kinds of steel and more than 70 supporting studies to customers geared towards a most efficient use of Usiminas steel.



The main R&D highlights in 2021

USI-RAVUR450 steel with toughness at low temperatures

The USI-RAVUR450 steel is one grade of a special product line that is resistant to abrasive wear, of hardness class 450 HBW, which offers high durability, excellent shaping capacity and good weldability performance. This product line has been developed to ensure useful life performance in uses such as earth moving machines, dump buckets, off-highway trucks, jackhammers, grates, etc.

Aiming at the optimization of USI-RAVUR450 steel performance, we studied adaptations of the alloy design and processing conditions, which allowed developing, through a very refined and homogeneous microstructure, a thick plate product with high requirement of toughness at low temperature, which represents a great differential for the users of these steels. In addition, this has opened up the possibility of further advances to increase competitiveness in the domestic market by developing new production strategies for direct quenching, using the equipment for accelerated cooling of thick plates.

Corrosion resistance of steel for offshore wind towers

The increased energy demand and environmental issues have boosted wind power projects all over the world. In Brazil, the energy generated by wind on the continent currently represents about 10% of its energy matrix, and offshore generation is already starting to be projected. The Country has a substantially high offshore power generation capacity, and the costs of this energy have currently come close to those of thermoelectric plants, which are highly polluting.

Within this context and aiming to anticipate the arrival of this market in Brazil, which will demand large amounts of steel, the materials' corrosion resistance for use in offshore wind towers has been studied. Results showed that the weathering structural steels SINCRON-BHS-485W and USI-SAC family steels have great potential for use in this market due to their high resistance to corrosion, damage that considerably increases the maintenance costs of said towers. Thus, with the use of kinds of steel with better anti-corrosive performance, the replacement and/or repair of the corroded metallic structures are minimized, allowing substantial reductions in energy costs.

Automotive steel with optimized properties

On a pilot scale, new alloying concepts and new processing strategies have been developed for some steel kinds for the automotive sector, aiming to obtain even more attractive property combinations and/or to meet customers' specific application requirements. 2021 highlights include:

- TRIP700 and TRIP800 steel processed via CAPL: new alloy design with reduced silicon content, which provided improvement in surface quality and in obtaining high ductility values compared to same-strength class steel that are currently manufactured. Besides meeting the desired mechanical strength levels, products presented elongation results close to 40%.
- DP600 steel with high formability: adaptations to the alloy design and processing conditions in order to increase formability, especially in operations involving edge stretching. The new concept allowed an excellent combination of properties, obtaining a total elongation of about 25% and conical punch hole expansion ratio of about 50%.

High-performance cooling section for the CAPL

A simulation model for the thermal cycle of the Continuous Annealing and Processing Line (CAPL) has been developed, aiming at increasing efficiency and productivity. Tests in the CAPL industrial line validated the solutions proposed by the model.

For the conditions evaluated, it was verified that the adjustments allow for an energy savings above 50% or, alternatively, an increase in productivity (line speed) or cooling rate by more than 20%. The gains with energy savings are applicable to about 80% of the current production mix, while productivity increase can be applied to 50% of the mix. To make such gains possible, the cooling boxes are being automated and will be put into operation in 2022.

Besides the significant reduction in energy consumption, the increased cooling rate will enable developing new advanced high-strength steel (AHSS), allowing the automotive sector to be supplied with products that are increasingly more technologically sophisticated and inserted in Usiminas' steel portfolio, which contribute decisively to the ESG agenda.

Alternative binders in sintering

Due to the physical and chemical exhaustion and deterioration of the sinter feed, alternatives have been sought to maintain the quality and productivity of the sinter plants. One way to overcome this problem is the use of pellet feed in the ore mix. However, due to its fine granulometry, this material reduced sintering machines' productivity.

In this context, the Company is seeking ways to optimize the cold agglomeration process, and one of the options is to use other binders as partial or total replacement for lime. In the present study, in an exploratory way, the use of different alternative binders in the sinter mix has been investigated. It was possible to obtain, in a pilot scale, excellent results in terms of sinter physical strength and process productivity for some of the binders tested. In 2022, this development will be continued through industrial testing in sintering.



Intellectual Property

To ensure exclusivity in the sale of its products and services, thus enabling the Company to obtain a greater competitive advantage, Usiminas has enhanced the management of intellectual property assets with improvements to its corporate governance. So much so that, in 2021, Usiminas revised its intellectual property standard, established the Technological Mapping, and created a committee to address strategic matters regarding the topic.

Another initiative was to raise employees' awareness through training sessions, emphasizing the care related to the creative work done internally that results in innovative solutions, as well as the need for intellectual protection for them.

In 2021, this management resulted in three new patent applications filed at the National Institute of Industrial Property (INPI, in Portuguese), of which one refers to the Dual Phase steel in the 1000 MPa (DP1000) strength class, with good forming ability, in addition to three new trademarks.

Product innovation and development

For Usiminas, innovating means thinking of new ways to do something, obtaining better results and generating value for the Company. So much so that, in 2019, Usiminas created the InovaAÍ program, an innovation platform whose main goals are to foster innovative solutions through the connection with several partners and produce results to the business.

Usiminas also understands that it is everyone's role to help in this transformation. Therefore, InovaAÍ offers tools and knowledge for employees to innovate in their areas, democratizing innovation and promoting a cultural change within the Company.

Innovation can occur in all departments, including administrative ones. One example is the use of a robot that periodically checks Usiminas' entire lawsuit data base. This technology communicates with the courts, checks the lawsuit status and generates an alert. Thus, the Company is able to recover amounts overpaid to

law firms for lawsuits already closed, but still open in Usiminas' system, avoiding financial losses.

A project in initial stage is the development of a supply chain management tool that uses solutions similar to blockchain technology, in order to manage inventories online.

In 2021, the area executed 114 pilot projects, reduced 82 security risks with innovative solutions, and registered two patents. The estimated potential return on investment for the projects is R\$95 million.

The 21/22 ideas program is in progress.




InovaAÍ numbers for 2020/2021

 **1,120**
IDEAS PRODUCED

 **5** COMPANIES
in the Usiminas Group

+2,500 
EMPLOYEES IMPACTED

 **13,754**
VIEWS of the InovaAÍ Ideias Platform

R\$ 18 million in
FINANCIAL RESULT
(real gains accrued since the program was created in 2019)



CUSTOMERS

Despite being an indispensable product to several economy sectors, customers must perceive the added value of steel. In this sense, Usiminas seeks to develop the best solutions for each specific demand, so that customers can see that their needs are being met.

An example of said commitment is the e-commerce platform developed by **Soluções Usiminas**. Implemented in 2021, it is a completely new business that meets customer needs at the best cost-benefit ratio in the market.

Customer satisfaction has also been ensured through innovation, training of the entire team and investments in sustainability, targeted, among other activities, to projects in the communities where Usiminas operates. More and more, customers consume products from sustainable brands that are engaged on environmental and social matters.

In steelmaking, technical service is structured in the pre-sales and post-sales stages. The first one is conducted by the Products Team, who holds a comprehensive view of the steelmaking sector, identifying needs and opportunities as well as feasibility to develop new items.

The post-sales stage is conducted by the Technical Service team, who listens to the customer, prepares technical contact reports, and holds weekly meetings with technicians and leaders from several hierarchical levels to discuss customer incidents, proposed actions, perceptions and demands.

In 2021, Usiminas started the Steel Chain project, which seeks to engage the players in its value chain in its sustainability agenda, including customers and suppliers.

Soluções Usiminas has developed, in 2021, an e-commerce platform that meets customer needs at the best cost-benefit ratio in the market.

Customer satisfaction

Every year, Usiminas assesses customer satisfaction in order to measure customers' met and unmet expectations, identifying their needs, wishes and satisfaction level regarding the Company's products and services.

The satisfaction survey is conducted through interviews made by professionals with auditing experience and who do not directly deal with customers. The survey's topics include purchase procedures, product delivery/logistics, quality/engineering control and production.

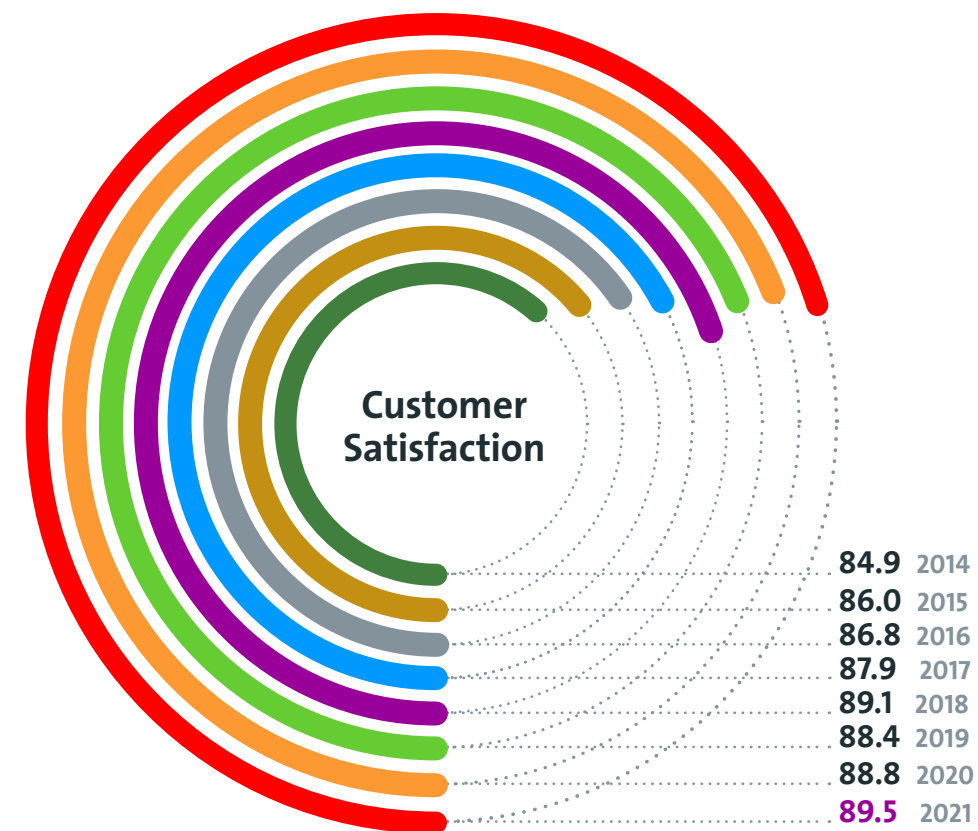
In addition to measuring customers' satisfaction levels, the Company also seeks to understand their perception of Usiminas position in the market and identify their main expectations regarding each topic discussed.

After each satisfaction survey and the analysis of its results, Usiminas devises a specific action plan, also known as Reaction Plan, with improvements in several assessed processes. This plan is presented to the customer and monitored by Usiminas during its entire execution.

Each action plan involves several Usiminas departments and may include, for example, product storage structure,

development of information systems, adapted processes to meet specific needs, development of new custom-made steel kinds and process improvements. In the next satisfaction survey cycle, this plan is also assessed.

In 2021, 36 customers from different segments have been interviewed. Together they account for nearly 45% of Usiminas revenue in the domestic market. The chart below presents the satisfaction score evolution:



SUPPLIERS

GRI 308-1; 308-2; 408-1; 409-1; 412-2; 414-1; 414-2

Usiminas continually seeks to create sustainable partnerships with its suppliers, so as to bring mutual benefits and joint development to face increasing market advancements. Therefore, the Company adopts a series of measures aimed at ensuring legal, ethical and profitable contractual relations for both sides.

Principles, guidelines and rules governing Usiminas' relationships with its supply chain are laid down in the Code of Ethics and Conduct, in the General Administrative Corporate Rule on Suppliers, in the General

Conditions for Service Execution and Supplies, and in the Sustainability Rule, which regulates the rights and obligations of suppliers and service providers as well as eventual subcontractors, including environmental and social aspects.

The suppliers' approval process complies with and requires guarantees related to indispensable aspects such as technical quality and capacity, compliance with labor legislation, social and environmental responsibility, respect for human rights,

occupational safety and health, and major certifications, among others. Some of these aspects are even protected by contract.

Besides the approval process, the Company carries out performance assessments with materials and raw materials suppliers, service providers, carriers; safety assessments of contractors, as well as continuous monitoring of the most relevant risks, such as financial health, conditions similar to slavery, environmental licenses control. The Company also checks if

contractors are included in the Registry of Disqualified and Suspended Companies (CEIS in Portuguese) and the National Registry of Punished Companies (CNEP in Portuguese).

In the governance structure, three committees support the Supplies department in managing suppliers, as follows:



Materials Development Committee

together with the technical area, this committee develops innovative solutions for replacing materials traditionally employed in the production process. In 2021, materials and innovation were developed in five areas: refractories, rolling cylinders, coil packaging, process material and oil.



Committee for the Development of Alternatives to Single Brands

develops alternative materials and sources that can replace products with single brand specifications, mitigating the impacts of Usiminas being subject to an exclusive supplier. In 2021, alternatives were created for seven material categories: reducers, pumps, filters, valves, tools, electrical materials, and lubricants. Alternatives are also being developed for materials with better environmental performance.



Safe Supplier Program's Committee

comprised by the Corporate Occupational Safety and Supplies departments, as well as the Contractor's Managers, the committee is focused on assessing and validating proposals to improve and develop the program and resolve on the application of penalties questioned and discussions about assessment outcomes and/or safety incidents in the contractors.





The Company also performs Integrity Due Diligences, in which it assesses suppliers' environmental and social aspects. It is important to point out that, specifically for matters related to occupational safety and health, this process is conducted by the Safe Supplier Program (see below).

In 2021, 118 new suppliers – 8% of the 1,476 registered suppliers and with operations/spending in 2021 – have been identified as suppliers with potential social impacts, totaling 303 suppliers qualified in safety.

This assessment takes into consideration the risk of occupational accidents with third parties on the premises of Usiminas' units. In 2021, 34 suppliers (21%) that received an "At Risk" or "Serious" score committed to improve their safety process and none of them had their contracts terminated due to social assessment issues.

As for the environmental risk assessment, companies with potential for direct impacts related to particulates emissions, release of GHGs into the atmosphere, soil and water contamination, waste disposal and environmental compliance are evaluated.

Usiminas currently has 2,693 suppliers identified in this assessment, of which 332 are new suppliers (23%) with control of their operational and environmental licenses. In 2021, 989 suppliers were submitted to the environmental assessment, which did not identify serious nor critical cases, therefore, no contract was terminated.

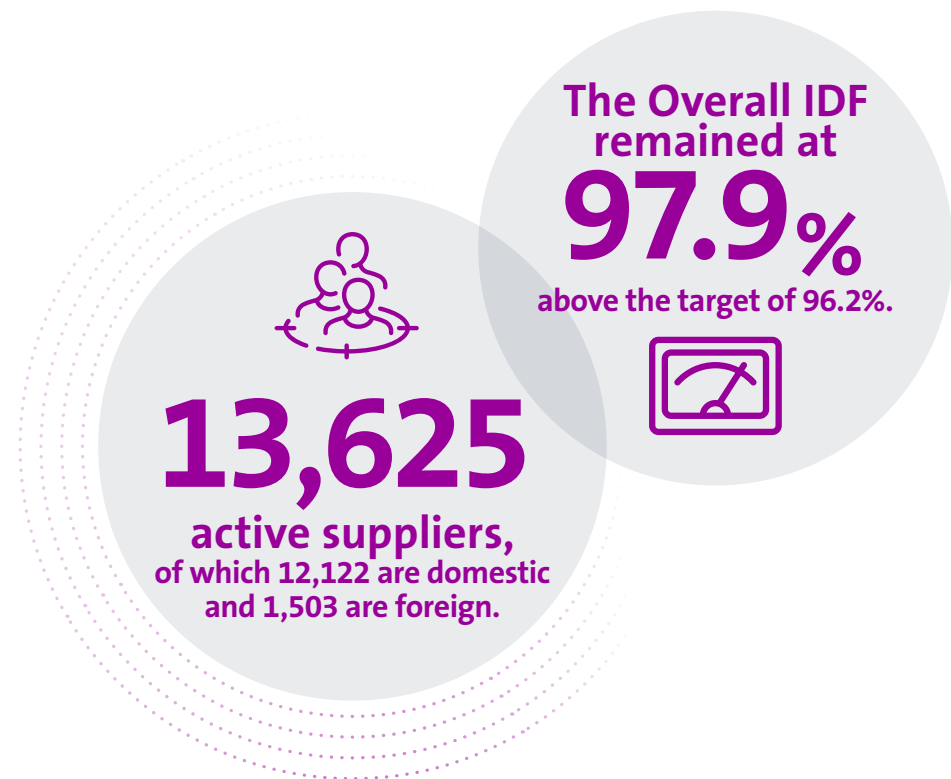
The assessment of suppliers providing services classified as medium and high safety risks at Usiminas units covered by the Safe Supplier Program is disclosed monthly to the Supplies Department as well as the departments managing the contractors. In 2021, results indicated that 95% of the contractors met or exceeded the goals. Those that did not achieve good results were asked to present a detailed action plan to correct the deviations. In case of recurrence, commercial sanctions may apply.

In the risk monitoring process, if a supplier's financial health, suitability or reputation is compromised, internal risk and market conditions analysis is carried out to decide whether said supplier should be blocked in Usiminas' suppliers list.

Supplier management did not change throughout 2021, except for the implementation of a performance assessment for carriers, which is carried out by the logistics team together with the supplies department and addresses quality, productivity and safety aspects and sets new indicators for this category's performance management.

Usiminas does not have suppliers exposed to risks related to child labor, young workers exposed to hazardous work and forced or compulsory labor.

Results are disclosed monthly to the Supplies department in the strategic indicators report and, in 2021, these indicators showed that the supply chain management had a performance above the established targets. Comprised



GRI 102-9; 102-10

by the Safe Supplier Program’s results, the Supplier Development Index (IDF in Portuguese) for services, supplier assessments and the Supplies and Sustainability departments’ joint goals, the supplier index stood at 92.4% against a target of 84.2%.

The quality assessment of critical and strategic suppliers – raw materials, services and maintenance, repair, and operation/supplies – is disclosed monthly to Supplies and Quality Assurance departments through the IDF report, which indicates the level of compliance with expected results.

The maintenance, repair and operation/supplies IDF stood at 95.9% against the target of 92.6%; the raw materials IDF at 99.7% against the target of 100%; and services IDF remained in line with the target of 100%. The Overall IDF, comprising the average of the indices, remained at 97.9%, above the target of 96.2%.

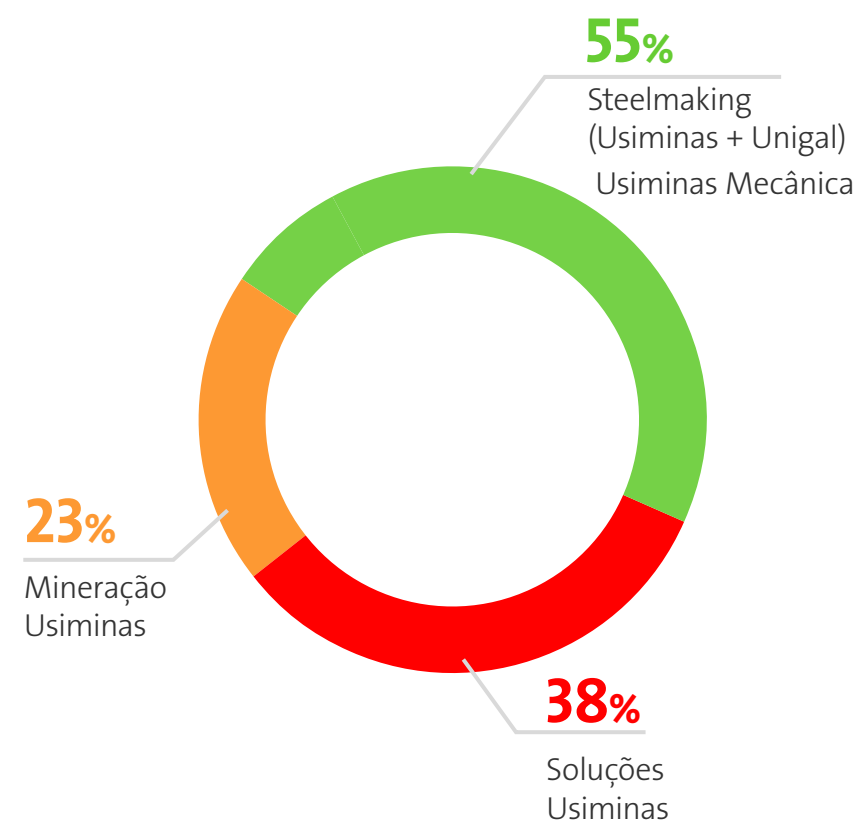
Supplier base

GRI 204-1

In 2021, Usiminas had 13,625 active suppliers, of which 12,122 are domestic and 1,503 are foreign. Out of that amount, 3,943 had operations, with 77% of payments (R\$19.8 billion) made to domestic suppliers (local) and 23% (R\$5.9 billion) to foreign suppliers.

Share of local purchase by business unit

in percent



Usiminas’ supply chain comprises domestic and foreign suppliers in the following industries:





Goals achieved in 2021

- Holding a virtual event aimed at critical and strategic suppliers to present the Company's sustainability strategy.
- Application of a questionnaire on the development level of the ESG agenda to critical and strategic suppliers to assess their quality and level of risk they represent to Usiminas' sustainability strategy.
- Selection of ten opportunities to develop a supplier engagement action plan for 2022.

Geographic definition

With regards to the production hub served by suppliers, in the steelmaking unit, **Usiminas** has two steel mills, located in the city of Ipatinga, where Unigal also operates, in the *Vale do Aço* (MG) region, and in Cubatão, in the *Baixada Santista* region (SP). **Usiminas Mecânica**, operating in the capital goods sector, has a plant located in Ipatinga, in the *Vale do Aço* region (MG) and operates in construction sites in the cities where its customers are located.

Mineração Usiminas has a mineral deposit and an iron ore processing plant in Itatiaiuçu (MG).

Lastly, **Soluções Usiminas**, operating in the steel processing segment, has manufacturing units in Guarulhos (SP) and Porto Alegre (RS), in addition to distribution centers in Betim and Santa Luzia (MG), Suape region (PE), Taubaté and Campo Limpo Paulista (SP).

Usiminas, Unigal and **Usiminas Mecânica** suppliers are located in the *Vale do Aço* metropolitan region – Ipatinga, Santana do Paraíso, Timóteo and Coronel Fabriciano – and in the cities located within 100 kilometers from Ipatinga. These companies also have supplies in the *Baixada Santista* region (SP), including the cities of Cubatão, Santos, São Vicente, Guarujá and Praia Grande.

Soluções Usiminas has suppliers located in the São Paulo Metropolitan Region, Paraíba Valley and Campo Limpo Paulista (SP), Porto Alegre (RS), Betim and Santa Luzia (MG) and the Suape region (PE).

Mineração Usiminas' suppliers are located in the cities of Mateus Leme, Itaúna, Igarapé, Brumadinho, Divinópolis, Formiga and Pará de Minas, in addition to Itatiaiuçu, all in the state of Minas Gerais.



Initiatives carried out during the year



Electric bus: partnership between Usiminas and supplier Univale for testing an electric bus at the Ipatinga plant (MG) in order to replace traditional vehicles.



Electric van: partnership between Usiminas and the supplier Unidas for testing the use of electric vehicles for transporting materials.



Production of solar energy: the Board approved the renewable energy project to be included in Usiminas' power purchase agreement portfolio. The Company contracted 30 average MW – approximately 12% of its consumption – for consumption starting in 2025.



Intelligent fueling: implementation of an automated vehicle fueling control system to optimize the units' operations.



PPE vending machine: equipment installed in several production areas at the Ipatinga plant to make the PPE employees need to perform their activities available.

One of the main communication channels between the Company and its suppliers is the Purchasing Portal, a website that allows interaction and where notices are posted, electronic transactions for quote requests are made, proposals are formally submitted,

inquiries are accessed and orders are accepted, invoices are viewed, among other features.

Also in 2021, Usiminas assessed all law firms that provide services to the Company and included a higher score for topics in its ESG agenda, such as diversity and support for social projects. Law firms with unsatisfactory scores will participate in an action plan devised by Usiminas to improve their performance in the ranking.

How to become an Usiminas supplier

To learn more about the requirements for self-registration, including provisions set forth in the General Conditions for Service Execution and Supplies, as well as to have access to the Code of Ethics and Conduct, other Integrity Program policies and the Sustainability Rules.



To become an Usiminas product or service supplier, partner companies may access the specific section on the Company's website:
<https://www.usiminas.com/fornecedores/>

Safe supplier

GRI 102-9, 403-7

More than a guideline, safety is a value for **Usiminas**, therefore the Company has developed a wide range of initiatives aimed at creating a safety culture at its units, preserving the welfare of its employees and third parties.

Hence, the Safe Supplier Program aims to encourage safety excellence among companies that provide services at Usiminas units, through qualification, development and recognition.

As for the Safe Supplier Certification, 19 contractors were certified for achieving the best results in safety assessments in the 12-month period and did not record any accidents.

In 2021, within the program's scope, 303 companies were qualified in safety, thus being ready to be selected in bidding processes; and 163 contractors went through safety assessments conducted by the contract managing departments, supported by the Occupational Safety team.



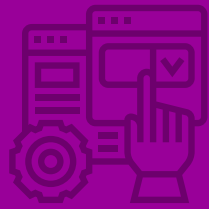
The Safe Supplier Booklet is available for 100% of the suppliers on the website and should be known and complied with by every supplier who provides or wishes to provide services to Usiminas.



Outstanding Supplier Award

Every two years, Usiminas holds an event to recognize those suppliers who stood out in the period and grants awards by categories. In 2021, seven suppliers were awarded in the following categories: excellence in raw materials, excellence in delivery, excellence in logistics services, excellence in services, excellence in industrial safety, excellence in innovation, and outstanding corporate sustainability, the last two categories have been implemented recently.





CompraAí Project

CompraAí is a platform geared towards fostering the strategic transformation of the Supplies department by standardizing processes, providing more efficiency and convenience, as well as creating value for the Company. It is a digital revolution in the procurement process.

An important step of the *CompraAí* project was the implementation, in February 2021, of the SAP Ariba system, through which the entire process of supplier development, qualification and evaluation, orders, bids, auctions, contracts, and invoices will be fully integrated and 100% digital.

More than just a new system, *CompraAí* is encouraging the real use of new strategies and procedures in the Supplies department. The new platform's main benefits include:

- **Improving user experience both for buyers and requesters, providing increased operational efficiency;**
- **Debureaucratizing processes, increasing Usiminas' competitiveness and productivity;**
- **Standardizing processes by using the best procurement practices, with emphasis on strategic sourcing projects;**
- **Promoting agility in procurement for users through punch-out procurement catalogs directly triggering suppliers and with integration between ERPs.**
- **Reducing costs by giving better visibility to spending and reducing the time to identify, select, and hire suppliers.**

STAKEHOLDER COMMUNICATION

GRI 102-40; 102-42; 102-43

Usiminas holds dialog with its several stakeholders through the Communication and Institutional Relations Corporate Office. Due to the Covid-19 pandemic, the department continued to constantly work to adapt to this new reality, developing new forms to communicate with stakeholders.

To communicate with internal and external stakeholders, the Company has two main channels: *Fala Aí Colaborador* and *Fala Aí Comunidade*. The first one already has more than ten thousand employees registered; and the latter enables the communication between Usiminas and the population of areas surrounding its operations. Both channels use the WhatsApp application.

In order to measure the communication initiatives' outcomes with stakeholders and

their contribution to Usiminas' goals, the department uses the Brand's Institutional Performance Raio (IDIM in Portuguese), hired from LVBA Comunicação. This methodology allows for a continuous quantitative and qualitative assessment of the initiatives, based on corporate office's strategic planning and the unique features of each stakeholder, i.e., employees, communities, social media, press channels, among others.

In addition to a strong presence in social media, Usiminas stood out in the Brazilian Corporate Communication Association (Aberje) award, winning the Minas Gerais and Midwest leg of the 2021 edition in the categories "Corporate Sustainability" and "Event". Read more on the "Awards" topic.

In-house communication

In 2021, Usiminas' in-house communication reinforced its role both as content producer and creator and as curator of content produced by its employees in their social media tagging the Company. Currently, the Company's entire team is seen as brand ambassadors, which is considered very positive by Usiminas.

The main communication channels used by Usiminas to create a relationship with internal stakeholders and third parties include the Intranet, which is daily updated with new corporate and local contents; *Fala Aí Colaborador*, a WhatsApp channel used to send and receive contents to which employees voluntarily subscribe; Corporate TV channel, which is strategically located in high-circulation spots at the Ipatinga (MG) and Cubatão (SP) plants, as well as other internal channels, such as e-mail newsletters, posters and outdoors.

Fala aí Colaborador was the most important communication tool used by Usiminas in 2021, whose differential is the open dialog, in which information is sent by transmission lists, but allows direct and individualized answers. Through this channel, it was possible to reinforce strategic topics and refute rumors.

Another highlight was the communication channel named "Radar," which was created in 2020 and is targeted at the representatives from the Executive

Board, which gathers facts and recommendations on the communication and institutional relations, including points of attention and relevant topics. The channel is intended to support the leaderships in understanding the current scenario and making decisions.

Throughout 2021, the Company continued to work on raising awareness about the Covid-19 risks, the need for self-protection, e.g., using masks and hand hygiene. Videos about the Company's actions through Fundação São Francisco Xavier – its social and health branch – showed the preventive measures adopted at the units and communities.

Since it was not possible to hold in-person events, other initiatives have migrated to the online format, including the Quarterly Earnings Release live broadcast, leadership training sessions and even large events, such as the Leaders Summit and the tribute for employees celebrating their 10th, 20th, 30th and 40th anniversary with the Company, which continued throughout 2021.

In 2021, Usiminas launched the third issue of the Communicator Employee project, which makes employees the leaders in information sharing. Throughout the year, this group published 85 times, 21% more than in 2020.

The main communication tool used by Usiminas, in 2021, was *Fala Aí Colaborador*, a WhatsApp channel used to send and receive contents to which employees voluntarily subscribe.

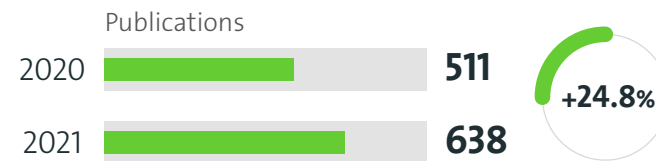
External communication

In 2021, Usiminas made great progress in its external communication by interacting beyond traditional media. In a scenario where people do not need intermediaries to talk to companies and position themselves publicly, it became necessary to also establish contact with digital influencers to expand Usiminas' presence on social media and add even more value to the brand. Currently, Usiminas has communication channels with a very relevant audience and reach, such as LinkedIn, with half a million followers.

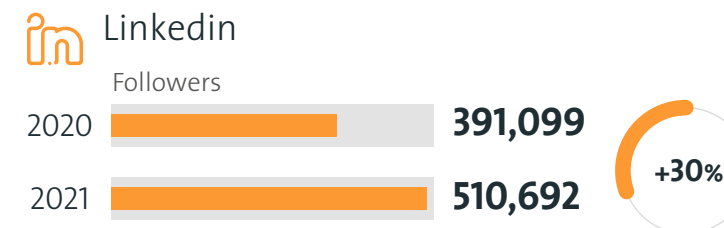
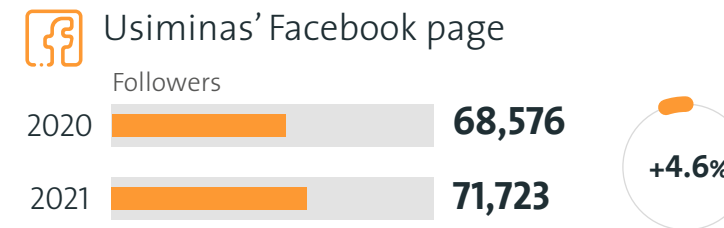
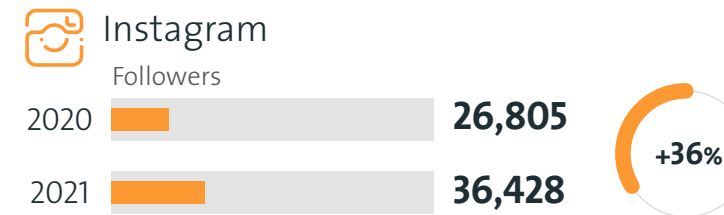
The relationship with journalists and influencers, intermediated by the Media Relations department, has the challenge of connecting directly with this audience to have an open, honest and direct dialogue. This work has brought good results, and Usiminas has been acknowledged for the past ten years with the "Companies that Best Communicate with Journalists" award, from *Centro de Estudos da Comunicação* (Communication Studies Center). In 2021, the Company won the 11th edition of the award in the category Steelmaking and Metallurgy.

Reach and visibility

Press



Social Media



Communication channels with the community

In addition to having a strong presence through social media, Usiminas' external communication relies on exclusive channels for community relationship. One example is Fala Aí Comunidade, a WhatsApp channel that allows a direct communication with the population of the cities surrounding its operations. The Company currently has almost 4 thousand people registered in the channel. Usiminas provides information and assesses individual complaints through this channel, which are all addressed and answered.

Usiminas' website had an important part during 2021, with more than 1.8 million views. After releasing the Blog in the previous year, the Company presented more comprehensive information on topics such as the ESG agenda, the official launch of a new platform for suppliers, steel e-commerce, implementation of dry stacking in the mining unit, and the inauguration of the Usiminas Memory Center in Ipatinga (MG).

Through its Blog, the Company presented more comprehensive information on topics such as the ESG agenda, the official launch of a new platform for suppliers, steel e-commerce, implementation of dry stacking in the mining unit, and the inauguration of the Usiminas Memory Center in Ipatinga (MG).

Other communication projects that must be noted are:

- **Fala Aí Comunidade newspaper:** printed newspaper circulated to the population of the cities of Ipatinga and Itatiaiuçu (MG);
- **Circuito Comunidade:** a speaker truck brings musical entertainment to the residents of the communities;
- **Educational Action's virtual platform:** the initiative offers free art and culture content for teachers to use as teaching resources;
- **Usiminas Open Doors project:** scheduled visits to the units;
- **Contact Us:** the Company's communication channel available on the website.
- **Fora de Série:** na newsletter focused on products and market sent to customers and those who registered on Usiminas website to receive information about the Company.

INITIATIVES TO FIGHT COVID-19

Since the beginning of the Covid-19 pandemic, Usiminas has been investing in several initiatives to protect the health and safety of its employees, partners and the community. Until the closing of this report, despite the new coronavirus variants, the increase in vaccination rate across Brazil has reduced mortality rate and brought more safety for vaccinated people.

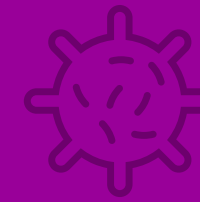
Coupled with the Ministry of Health's vaccination campaign, the Company kept the preventive actions adopted in 2020, such as remote work regime for part of the teams, temperature control to enter the units, distancing at buses and cafeterias; travels, visits and in-person meetings restrictions; and changes to the work shifts at the largest business unit, in order to reduce the number of people at the industrial plant.

Supported by the Federation of Industries of the State of Minas Gerais (FIEMG), Usiminas joined the movement

“Together for the Vaccine” (Juntos pela Vacina), which consisted in helping the purchase of refrigeration items to preserve vaccines and financing the logistics to deliver such supplies to 275 cities in the state.

The Company has also donated oxygen to Hospital Municipal de Ipatinga (MG), contributing to expand the number of hospital beds in that city's public healthcare network, and donated 10,000 m³ of liquid oxygen to Hospital Municipal Eliane Martins.


In the city of Itatiaiuçu (MG), region where Mineração Usiminas operates, the Company lent 22 empty oxygen cylinders to Policlínica Municipal, in order to meet the demand of covid patients in the city. In the neighboring town of Itaúna (MG), Usiminas donated nine thousand disposable masks to Hospital Manoel Gonçalves.

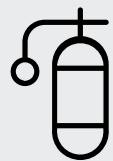


Heroes against Covid-19


The universe of superheroes was the theme of Usiminas and Usiminas Institute's campaign to address ways to prevent and fight the Covid-19 pandemic. In a video led by the storyteller Raquel Vieira, also known as Flora Manga, the campaign invited children, their families and teachers to adopt the prevention practices recommended by the World Health Organization (WHO), including the use of masks, hand hygiene and social distancing. Videos are available on Usiminas Institute's Education Platform and on the institution's social media.

Initiatives to fight Covid-19 in numbers

 **DONATION OF**
10,000 m³
of liquid oxygen to Hospital Municipal de Ipatinga (MG).

LENDING 
22
empty oxygen cylinders (10 m³) to the Local Government of Itatiaiuçu (MG).

JOINING THE TOGETHER FOR THE VACCINE MOVEMENT 
organized by FIEMG in Minas Gerais, by donating **R\$ 100** thousand.

MINERAÇÃO USIMINAS DONATED 
9 thousand masks to Hospital Manoel Gonçalves.



6

PEOPLE

Employee profile	90
Attraction and retention	94
Diversity and Inclusion	102
Training and Development	107
Health and safety	114

Taking care of people is a fundamental value to ensure business sustainability, fostering growth with economic and financial balance, market competitiveness and social and environmental safety.

Aware of the impacts on the lives of own and outsourced employees, Usiminas develops human resources policies in order to always strengthen its bond with them, putting dialog as the main interaction.

In 2021, the Covid-19 pandemic still brought many challenges to Usiminas, who kept most of its administrative staff working from home, including professionals working on its industrial plants. In order to ease the impacts on physical and mental health, the Company had the support of the São Francisco Xavier Foundation, which offered medical and psychological support remotely.

Given these and other challenges, Usiminas is committed to appreciating people through all pillars that make a difference: infrastructure, compensation and benefits, training and development and physical and mental health.

Usiminas' commitment to people

GRI 102-12



Commitment letter from the business coalition for race and gender equality

The letter addresses the elimination of race discrimination and fosters effectively equal opportunities between men and women, considering the businesses' role to stimulate economic integration and to promote inclusive and equitable economic development, aiming to overcome historical inequalities.



Forum for companies and LGBTI+ rights

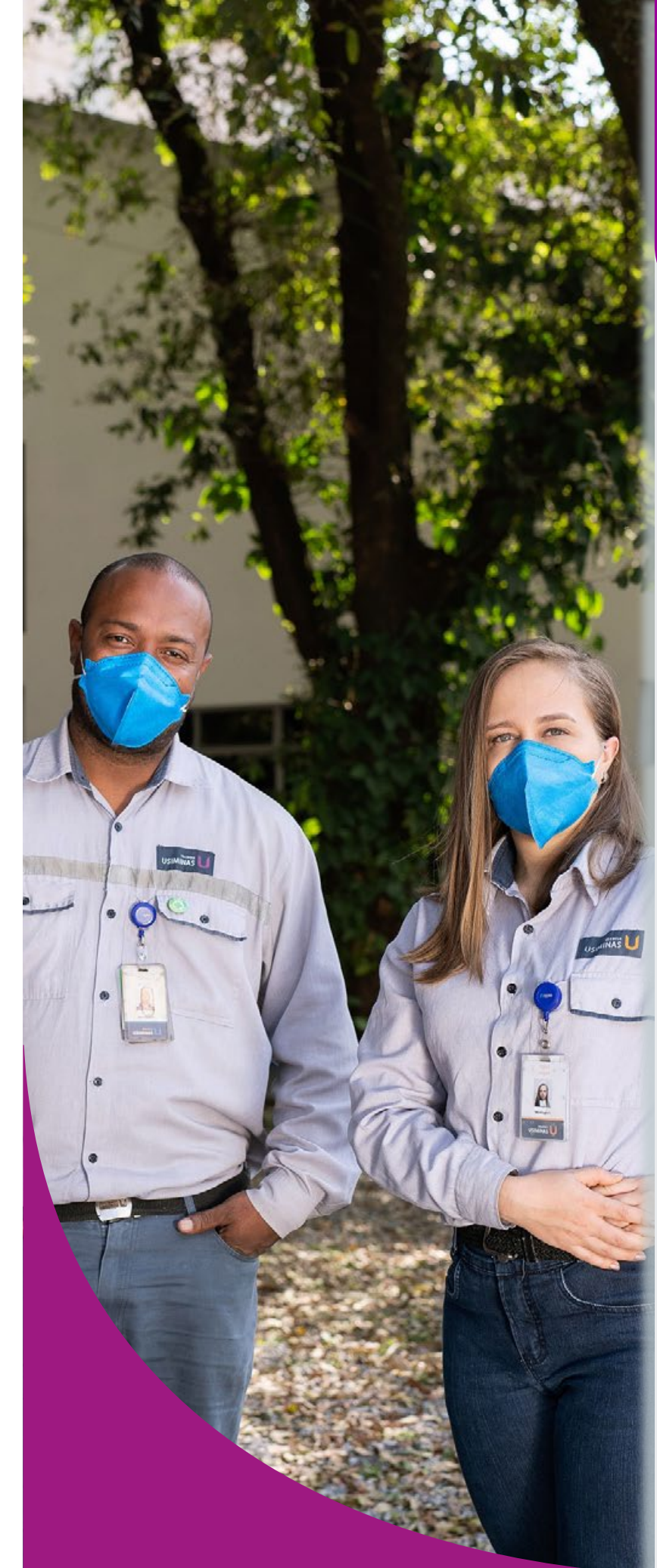
Usiminas is a signatory to the Forum for Companies and LGBTI+ Rights, a movement in which companies and people joined forces to develop the best inclusive practices and promote human rights. Those participating must comply with 10 commitments in

the relationship with stakeholders – customers, employees, shareholders, community, among others – so that, they can positively influence the corporate sector as well as society. One of the commitments is “to not tolerate violence, exclusion, humiliation, harassment and discrimination against anyone due to their sexual orientation and gender.”



UN WOMEN'S WEPS Platform

The acronym WEPs stands for Women's Empowerment Principles. Created by UN Women in 2010, these principles are a guiding platform for companies on how to empower women in the workplace, in the market and the communities and they are based on real business practices and information gathered across the globe. Brazil is the country with the largest number of signatory companies, including Usiminas.





HR certified by the International Organization for Standardization

Governed by the Integrated Management Policy and the Integrity Program, Usiminas' HR department is responsible for managing all human resources processed and subprocesses at all business units.

Laid down in the Integrated Management Policy, the HR department's purpose is to create a fertile environment for innovation by inspiring, developing, appreciating and respecting diversity inside and outside the workplace, so

The department's goals and targets are established in partnership with other Company's departments and are based on inputs from shareholders, the senior management, the market, employees and other stakeholders.

that people can develop professionally and personally, ramping up their performance through commitment, skills development and openness to new things.

The department's goals and targets are established in partnership with other Company's departments and are based on inputs from shareholders, the senior management, the market, employees and other stakeholders, based on Usiminas mission and values whenever possible.

The HR commitments are translated into consistent projects, and the indicators' performance is analyzed by managers, internal clients, the Executive Board's meetings and the HR Committee, reporting to the Board of Directors. So much so that, in 2021, Usiminas conducted a new Climate Survey, which will guide some of the HR department's initiatives for the coming years.

The HR team is prepared to act on several topics related to people management. Thus, the Company relies on a structure comprised by for departments:

- Corporate Department of HR Business Partner Employee Experience;
- Corporate Department of HR Expertise Center;
- Corporate Department of HR Shared Services Center;
- Corporate Department of Innovation.

These departments have management rituals divided into project, indicators, cost and team fronts, in addition to assessing and suggesting specific committees for urgent and important matters.

Strategical and relevant HR matters, such as compensation, labor relations, training and development, among others are assessed in the People Management Committee.

The HR team also relies on suppliers, consulting companies, market research and benchmarking to bring on process improvements and add value to shareholders, the organization and its employees.

Usiminas' HR department has the Business Partner, a professional who links the department to other Company departments, in order to foster greater efficiency in people management. The benefits include integration of processes and people, expansion and enhancement of relationships, more agile responses and understanding of all topics that must be improved.

The main interaction tools used by Usiminas' HR team are labor unions, emails, WhatsApp application, satisfaction surveys, the open channel and the Intranet, which are important channels for the dialog with own and outsourced employees.

The Company relies on several control and monitoring tools for its human resources processes, such as Visual Flash, Power BI, SAP, Action System, Performance Assessment, internal surveys, external surveys, among others.

EMPLOYEE PROFILE

GRI 102-8

In 2021, Usiminas' activities were performed by 26,056 employees, of which 14,125 are own staff and 11,931 are outsourced, which represent a significant number of outsourced employees in the workforce, mainly at the plants and maintenance activities.

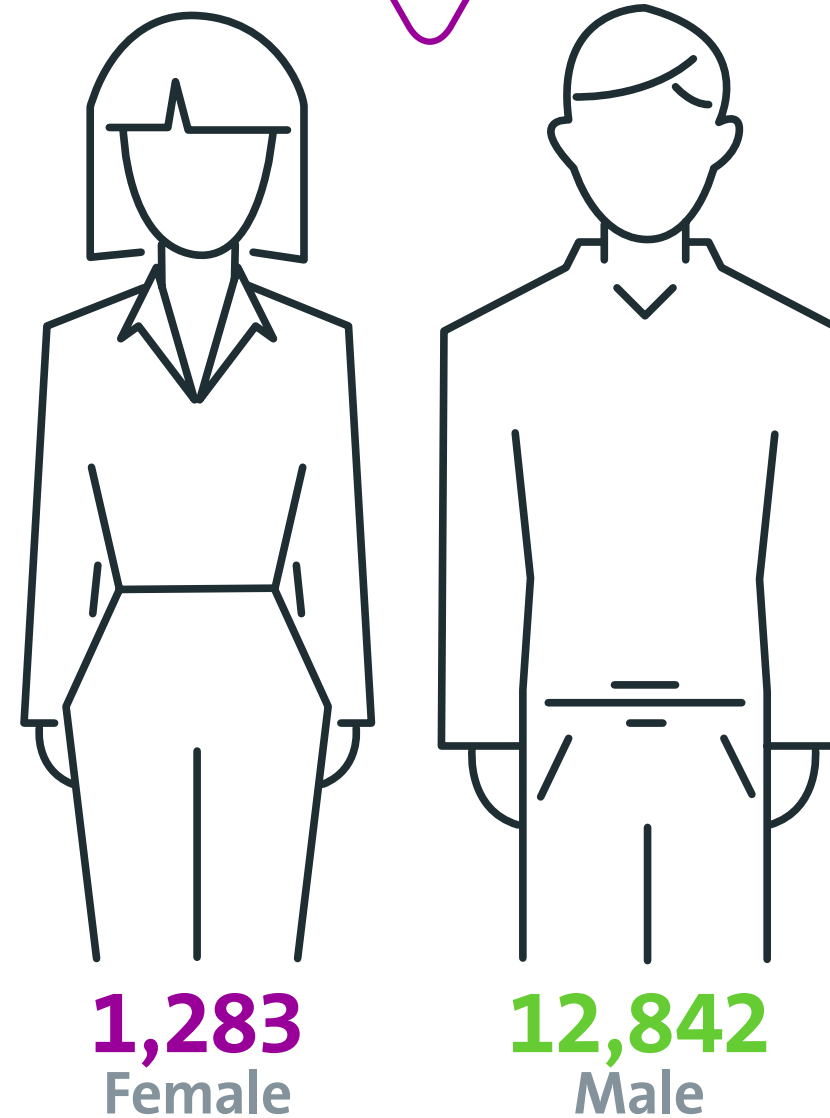
Usiminas Group opened about 2 thousand new job positions when compared to 2020, namely: 1.3 thousand at Usiminas Mecânica; 339 at Soluções Usiminas, 213 at the Steelmaking Unit; and 149 at Mineração Usiminas. This was due to the increase in production as well as in sales. Specifically, for Usiminas Mecânica, which has been serving Usiminas companies since its restructuring, the staff increase arises from a higher number of service orders and construction works.

Apprentices, Interns and Trainees are not included in the new hires, layoffs and turnover rates, since they have specific programs to join the company. In 2021, the total number of new hires was 3,904 employees, or a 25.4% new employees rate, and turnover rate in the period stood at 25.5%, mainly due to the aforementioned new hires.

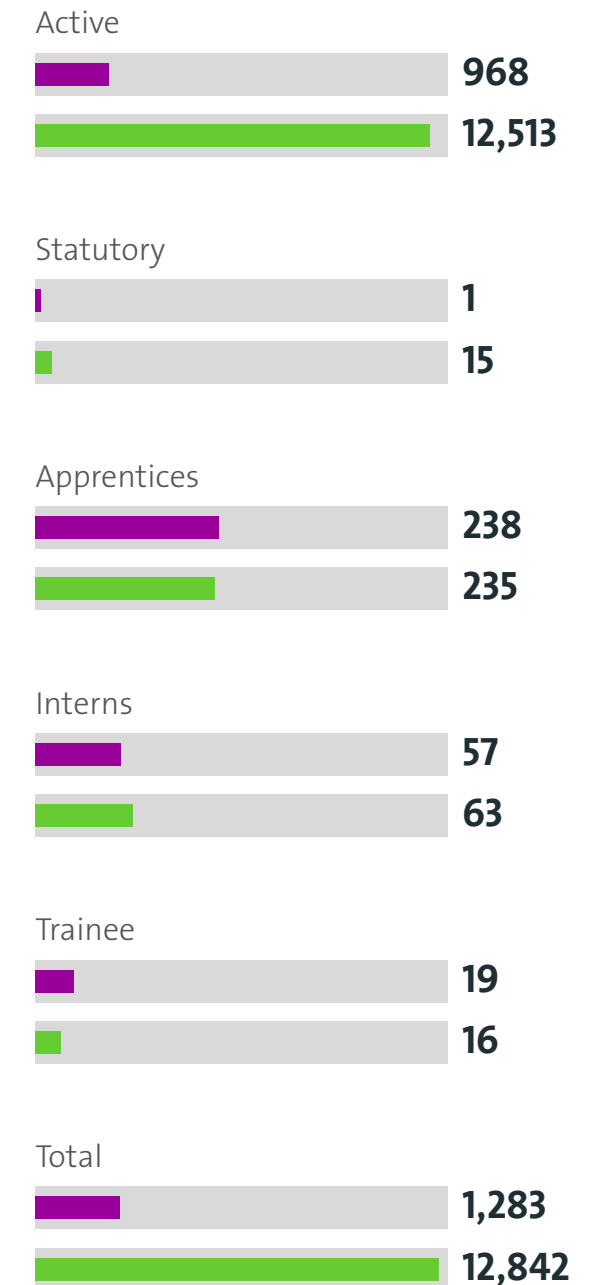
Out of total direct employees, 4.4% were apprentices, interns and trainees, with 628 positions, of which 50% are women.

The charts and tables below break down the profile of direct employees, by operation region, gender, company and age.

14,125 thousand EMPLOYEES



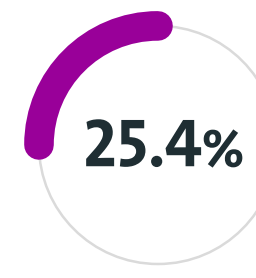
EMPLOYEES 2021



of female professionals among interns and trainees, totaling 628 positions



of new employees 3,904 employees hired in 2021



Total number of employees by employment contract, sorted by gender

GRI 102-8

Gender	Active			Statutory			Apprentices			Interns			Trainee			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Female	949	818	968	-	-	1	124	154	238	58	10	57	-	-	19	1,131	982	1,283
Temporary	16	12	4	-	-	1	124	154	238	58	10	57	-	-	-	198	176	300
Permanent	933	806	964	-	-	-	-	-	-	-	-	-	-	-	19	933	806	983
Male	14,404	10,855	12,513	16	14	15	241	246	235	70	12	63	-	-	16	14,731	11,127	12,842
Temporary	157	88	28	16	14	15	241	246	235	70	12	63	-	-	-	484	360	341
Permanent	14,247	88	12,485	-	-	-	-	-	-	-	-	-	-	-	16	14,247	10,767	12,501
Total	15,353	11,673	13,481	16	14	16	365	400	473	128	22	120	-	-	35	15,862	12,109	14,125

Total number of employees by employment type, sorted by gender

GRI 102-8

Gender	Active			Statutory			Apprentices			Interns			Trainee			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Female	949	818	968	-	-	1	124	154	238	58	10	57	-	-	19	1,131	982	1,283
Full-time	949	816	966	-	-	1	-	38	33	-	-	-	-	-	19	949	854	1,019
Part-time	-	2	2	-	-	-	124	116	205	58	10	57	-	-	-	182	128	264
Male	14,404	10,855	12,513	16	14	15	241	246	235	70	12	63	-	-	16	14,731	11,127	12,842
Full-time	14,404	10,852	12,511	16	14	15	-	36	18	-	-	-	-	-	16	14,420	10,902	12,560
Part-time	-	3	2	-	-	-	241	210	217	70	12	63	-	-	-	311	225	282
Total	15,353	11,673	13,481	16	14	16	365	400	473	128	22	120	-	-	35	15,862	12,109	14,125

Total number of employees by employment contract, sorted by region

GRI 102-8

Region	Active		Statutory		Apprentices		Interns		Trainee		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Southeast	11,416	13,176	14	16	394	463	22	118	-	35	11,846	13,808
Temporary	100	32	14	16	394	463	22	118	-	-	530	629
Permanent	11,316	13,144	-	-	-	-	-	-	-	35	11,316	13,179
South	156	180	-	-	6	6	-	1	-	-	162	187
Temporary	-	-	-	-	6	6	-	1	-	-	6	7
Permanent	156	180	-	-	-	-	-	-	-	-	156	180
Northeast	101	125	-	-	-	4	-	1	-	-	101	130
Temporary	101	-	-	-	-	4	-	1	-	-	101	5
Permanent	-	125	-	-	-	-	-	-	-	-	-	125
Total	11,673	13,481	14	16	400	473	22	120	-	35	12,109	14,125

Workers who are not employees, sorted by employment contract

GRI 102-8

Company	Permanent		Temporary		Investment		Total	
	2020	2021	2020	2021	2020	2021	2020	2021
Parent Company	6,621	7,215	926	642	895	858	8,442	8,715
Unigal	144	127	-	-	-	-	144	127
Mecânica	17	4	9	4	-	-	26	8
Mineração	1,119	1,941	882	709	1	87	2,002	2,737
Soluções	322	344	-	-	-	-	322	344
Rios Unidos	2	1	-	-	-	-	2	1
Total	8,225	9,632	1,817	1,354	896	945	10,938	11,931



Labor union relationship

GRI 102-41; 402-1; 407-1

Usiminas appreciates the role of labor unions in representing its employees' interests and acknowledges the right of free association, respects their participation in labor unions and does not discriminate unionized professionals.

The company seeks to have a permanent and respectful relationship with all labor unions in the steelmaking segment, understands their importance and appreciates their role in advocating for employees' interests. The labor unions have direct access to them through meetings, union newsletters and eventual contacts at their workplaces.

To ensure the dialog with these entities, Usiminas provides permanently open communication channels and a dedicated department – the Corporate Department of Compensation and Labor Relations –

to deal with any possible conflicts and deadlocks, in order to mitigate negative impacts on the organizational environment and the Company's reputation.

The department adopts Usiminas' Labor and Union Relations Management model, which provides details on how to act with unions, the relationships with the entities and other departments, as well as their responsibility in the process. Regularly audited, collective bargaining agreements are carried out directly with the labor unions that represent the workers.

In 2021, 100% of employees were covered by Collective Agreements or Convention.

According to Open Channel data, the Company did not receive complaints about any kind of union misconduct in 2021.

In 2021, 100% of employees were covered by Collective Agreements or Convention.

Regarding material operational changes, Usiminas communicates to the leadership and workers involved with at least one week in advance. The terms for sending notices and the provisions regarding consultations and negotiations are specified in the collective bargaining agreements, according to the adjusted terms with labor unions and documents submitted to the mediation system of the Ministry of Labor and Social Security for consultation [on the link](#).



ATTRACTION AND RETENTION

GRI 401-1

In 2021, Usiminas created a talent retention program focused on people development and training for the succession process.

In addition to the experience gained while performing their tasks, employees have a new way of learning through the Individual Development Plan (IDP in Portuguese). Each IDP must be aligned with the Corporate University's portfolio.

After two years, Usiminas conducted a new climate survey, which was

answered by 90% of the staff with an 81% engagement, a participation much higher than expected. This figure shows that employees perceive the climate survey as an important tool for building an environment where people can achieve their dreams and build successful careers.

Through its social media, the Company has put in major work of attracting and retaining talents, so much so that Usiminas' turnover rate is in line with the market average.

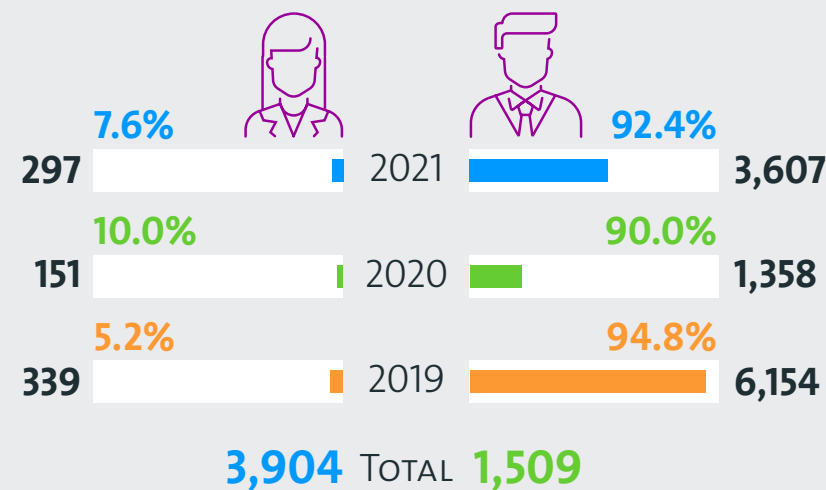
Turnover rate, sorted by gender and age range

GRI 401-1

	2019	2020	2021
Gender	Rate (%)	Rate (%)	Rate (%)
Female	33.3%	22.8%	26.2%
Male	41.5%	21.8%	25.4%
Total	41.0%	21.8%	25.5%
	2019	2020	2021
Age group	Rate (%)	Rate (%)	Rate (%)
Under 30	62.6%	25.1%	47.1%
Between 30 & 50	35.0%	19.9%	20.8%
Above 50	48.1%	27.9%	22.4%
Total	41.0%	21.8%	25.5%

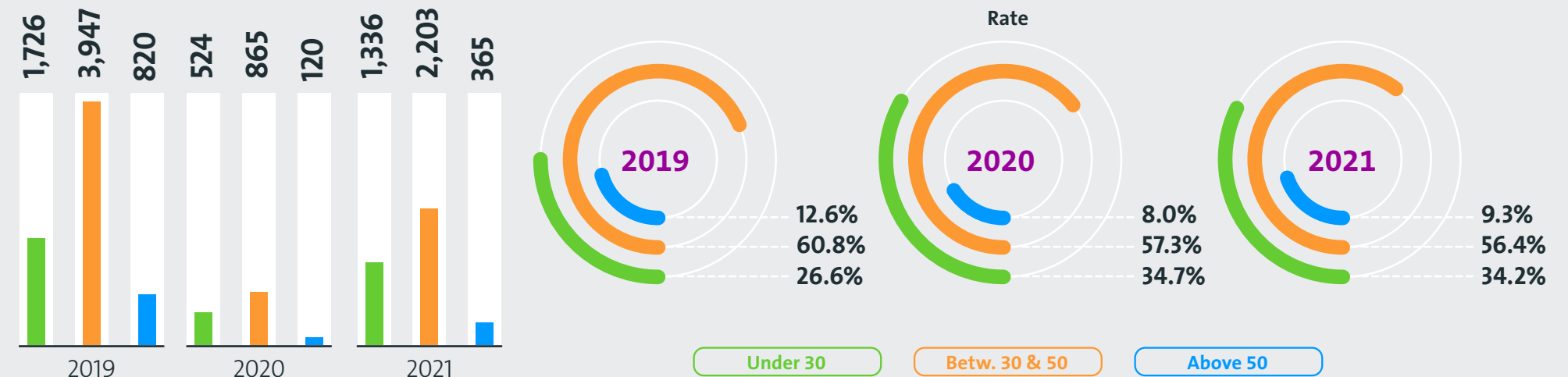
Total number of new hires, sorted by gender

GRI 401-1



Total number of new hires, sorted by age group

GRI 401-1



Benefits and compensation

GRI 102-38; 102-39

Usiminas understands that compensation and benefits are important criteria to attract, retain, engage and motivate its employees and executives holding strategic positions within the Company, including members of corporate governance bodies. Therefore, it is always aware of good compensation practices in the market.

To put together its salary chart, the Company also considers the specific responsibilities of each position by using KornFerry HayGroup's Hay score methodology, a global organizational consulting company that helps Usiminas in the challenges of keeping attractive to new talents.

The senior management's fixed and variable compensation models comply with market principles, enabling the Company to assess the performance of its executives, recognize long-term results and encourage integration and co-responsibility for Usiminas' results and business perpetuity.

With regard to fixed compensation, the methodology used to calculate and adjust it is based on an assessment of market practices and the current economic scenario. This methodology aims to ensure that the Company's policy is competitive and aligned with the market. Fixed compensation is paid monthly throughout the year, plus the Christmas bonus, vacation pay, and vacation pay bonus. It is important to point out that the vacation pay bonus is not applicable to all companies.

The ratio between the employees' highest annual compensation and average annual compensation is 22.7. The compensation of Usiminas' own employees is based on its own salary charts, and all salary levels are higher than Brazilian minimum wage.

The lowest salary paid to female and male employees (R\$1,189.00) is 17.2% higher than the minimum wage (R\$1,100.00), for the units that

concentrate the Company's production and/or personnel. | GRI 102-38, 202-1

In 2021, the ratio between the increase in overall annual compensation of the organization's highest salary and the average employee compensation increase was 11.9%, and the percentage increase in the average compensation for all employees, except for the Company's highest salary, was 13%. | GRI 102-39

In relation to short-term variable compensation, the methodology used is based on economic, financial, quantitative and qualitative indicators linked to the Company's overall performance and to the achievement of collective and individual goals – if they are entitled to bonus – aimed at encouraging Usiminas' sustainable growth in the short and long terms.

Additionally, Usiminas has a Long-Term Variable Compensation Program for Executives, in which the Company's



shareholders' equity at the time of the grant is compared to a future amount (three-year vesting period), and payment is subject to a condition: shareholders' equity cannot decrease by more than 5% compared to the figure at the moment of the grant. This amount is updated after each earnings release, according to the shareholder's equity information provided by the Accounting department.



In 2021, Usiminas also changed its employee profit sharing (PLR in Portuguese) policy, raising its target from 1.2x to 1.5x the salary. In addition, the Company increased managers' salaries; established meal allowances for the entire workforce; food voucher for employees working remotely and the school and Christmas kits as permanent benefits.

Usiminas' employees enjoy a benefit package that covers health, hospital and dental insurance, private pension plan, meal allowance at the Company's own cafeteria and/or meal voucher, transportation allowance, group life insurance, Benefits Club that offers

special discounts at partner companies, extended maternity leave and daycare reimbursement.

In 2021, 484 employees were entitled to maternity and paternity leave, including those who enjoyed the benefit but no longer work at the Company. Retention rate for the past 12 months was 72.7%.





Interns and apprentices receive meal and transportation allowances as well as life insurance as benefits.

- Information about the Individual Development Plan were scheduled to start in 2021.

In 2021, Usiminas also changed its employee profit sharing (PLR in Portuguese) policy, raising its target from 1.2x to 1.5x the salary.

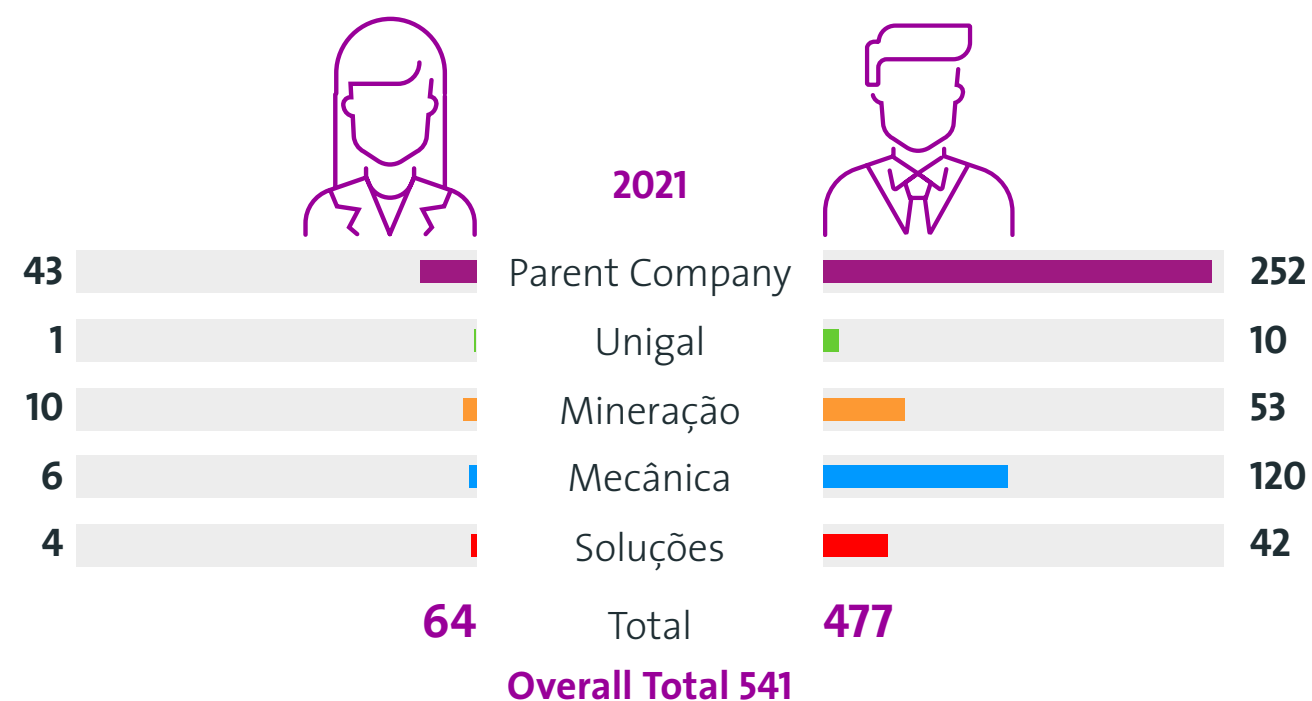
Total number of employees entitled to maternity/ paternity leave, sorted by gender

GRI 401-3

Company	2020			2021		
			Overall Total			Overall Total
Parent Company	33	317	350	18	259	277
Unigal	0	17	17	1	12	13
Mineração	5	52	57	4	53	57
Mecânica	6	57	63	3	84	87
Soluções	1	39	40	2	48	50
Overall Total	45	482	527	28	456	484

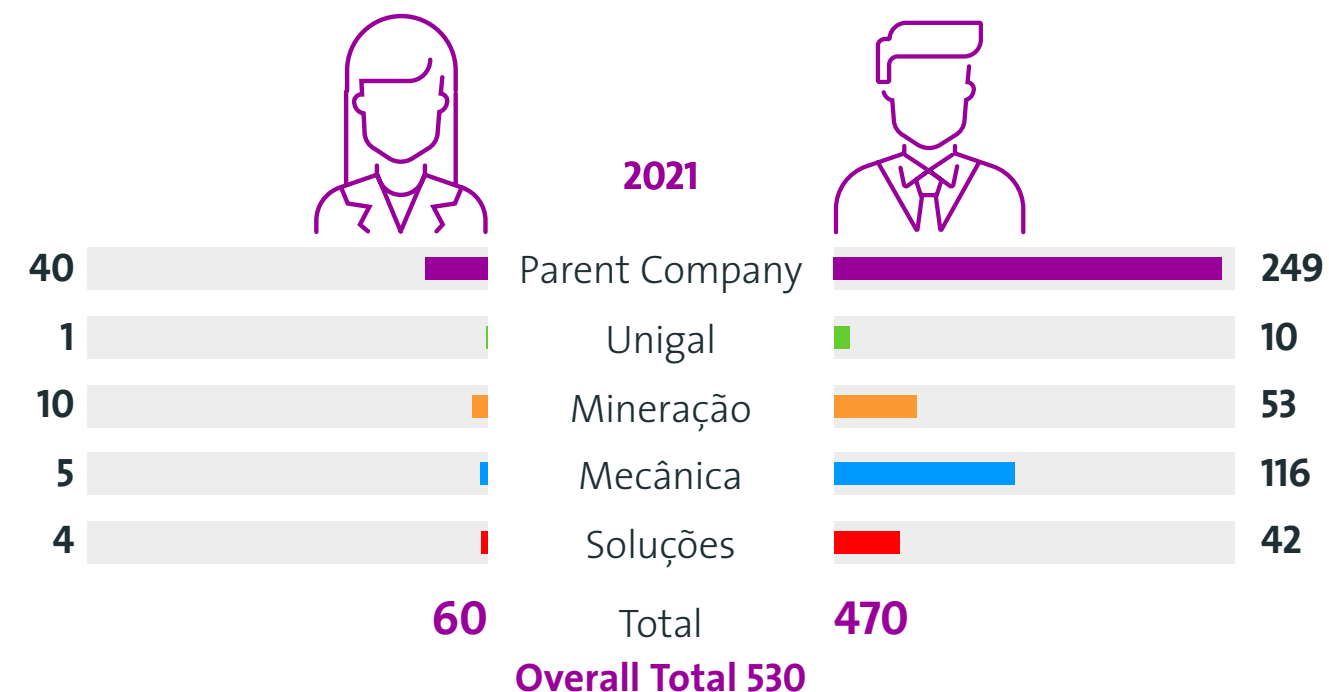
Total number of employees that took maternity/ paternity leave, sorted by gender

GRI 401-3



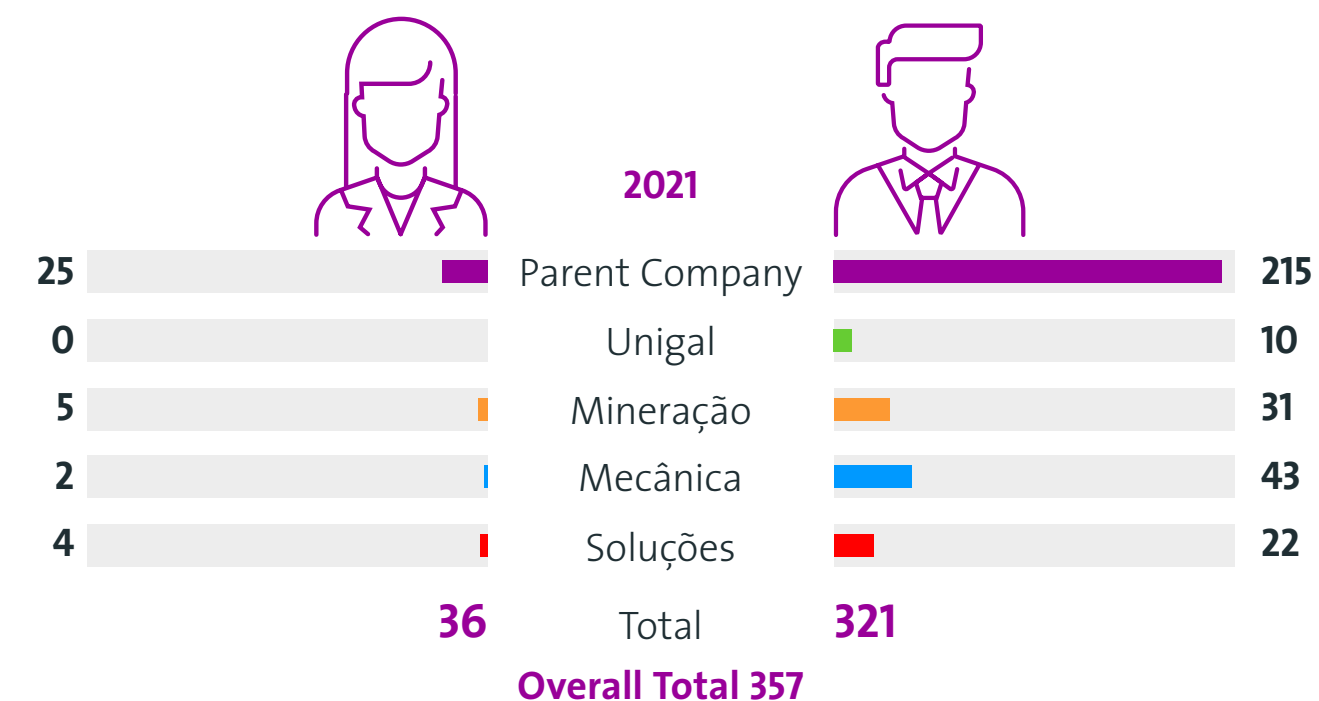
Total number of employees that returned to work after maternity/paternity leave ended, sorted by gender

GRI 401-3



Total number of employees that returned to work after maternity/paternity leave ended that were still employed 12 months after their return to work, sorted by gender

GRI 401-3



Work return and retention rates for employees who were granted maternity/paternity leave, by gender

GRI 401-3

Company	2020				2021			
	Retention > 1 year	Retention < 1 year	Total	% Retention (12 Months)	Retention > 1 year	Retention < 1 year	Total	% Retention (12 Months)
Parent Company	315	28	343	91.8%	240	33	273	87.9%
F	21	7	28	75.0%	25	6	31	80.6%
M	294	21	315	93.3%	215	27	242	88.8%
Unigal	13	0	13	100.0%	10	0	10	100.0%
M	13	0	13	100.0%	10	0	10	100.0%
Mineração	31	9	40	77.5%	36	14	50	72.0%
F	1	2	3	33.3%	5	2	7	71.4%
M	30	7	37	81.1%	31	12	43	72.1%
Mecânica	57	43	100	57.0%	45	80	125	36.0%
F	1	1	2	50.0%	2	10	12	16.7%
M	56	42	98	57.1%	43	70	113	38.1%
Soluções	25	9	34	73.5%	26	7	33	78.8%
F	2	3	5	40.0%	4	1	5	80.0%
M	23	6	29	79.3%	22	6	28	78.6%
Total	441	89	530	83.2%	357	134	491	72.7%

Comparison of base salary + variable compensation between men and women

GRI 405-2

Company	Year	Unit's Executive Officers	Department Directors	General Managers	Managers	Department Heads	Officers	Technicians	Administrative staff	Operational team
Mineração	2019	-	-	-	-	-	0.62	0.87	0.72	0.81
	2020	-	-	0.81	-	0.86	0.67	0.85	0.80	0.80
	2021	-	-	0.84	-	0.96	0.76	0.82	0.65	0.81
Soluções	2019	-	-	-	0.92	1.14	0.81	0.76	0.93	0.77
	2020	-	-	-	1.11	1.18	0.79	0.79	0.95	0.72
	2021	-	-	-	1.04	1.22	0.85	0.73	0.95	0.68
Cubatão Plant	2019	-	-	-	0.77	-	0.94	0.76	0.81	0.64
	2020	-	-	-	0.95	-	0.91	0.78	0.78	0.63
	2021	-	-	-	0.95	-	0.89	0.81	0.68	0.63
Ipatinga Plant	2019	-	-	-	0.74	0.67	0.74	0.79	0.93	0.86
	2020	-	-	-	0.86	0.82	0.73	0.81	0.93	0.81
	2021	-	-	-	0.86	0.86	0.71	0.84	0.85	0.70
Headquarters and Offices	2019	-	0.68	-	0.94	0.95	0.75	0.93	1.05	-
	2020	-	0.71	1.15	0.84	1.02	0.70	1.03	0.94	0.72
	2021	-	0.71	1.09	0.89	0.99	0.67	1.04	0.87	0.70
Unigal	2019	-	-	-	-	-	0.86	-	-	0.80
	2020	-	-	-	-	-	0.89	-	-	0.80
	2021	-	-	-	-	-	0.69	-	-	0.70

Usiminas Private Pension Fund

GRI 201-3

Usiminas Private Pension Fund manages the Company's four supplementary pension plans: two defined benefit plans, called Benefit Plan 1 (PB1) and Defined Benefit Plan (PBD); one defined contribution plan - Mixed Benefit Plan 1 (COSIPrev); and one variable contribution plan – Benefit Plan 2 (USIPREV). Currently, the only plan opened for new beneficiaries and offered to employees of sponsoring companies is the USIPREV.

Plan contributions are made by the respective sponsors and employees, based on the specific regulations of each benefit plan. The contribution percentage for each plan is calculated actuarially and reviewed annually by the responsible actuary. These plans use a progressive table for the sponsor contributions and are based on a share of each participant's salary.



USIPREV holds

93.16%

OF TOTAL ACTIVE PARTICIPANTS of total active participants in the four plans, and the sponsor contributes with an amount equivalent to a **100%** of each participant's contribution



COSIprev holds

6.84%

OF THE ACTIVE PARTICIPANTS among the four plans, and the sponsor contributes **50%, 70%** or **100%** of the contribution collected by the participant



The benefits under this plan include scheduled retirement, benefits deriving from the option by the institute of the Deferred Proportional Benefit (DPB), benefits generated by ported resources, disability retirement; sickness benefit and pension for death – before and after retirement.

Particularly for USIPREV, during the accumulation phase, the participant defines their monthly contribution that will make up their savings reserve. At the time the benefit is granted, the participant can choose to receive it expanded to a monthly income between 0.5% and 1.5% of their Account Balance or in a monthly income for a determined period, between 60 and 360 months. The founding participant enrolled in the plan until April 13, 2011 may also choose to turn their account balance into a lifetime monthly income. In this case, during the retirement payout phase, USIPREV will have the features of a Defined Benefit (DB) plan.

USIPREV holds 93.16% of total active participants in the four plans, and the sponsor contributes with an amount equivalent to 100% of each participant's contribution, complying with the minimum and maximum limits according to contribution ranges, which vary from 1% to 12% of the participation salary.

COSIprev holds 6.84% of the active participants among the four plans, and the sponsor contributes 50%, 70% or 100% of the contribution collected by the participant, according to the contribution table, which varies from 2% to 9% of the participation salary. Employees can opt to join the private pension plan, with a

participation level close to 98% of the total number of employees.

The benefits under this plan include scheduled retirement, benefits deriving from the option by the institute of the Deferred Proportional Benefit (DPB), benefits generated by ported resources, disability retirement; sickness benefit and pension for death – before and after retirement. The Institutes of Self-Sponsorship, Deferred Proportional Benefit (DPB), Portability and Redemption are also assured.

Amounts and information on retirement benefit obligation are shown below:

	Parent company		Consolidated	
	12/31/2021	12/21/2020	12/31/2021	12/31/2020
Balance sheet obligations for:				
Pension plan benefits	581,837	676,280	593,027	691,024
Post-employment medical benefits	498,485	739,152	548,108	780,777
	1,080,322	1,415,432	1,141,136	1,471,801

DIVERSITY AND INCLUSION

GRI 103-1; 103-2; 103-3; 405-1; 406-1

Diversity and inclusion are very important for Usiminas, since it makes organizational environment healthier and more attractive, reducing turnover rate, increasing productivity and innovation possibilities, in addition to having a positive impact on the Company's reputation in the opinion of all stakeholders.

The Code of Ethics and Conduct has a topic dedicated to "prejudice, discrimination and harassment" (item 5.1), which makes it clear that Usiminas respects the diversity of its employees and promotes equal opportunities for all.

Since 2019, the Diversity and Inclusion Program has striven to make Usiminas more diverse and inclusive, offering an environment where everyone can be heard and is a place where they are free to be who they are, without prejudice or discrimination.

Supported by the affinity groups, the program's initiatives are structured, prioritized and validated by the Diversity and

Inclusion Committee, which is coordinated by the Corporate Department of People Management and Innovation. Every day, the Company's reality is being transformed through several initiatives divided into five pillars: gender equality, LGBTI+, generations, people with disabilities, and race & ethnicity.

This transformation can be seen in actions and numbers, such as the decision to set performance indicators for each one of the five pillars, with the exception of the LGBTI+ pillar, which is not measured by numbers, but by an open and respectful environment.

In the gender equality pillar, the average number of female trainees, interns and apprentices rose to 50%. In 2021, the Company had an entire class of young apprentices in the training on Cargo Handling and Storage Operator formed only by women, in order to train these professionals and contribute to have more women joining Usiminas. For 2022, the public goal is to reach at least 55% of female apprentices in the training programs.



The internal goals for the other minority groups are still under development.

The Company has already doubled the number of women holding leadership positions compared to 2019, in addition to organizing initiatives aimed solely and exclusively at this group, such as mentoring and coaching classes offered throughout the year.

The Diversity and Inclusion Program has been offering continuous training on this topic. Furthermore, the Program has made contents more accessible by implementing Libras (the Brazilian sign language) translation tool, audio reading as well as font and contrast adjustments on the website.

Throughout 2021, desirable and mandatory training sessions were offered on the program's five pillars, one of them was on unconscious bias, i.e., social stereotypes that end up forming without people realizing it, leading to prejudice and biased thinking.

We must emphasize the training on moral and sexual harassment offered in partnership with Usiminas' Corporate University to the leadership and supervisors, so that they become allies in the fight against prejudice, discrimination and harassment, which are acts the Company does not tolerate.

Throughout 2021, we published contents in our in-house communication channels and social media highlighting several commemorative dates that reinforce diversity and inclusion, e.g., International Women's Day, Day to Reflect upon and Fight against Discrimination, Youth Day, LGBTI+ Pride Day, Men's Day, Day of the Fight against Fatphobia, National Day of the Hearing Impaired, among others.





In this reporting period, three discrimination cases have been confirmed, representing 1.77% of the total confirmed cases, of which two were related to LGBTI+ and one to gender equality. All cases have been analyzed, investigated and solved. Mitigating and sanctioning measures have been adopted.

Diversity and inclusion throughout 2021:

- In March, we released the newsletter "Inside Diversity" (Dentro da Diversidade) to inform and keep all members of affinity groups, allies and the HR team up-to-date with the program's initiatives and events.
- In April, Usiminas joined UN's Global Compact, another important step towards consolidating the Company's sustainability strategy, which foresees, among other goals, to increase the number of female employees working in the industrial departments. The Global Compact is the world's biggest corporate sustainability initiative and sets commitments on various topics, including diversity and inclusion;
- In May, the Company released its official sign language (Libras, in Portuguese) avatar, Maya, on Usiminas website;
- In June, Usiminas received an honorable mention during the 2021 WEPs Brazil Award - Companies Empowering Women, organized by UN Women, and carried out several actions in its social media and corporate channels in order to raise awareness about empathy and respect for the LGBTI+ community;
- In September, the 2nd Diversity and Inclusion Week was held with lectures, debate groups with in-house representatives, drum and Libras (Brazilian sign language) workshops, quiz, game and commented movie sessions, initiatives that were available for everyone.
- In December, a section dedicated to Diversity was published on Usiminas' website.

Employee percentage by position - Gender

GRI 405-1

Position	2020					2021				
					Overall Total					Overall Total
	Total	%	Total	%		Total	%	Total	%	
Statutory Executive Board	-	-	11	100.0%	11	1	6.2%	15	93.8%	16
Unit's Executive Officers	-	-	3	100.0%	3	-	0.0%	2	100.0%	2
Department Directors	1	7.7%	12	92.3%	13	1	6.7%	14	93.3%	15
General Managers	2	4.3%	44	95.7%	46	2	4.8%	40	95.2%	42
Managers	18	15.1%	101	84.9%	119	23	17.7%	107	82.3%	130
Department Heads	17	16.3%	87	83.7%	104	11	16.4%	56	83.6%	67
Officers	378	30.5%	863	69.5%	1,241	444	31.3%	974	68.7%	1,418
Technicians	136	7.5%	1,673	92.5%	1,809	168	8.2%	1,875	91.8%	2,043
Administrative staff	72	37.7%	119	62.3%	191	71	41.3%	101	58.7%	172
Operational team	358	4.2%	8,214	95.8%	8,572	562	5.5%	9,658	94.5%	10,220
Total	982	8.1%	11,127	91.9%	12,109	1,283	9.1%	12,842	90.9%	14,125

Employee percentage by position - Age

GRI 405-1

Position	2020 ¹							2021						
	Under 30		From 30 to 50		Over 50		Overall Total	Under 30		From 30 to 50		Over 50		Overall Total
	Total	%	Total	%	Total	%		Total	%	Total	%	Total	%	
Statutory Executive Board	-	-	3	27.3%	8	72.7%	11	-	-	4	25.0%	12	75.0%	16
Unit's Executive Officers	-	-	2	66.7%	1	33.3%	3	-	-	1	50.0%	1	50.0%	2
Department Directors	-	-	4	30.8%	9	69.2%	13	-	-	4	26.7%	11	73.3%	15
General Managers	-	-	29	63.0%	17	37.0%	46	-	-	24	57.1%	18	42.9%	42
Managers	-	-	92	77.3%	27	22.7%	119	-	-	99	76.1%	31	23.8%	130
Department Heads	1	1.0%	78	75.0%	25	24.0%	104	1	1.5%	47	70.1%	19	28.4%	67
Officers	129	10.4%	929	74.9%	183	14.7%	1,241	224	15.8%	983	69.3%	211	14.9%	1,418
Technicians	197	10.9%	1,445	79.9%	167	9.2%	1,809	237	11.6%	1,594	78.0%	212	10.4%	2,043
Administrative staff	40	20.9%	129	67.5%	22	11.5%	191	42	24.4%	107	62.2%	23	13.4%	172
Operational team	2,057	24.0%	5,686	66.3%	829	9.7%	8,572	2,553	25.0%	6,512	63.7%	1,155	11.3%	10,220
Overall Total	2,424	20.0%	8,397	69.3%	1,288	10.6%	12,109	3,057	21.6%	9,375	66.4%	1,693	12.0%	14,125

1. Calculation adjustment | GRI 102-48

Employee percentage by position - Race

GRI 405-1

	2020												2021											
	Brown		White		Black		Yellow		Indigenous		Not informed		Brown		White		Black		Yellow		Indigenous		Not informed	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Statutory Executive Board	-	-	7	63.6%	-	-	4	36.4%	-	-	-	-	2	12.5%	9	56.2%	-	-	5	31.2%	-	-	-	-
Unit's Executive Officers	1	33.3%	2	66.7%	-	-	-	-	-	-	-	-	-	-	2	100.0%	-	-	-	-	-	-	-	-
Department Directors	1	7.7%	12	92.3%	-	-	-	-	-	-	-	-	1	6.7%	13	86.7%	-	-	-	-	-	-	1	6.7%
General Managers	4	8.7%	41	89.1%	-	-	1	2.2%	-	-	-	-	4	9.5%	37	88.1%	-	-	-	-	-	-	1	2.4%
Managers	33	27.7%	83	69.7%	3	2.5%	-	-	-	-	-	-	35	26.9%	91	70.0%	4	3.1%	-	-	-	-	-	-
Department Heads	31	29.8%	67	64.4%	5	4.8%	1	1.0%	-	-	-	-	20	29.8%	42	62.7%	4	6.0%	1	1.5%	-	-	-	-
Officers	332	26.8%	837	67.4%	30	2.4%	18	1.5%	1	0.1%	23	1.9%	414	29.2%	895	63.1%	42	3.0%	20	1.4%	1	0.0%	46	3.2%
Technicians	921	50.9%	768	42.5%	106	5.9%	6	0.3%	3	0.2%	5	0.3%	1,036	50.7%	842	41.2%	119	5.8%	12	0.60	5	0.2%	29	1.4%
Administrative staff	71	37.2%	106	55.5%	11	5.8%	2	1.0%	-	-	1	0.5%	61	35.5%	99	57.6%	11	6.4%	1	0.6%	-	-	-	-
Operational team	4,640	54.1%	2,928	34.2%	822	9.6%	53	0.6%	26	0.3%	103	1.2%	5,480	53.6%	3,274	32.0%	1,138	11.1%	67	0.7%	29	0.3%	232	2.3%
Overall Total	6,034	49.8%	4,851	40.1%	977	8.1%	85	0.7%	30	0.2%	132	1.1%	7,053	49.9%	5,304	37.5%	1,318	9.3%	106	0.8%	35	0.2%	309	2.2%

Note: Interns are being considered in the categories. Apprentices are being considered in the "Operational team" category.

TRAINING AND DEVELOPMENT

GRI 103-1; 103-2; 103-3; 404-1; 404-2;

Usiminas fosters the training and development of its entire team through courses, development programs and continued education, so much so that it doubled investments in the department in 2021.

This training allows us to have better prepared and qualified professionals, who contribute to maintaining Usiminas' competitive position in the steel market, creating even more value for all stakeholders.

Topics are related to health, safety, operational techniques, standards and procedures, but above all to innovation. Together with all leaderships, Usiminas has been focusing on building of a favorable environment for people to participate in innovative processes.

In 2021, the Company recorded more than 800 thousand training hours.

Breakdown of training per employee

GRI 404-1

	2019		2020		2021	
	Total credit hours	Hours per employee	Total credit hours	Hours per employee	Total credit hours	Hours per employee
Administrative	7,919.60	31.6	2,515,92	13.2	5,809,25	38.22
Executive Officers	3,121.40	42.2	276,17	10.2	776,97	20.45
Managers	13,228.50	49	2135,83	12.9	8,161,83	46.11
Operational employees	674,525.70	84.8	335,001,96	39.1	647,215,19	86.45
Officers	71,719.90	49.9	23,289,57	18.8	69,544,13	50.02
Technicians	119,019.30	65.1	53,487,80	29.6	145,524,82	75.36
Overall Total	889,534.30	75.3	418,301.01	34.8	877,032.19	78.67

Note: In the above data, the hours of the functional categories of Construction Workers, Apprentices and Interns are not counted.

Average training hours per employee

GRI 404-1



- Programs for developing employee skills and assisting in career changes

The program adds health and safety trainings to employees' onboarding, including topics such as the Company's

main policies and rules, e.g., Usiminas' Occupational Safety and Health Policy, the Golden Rules, Emergency Response Plan, Task Risk Analysis, Work Permit, Personal Protective Equipment and Hearing Preservation Program.

Regarding the risks inherent to own and outsourced employees' activities, Usiminas offers training on operational discipline, reinforcing safety recommendation that must be observed in all activities. Every year, the Company also carries out emergency drills.

Development programs on legal and regulatory training

Usiminas offers training on regulatory standards, the International Organization for Standardization (ISO) rules as well as the Code of Ethics and Conduct. They are geared towards the Company's professionals and are designed based on their activities' needs, as well as obligations set forth by laws, rules and internal procedures. In 2021, Usiminas recorded 226,764.91 training hours on regulation and 2,644.32 training hours on ISO rules.

Universidade Corporativa

The maturity level of Usiminas' Corporate University increases every year. It offers several undergraduate, MBA, master's and doctorate programs, in addition to technical, legal and operational courses. The Corporate University' programs allow employees to develop skills compatible with the company's needs.

The Corporate University relies on five schools: Steel School, Usiminas Culture School, Business School, Leadership School and the Health, Safety, Environment

and Wellness School. Each school has an executive sponsor, who are usually officers, and their main role is to listen all departments and their main demands, in addition to suggesting new ideas about how to develop the schools.

It is important to emphasize that Usiminas enters into partnerships with universities and research institutes throughout Brazil to make the Corporate University's education actions possible.

Steel School

The school's target is to train employees to be more focused on quality, the continuous improvement and technical knowledge of processes, as well as to encourage the pursuit of new methods and innovation.

In 2021, the Steel School organized the following initiatives:

- **Development Program for Maintenance Professionals:** the program's aim is to offer technical training for maintenance professionals, preparing them to take on higher positions in their careers. It varies according to their hierarchical level (I, II, III and IV), position (technical or official) and career (hydraulic mechanic, electrical mechanic and instrumental electrical mechanic). In 2021, the Company trained 326 professionals.
- **Quality Development Program:** this program aims to develop professionals so that they can be a reference in the Quality theme, acting as continuous improvement multipliers and promoters, and in solving problems related to products and processes. The following programs were offered: CQE, Minitab, Internal Auditor Training 9001, Coretools + IATF, Management for Results, Renewals and SNQC Certifications.
- **Development of Technical Managers:** the program is focused on developing technically grounded professionals for making decisions and improving the processes in which they operate. In 2021, in partnership with the Federal University of Minas Gerais (UFMG), the program offered the Physical Metallurgy of Hot Deformation and Materials Science and Elements of Mechanical Metallurgy courses.

Usiminas enters into partnerships with universities and research institutes throughout Brazil to make the Corporate University's education actions possible.



In 2021, we closed
the year with

473
apprentices



Usiminas Culture School

It aims to strengthen the Company's Values, DNA and Culture through educational initiatives for all audiences.

- **Usiminas DNA Development Journey:** Virtual chats through live broadcasts to endorse and strengthen Usiminas DNA. In 2021, the aspects of Opening for New Things, Inspiring DNA and Developing People, Simplicity, Speed and Collaboration have been strengthened.
- **Information Security:** Focused on both personal and corporate security, the program offered the following training sessions:
 - **Training on Phishing:** it is currently one of the most common virtual crimes in Brazil;
 - **Training on the Brazilian General Data Protection Act (LGPD).**
 - **Lecture on Social Engineering:** "The Art of Deceiving - Information Security," in order to teach how to protect from methods and techniques used to manipulate people and obtaining personal and corporate data that can compromise computer systems.
- **Raising awareness about Intellectual Property:** Comprised by 2 modules that address the concepts and best practices for Usiminas' intellectual property assets, this training is offered to all employees.

- **Entry-level Programs:** Entry-level programs (apprentice, intern and trainee): development journey focused on entry-level programs.

- **Apprentices:** Apprentice follow-up and education. It is the first entry level at the Company.

In 2021, Usiminas had 473 apprentices.

- **Interns:** Currently called "Young Professionals", the internship program aims to connect the company to professionals at the beginning of their careers, collaborating with the practical construction of their academic education, whether technical or higher education, providing an appropriate learning environment, giving them the opportunity for professional growth. The Company closed 2021 with 120 employees in the program.

- **Trainee:** The program lasts 24 months. In the first 12 months, trainees experience three different department rotations and then, professionals are allocated to the department they will work on. In addition to the onboarding period, the program offers mentoring and coaching, rotation in business areas, and behavioral and technical development, participating in recurring projects and evaluations. The development goes beyond the classroom, with virtual tours and discussions. In 2021, the program included 35 positions.

Business School

Focused on developing critical customer-centered business knowledge.

- **Continued Education on graduate and master's degree programs:** professional scholarship program, intended to supplement employees' education in view of their career's professional challenges. In 2021, 138 scholarships were offered: 16 undergraduate, 24 individual graduate, 62 in company graduate, 21 master's, 5 executive MBA and 10 international graduate programs.
- **Language Course:** A program to encourage the English language learning. To nominate employees for the program, their performance, as well as the need to use the English language in their current or future position are taken into account. In 2021, 178 scholarships were granted.
- **Usiminas Data Culture Program: Analytics Program:** Program designed to develop a data-driven culture at Usiminas. The Company entered into a partnership with the Federal University of Minas Gerais (UFMG) to offer leveling to 60 employees on the subject in a 5-month course. The program also

includes a residency on Data Science for 15 employees aimed at developing analytics projects approved by the Data Science Committee.

- **Quem Conhece Compartilha Program (Whoever knows something, must share it):** The Company continued with the *Quem Conhece Compartilha* Program, geared towards fostering in-house knowledge sharing and the development of potential knowledge multipliers. The aim is to prepare in-house multipliers to be ready to share knowledge.

- **1ª Semana do Conhecimento Usiminas (Sou+Desenvolvimento):** An online event for all employees in the format of a fair aimed at building a closer relationship between the HR team and employees, focused on future outlook. The initiatives included themed lectures, discussion groups and stands on People Management, Diversity and Inclusion, Degrees of the Future, Benefits and Recruiting. More than 560 people attended the event, including internal and external stakeholders.

- **Enhancement of the self-development course portfolio:** The Company acquired 21 new courses developed by partners universities, such as UOL EdTech and FIA, aimed at its employees' self-development. Courses include analytics topics – PowerBI, Excel Dashboard, Python –, Management, Productivity Tools and Office Package. 1,656 employees participated in the self-development courses.



Leadership School

Its goal is to develop the Company's current and future leaders in all hierarchical levels. In 2021, the School offered the following programs:



Leaders Development Program – *Liderar*:

Mandatory in-person and online training, targeted at employees who have been promoted or hired for the department head positions, whose content includes technical, leadership and occupational safety topics. In 2021, 64 department heads participated in the *Liderar* program.



Leadership Talks:

Webinars focused on discussing current scenarios and the need to bring people, strategy and operations together – three core elements of every organization – focused on a culture of execution and achieving results. Topics discussed in 2021 encompassed people, business and technology, hyperconsciousness, decision, execution and dialog-action.



Leadership Journey:

Created in 2021, the Leadership Journey project will be a virtual simulation experiment of business vision and the impact of decision-making among leaders, allowing them to broaden their business perspective and improve strategic thinking. It will be divided into three tracks: for officers and general managers; managers and coordinators; and supervisors.

Its goal is to develop the Company's current and future leaders in all hierarchical levels.

Health, Safety, Environment and Wellness School

It disseminates the culture of health & safety, operational discipline and environmental conservation, offering legal and regulatory training on these topics to employees according to their activities' needs. For that purpose, supported by the respective departments the School identifies the requirements set forth by laws, rules and internal procedures.

In 2021, the following activities were held:



Safety Day:

This event takes place every month on a specific day, and is devised to reinforce key occupational safety topics, always focused on behaviors. Its main purpose is to raise the organization's awareness to aim, together, for the main goal of Zero Accidents. In 2021, the Safety Day addressed the topics of "Safety Culture and Behavior", "Building paths for Safety", "Blocking risks: plan a safe life", "Shared surveillance: I take care of you, and you take care of me", among others.



Lessons learned videos:

Videos produced in order to share incidents recorded at the workplace, which have become new opportunities to eliminate risks and prevent them from happening again. The goal is to propose actions that can contribute to the enhance the safety culture and risk perception of own and outsourced employees, aiming to reduce events that put the teams' safety at risk.



Creation and Development of Distance Learning (DL) Training:

- **DL training on Process Safety:** Data analysis
- **DL training on Occupational Safety:** Biker in Cubatão
- **DL training on Occupational Safety:** Electricity procedures
- **DL training on Occupational Safety:** Safety while leaving for lunch at the new headquarters
- **DL training on Environment:** Waste management
- **DL training on Environment:** Environmental Management System (SGA) Module I
- **DL training on Environment:** SGA Module II for administrative departments
- **DL training on Environment:** Problem analysis
- **DL training on Environment:** Atmospheric control
- **DL training on Environment:** Active supervision



5 Pillars of Behavior Safety for Overhead Crane:

video about the 5 pillars for Overhead Crane Maintenance. More didactic and accessible videos designed for operational employees, focused on procedures and operational guidelines related to safety in operation maintenance.

Performance assessment

GRI 404-3

Within the scope of Usiminas' Performance Management, employee assessment takes place every year for all positions, which are divided in two large groups: administrative and operational. The administrative group's assessment is based on goals, skills and potential, while the operational group is based only on skills and potential.

The assessment stages include goals setting, goals validation, goals review, self-assessment, manager's assessment, management's discussion and feedback, allowing the assessee and the assessor to interact. The outcome of these stages is the beginning of several others within the Company: training, development, career, which include one-time initiatives, like the Individual Development Plan (IDP) as well as collective initiatives and vertical and horizontal promotions.

78.8% of the employees are eligible for the performance management process, of which 100% joined in the assessment, regardless of gender or position. Interns, apprentices and Usiminas Mecânica's employees working at construction sites comprise the 21.2% of non-eligible employees. Interns and apprentices have their own evaluation models, according to their academic, development and learning programs.

There is no formal performance assessment program for Usiminas senior management, except for its executive officers, who are evaluated based on the results achieved. For that purpose, the Board of Directors, advised by the Human Resources Committee, annually sets the quantitative and qualitative indicators for the Company's performance and collective and individual goals. The assessment of these results is linked to the statutory officers' short-term variable compensation

78.8% of the employees are eligible for the performance management process, of which 100% joined in the assessment, regardless of gender or position.



HEALTH AND SAFETY

GRI 103-1; 103-2; 103-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9; 403-10; SASB EM-IS-320a.1

Occupational health and safety are material topics for Usiminas, being one of the Company's values. Due to their relevance, the Company held several actions and initiatives during the year to strengthen the health and safety culture, in addition to making investments and offering training.

2021 was a very challenging year for Usiminas in the health field. At the same time that the Company has developed occupational health initiatives, it also had to carry out those related to the Covid-19 pandemic, continuing with the work started in 2020.

The Company remained vigilant and kept the safety measures and protocols developed to minimize the impacts of this disease on everyone's health. Coupled with the increase in covid-19 vaccination rate, measures adopted helped reducing the number of cases at the units and improving operational performance.

The initiatives include:

- Strategic testing;
- Biosafety protocol;
- Protocol of infected individuals;
- Protocol for visitors and travelers;
- Symptomatic, asymptomatic and Covid+;
- *Fala Aí Saúde* (medical and psychological care);
- Covid-19 vaccination control.

The protocols have been updated according to the guidelines and updates

from the Ministry of Health and the World Health Organization (WHO).

The Operational Management Committee for the Coronavirus Crisis, created on March 16, 2020, as soon as the Covid-19 pandemic was declared, remains active and continues to define the preventive and contingency initiatives to be taken by Usiminas to protect all employees (both own and outsourced), as well as their families.

The Occupational Safety and Health Policy is the main instrument governing the topic and aims to protect employees inside Usiminas' facilities.

Certified by ISO45001 at the Ipatinga (MG) and Cubatão (SP) units, Usiminas ensures compliance with occupational safety and health legal requirements. Moreover, the Company carries out internal safety and quality audits.

The department also has two operation pillars related to health insurance, which has health and dental insurance and health

promotion. Furthermore, Usiminas has the Usiminas Ergonomics Management System (SIGE-U in Portuguese), which identifies, prevents and proposes actions to address ergonomic risks, including psychosocial and organizational ones.

Usiminas has process in which employees can consult and participate in the occupational safety and health management system, namely:

- Participating in hazard identification, risk and opportunity assessment, and establishing controls;
- Consultation and participation in the preparation of operational procedures;
- Members of the Internal Commission for the Prevention of Accidents (CIPA in Portuguese) in accordance with Regulatory Standard 5;
- Voluntary Safety Groups, in which employees participate by reporting risk situations, coming up with solutions and direct reports to the Management;

- Participation in the Daily Safety Talks with daily reports on important safety and health information;
- Communication about relevant safety incidents.

It is important to mention that occupational safety and health matters are followed up at all Usiminas' hierarchical levels: from the CEO and the Board of Directors to the production and maintenance departments.

In compliance with the target, 100% of Usiminas' employees are represented in the formal health meetings.

During the onboarding, health and safety aspects are presented to new employees, contributing to their awareness about the work-related risks.

Regarding the risks inherent to employees' activities, the Company offers training on Operational Discipline procedures to its own employees as well as service providers.

Employees exposed to noise receive annual training.

It is important to denote that 100% of the workers are covered by the Occupational Safety and Health Management System, which is submitted to external and internal audits.

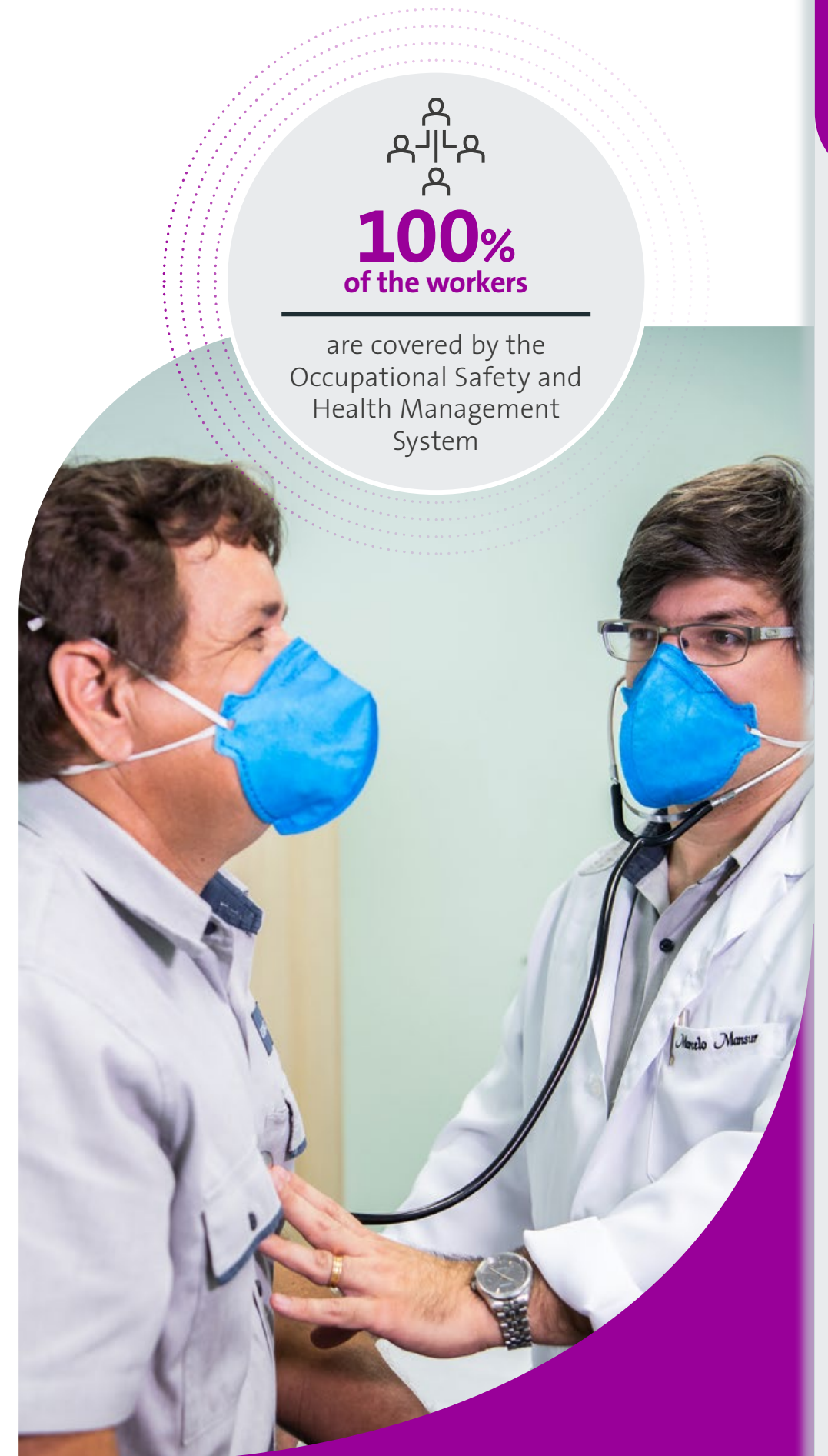
Occupational health

Occupational health is managed by health protocols and procedures in accordance with Usiminas' Health and Safety Policy and by the monthly monitoring of indicators and targets - among which are keeping periodic physical exams on schedule, carrying out health projects and meeting the schedule of the Medical Control Program for Occupational Health (PCMSO in Portuguese).

The department also works to mitigate risks related to the physical environment as well as working conditions that can be harmful to employee's health, such as moving heavy vehicles, operating machinery, emission of toxic gases and asphyxiants as well as noises. Demands and service orders related to occupational health and safety are informed through notices, posters, and other electronic means.

Based on regulatory standards such as NR 07, Usiminas prepares the Medical Control Program for Occupational Health's Annual Report, which provides constant monitoring of employees' health status, as well as continuous illness prevention initiatives, both clinical and occupational.

A multidisciplinary team comprising speech therapist, occupational physician, social worker, administrative assistant, nursing technician, paramedic, ergonomist and other professionals work on the identification of risks and hazards to health as well as on health prevention and promotion.



Provider, Usiminas runs the “*Atitude Rima Com Saúde*” Program, aimed at supporting its participants to become the main agents of their health, fostering changes in habits and practices that lead to a better quality of life and illness prevention, in a light, cooperative and resolute manner.

As for the goals established for the review of health projects, Usiminas has achieved 100% of them due to a well-structured strategic planning and has achieved 100% of follow-up actions related to risks with high ergonomic criticality level.

In 2021, the goal of performing periodic physical exams was 92%, versus a 98% target. This goal has not been achieved mainly due to the pandemic impacts.

The Company met all goals related to initiatives to prevent and fight the Covid-19 in 2021.

For 2022, the goals are to perform 99% of periodic physical exams within schedule, implement health promotion projects that have already been reviewed, perform health management in outsourced companies, and achieve a minimum percentage of implemented ergonomic solutions.

The Occupational Health department assesses and addresses employees’ health complaints through consultations and occupational exams. The ergonomics project continued in 2021, which identifies, prevents and proposes treatments for ergonomic risks, including psychosocial and organizational ones.

Usiminas’ employees can schedule medical and dental appointments through the Usisaúde plan. In partnership with São Francisco Xavier Foundation’s Healthcare

Occupational Safety

Occupational Safety is basically structured on two pillars: team training and fostering the safety culture. Based on a specific strategic planning for this theme, Usiminas has reduced the risk of accidents and developed initiatives to reinforce safe attitudes and mitigate risk behaviors.

Assessed and adjusted whenever necessary, this plan is directed to all of the Company’s business units and sets accident reduction goals and indicators for control, reference and guidance of new actions. The Industrial Vice President is the leader of this plan, which is managed by the head of the safety department. They hold monthly meetings with the Executive Officers in the Strategic Safety Committee to monitor the actions that cover all Usiminas Group’s business areas.

Usiminas developed a system called SIASSO to which all employees have access to report safety risks, misconducts, incidents and accidents. Everyone can access it and is free to report such situations, which are directed to the department head, who will investigate and take appropriate actions. Employees have the Right of

Refusal according to which, in case of risks in executing their activities, they have the right guaranteed and supported by the entire leadership to not execute the task until the risk has been mitigated or controlled. The employee can submit the application for the “Right of Refusal” in the Company’s official system to report risky situations, where the leadership can solve the case.

The Company met all goals related to initiatives to prevent and fight the Covid-19 in 2021.

With regard to the safety of suppliers and partners, Usiminas has implemented and maintained the Safe Supplier program, which qualifies and recognizes companies for their safety results, in addition to conducting monthly audits to verify their safety practices and results.

As for technological improvements, Usiminas has invested in systems to predict employees' neurophysiological changes that could lead to risk situations, as well as in the implementation of technologies with safety gains in the operation of trucks in the mining area.

The targets for accident frequency and severity rates are broken down to all Usiminas Group's business areas and are monitored and reported weekly to the Executive Board. The results are compared with those of other companies through sector institutes – Brazil Steel Institute, for the steelmaking units, and the Brazilian Institute of Mining (IBRAM), for Mineração Usiminas – in order to understand where the Company stands.

In 2021, Usiminas continued to promote the Zero Accident program, a daily pursued goal, in addition to other measures to

reinforce the culture of safety and health protection for own and outsourced employees. The Zero Accident goal is applicable to all hierarchical levels, covering 100% of the Company's own and outsourced employees.

In the year's results, the goal for overall accident frequency rate, which is the sum of frequency rate in all business areas, was not achieved, posting a result worse than in 2020. However, the severity rate came to the best level in Usiminas Group' history, showing the effectiveness of initiatives implemented to reduce serious occupational accidents.

In 2021, the CPT frequency rate was above the 0.3 target, therefore Usiminas did not reach this goal and this challenge will remain for 2022. However, the severity rate showed an 84% reduction between 2020 and 2021.

Goals for the coming cycle¹:



CPT Frequency Rate

0.3



Severity rate:

26

¹ Frequency rate = number of accidents * 1000000/ man-hours worked; severity rate= (number of lost days + number of injured days) * 1000000/man-hours worked.



Safety day

It is a monthly date dedicated to the topic. Since the beginning of the program, speakers and celebrities such as Tande, Luciano Burti, Rodrigo Pimentel and others gave lectures on safety, thus contributing to strengthen the safety culture and safe behavior at Usiminas' units.

Safety pillars

In order to eliminate hazards and reduce risks in all its business areas, Usiminas has devised a Strategic Safety Planning based on six pillars:

PILLAR 01 **Culture, Behavior and Communication:** awareness-raising initiatives, e.g., campaigns, lectures and training and skills development actions aimed at accident prevention at all hierarchical levels, as well as the participation of groups with employees' representatives such as CIPA;

PILLAR 03 **Safety Routine Management:** control of reactive and preventive indicators, sending reports with relevant safety information, and audit management;

PILLAR 05 **Technological Improvement and Technical Support:** system modernization, implementation of new technologies aimed at risk reduction and robotic process automation;

PILLAR 02 **Management of Critical Risks:** Management of Critical Risks: initiatives focused on the main critical risks, with the implementation of new technologies to reduce risks, equipment upgrade, use of sensors and safety devices, standardization of prevention items, actions focused on reducing risks by using the Preliminary Risk Analysis and Preliminary Hazard Analysis in the occupational and process perspective;

PILLAR 04 **Process Safety:** risk analysis, recommendation implementation, and action in critical process safety scenarios;

PILLAR 06 **Third Party Safety:** initiatives aimed at outsourced companies, with routine meetings on safety, as well as monthly audits in outsourced companies.



In 2021, Usiminas created 106,556 action plans registered in its internal system to solve deviations, incidents and accidents that occurred in the Company. In the field of hand safety, 627 devices have been created in the Safe Hands program, reducing the exposure of employees' hands to risks in their activities.

Incident investigation

It is an accident investigation program to determine the root causes of the incidents and take actions to prevent them from happening again. Every event is mandatorily recorded, whether a misconduct, incident or accident. The investigation and analysis methodology is defined based on the type and extent of the event. For a simple incident, the 5 whys methodology is applied, while for more complex and serious accidents, the Company uses the Root Cause Analysis (RCA). Depending on each case, however, other methodologies can be used, such as cause and effect diagrams. The core issue is to determine the root cause of each event, as well as the contributing causes and necessary actions to prevent accidents from repeating.



Continuous Risk Analysis Systematics

All the Company's activities are mapped, analyzed and assessed using Danger and Risk Matrices, Preliminary Risk Analysis (APR, in Portuguese) Techniques, through the use of Occupational Safety and Process Analysis (AST/ASP, in Portuguese) tools, Task Risk Analysis (ART) and, if necessary, more sophisticated process safety techniques, such as Hazop, Bowtie, and others.



Golden Rules

They make official safety rules to be complied with by own and outsourced employees regarding the seven most critical risks inherent to Usiminas' activities.



Integrated Occupational Safety and Health Actions System (SIASSO)

SIASSO is a computerized safety and health platform that enables employees and contractors to manage the system

by recording events such as accidents, incidents and misconducts, as well as recording and monitoring the action plans to address incidents and the defined preventive strategies. It is an important tool to endorse safety meetings at all levels, allowing a better critical analysis of everything that is going on in the Company in terms of safety and health.



Medical Control Program for Occupational Health

Every year, the Medical Control Program for Occupational Health (PCMSO in Portuguese) report presents the continual monitoring of employees' health.

0.27% of audiometry exams presented occupational changes, accounting for 18 employees, of which 16 presented the same occupational changes as in the previous years and 2 new cases have been identified in 2021, with an

Occupational Accident Report (CAT, in Portuguese) being issued in the same year.

The Company did not record any deaths of its own employees and the illnesses are related to the hearing system. This information is not available for outsourced employees, since the outsourced employee management project was implemented by the end of 2020 and only at the Ipatinga unit. The Company plans to expand the project to the other units.

No employee has been excluded from this content.

² The method consists in, after defining a problem, questioning five times why it happened, until the real cause is discovered.

³ Root cause analysis is the process to define, understand and solve a problem.

Atitude Rima com Saúde (Attitude Rhymes with Health)

This program is developed in partnership with São Francisco Xavier Foundation and aimed at supporting its participants to become the main agents of their health, fostering changes in habits and practices that lead to a better quality of life and illness prevention, in a light, cooperative and resolute manner.

The Program has projects focused on meeting the needs of specific

audiences, including employees and their dependents, i.e., children, pregnant women, elderly, diabetics, obese, smokers, among others.

The program has a 99% satisfaction rate among its participants and, since its inception in 2010, it had more than 50,000 thousand beneficiaries. The results of “Atitude Rima com Saúde” reflect gains achieved by everyone, given that healthy and happy people mean increased productivity and reduced chances of illnesses and absences.

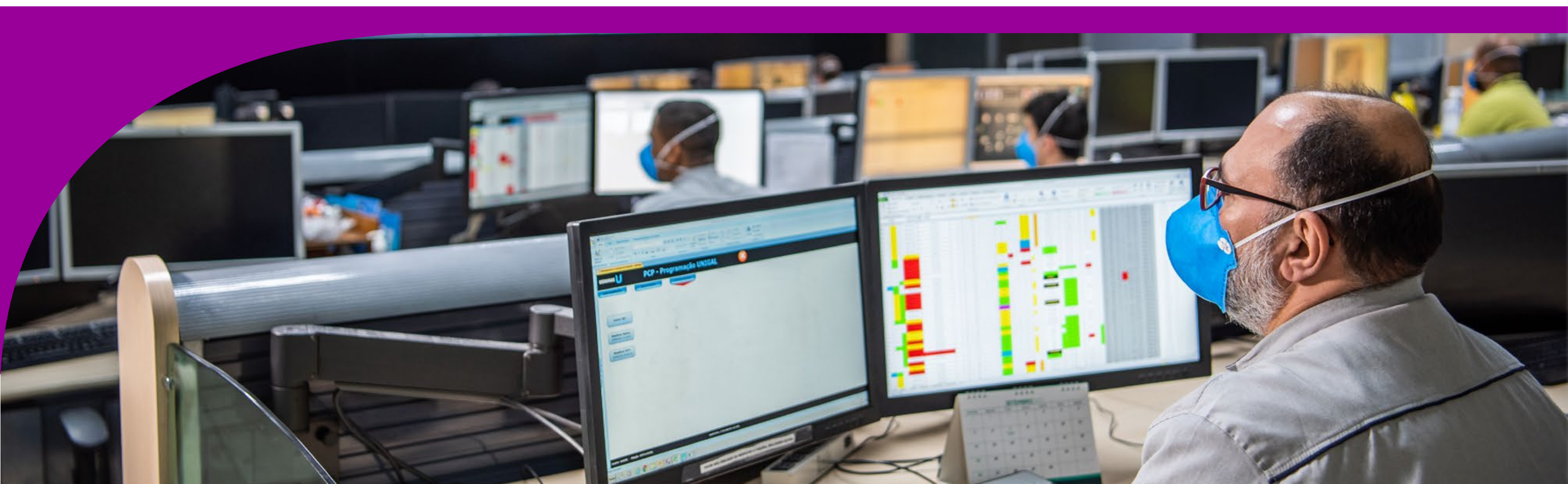
Usiminas Integrated Health System – SISU

The Usiminas Integrated Health System – SISU is a management system that has been operating since 2016 and covers 4 pillars: Occupational Health, Health Insurance, Emergency Health and Initiatives to Fight Covid-19.

Developed in partnership with the São Francisco Xavier Foundation, SISU relies on the Single Health Indicator System (SIUS). This is a qualitative tracking and comparison tool for population groups,

which are classified according to illness risk criteria, taking into consideration:

- **Illness:** systemic arterial hypertension, asthma, pulmonary emphysema, heart diseases, musculoskeletal disorders, major or minor mental disorders;
- **Factors:** smoking, social risk, sedentary lifestyle, unhealthiness, obesity;
- **Absenteeism:** absence in the last 12 months due to illness or work-related accident;



- **Alcoholism;**
- **Health self-evaluation:** how the individual evaluates his or her own health status;
- **Psychosocial risk:** degree of control and psychological demand at the workplace.

SISU enables a more comprehensive approach by the occupational physician and the appropriate referral to the Foundation’s programs compatible with individual or collective needs. For example, employees with spinal, shoulder, and knee problems, after proper screening, can be engaged in the “Overcome Program,” aiming at both injury prevention and multidisciplinary educational and therapeutic approach.

As for the treatment of suspected Covid-19 cases, Usiminas made the “Fala Aí Saúde” channel available, which can be accessed via telephone or e-mail.

The main pathologies affecting employees are identified through the analysis of absenteeism data and epidemiological trends. Said identification allows the Company to set up an annual health calendar with actions planned for the next year.

Absences due to injuries (CID S) and musculoskeletal diseases (CID M) are the main causes for absences up to 15 days as well as for absences up to 1 year, respectively.

Vaccination Campaign

Every year Usiminas runs an influenza vaccination campaign targeted at reducing the illness among its employees and, consequently, its complications.

The quadrivalent vaccine is available free of charge for employees and at a subsidized cost for their dependents. In 2021, 8,389 employees and 10,619 dependents were vaccinated.

As for the treatment of suspected Covid-19 cases, Usiminas made the “Fala Aí Saúde” channel available, which can be accessed via telephone or e-mail. Diagnostic exams through Occupational Health have no costs for employees.

Work-related injuries, employee statistics

GRI 403-9, SASB EM-IS-320a.1.

	2019	2020	2021
Number of occupational diseases	0	4	2
Medical Absenteeism Index (*)	2.3	2.9	3.1
Number of fatalities	1	0	0
Fatality rate	0.04%	0.00%	0.00%
Number of days lost	6,715	975	770
Rate of high-consequence work-related injuries	0.40	0.42	0.25
Number of high-consequence work-related injuries	11	10	6
Rate of recordable work-related injuries	1.26	1.16	2.13
Number of recordable work-related injuries	35	28	52
Near miss frequency rate (NMFR) (there was no damage but could have occurred in case of occasional small change)	95.14	75.71	83.31
Number of hours worked	26,326,340	24,179,744	24,427,159

*Formula used for MEDICAL ABSENTISM INDEX = Hours of absence per health / (Estimated Hours - Vacation) *100. For educational purposes, medical absenteeism is divided into hours of absence per health of up to 15 days, from the 16th day up to 6 months, from the 16th day up to 1 year, and from the 16th day up to 1 year. Lower values indicate better results. The rates were calculated based on 1,000,000 hours worked

Notes:

- (1) The main types of work-related injury involving employee and contract staff are injuries involving hands.
- (2) The main hazards that present a work-related risk of high-consequence injuries are related to the movement of heavy vehicles and toxic and asphyxiating gases, they have been the cause of the main serious injuries, including fatalities. Hazards and risks are identified in the Preliminary Hazard Analysis (APP) and in the Preliminary Risk Analysis (APR), respectively, and are evaluated by the Occupational Safety and Process Safety areas.
- (3) For high-consequence work-related injuries, Usiminas considers injuries classified as having a high risk potential.
- (4) The rates have been calculated based on 1,000,000 hours worked.
- (5) No workers were excluded from the scope of the indicator.

Work-related injuries, contract staff statistics

GRI 403-9, SASB EM-IS-320a.1.

	2019	2020	2021
Number of fatalities	0	1	0
Fatality rate	0.00	0.05	0.00
Rate of high-consequence work-related injuries	0.27	0.66	0.23
Number of high-consequence work-related injuries	7	13	6
Rate of recordable work-related injuries	1.14	1.62	1.89
Number of recordable work-related injuries	30	32	50
Near miss frequency rate (NMFR) (there was no damage but could have occurred in case of occasional small change)	71.17	38.84	43.12
Number of hours worked	21,368,160	19,763,002	26,417,456

Work-related ill health

GRI 403-10

Employee statistics	2019	2020	2021
Number of fatalities as a result of work-related ill health	0	0	0
Rate of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	4	2

Note:

- (1) This information is not available for contract staff.
- (2) The main occupational illnesses are those related to the hearing system. Hazards and risks are identified in the Preliminary Hazard Analysis (APP) and in the Preliminary Risk Analysis (APR), respectively, and are evaluated by the Occupational Safety and Process Safety areas.
- (3) Noise-related hazards contributed to the occupational illnesses during the reporting period.
- (4) The Medical Control Program for Occupational Health (PCMSO in Portuguese) continually monitors employees' health and holds continuous illness prevention initiatives, both clinical and occupational.





7

COMMUNITY

Relationship	125
São Francisco Xavier Foundation	129
Usiminas Institute	132
Usiminas Memory Center	136
VoU - Usiminas Volunteer Program	137
Participation in associations	138



In Ipatinga, Usiminas also has representatives in the Municipal Culture Board, the Historic Heritage Board, Municipal Board for the Defense of the Environment and Council of Cities, which have representatives from several segments of society. By participating in these committees, Usiminas is able to identify and support initiatives that foster diversity and inclusion.

Usiminas has a strong direct and indirect presence in infrastructure and support services. Through the *Usiminas Mobiliza pelos Caminhos do Vale* program, the Company donates steel aggregate to pave rural roads, strongly contributing to the logistic infrastructure.

In 2021, through the sale of steel aggregate, Usiminas contributed to the progress of the paving works of the LMG-760 highway, which connects Cava Grande to São José do Goiabal. The works have not been completed yet, but the paving has already reached the entrance of the Rio Doce State Park, encouraging tourism in the largest Atlantic Forest reserve in Brazil's Southeastern region.

In addition, by participating in regional and state committees, the Company has strongly worked to accelerate the improvement works at the *Vale do Aço* Regional Airport, which resumed operations in December 2021.

Also in December 2021, Usiminas took another important step towards formalizing the registration of demands by implementing Bridge Comunicação e Desenvolvimento Social's Audire platform, which allows

to manage and trace Usiminas' contact with the community, including complaints, suggestions and/or demands made to the Company.

In 2021, the Company established guidelines for social initiatives, defining five priority pillars from the active listening of several stakeholders. See box below.

Also in the previous year, aiming to enhance the adherence of its development initiatives to the realities of the communities, the Institutional Relations and Social Development team held 22 meetings with the Social Assistance Departments and social entities in *Vale do Aço* (MG), *Baixada Santista* (SP), Serra Azul (SP) and Greater Belo Horizonte (MG) regions.

Moreover, the Company held its first public bidding notice to select social and cultural projects to be sponsored by means of incentive laws. Overall, more than 400 proposals have been submitted to the public notice. For the selection, Usiminas created committees for each location, with representatives from both the units and local communities.

Managing the Relationship with the Community goes beyond regulatory compliance, since it seeks to strengthen the community through several projects, thus contributing to local development. The Company understands that it plays an important social role in the regions where it is present and, for this reason, it seeks to go beyond its legal obligations.

Impacts from the operations on the communities

In the *Baixada Santista* region (SP), after primary areas were deactivated in 2016, a significant part of the impacts from the Company's operations have been mitigated. Currently, the socioeconomic aspect stands out because economic changes have directly influenced the level of jobs and taxes created. Still on the coast of the state of São Paulo, another potential for attention is related to the installation of the Casqueiro Underwater Dump (CAD), in the Piaçaguera Canal, in Cubatão. The waste disposal system was created in 2017 by Usiminas and VLI, a logistics company that has Vale among its shareholders. The purpose is to dispose material removed during the dredging – dredging of the bottom of the channel - which ensures navigation in the port terminals region.

The entire process has been licensed, authorized and supervised by environmental agencies and the region is constantly monitored.



RELATIONSHIP

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

Present in five Brazilian states and 13 cities, where the Company has mining, steelmaking and steel processing activities, Usiminas has an impact in the lives of several communities located in the surroundings of its operations.

Aware of all impacts created by its economic activities, the Company continually strives to identify, assess and mitigate all unfavorable effects from its operations and, in turn, boost positive ones.

In some regions, such as the *Vale do Aço*, the Cubatão Industrial Hub and Serra Azul, Usiminas is the largest jobs creator and taxpayer, besides playing an important social role through Usiminas Institute and the São Francisco Xavier Foundation. Due the Company's presence and influence, the relationship with the communities is strategic for its business continuity.

At this moment, there is limited structured information about the impact of Usiminas Companies in the communities, especially in the regions of Suape (PE), Porto Alegre (RS) and Vitória (ES), where the operation is smaller than in other regions.

Usiminas relies on an Institutional Relations department, reporting to the Communication and Institutional Relations Corporate Office, which is responsible for coordinating the relationship and communication with the communities in all the Company's units.

Aligned with the principles laid down in the ESG agenda, the Company has been building an ever closer relationship

with the population living in the regions where it operates in order to understand how it can contribute to their socio-economic development, respecting the local culture and environment as well as ensuring their safety.

Therefore, the Company has several communication channels with the communities, among them, *Fala Aí Comunidade* newspaper, *Fala Aí Comunidade* WhatsApp channel, Visits Program, exclusive fanpages for the communities of Ipatinga and Cubatão, a blog, among others. The Company also actively participates in local committees and entities, such as the Federation of Industries of the State of Minas Gerais (FIEMG), Center of Industry of the State of São Paulo (CIESP), Serra Azul Mining Companies Association (AMISA), Store Owners Association (CDL), among others, to keep up to date with the local communities' demands.

In the main regions where Usiminas is present, the Company also carries out surveys – their frequency and type vary according to the city – in order to diagnose the communities' main needs and develop effective and satisfactory social and relationship initiatives in partnership with Usiminas Institute and São Francisco Xavier Foundation.

It is also important to note that Usiminas participates in regional committees, such as Cubatão's Community Advisory Board, the Convergence Agenda of *Vale do Aço* region, Fiemg's Strategic Board, the Serra Azul Mining Association, among others. This presence allows the Company to identify the needs and concerns of its stakeholders in the main communities where it operates: Ipatinga (MG), Cubatão (SP) and Itatiaiuçu (MG).



Impacts from the revamp of blast furnace 3

For 2022 and 2023, Usiminas foresees relevant impacts on the communities of Ipatinga and the *Vale do Aço* Region due to the investments in the works of the major repair of blast furnace 3, equipment responsible for about 70% of the Company's pig iron. During the construction works phase alone, about 110 days, the Company will need to hire nearly eight thousand professionals, creating positive impacts, such as new jobs, taxes, transactions in the local commerce and service provision. However, the Company is also getting ready to mitigate unfavorable effects in the traffic system and in the social and healthcare areas, since a large part of the workforce will be hired outside the region. However, in partnership with the S System and Fiemg *Vale do Aço* Regional, Usiminas has been discussing a professional training program and has already started contacts with entities and public agencies in order to plan for it.

Over 70% of respondents reported knowing of some environmental preservation initiative. Differently from the other rounds of this survey, the Local Government features as the main responsible for these environmental initiatives, followed by Usiminas.

Respondents also reported knowing to some degree the air quality monitoring system, although they do not trust it.



Expansion of Usiminas' reach in the communities through its own initiatives

- Image survey about Usiminas Institute in Ipatinga and Itatiaiuçu (MG) and Cubatão (SP);
- Possibility of building a closer relationship with districts of interest and other stakeholders, such as neighborhood associations, community leaders and municipal departments;
- Advocacy and alignment with public authorities for developing joint activities;
- Perception of the immediate needs in line with the Sustainable Development Goals, among them to end poverty, provide quality education, and reduce inequalities;

- First stage of the Affective Map, which consists of collecting stories to awaken the collective reflection of the community and the importance of its history;
- Participating communities: Vila da Paz and Bom Retiro (Ipatinga/MG); Curtume Samambaia (Itatiaiuçu/MG); and Mantiqueira (Cubatão/SP).

Indirect economic impacts

A Steelmaking activity generates impacts on the community where it operates. The Company' aims to maximize its positive aspects and mitigate, as much as possible, the unfavorable ones. The indirect economic impacts generated by Usiminas include:

- The increase in steel demand has a multiplier effect that boost the economic growth in several industries and creates direct and indirect jobs, as steel is an essential material for society;
- Development of the communities where it operates, either through partnerships with public authorities and the communities, or through the social responsibility branches operating in the fields of health, education, culture and sports;
- Payment of taxes and fees in the respective regions where the Company operates, enabling greater public investments and, consequently, raising population's standard of living. In 2021, Usiminas paid R\$3.8 million in taxes, fees and contributions.

- Development of a wide chain of regional suppliers in the industrial, commercial and service provision segments. The *Vale do Aço* region, for instance, has an important metal and mechanic hub, which has been created to meet Usiminas' demands. Local companies, such as Emalto, are already working on the supply for the great stoppage of blast furnace 3 as of April 2023.
- Trade and services are directly benefited by the industry's results. The execution of collective bargaining agreements and payment of Employee Profit Sharing (PLR in Portuguese) are celebrated by store owners. In October 2021, Usiminas anticipated a PLR salary for all its own employees, creating a direct impact on the commerce and services, according to information from sector entities.
- Tourism is another important example of indirect impact of Usiminas' activities. Besides business tourism – which has been affected by the pandemic, but still

exists – Usiminas sponsors cultural and sports initiatives that foster tourism. The *Seminaluz* project, which lights up Ipanema Park, brings more than 20,000 people from several cities in the region to the park, boosting the city's formal and informal economy.

- The presence of Usiminas and its social branches in the health, education, culture and sports fields – the São Francisco Xavier Foundation and Usiminas Institute – also stimulates economic growth in related sectors and fosters educational development, which result in higher qualification and productivity for several industries.
- The Company also has social and environmental projects that contribute to the economic and human development of the communities. Through *Usiminas Mobiliza pelos Caminhos do Vale*, the Company donates steel aggregate to pave rural roads. As a result, previously isolated communities now have easier access to health, education, commerce, and services.



Survey with the population surrounding the Ipatinga (MG) plant

Usiminas' operations in the city of Ipatinga (MG) cause burden to the community mainly due to the emission of sediment particulates, also known as black dust. In October 2019, the Company signed a Consent Decree (TAC, in Portuguese) with the Public Prosecutor's Office of Minas Gerais, committing to monitor and implement effective actions to reduce particulates. In order to measure the impact from the community's point of view, every six months the Company surveys about 1,200 residents from 12 neighborhoods surrounding the Ipatinga (MG) plant.

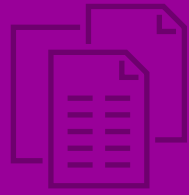
In the most recent survey, Usiminas and pollution are what respondents recall the most when they think of Ipatinga. For most of the surrounding population, the industrial activity and Usiminas are the main responsible for black dust emission and build-up in the city.

Among other positive aspects, the survey participants cited the city's calmness, job creation and environment preservation.

Although it decreased by 9% in relation to the last round, environmental preservation is well evaluated by 48% of respondents.

Over 70% of respondents reported knowing of some environmental preservation initiative. Differently from the other rounds of this survey, the Local Government features as the main responsible for these environmental initiatives, followed by Usiminas.

Respondents also reported knowing to some degree the air quality monitoring system, although they do not trust it. More information about monitoring on page 146.



Five pillars of Usiminas' social and cultural initiatives

The Company's socio and cultural initiatives, focused on social development according to the calling and potential of each location, seeks to promote activities that provide medium- and long-term benefits and that stimulate diversity and dialogs between the Company, public authorities and the community. Thus, resources are invested according to the following action pillars:



Strengthening the communities: provide organizations, agents and social councils with skills to take on a leading position in their locations and to promote the development of structuring initiatives that meet the interests of society;



Creative economy: stimulate entrepreneurship and initiatives that promote income generation and financial autonomy, foster cultural diversity, and carry out artistic and entertainment activities;



Non-formal education focused on culture, environment, and sports: foster interdisciplinary initiatives that contribute to develop people through cultural, sports, and environmental initiatives;



Wellness and health: encourage sports that contribute to improving quality of life and foster citizenship and social inclusion;



Volunteering: connect employees to share their time, work and talent in solidarity initiatives.



SÃO FRANCISCO XAVIER FOUNDATION

Operating for 52 years, the São Francisco Xavier Foundation, Usiminas' branch in the health and education fields, is a self-sufficient charitable social welfare entity present in eight Brazilian states. The Foundation currently manages eight institutions and has more than 6,500 employees.

In 2021, the **São Francisco Xavier Foundation** began the construction of Hospital Libertas, in the city of Belo Horizonte (MG), in the Pampulha region, which is expected to open by the end of the first half of 2023. The hospital will be located in Usiminas' former headquarters and aims to meet the healthcare demand in the entire Belo Horizonte Metropolitan Region.

The Foundation expects that the hospital will offer a multi-functional healthcare structure, with urgency and emergency services, day hospital, several medical specialties, cutting-edge, high-tech exams, and a special line of elderly care.

The Foundation also has projects for Usisaúde, its healthcare plan provider. Operating for more than 20 years, Usisaúde is the largest healthcare provider in number of customers in the *Vale do Aço* region and the 5th largest in the state of Minas Gerais. It has more than 170 thousand customers in the healthcare, dental, and air medical transport sectors. The company is certified by ISO 9001/2000

Learn more about the institutions managed by the São Francisco Xavier Foundation

Márcio Cunha Hospital (HMC) - Ipatinga (MG)

Márcio Cunha Hospital (HMC in Portuguese) is a high-complexity general hospital operating 548 beds and three units, of which two are HMC and one is dedicated to cancer treatment. The hospital serves more than 800 thousand people living in the Eastern region of Minas Gerais and provides services that include outpatient care, emergency care, hospital admission and diagnosis. HMC has about 500 physicians in 50 specialties, 75 residents in 16 specialties and serves patients from the Brazilian public health system (SUS), healthcare carriers and Usisaúde.

HMC was the first Brazilian hospital to receive the Excellence Accreditation Certificate from the Brazilian Accreditation Organization (ONA) and to win the HIMSS Elsevier Digital Healthcare Award, which endorses the excellence in the use of information and technology to improve healthcare quality, as well as patient care and safety.

A benchmark in the state of Minas Gerais, the hospital is the fourth in number of deliveries performed in the public health system and the fifth in terms of admissions. HMC received the Det Norske Veritas International Accreditation Standard (DIAS/NIAHO), level achieved by only six Brazilian institutions.

Hospital Municipal Carlos Chagas (HMCC) – Itabira (MG)

The Carlos Chagas Municipal Hospital (HMCC in Portuguese) has a multidisciplinary medical and administrative team comprised by more than 500 employees. With 80 beds, HMCC provides outpatient, admission, ICU, maternity, surgical, patient transportation and diagnosis services exclusively for patients in the Brazilian public healthcare system (SUS).

Since May 2016, the Hospital has been managed by **Fundação São Francisco Xavier (FSFX)** and is a reference for 225 thousand inhabitants of the 12 cities in the micro-region of Itabira (MG).

Responsible for 53% of the hospitalizations in the city, which also includes patients from neighboring regions, HMCC offers 11 medical specialties, including outpatient clinic, surgery, anesthesiology, cardiology, gastroenterology, rheumatology, hematology, intensive care, colonoscopy, radiology, echocardiography, and ophthalmology.

Cubatão Hospital (HC) – Cubatão (SP)

The São Francisco Xavier Foundation has been managing Cubatão Hospital (HC in Portuguese) for four years and the main results and progress achieved include more than 1 million exams, 6 thousand surgeries, 40 thousand admissions and 4 thousand birthing. Currently with 125 beds, of which 100 are reserved for SUS patients and 25 for healthcare providers' patients, the hospital offers 32 medical specialties.

Upon taking over the HC administration, besides the investment in equipment and structural improvements, the Foundation inaugurated the High Complexity Center, located in the building of the former Cubatão theater. The venue provides outpatient, oncology and hemodialysis services, which were not offered in the city.

In 2020, alongside more than 100 hospitals from 28 countries, HC's COVID-19 response plan was recognized by the International Hospital Federation in the Beyond The Call of Duty for COVID-19 Program. The units managed by FSFX were the only ones in Brazil to obtain this certificate.

In 2021, the highlight for HC was the confirmation of the level 2 ONA accreditation (Full Accreditation), which evaluates safety criteria and demands institution to have an integrated management of its processes, enabling their improvement.

São Francisco Xavier Education Foundation (FESFX)

Serving almost 3 thousand students, Colégio São Francisco Xavier is a reference in education in the region and has been recognized for being the first school in Brazil to receive ISO 9001 certification for its Quality Management System for Elementary and High School Education.

The pioneering unit located in the city of Ipatinga (MG) offers services from the first years of kindergarten, called day care, to graduate programs in partnership with PUC Minas. The institution also has in its portfolio the Sports School, the CSFX Integral, a Bilingual Program in partnership with the International School, security and health education projects, and the Mind Markers course.

In 2021, the School participated in eight Olympiads around the country. Some of 2021 highlights were the Brazilian National Science Olympiad, in which the students won three gold medals, one silver and three bronze. In another competition, at the municipal level, the School's students won 1st and 2nd places in two categories of the drawing and writing contest about the protection and preservation of Coatis, promoted by the Rotary Club of Ipatinga (MG). The goal is to raise awareness, through environmental and traffic education, about the safe use of urban roads and to encourage changes in behavior in the preservation of the environment, as a sustainable lifestyle and development.

Integrated Dental Center (COI)

In 2021, the Integrated Dental Center (COI in Portuguese) celebrated 40 years of services rendered to the community in Ipatinga (MG). COI was the first dental care provider in the state of Minas Gerais to be certified by ISO 9001, and has the best dental health indicators in Brazil.

The company has 52 dental units providing services in 12 specialties, with 59 dental surgeons, 31 oral health technicians, 89 oral health assistants, and 25 administrative professionals. In 2021, approximately 370 thousand procedures were performed, from health promotion to high-complexity services. Besides the main clinic, COI has other service units, located inside the Márcio Cunha Hospital, and the Canaã Advanced Unit, totaling 52 offices. Its structure relies on a Sterilized Material Center, two X-ray rooms, a room for CT scans, and a digital prosthesis laboratory.

Usisaúde

Usisaúde is currently Brazil’s largest philanthropic healthcare provider and the most renowned in Vale do Aço region. In the market for over two decades, besides offering its own hospital network, Usisaúde’s customers can count on services in hospitals that are a reference in Belo Horizonte (MG). The São Francisco Xavier Foundation’s healthcare provider offers medical-hospital and dental care, air patient transportation, and currently has 220 partner hospitals and more than three thousand associated physicians.

The big news for 2023 will be the company’s expansion with the opening of Hospital Libertas.

VITA – Solutions for Occupational Health

Providing specialized occupational and environmental safety and health services, VITA – Solutions for Occupational Health’s activities are regulated by the Ministry of Labor (MTE in Portuguese) and has more than 180 thousand lives under its management.

At the VITA unit in the Bom Retiro district all the occupational exams are performed at the same place, avoiding the displacement of customers through several clinics. VITA’s specialties range from occupational hygiene, with the environmental assessments of chemical, physical and biological agents, to the control of employees’ occupational health, and educational campaigns.

Vital Brazil Hospital And Maternity (HMVB)

The Vital Brazil Hospital and Maternity (HMVB in Portuguese), in the city of Timóteo (MG), has 24x7 coverage for urgent and emergency cases. Currently with 87 beds, of which 55 are dedicated to SUS patients, the unit provides intensive care (ICU) services for adults; admission beds for outpatient care, pediatrics, general surgery, and orthopedics specialties; a maternity ward; and imaging and laboratory exams.

In 2021, the hospital inaugurated a new front desk to serve patients who need to undergo imaging exams. In addition, the hospital announced the investment of R\$1.2 million to acquire a new CT scan.



USIMINAS INSTITUTE

The **Usiminas Institute** is responsible for managing Usiminas companies' private social investments, through tax incentive laws, donations and the Company's own resources. The Company invests in several cultural, sports, social (funds for Children and Adolescents and the Elderly) and health (National Support to the Health of Persons with disabilities Program - PRONAS and National Oncology Care Support Program - PRONONON) initiatives, giving priority to the ones in the regions where it operates, and whose sponsoring requests are registered on an online platform available on the Institute's website, pre-selected and submitted for approval by Usiminas' Corporate Institutional Committee for Donations and Sponsorship. Usiminas Institute also coordinates three important cultural venues in Ipatinga (MG): Usiminas Cultural Center, Zélia Olguin Theater, and Usiminas Memory Center.

The Usiminas Cultural Center, which is a reference in the state of Minas Gerais and in Brazil, has a Theater, an Art Gallery, a Library, and two Gardens for hosting several events. It is among the most modern and well-equipped cultural venues in the countryside and hosts an encompassing annual program. The Zélia

Olguin Theater, a heritage site listed by the local government of Ipatinga, was the city's first professional cultural equipment, founded in 1994. The Usiminas Memory Center was delivered to the population of the Vale do Aço region in October 2021 and marked the beginning of Usiminas' 60th anniversary celebrations. The Memory Center has two Galleries that tell the history of Brazil's, Ipatinga's and Usiminas industrialization, besides presenting an extremely representative modern art collection, with nearly 100 works. Together, these three venues have welcomed more than 4 million people, contributing to democratize the access to cultural assets and to the full development of people.

In-person activities, which have been suspended due to the Covid-19 pandemic, resumed in these spaces in July 2021. Usiminas Cultural Center's External Garden was the stage for reconnecting with the public through the project "*Reencontro no Jardim*" (Reencounter in the Garden). In a hybrid format, the project hosted concerts, storytelling sessions, theater performances and educational activities offered to a limited audience and with live broadcast on Usiminas Institute's YouTube channel. Following the World Health Organization

The Usiminas Cultural Center, which is a reference in the state of Minas Gerais and in Brazil, it is among the most modern and well-equipped cultural venues in the countryside and hosts an encompassing annual program.

protocols, all participants wore masks and kept social distance. **Usiminas Institute's** educational program was also resumed and, in October, Usiminas Cultural Center's Theater and the Zélia Olguin Theater also reopened.

Since its creation in 1993, the Usiminas Institute has already invested more than R\$ 426 million in cultural, sports, social and health projects, and sponsored 2,689 partner projects. The Company closed the year by tripling its investments in social initiatives compared to the previous year, by investing R\$75.4 million in 124 sponsored projects throughout Brazil.

Usiminas' excellent financial result in 2021 provided opportunities for sponsorship and support to projects that adhere to the Company's Sponsorship Policy and have synergy with the specific callings of each of the regions where it operates. For said purpose, dialog was fundamental: Usiminas listened to its leaderships; to Culture, Sports, Education and Social Assistance departments of the cities benefiting from the projects; and actively listened to the communities, through an image perception survey commissioned by the Usiminas Institute.

To select the partnerships signed in 2021, Usiminas Institute hired a software that ranked the projects according to their adherence to Usiminas' Sponsorship and Donation Policy. The analysis and selection criteria are in line with the Company's social strategy and establish priority axes for social & cultural initiatives, taking into consideration, for example, how adherent the project is to certain communities, how it fosters non-formal education and promotes the well-being and health of people. Creative economy and actions that

may be linked to the Company's volunteering program are also taken into consideration.

Another important aspect is that in 2021, the Institute launched Usiminas' first Bidding Notice for Incentivized Projects. The reach of the Bidding Notice made it possible to receive 422 sponsorship requests, which have been carefully analyzed by the Local Committees and the communities where the company operates. The final allocation of funds allowed to expand investments to other 13 Brazilian cities.

Additional information:

Usiminas Institute's work is in line with the 2030 Agenda's Sustainable Development Goals and in synergy with good ESG practices.



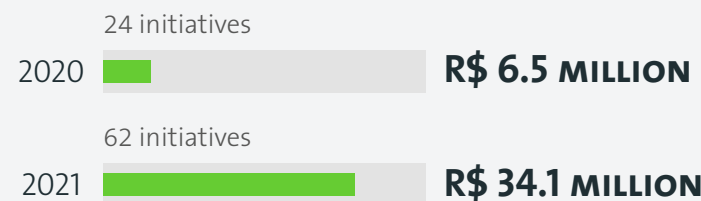
The system to receive projects is available on: <https://projetar.usiminas.com/>

The Sponsorship and Donation Policy is available at: <https://www.usiminas.com/integrity-program/>

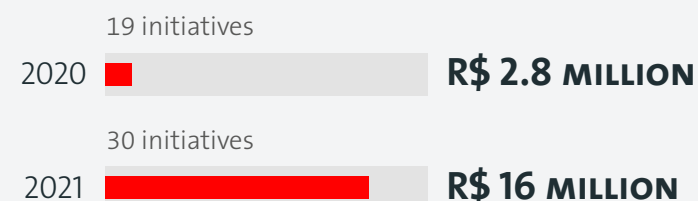
According to Usiminas Diversity and Inclusion Program's pillars, all Usiminas Institute's educational activities are available with a Brazilian Sign Language interpreter.

Enhanced presence in the communities - Incentivized projects

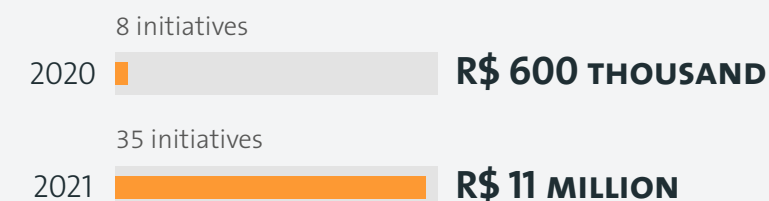
Vale do Aço region/MG:



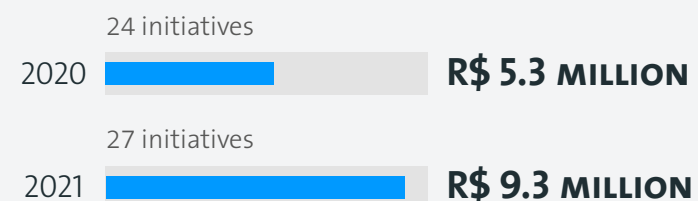
Belo Horizonte and Metropolitan Region/MG:



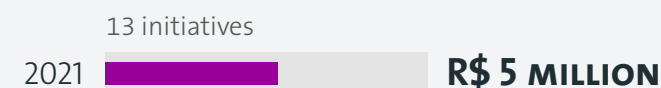
Serra Azul region /MG (Itatiaiuçu, Itaúna, Igarapé, Mateus Leme):



São Paulo (Capital, Baixada Santista region, Guarulhos and Taubaté):



Other cities (Cabo de Santo Agostinho, PE; Recife, PE; Glória de Goiatá, PE; Lagoa de Itaenga, PE; Porto Alegre, RS; Tiradentes, MG; Ibirité, MG; Belford Roxo, RJ):



Usiminas Mobiliza

The *Mobiliza* platform gathers programs created from identified opportunities to improve the local communities' quality of life. Usiminas currently has three programs:




Usiminas Mobiliza pelos Caminhos do Vale

Since 2015, the *Usiminas Mobiliza pelos Caminhos do Vale* has been using steel aggregate to pave rural streets and roads in the Eastern Minas Gerais. The material is donated to the cities and offers improvements to those cities' infrastructure as well as the lives of their population. This initiative brings access to education and health to the people and communities in Eastern Minas Gerais because they can get to school and hospitals using these roads in an easier and safer way.

The programs' results are:



3.6 million
OF SIDERBRITA (steel aggregate) used;

1.3 million 
PEOPLE benefited;



3,000 km
OF RESTORED rural roads;

SLOPE RETENTION WORKS

in Marliéria, which improved students' attendance in local schools;



CONSTRUCTION OF A
paragliding ramp in the Achado community, 2nd largest in the state of Minas Gerais;

INCREASE IN TOURISM AND HANDICRAFT, helping the flow of local products.



Usiminas Mobiliza pelos Todos pela Água

Usiminas is concerned about preserving water, which is one of the main inputs for human survival and for carrying out steelmaking processes. In the *Usiminas Mobiliza Todos pela Água* program, the cities that receive the steelmaking aggregate for paving roads commit to recover headwaters.

In September 2021, to celebrate the Arbour Day, the Company held a virtual event, gathering representatives from 35 cities participating in the initiative to present the results of the work carried out until the end of the first half of 2021 and to talk about the next steps, the development of initiatives in the cities, and the challenges faced.

In a little more than three years of operation, the program has identified and mapped 5,000 headwaters, with more than 1,400 already protected and with satisfactory water quality for community use. More than 36,000 seedlings have already been donated to the cities for the recovery of headwaters.



Usiminas Mobiliza pelo Trabalho


Within the *Usiminas Mobiliza pelo Trabalho* program, steel aggregate is donated to the manufacturing of interlocked blocks by the inmates of the Timóteo prison (MG). Besides offering an eco-friendly destination for the material, the project provides inmates with the opportunity to learn a new skill. The program is part of Usiminas' environmental responsibility initiatives, by offering work to the inmates.


The programs' main results are:

88,255 
PEOPLE BENEFITED

 **750** m²/month
PRODUCTION

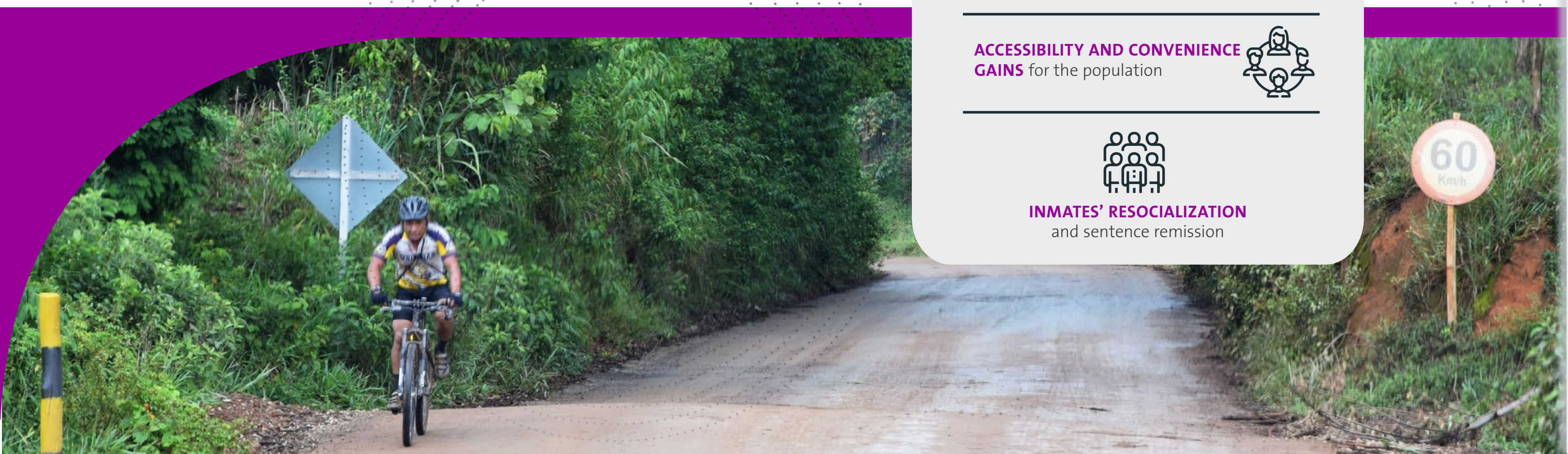
100 tons 
OF SIDERBRITA (steel aggregate)
used each month

50%  **LESS COST**
than similar products in
the market

ACCESSIBILITY AND CONVENIENCE
GAINS for the population 



INMATES' RESOCIALIZATION
and sentence remission



USIMINAS MEMORY CENTER

On October 26, 2021, the Company inaugurated the Usiminas Memory Center in the city of Ipatinga (MG), a cultural site of great relevance not only for the local community, but also for the state of Minas Gerais and Brazil. The venue is another historical, social and cultural legacy of Usiminas to the communities in the *Vale do Aço* region. The revitalization was part of the celebrations for Usiminas' 59th anniversary completed in 2021.

Installed in the Grande Hotel building, an icon of the region and an architectural heritage of the city, which has been closed to public visitation, the Memory

Center offers the public access to the history of the steel industry, Usiminas itself, and the city of Ipatinga, in the state of Minas Gerais.

Located in the Castelo district, the Grande Hotel Ipatinga has been built by Usiminas during the plant's implementation as a respectable venue to host steel entrepreneurs, national and international authorities, as well as an event venue. Architect Rafael Hardy Filho designed the project, which was opened in 1961.

The hotel operated until the 1990s and was declared a municipal cultural heritage

site in 2000. The hotel has been closed and maintained and conserved by Usiminas. The local community expected the Company to assign a use for that space.

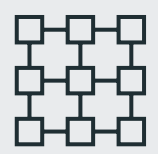
The Memory Center aims to offer visitors a trip to the past, to experience important moments in the formation of the city and to rescue the identity of the region. The historian and curator of the space is Rodrigo Vivas.

In addition to the historical collection, the center also exhibits important works by some of the most expressive names in Brazil's modern and contemporary art.

They are paintings and sculptures signed by names like Amílcar de Castro, Bruno Giorgi, and Tomie Ohtake. The works were collected by Usiminas throughout its history, and access to them was restricted to its employees.

Unlike a museum, the Memory Center is alive and has the concept of interacting with people, housing not only objects, but displaying to the population an interactive collection of memory, knowledge, innovation, and culture.

Usiminas Memory Center in numbers

 **+840** m²
OF EXHIBITION AREA

 **338** works
IN THE ART COLLECTION

 **+1,100**
VISITORS

3 exhibition
WINGS 

98 exhibited
WORKS 

 **15**
SCHEDULED VISITS

VOU - USIMINAS VOLUNTEER PROGRAM

For more than 20 years, Usiminas' volunteers have actively worked in collecting clothes, food items and toys and organizing special campaigns to serve the communities located in the regions where the Company operates.

Usiminas believes that volunteering is a life-changing experience, which makes a difference in both the lives of employees and the community and reinforces its commitment to work on building a more equal and inclusive society.

In 2021, the VOU - Usiminas Volunteers Program celebrated its first year of operations. Through the program and a platform dedicated to solidarity initiatives, Usiminas, the São Francisco Xavier Foundation's (FSFX), Usiminas Private Pension Fund's and the Usiminas Institute's employees can connect to initiatives that contribute to the development in the places where the Company is operates.



Life Plan Mentoring Program

An initiative developed by the VOU - Usiminas Volunteers, the Life Plan Mentoring is an inclusion program that generates value for the communities where Usiminas operates. On one side of the screen, students from public schools in Ipatinga (MG), Itatiaiuçu (MG) and Cubatão (SP), and on the other side, Usiminas' volunteer employees who decided to donate part of their time to share experiences with those who are starting their personal and professional journeys.

The initiative brought together 31 Company's volunteers and 66 students, who, during ten virtual meetings, talked about school, work, career, challenges and hurdles faced by young people, and exchanged experiences on several topics related to personal and professional development.

VOU - Usiminas Volunteers, 1 year engaging and transforming



365 DAYS, 964 EMPLOYEES REGISTERED IN THE PLATFORM, 57 INITIATIVES HELD IN TEN CITIES in the states of Minas Gerais, São Paulo, Espírito Santo, Rio Grande do Sul and Pernambuco.



2,019 thousand
PEOPLE SERVED

290 blood
BAGS DONATED



593
SEEDLINGS
PLANTED



12,181 thousand
ITEMS DONATED



1,737 hours
DEDICATED TO
THE PROGRAM



70
INSTITUTIONS
SERVED

PARTICIPATION IN ASSOCIATIONS

GRI 102-13

In the pursuit of excellence, Usiminas understands that collaboration is fundamental to all its activities. For that reason, the Company is a member of and sponsors important entities representing the interests of its operating segments, facilitating places and moments for an open dialog with its peers and the society. Among the main organizations in which the company joins, the highlights are:

World Steel Association

Usiminas is part of the World Steel Association (WSA), one to the world's largest industry associations. Headquartered in Brussels, Belgium, WSA represents close to 230 steel manufacturers and its members are responsible for approximately 85% of global steel production. Usiminas is committed to the association's seven sustainability principles, which, on their turn, directly or indirectly contribute to the United Nations' (UN) Sustainable Development Goals (SDG).

Brazil Steel Institute

Founded in 1963 as the Brazilian Steelmaking Institute, the entity represents Brazilian steel makers. Sergio Leite Andrade, Usiminas' CEO, was Brazil Steel Institute's Board of Directors Chairman from August 2018 to September 2020.

Brazilian Institute of Mining

Mineração Usiminas is a member of the Brazilian Institute of Mining (IBRAM), a Brazilian private and non-profit organization representing mining sector's companies and institutions. Founded in December 1976, the entity is Brazil's mining sector speaker.

List of the organizations of which Usiminas is a member.

AARS - Steel Association of the State of Rio Grande do Sul

ABCEM - Brazilian Association of Metal Construction

ABERJE - Brazilian Corporate Communication Association

ABM - Brazilian Association for Metallurgy, Metals and Mining

ACIAPI - Ipatinga's Commercial, Industrial, Agricultural & Cattle Farming and Service Provision Association.

ACMinas - Commercial and Business Association of the State of Minas Gerais

ALACERO - Asociación Latinoamericana del Fierro y el Acero

AMCHAM - American Chamber of Commerce for Brazil

ANEFAC - Brazilian Association of Finance, Business Administration and Accounting Executives

ANPEI - Brazilian Association of Research and Development for Innovation Companies

ANUT - Brazilian Association of Cargo Transportation Users

ATP - Association of Private Port Terminals

ASQ - American Society for Quality (Cubatão + Ipatinga)

CCIBC - Brazil-China Chamber of Commerce & Industry

Japanese Chamber of Commerce & Industry for Brazil

Italian-Brazilian Chamber of Commerce, Industry, Agriculture & Cattle Farming of the State of Minas Gerais

CIESP - Center of Industry of the State of São Paulo

Business Coalition

Forum for Companies and LGBTI+ Rights

Fundação Relictos de Apoio ao Parque Estadual do Rio Doce, state of Minas Gerais

IABr - Brazil Steel Association (Ipatinga and Cubatão)

IBGC - Brazilian Institute of Corporate Governance

IBRI - Brazilian Investor Relations Institute

IEDI - Institute for Industrial Development Studies

INDA - Brazilian Institute of Steel Distribution

LIDE - Grupo de Líderes Empresariais

UN Global Compact

World Auto Steel



8

ENVIRONMENT

- Energy Efficiency **141**
- Use of materials **145**
- Emissions and air quality **147**
- Water and effluents **153**
- Waste and circular economy **156**
- Biodiversity and use of soil **164**
- Environmental commitments **169**
- Decommissioning and dam safety **170**



Aware of all environmental impacts from the Company's economic activities, Usiminas is committed to developing initiatives and projects to offset damage, mitigate negative impacts and contribute to preserving the fauna, flora and natural resources.

Currently, the Company's initiatives are focused on energy efficiency and use of renewable energy, decarbonization, water and effluent treatment, waste and circular economy, recovery of degraded areas, planting of seedlings, among others.

Dam decommissioning is one of the major challenges Usiminas has been successfully facing in recent years, as a result of its commitment to the ESG agenda goals. Therefore, 2020 and 2021 represented the beginning of a new cycle in Usiminas' history, the start of a journey without tailing dams, free from risks to the communities and much less harm to the environment.

Dam decommissioning is one of the major challenges Usiminas has been successfully facing in recent years, as a result of its commitment to the ESG agenda goals.

Usiminas' environmental responsibility has a positive impact not only on its business perpetuity and the safety of local communities, but also on all stakeholders that are somehow connected to the Company, which is one of Brazil's largest steelmakers.

ENERGY EFFICIENCY

GRI 302-1; 302-3

The search for energy efficiency and the use of renewable sources are key for business perpetuity, especially in a highly competitive sector since they contribute considerably to reducing environmental impacts as well as operating costs, and therefore are a great lever that Usiminas relies on to achieve its results in a sustainable way.

In relation to suppliers, it is not yet possible to have a specific control of their energy consumption while supplying products and/or raw materials to the Company.

Initiatives on energy efficiency and the use of renewable sources allow to:

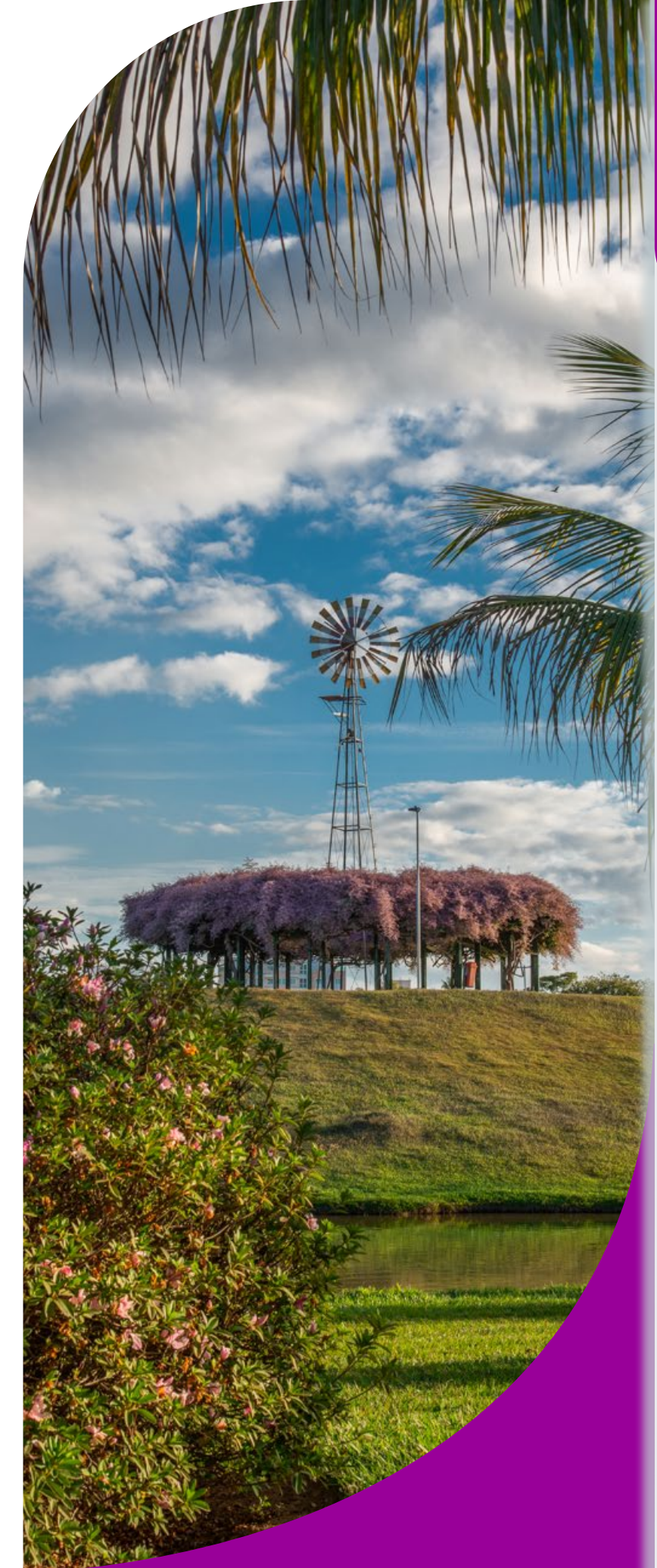
- 1** ■■■ Develop energy projects and solutions that contribute to Usiminas' sustainability;
- 2** ■■■ Increase the generation and use of steelmaking gases;
- 3** ■■■ Ramp up process efficiency and reduce consumption;
- 4** ■■■ Maximize in-house power generation as well as alternative and renewable energy sources;
- 5** ■■■ Raise awareness about the conscious use of energy and environmental conservation.

Usiminas has all mechanisms necessary to measure and control the energy

efficiency of its processes in-house, as well as the plant's consolidated consumption, segregated by energy source. In relation to suppliers, it is not yet possible to have a specific control of their energy consumption while supplying products and/or raw materials to the Company.

At Usiminas, this material topic is managed by the following departments:

- Corporate Department of Sustainability;
- Industrial Engineering/ Energy Efficiency Office;
- Supplies Office;
- Department of Energy Purchase and Special Sales;
- Production Office;
- Managers or employees in charge of processes.



The efficiency of energy consumption for the several processes carried out at the Ipatinga and Cubatão plants is measured by the Overall Energy Consumption indicator, given in megacalorie per ton of crude steel (Mcal/ton). The Company's internal commitment is to meet the energy consumption values established in the budget and, when applicable, to meet consumption standards based on the best practices according to the modus operandi used.

At the Ipatinga and Cubatão plants, Usiminas also relies on a team dedicated to work on energy efficiency on a corporate basis, supporting the areas to ensure targets are met. This team is responsible for managing the Overall Energy Consumption indicator and for evaluating energy efficiency projects in the Master Plan (CAPEX), in addition to participating in specific studies for decision-making on the subject.




Energy efficiency and energy balance are systematically managed at the Executive Board's meetings, when guidelines are given regarding the results. Guidelines are then presented and discussed at specific meetings on critical consumption and cost, with the participation of Usiminas' managements.

Besides the Overall Energy Consumption indicator, which presents an overview of Usiminas' energy efficiency, each manager responsible for the process has a consumption target to be achieved. In some






cases, energy consumption targets are part of the goals included in their performance assessment. Targets are established based on best practice techniques, projects' nominal data and internal and external benchmarking.

At the Ipatinga Plant, energy intensity rate was at 7,051 Mcal/ton of crude steel in 2021, considering the Coal and Derivatives, Electricity, Natural Gas, Air Gases and Oil sources, consumed within and outside the organization. Energy intensity rate for Cubatão stood at 2,81 GJ/ton of finished products, considering Electricity, Natural Gas and Diesel, consumed within the organization. Soluções Usiminas' energy intensity rate was at 18.03 KWh/ton, considering only electricity consumed internally. | GRI 302-3

Energy efficiency projects carried out in 2021:

- 1**  **UIP2UP1001** - System for the automatic control of air flow and pressure sent to Blast Furnaces 1 and 2 regenerators;
- 2**  **UIP2AR1001** - Adaptation of Steel Mill 1 and Steel Mill 2 for recovery of steelmaking gas in the 150000m³ gasometer;
- 3**  **UIP2RF3003** - Improvements to the regenerators combustion control system and thermal reserve.

Energy efficiency projects forecast for 2022:

- 4**  **Unigal 1 - FAI_005/2019** - Burner upgrades and individualized automation of RTF radiant tubes;
- 5**  **Unigal 1 - FAI_032/2020** - Installation of spyrocor (ceramic inserts) in RTF furnace's radiant tubes;
- 6**  **Unigal 2 - FAI_047/2020** - Installation of spyrocor (ceramic insert) in the RTF and SF furnaces' radiant tubes;
- 7**  Competitiveness Project and energy efficiency diagnosis for processes, with focus on "see and act" actions and low effort versus investment;
- 8**  Progress in the assessment of renewable energy projects to comprise Usiminas' power purchase agreement portfolio.

Total fuel consumption within the organization (GJ)

GRI 302-1

Non-renewable sources	Ipatinga Plant			Cubatão Plant			Soluções Usiminas			Mineração Usiminas		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Diesel	69,762	61,676	80,049	34,095	25,489	36,472	2,685	112	68	506,865	753,558	866,005
Natural Gas	6,155,808	6,180,889	7,497,134	2,551,988	2,166,060	3,969,507	-	-	-	-	-	-
Coal	38,274,133	34,712,248	35,760,305	-	-	-	-	-	-	-	-	-
Gasoline	1,428	2,331	553	-	-	-	-	-	-	1,428	2,886	2,939
LGP	-	970	9,076	-	-	-	-	3,255	7,906	-	970	511
Hydrogen	-	27,145	33,874	-	-	-	-	-	-	-	-	-
Total	44,501,131	40,985,259	43,380,991	2,586,083	2,191,549	4,005,979	2,685	3,367	7,974	508,293	757,414	869,455

Note: The Mineração Usiminas data for the years 2019 and 2020 have been corrected. | GRI 102-48

Total fuel consumption within the organization (GJ)

GRI 302-1

Renewable sources	Ipatinga Plant			Cubatão Plant			Soluções Usiminas			Mineração Usiminas		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Hydrated alcohol	23	19	14	-	-	-	-	-	-	-	-	-
Oxygen	2,601,014	2,250,479	2,565,486	40	30	49	-	-	-	-	-	-
Nitrogen	3,804,582	3,368,036	3,587,918	27	27	41	-	-	-	-	-	-
Argon	33,257	30,136	35,712	-	-	-	0.4	0.3	15.4	-	-	-
Total	6,438,876	5,648,670	6,189,130	67	57	90	0.4	0.3	15.4	0	0	0

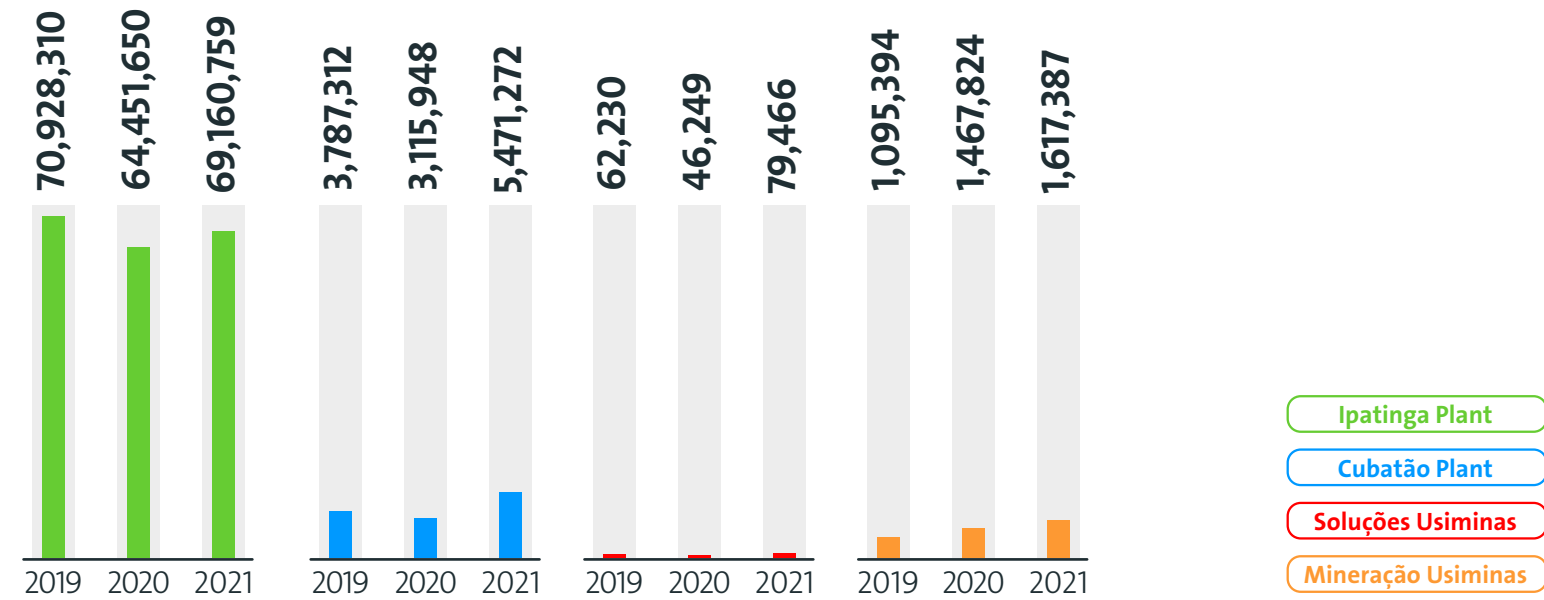
Total electrical energy consumption (GJ)

GRI 302-1

Renewable sources	Ipatinga Plant			Cubatão Plant			Soluções Usiminas			Mineração Usiminas		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Electrical Energy												
Total	19,988,303	17,817,721	19,590,638	1,201,162	924,342	1,465,203	59,545	42,883	71,476	587,102	710,410	747,932

Total energy consumption (GJ)

GRI 302-1



Note:

(1) Siderurgia Steam sold (White Martins) in 2021: 38,787 GJ.

(2) Source of conversion factors: Global Energy Balance.



USE OF MATERIALS

GRI 301-1; 301-2

Mining, steelmaking and steel processing segments require the use of large volumes of raw materials and inputs. Since Usiminas operates in the entire steel production chain, several materials it uses are produced in-house.

Due to the spike in production in 2021, the demand for raw material in the Steelmaking unit and Soluções Usiminas increased. Currently, 21% of materials used in the steelmaking unit are recycled. For the coming years, the goal is to reduce the purchase of raw material in order to use more recycled material generate at the plants.

The mining unit reused 3,267,710 tons of materials from the decommissioning of its dams, approximately 21% of the structure's total mass.

The main materials used at the Company's units are listed below.

Renewable materials used by weight and volume

GRI 301-1

Materials	Units	2020	2021
Ipatinga Plant			
Sinter - Raf / Degraded	Kt	808.43	857.11
Fine Granulated Ores	Kt	84.76	113.23
Scale	Kt	142.11	184.58
Blast Furnace Collector Dust	Kt	28.33	33.66
Industrial Recycling	Kt	185.65	131.62
Coke Grinder / Extinction	Kt	15.33	21.97
Calcined Dolomite Sludge	Kt	13.76	11.71
Small Coke	Kt	77.21	76.59
Scraps	Kt	0.70	0.45
Steel Scraps used in steel mill	Kt	282.79	308.61
Cleaning Pig Iron Scrap	Kt	44.07	20.90
Benefited scrap - steel/pig iron	Kt	6.19	103.35
Steel Scrap - Purchased	Kt	64.45	80.85
Pig Iron Ingots - Purchased	Kt	8.27	30.82
Soluções Usiminas			
Kraft paper	kg	9,196	15,380
Wood	Unidade	814,977	1,362,290



Non-renewable material

GRI 301-1

Materials	Units	2019	2020	2021
Cubatão Plant				
Acquired Plate ¹	Kt	1,364.57	1,007.683	2,019.32
Ipatinga Plant				
Acquired Plate ¹	Kt	61.80	195.65	365.44
Anthracite	Kt	77.74	110.90	97.12
Whitewash and Flux materials	Kt	1,100.33	936.96	1,040.39
Coal	Kt	1,203.07	1,085.26	1,124.06
Acquired Coke ²	Kt	149.04	46.89	102.62
Oil Coke	Kt	447.45	417.62	387.19
Ore	Kt	4,379.01	3,981.62	4,432.31

Materials	Units	2019	2020	2021
Soluções Usiminas				
Zinc	Ton	343.00	52.97	-
Steel	Ton	1,490,404.65	947,705.17	1,215,729.02
LPG	Kg	165,754.00	68,335.00	169,652.00
Welding Consumable	kg	714.00	1,183.50	3,178.00
Paints, Solvents, Greases	kg	3,967.60	2,014.20	4,662.20
Hydrochloric Acid	Ton	80.70	64.55	-
Angle plates	Units	-	1,349,000.00	2,112,002.00
Plastic wrap	Kg	-	144,292.30	226,297.83
Wedge	Pieces	-	144,740.00	228,254.00
Metallic bands	Kg	-	615,120.00	984,007.88
Metallic seal	kg	-	23,550.28	42,556.36
Labels	Units	-	1,341,931.00	2,654,423.00
Adhesive tape	rolls	-	55,983.00	87,824.01
Polyester tape	meters	-	-	180,952.00

Note: Information related to 2019 and 2020 for Cubatão and Ipatinga Plants were corrected this year for the following information:

1. “Steel & Aluminum “ reported in the previous reporting cycle was replaced by “Acquired Plate” because the previous indicator mentioned duplicate information, since it referred to liquid steel used in the composition of mentioned raw materials (coals, iron ore, etc).
2. “Coke” reported in the previous reporting cycle was replaced by “Acquired Coke”, which corresponds to coke acquired in the domestic market to complete the Blast Furnaces energy load. The previous indicator mentioned coke in general (in-house coke + external coke), creating duplicate information since in-house coke is produced from the raw material coal. | GRI 102-48

EMISSIONS AND AIR QUALITY

Usiminas is committed to reducing its greenhouse gas (GHG) emissions and improving air quality in the areas surrounding its operations. Therefore, the Company has been adopting important measures, such as taking stock of its GHG emissions and joining the Carbon Disclosure Program (CDP), an international organization considered as the main initiative in the financial sector in terms of mitigating climate changes.

The main measures include, for instance, a project to reduce CO₂ emissions from truck traffic. Currently, they travel from the mine to the terminals five thousand times every day.

Another major challenge for Usiminas is to quantify and reduce Scope 3 GHG emissions, given that the steelmaking industry has not reached an agreement on what would be the direct emissions in this group. However, the Company already began a conversation with suppliers to understand how they generate GHG and what can be done to reduce their emissions.

GHG emissions

GRI 103-1; 103-2; 103-3

Usiminas brought the decarbonization topic to discussion in the Board of Directors, which decided that the theme will be included in the agenda each semester. In addition, Decarbonization Committee was created with the participation of the Sustainability, Corporate Planning, Industrial Engineering, Research and Development Center and Environmental departments. In the Sustainability Committee, the decarbonization has a fixed agenda bimonthly in meetings.

Throughout 2021, the Sustainability Committee meetings have presented, discussed and resolved on proposals related to action plans to structure the Company's greenhouse gas emissions management tools, as well as strategies to improve their Monitoring, Report and Verification (MRV) and meet external stakeholders needs, though reporting initiatives

(CDP and GHG Protocol's Public Emissions Registry).

Usiminas has also established its goals related to Climate Change and decided to hire a specialized company to prepare its decarbonization plan, aiming to assist the Company in the future definition and disclosure of its reduction targets.

An important achievement in 2021 was the greenhouse gas emissions inventory prepared according to ISO 14064 standards. All Usiminas' investments will undergo a mandatory analysis of the potential reduction or increase in CO₂ emissions from the proposed activities. Therefore, according to the commitments to the ESG Agenda, CO₂ will become an important project assessment criterion in the Company's decision making.

In addition, Usiminas participated in the CDP, receiving score C in their evaluation, and recognition by the Golden Seal in the Brazilian GHG Protocol Program.


2022
goal

Taking stock of GHG emissions for Mineração Usiminas and Soluções Usiminas

Engagement
of **75%**

Critical Suppliers with Scope 3 to Usiminas' climate agenda by December 31, 2022

With regard to scope 2 emissions, Usiminas has been developing energy efficiency and renewable energy projects that will positively impact the reduction of Greenhouse Gases, as detailed in item 8.1.

For Usiminas, the biggest challenge is to control Scope 3 emissions, i.e., all the indirect emissions not included in scope 2, which occur in the Company's value chain, such as purchased raw material, business trips and employee commuting, waste disposal, transportation and distribution. Therefore, the Company began a conversation with suppliers in order to better understand how they generate GHG.

In addition, Usiminas participated in the CDP, receiving score C in their evaluation, and recognition by the Golden Seal in the Brazilian GHG Protocol Program. This result

means that Usiminas is on an upward trend in terms of greenhouse gas emissions control and expects its score to rise once again in the coming years given all that the Company still plans to do.

Taking stock of GHG emissions for Mineração Usiminas and Soluções Usiminas is a goal for 2022.

The GHG Emissions Inventory for reference year 2021 is being assured and will be available on June 24, 2022 on the [website](#).



Air Quality

GRI 103-1; 103-2; 103-3; 305-7; EM-MM-120a.1

Air quality is an important topic for Usiminas not only from the environmental point of view, but also from the social one, since it has direct impacts on the surrounding communities. Therefore, the Company has several initiatives to control, mitigate and reduce its air emissions.

The Environmental department, which is responsible for managing the topic with the support of all the Company's departments, carries out a broad control of air quality in the regions where Usiminas operates, releasing the results daily in the cities of Ipatinga and Cubatão.

One of Usiminas' major challenges is to reduce sediment particulates build-up in the Ipatinga region. The Company has established quantitative reduction goals with the 9th Environmental Prosecution Office of the state of Minas Gerais. The initiative is one of the steps foreseen in the Consent Decree (TAC in Portuguese), signed by the company in October 2019.

The monitoring of sediment particulates deposit rates in Ipatinga is currently carried out in eight locations or monitoring stations installed in the Das Águas, Cariru, Bom Retiro, Centro, Veneza, Novo Cruzeiro, Bela Vista, and Horto neighborhoods. The last two stations were implemented in November 2021, and just like the previous ones at locations defined based on modeling studies prepared by the State Environmental Foundation (Feam in Portuguese), together with the Environmental Prosecution Office.

At the end of each month, samples are collected by a specialized company and sent to an external chemical lab, which weighs, dries and determines the deposit rate in grams per square meter in that month.

In 2021, compared to the reference period defined in the 2018-2019 TAC, there was a reduction in sediment particulates deposit rates in all monitored neighborhoods, ranging from 13% to 66%.

Reduction in sediment
particulates deposit
rates in all monitored
neighborhoods

13% to 66%
ranging

To further reduce the particulate matter load, Usiminas has increased its investments in environmental initiatives. Between 2019 and 2021, the Company invested more than R\$ 100 million. Besides the relentless pursuit of behavioral change and energetic teamwork focused on reducing environmental impacts, the following initiatives carried out at the Ipatinga Plant in 2021 should be noted:

- Replacement of the internal elements, mud pumps and exhausts of the Coke Bunker Dedusting System
- Revitalization of the green belt around the Plant, by planting more than 1,500 seedlings
- Closing of the Coal blending buildings and sheds in the Coal Yard area.

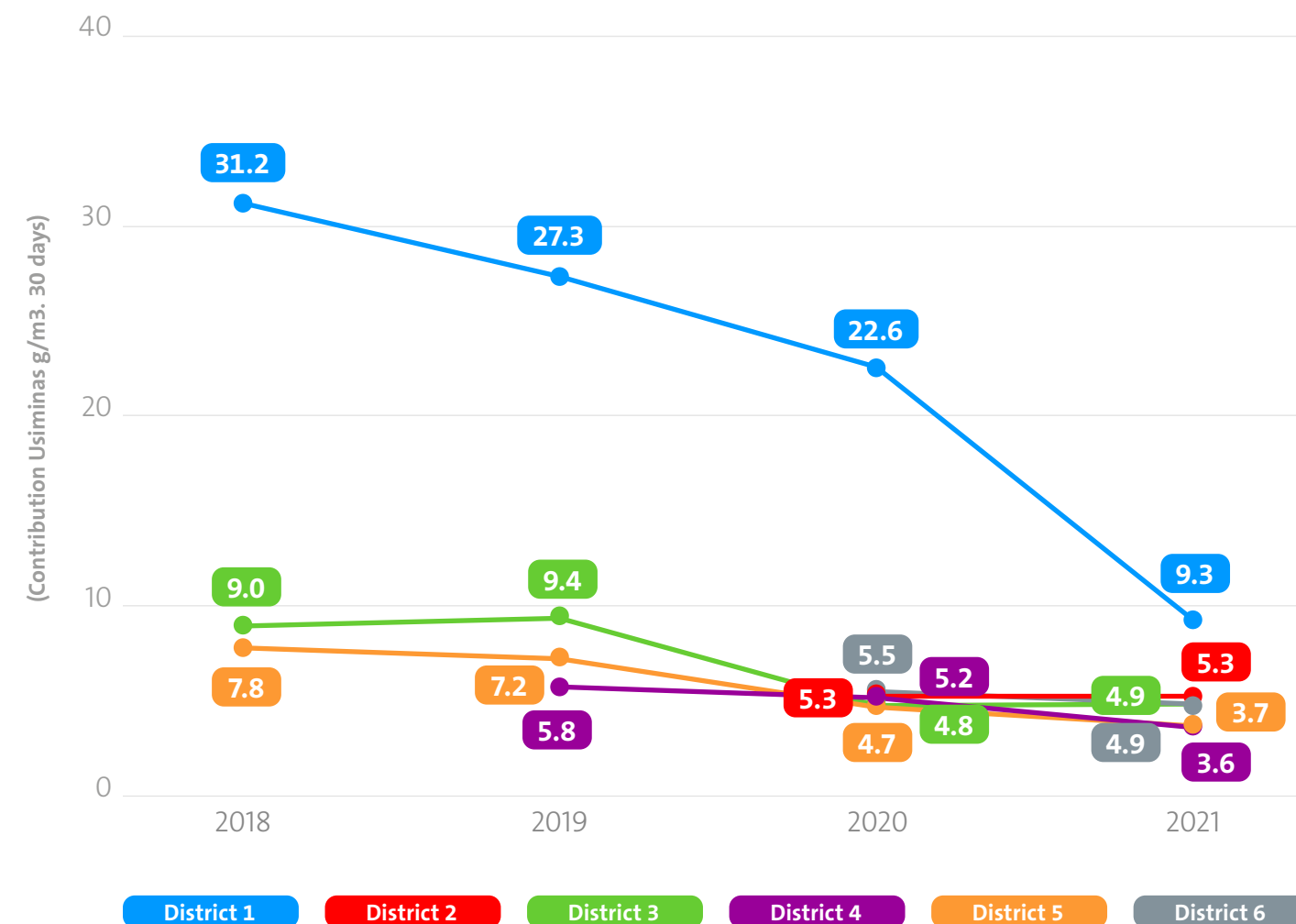
Other initiatives have been carried out, including the use of polymers in the dry season, which mitigates the release of particulates into the atmosphere; revegetation during the wet season; and the use of several other technologies, such as an automated water sprinkling system in off-road truck traffic lanes and the plant's mechanical sweeping and pathway wetting have been reinforced.

In addition, Usiminas relies on an Environmental Monitoring Center, a pioneering initiative among Brazil's steelmakers.

- Replacement of the internal elements (464 plates and 448 electrodes) of fields A and B, and pneumatic transport of the electrostatic precipitator of the Sinter Machine no. 01;
- Replacement of internal elements (328 plates and 2,880 electrodes) and electrostatic precipitator controllers of Sinter Machine No. 03;
- Replacement of the filtering elements of the Secondary Dedusting device - Baghouse Filter 10 chambers of Line 02 - Steel Mill 02.

To further reduce the particulate matter load, Usiminas has increased its investments in environmental initiatives. Between 2019 and 2021, the Company invested more than R\$ 100 million.

Reduction in the deposition of sedimentable particles over the past four years



Maximization of the **recovery of steelmaking gases** by using a new gasometer with the latest process technology and safety.

Implementation of **gas flow meters** for the precise online control of the management of atmospheric emission loads.

Refurbishment of the **dedusting system** in the area of Blast Furnace 2.

Major repairs of the **Primary Electrostatic Precipitators** of Sinter Machines 1 and 3.

Increase in the use of **polymers in coal, iron ore and slag piles.**

INVESTMENTS IN EQUIPMENT AND CONTAINMENT MEASURES

Expansion of the **sprinkler system** in the Steel Mill and Reduction areas

Paving roads in the Reduction and Steel Mill areas

Enclosure of sheds and covering of conveyor belts

Major repair in the **dedusting system in the transportation** of coke to the blast furnaces

Expansion of the Sediment Particulate Monitoring Network, also implemented in the Horto and Bela Vista districts, with monthly reporting of the results.



NOx, SOx and other significant air emissions

GRI 305-7, SASB EM-MM-120a.1

Emissions (ton)	Ipatinga Plant			Cubatão Plant			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
NOx	5,236.41	5,312.59	4,134.50	102.81	64.48	108.76	5,339.22	5,377.07	4,243.26
SOx	9,861.79	10,444.34	10,462.30	7.41	7.96	12.53	9,869.20	10,452.30	10,474.83
Persistent organic pollutants (POP)	0.0000000311	0.0000000314	0.000000031	-	-	-	0.00	0.00	-
Volatile Organic Compounds (VOC)	4.07	1.67	2.53	-	-	-	4.07	1.67	2.53
Particulate Matter (PM)	6,920.39	5,428.21	5,785.21	16.36	18.76	25.26	6,936.75	5,446.97	5,810.47

Mineração Usiminas - Particulate Matter (PM) in 2021:

PTS Parameter:

30,523.1 µg/m³

PM_10 Parameter:

7,495.9 µg/m³

PM_2.5 Parameter:

1,144.9 µg/m³

Note: Amounts calculated based on ongoing and intermittent monitoring done periodically on the emissions source. The Company also uses data from emissions inventory, prepared according to the EPA AP42 methodology to measure fugitive emissions of particulate matter.

**Results from the period of 5/21/2020 thru 12/29/2020.

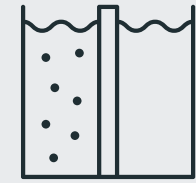
WATER AND EFFLUENTS

GRI 103-1; 103-2; 103-3; 303-1; 303-2; 303-3; 303-5

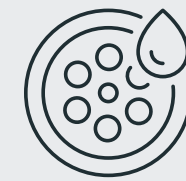
Water is an important natural resource in Usiminas' production processes, indispensable in many activities, especially in iron ore processing and for cooling Steelmaking equipment. Its scarcity or poor quality produces negative impacts from an economic and environmental point of view. Therefore, all the Company's units are committed to the best water resource management practices.

Several departments work on the control of environmental impacts that can be created by water consumption in industrial operations and in the generation of effluents. They work focused on ensuring that there is enough water for ore processing and all operational needs, as well as to ensure the quality of the water used by the communities surrounding Usiminas' units.

96.9%



OF WATER RECIRCULATION
in Cubatão (SP) plant



Usiminas makes a rigorous
CONTROL IN INTERNAL CONSUMPTION

of water in Usiminas' facilities,
encouraging the conscious use
and elimination of waste



The Company complies with effluent discharge standards established in the legislation in force, whether at the state or federal level, and always adopts the most restrictive one.

In addition to monitoring the effluent discharge points, at the Ipatinga (MG) unit, Usiminas conducts water quality analysis of the Piracicaba River, upstream and downstream from the intake point. The purpose is to ensure that the receiving water body classification does not change due to the discharge of the Company's effluents. The results of this monitoring are periodically sent to the state environmental agency.

At the Cubatão (SP) and Ipatinga (MG) plants, the water recirculation rate reaches about 96.9% and 94.5%, respectively. This rate was achieved water recirculation

circuits have been implemented to serve the plant's production and by water use management.

The effective management of water resources avoids and reduces the possible negative impacts that may arise from the Company's operations, however, in the event of any incident, Usiminas is prepared to solve the problem. In turn, the Company carries out continuous actions to boost the positive impacts of its activities, developing several environmental preservation projects.

Usiminas also has a strict control of water consumption in its facilities, encouraging its conscious use and eliminating waste with simple measures, such as the immediate repair of leaks and, in the case of Soluções Usiminas, the reuse of rainwater in its units.

Soluções Usiminas has consumption targets per unit, which are established based on the historical result assessed in the previous year, with the purpose of having the units always reach monthly and annual goals. If they fail to do so, the team for them assess the cause, propose corrective actions and set deadlines. The results are expressed in water consumption.

As for the Steelmaking, performance targets are defined annually. These goals are defined based on historical records and are monitored on a monthly basis through meetings. Deviations are treated through occurrence reports (ROCA in Portuguese), in which root causes are ascertained and corrective measures are established. Environmental goals for the Steelmaking unit include, among others: Withdrawn water volume, Water Recirculation Rate, Recirculated Water Volume.

Due to the 2021 water and energy crisis, Usiminas has started to develop a tool that will enable recording deviations related to the waste of resources in general, including water. This tool will be put into operation in 2022 and all employees will have access to it through the internet.

It is also important to point out that Usiminas is working on the development of a plan to generate more water safety and efficiency for the Ipatinga plant (MG).

The effective management of water resources avoids and reduces the possible negative impacts that may arise from the Company's operations, however, in the event of any incident, Usiminas is prepared to solve the problem.



Water Safety Project

A Mineração Usiminas' initiative, the Water Safety project aims to promote new actions – short, medium and long term – to ensure a responsible and safe use of water resources by the Company, with the participation of its employees. It establishes several plans and actions, common to all departments, to improve all aspects related to the theme. The recovery of degraded areas is one of the initiatives in the project. The goal will be monitored and linked to performance evaluation.

A specific budget was drawn up for the initiatives focused on the recovery of degraded areas. One example is the Mina D'Água Project, which provides for the recovery of headwaters by planting native species.

Total water withdrawal (megaliters)

GRI 303-3

	2020				2021			
	Surface	Groundwater	Third-party water	Total	Surface	Groundwater	Third-party water	Total
Ipatinga	47,416.00	-	-	47,416.00	54,650.00	-	-	54,650.00
Cubatão	5,742.56	-	-	5,742.56	5,417.50	-	-	5,417.50
Soluções Usiminas	-	6.77	37.10	43.87	-	5.53	43.50	49.03
Mineração Usiminas	90.59	4,607.77	-	4,698.36	9.55	4,738.24	-	4,747.79
Total	53,249.15	4,614.54	37.10	57,900.79	60,077.05	4,743.77	43.50	64,864.32

Note:

(1) There is no water withdrawal of seawater and third-party water, as well there is no water withdrawal from areas with water stress.

(2) The water withdrawal occurs in freshwater.

(3) The differences between the withdrawal and consumptions volumes are explain by the recirculation processes, the acceptable error range of the measuring equipment and the existence of an internal reservoir (Lagoa da Anta at the Ipatinga Plant).

Total Water Consumption in all areas (megaliters)

GRI 303-5

	2019	2020	2021
Ipatinga	51,085.00	48,149.58	54,889.96
Cubatão	6,345.20	5,742.56	5,417.50
Soluções Usiminas	46.29	43.88	49.03
Mineração Usiminas'	5,001.28	4,908.07	4,761.33
Total	62,477.77	58,844.09	65,117.82

Note: There is no water consumption from areas with water stress.

1. Measurement unit adjusted for Mineração Usiminas values | GRI 102-48

WASTE AND CIRCULAR ECONOMY

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

Waste is part of Usiminas' processes in all its production stages. That being said, the Company is mindful of the environmental impacts it may cause, and its main goal is to reduce waste generated and reuse it whenever possible.

Waste management is Usiminas' responsibility. Therefore, the Company adopts several precautions that go far beyond good production and disposal practices, often involving the use of waste in the Company's other activities. Waste reuse and recycle mechanisms end up creating opportunities to convert costs into circular economy.

Usiminas understands that the responsibility for waste always lies with the generating source, regardless of other parties involved, and it is therefore up to the Company to ensure a continuous flow of waste removal and correct disposal, as well as

incentives to reduce consumption from non-renewable sources.

The Company registers waste direct and indirect related to its production in a software developed in-house, the Integrated Environmental Management System (NBGA in Portuguese), in the Waste Management module.

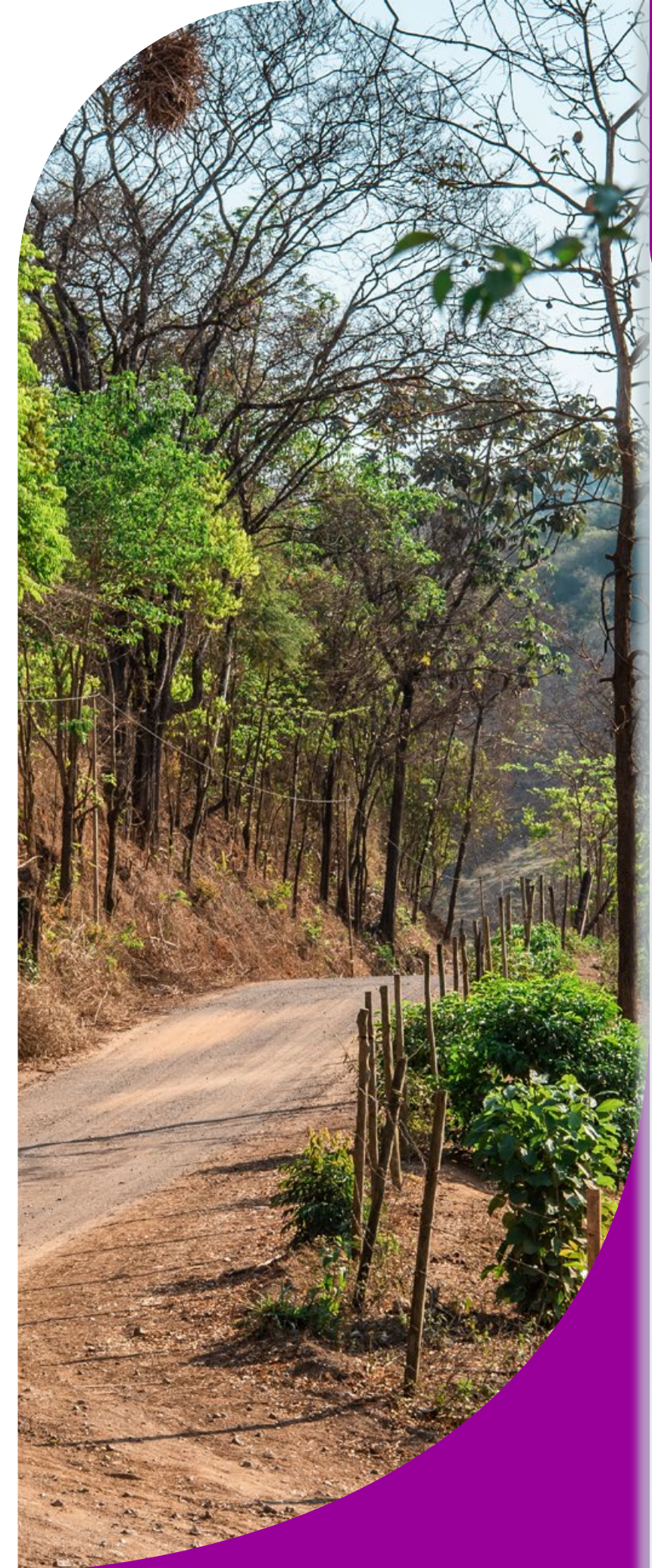
Generating units, together with the Transportation Department, are responsible for annually checking generated/disposed waste handling control – volume, theoretical weight, travel, technical index – and which are not weighted in highway scale or dynamic loader scale, for instance, as well as translating said units into tons, for the dully input in the NBGA system.

The entire generation and disposal process is controlled via Waste Handling Documents (DMRs in Portuguese) in all

states where there are Usiminas units. The adequate waste destination is chosen technically, based on the best market value available. Usiminas units already use the Waste Transportation Manifest System (MTR in Portuguese) in an online format.

The implemented initiatives are continually assessed because waste is generated every day. The collection and correct disposal flow must be working efficiently given the large demand.

On a monthly basis, Mineração Usiminas registers the data related to waste generation and waste sent to partners. Adjustments are made based on new logistical demands and allocation of resources that may arise. The results related to the generation and destination rate are variable because they depend on factors such as the issue of environmental licenses and projects that take place inside the units.



To verify compliance with current legislation, the Company relies on Environmental department's employees, who have access to tools to identify and control the applicable legal requirements, as well as legal consulting services.

In terms of operations, which involves the necessary conditions for temporary storage, transportation and final disposal, Usiminas relies on the Industrial, Environmental and Supplies departments to maintain and use contracts in force to enable waste management.

Mineração Usiminas has a large shed for temporary waste storage, separated by waterproof bays with appropriate identification.

In the administrative premises, the impacts of the waste generated consist mainly of the use of non-renewable materials, such as plastic cups, cutlery and plates. The Company has been devoting its efforts to reduce said use

and replace these materials with less polluting ones.

Soluções Usiminas has operational controls to manage waste generated, such as proper disposal in licensed sites, which are chosen based on technical aspects as well as on the best available market value.

Finally, Usiminas has been working on the development of an integrated waste management policy, with the participation of several departments. However, until it is fully ready, the Company is studying the implementation of some isolated actions, such as the recovery and reuse of steel slag [1], i.e., 100% of the steel slag produced would be converted into byproduct.

In the long term, the Company intends to reduce the inventory of hazardous materials, defining a maximum number in order to operate with mitigated risks.

¹ Steel slag is a byproduct generated during the steel production and may come from various processes.



In 2021, the Ipatinga (MG) plant generated close to 2.9 million tons of industrial waste, of which 38% was internally reused in the Company's own processes. The Cubatão (SP) plant generated 142,019 tons of waste, of which 36.4% was internally recycled.

In Ipatinga, about 3% of the waste was sent to landfills, of which 56% in its own landfill. In Cubatão, waste sent to third-party landfills corresponds to about 0.3%.

Blast furnace slag and steel mill sludge represent most of the waste produced in the Steelmaking unit, while civil

construction waste, metal scraps, biological sludge, separating tank and tailings account for most of the waste produced at Usiminas Mineração. Waste produced at Soluções Usiminas include metal scrap, emulsions, plastic, regular and civil construction waste.

The main significant impacts caused by waste are soil degradation and/or contamination, water and air pollution, as well as risks for the health of workers and the population. The waste is produced from the inputs and activities of each operation.

In 2021, the Ipatinga (MG) plant generated close to 2.9 million tons of industrial waste, of which 38% was internally reused in the Company's own processes.

Waste generated in metric tons, by composition of the waste

GRI 306-3

	Ipatinga Plant		Cubatão Plant	
	2020	2021	2020	2021
Hazardous waste (Class I)	24,514.63	27,812.53	36,596.74	31,525.37
Non-hazardous waste (Class II)	2,764,552.18	2,907,780.15	78,839.22	110,495.52
Total	2,789,066.81	2,935,592.68	115,435.96	142,020.89

Waste generated in metric tons, by composition of the waste

GRI 306-3

	Soluções Usiminas		Mineração Usiminas	
	2020	2021	2020	2021
Hazardous waste (Class I)	670.03	518.90	1,444.41	718.89
Non-hazardous waste (Class II)	19,202.87	25,283.62	3,806.54	5,196.46
Total	19,872.90	25,802.52	5,250.95	5,915.35

Total weight of waste diverted from disposal in metric tons and a breakdown of this total by recovery operations

GRI 306-4

	Ipatinga Plant						Cubatão Plant					
	2020			2021			2020			2021		
	Recovery onsite	Recovery offsite	Total	Recovery onsite	Recovery offsite	Total	Recovery onsite	Recovery offsite	Total	Recovery onsite	Recovery offsite	Total
Hazardous waste (Class I)	18,924.00	5,033.96	23,957.96	19,425.50	5,396.44	24,821.94	34,645.15	1,728.93	36,374.08	30,757.32	797.86	31,555.18
Preparation for reuse	-	-	-	-	-	-	540.90	1,676.05	2,216.95	24.00	761.59	785.59
Recycling	18,924.00	-	18,924.00	19,425.50	-	19,425.50	34,104.25	52.87	34,157.12	30,733.32	36.27	30,769.59
Coprocessing	-	5,033.96	5,033.96	-	5,396.44	5,396.44	-	-	-	-	-	-
Non-hazardous waste (Class II)	943,361.17	1,839,051.42	2,782,412.59	1,086,372.76	2,038,739.60	3,125,112.36	17,906.50	89,667.14	107,573.64	19,846.30	222,989.91	242,836.21
Preparation for reuse	-	-	-	-	-	-	14,365.90	18.89	14,384.79	17,283.90	6.76	17,290.66
Recycling	943,361.17	-	943,361.17	1,086,372.76	-	1,086,372.76	3,540.60	89,648.25	93,188.85	2,562.40	222,983.15	225,545.55
Commercialization/donation	-	1,839,051.42	1,839,051.42	-	2,038,739.60	2,038,739.60	-	-	-	-	-	-
Total	962,285.17	1,844,085.38	2,806,370.55	1,105,798.26	2,044,136.04	3,149,934.30	52,551.65	91,396.07	143,947.72	50,603.62	223,787.77	274,391.39

Soluções Usiminas

Mineração Usiminas

	2020			2021			2020			2021		
	Recovery onsite	Recovery offsite	Total	Recovery onsite	Recovery offsite	Total	Recovery onsite	Recovery offsite	Total	Recovery onsite	Recovery offsite	Total
Hazardous waste (Class I)	0.00	668.80	668.80	0.00	518.37	518.37	0.00	557.99	557.99	0.00	697.40	697.40
Coprocessing	-	64.40	64.40	-	63.12	63.12	-	109.06	109.06	-	70,04	70,04
External treatment	-	587.07	587.07	-	439.49	439.49	-	-	-	-	-	-
Refining	-	17.33	17.33	-	15.76	15.76	-	197.83	197.83	-	200.75	200.75
Treats effluents	-	-	-	-	-	-	-	251.10	251.10	-	-	-
Non-hazardous waste (Class II)	0.00	18,748.03	18,748.03	0.00	24,813.67	24,813.67	0.00	2,679.71	2,679.71	0.00	2,278.40	2,278.40
Recycling	-	18,724.32	18,724.32	-	24,697.50	24,697.50	-	1,796.38	1,796.38	-	1,577.36	1,577.36
Animal Nutrition	-	23.71	23.71	-	18.48	18.48	-	-	-	-	-	-
Treatment	-	-	-	-	97.69	97.69	-	-	-	-	-	-
Treats effluents	-	-	-	-	-	-	-	751.19	751.19	-	540.15	540.15
Composting	-	-	-	-	-	-	-	132.14	132.14	-	160.89	160.89
Waste	0.00	19,416.83	19,416.83	0.00	25,332.04	25,332.04	0.00	3,237.70	3,237.70	0.00	2,975.80	2,975.80

Note: Values and tables were adjusted for alignment with the GRI standard requirements | GRI 102-48

Total weight of waste directed to disposal in metric tons and a breakdown of this total by recovery operations

GRI 306-5

	Ipatinga Plant						Cubatão Plant					
	2020			2021			2020			2021		
	Disposal onsite	Disposal offsite	Total	Disposal onsite	Disposal offsite	Total	Disposal onsite	Disposal offsite	Total	Disposal onsite	Disposal offsite	Total
Hazardous waste (Class I)	0.00	73.89	73.89	0.00	55.49	55.49	0.00	248.10	248.10	0.00	0.00	0.00
Incineration (with energy recovery)	-	-	-	-	-	-	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-	-	152.93	152.93	-	-	-
Landfilling	-	73.89	73.89	-	55.49	55.49	-	95.17	95.17	-	-	-
Non-hazardous waste (Class II)	28,439.80	18,366.93	46,806.73	51,478.20	40,380.63	91,858.83	0.00	1,075.02	1,075.02	0.00	485.25	485.25
Incineration (with energy recovery)	-	-	-	-	-	-	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-	-	-	-	-	-	-
Landfilling	28,439.80	16,739.93	45,179.73	51,478.20	38,588.63	90,066.83	-	1,075.02	1,075.02	-	485.25	485.25
Cesspit treatment	-	1,627.00	1,627.00	-	1,792.00	1,792.00	-	-	-	-	-	-
Total	28,439.80	18,440.82	46,880.62	51,478.20	40,436.12	91,914.32	0.00	1,323.12	1,323.12	0.00	485.25	485.25

	Soluções Usiminas						Mineração Usiminas					
	2020			2021			2020			2021		
	Disposal onsite	Disposal offsite	Total	Disposal onsite	Disposal offsite	Total	Disposal onsite	Disposal offsite	Total	Disposal onsite	Disposal offsite	Total
Hazardous waste (Class I)	0.00	1.23	1.23	0.00	0.53	0.53	0.00	4.24	4.24	0.00	13.34	13.34
Incineration (with energy recovery)	-	0.35	0.35	-	0.53	0.53	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-	-	0.10	0.10	-	0.14	0.14
Landfilling	-	0.88	0.88	-	0.001	0.001	-	4.14	4.14	-	13.20	13.20
Non-hazardous waste (Class II)	0.00	454.84	454.84	0.00	469.95	469.95	0.00	1,126.82	1,126.82	0.00	2,900.82	2,900.82
Incineration (with energy recovery)	-	-	-	-	-	-	-	165.63	165.63	-	183.73	183.73
Incineration (without energy recovery)	-	-	-	-	-	-	-	-	-	-	-	-
Landfilling	-	454.84	454.84	-	469.95	469.95	-	961.19	961.19	-	2,717.09	2,717.09
Total	0.00	456.07	456.07	0.00	470.48	470.48	0.00	1,131.06	1,131.06	0.00	2,914.16	2,914.16

Note: Values and tables were adjusted for alignment with the GRI standard requirements | GRI 102-48

Total waste generated

GRI 306-3

	2020	2021
Steelmaking Unit	2,904,502.77	3,077,613.57
Steel Processing Unit	19,872.90	25,802.51
Mining Unit	5,250.95	5,915.35
Total waste generated	2,929,626.62	3,109,331.43

Total waste recovered

GRI 306-4

	2020	2021
Steelmaking Unit	2,950,318.26	3,424,325.69
Steel Processing Unit	19,416.83	25,332.03
Mining Unit	3,237.70	2,975.80
Total waste recovered	2,972,972.79	3,452,633.52

Total waste destined for final disposal

GRI 306-5

	2020	2021
Steelmaking Unit	48,203.74	92,399.57
Steel Processing Unit	456.07	470.47
Mining Unit	1,131.06	2,914.16
Total waste destined for final disposal	49,790.866	95,784.2036



BIODIVERSITY AND USE OF SOIL

GRI 103-1; 103-2; 103-3; 304-1; 304-3

The main impacts to biodiversity are linked to the areas that have had environmental interventions for iron ore extraction, the main input in steel production.

Usiminas efficiently monitors the environmental areas surrounding the mining unit and has been devoting efforts to expand this control to the steelmaking areas in the coming years. The goal is to mitigate the environmental impacts of mining and steelmaking activities on the fauna and flora.

A good example is the partnership with a company operating in the region of Ipatinga (MG) to create a biodiversity institute, whose purpose will be to study and protect the local flora and fauna as well as develop environmental education projects.

Accordingly, the Company develops initiatives geared towards preserving forest areas and riparian forests, conserving headwaters, as well as offsetting the impacts it cannot mitigate. Usiminas also carries out reforestation by planting native seedlings and projects aimed at the local fauna.

The Company ensures that the protected and preserved areas are connected with each other, in order to create green belts for the flow of fauna and flora in the region.

The purpose of Usiminas is to be conducive to developing activities that are as least disturbing as possible to the native vegetation and animals that live there. The goal is to ensure that gene flows are maintained as well as the biodiversity in such areas.

Mineração Usiminas occupies in a 7.46 km² - area in Serra Azul, between the municipalities of Mateus Leme, Itaúna, Itatiaiuçu and Igarapé (MG). Ipatinga Power Plant and Usiminas Mecânica have approximately 10 km² of industrial area in the city of Ipatinga (MG) and occupy an area next to the Integral Protection Conservation Unit - Rio Doce State Park (PERD).

Soluções Usiminas has a unit located in an environmental protected area, where, in 2021, the Local Government of Santa Luzia (MG) asked the Company to prepare a Neighborhood Impact Study (EIV in Portuguese) to characterize the conservation status of a riparian forest section of approximately 400 linear meters. Results showed that the area has some protection, because it is monitored, and some recommendations were also included in the study.

Usiminas is part of the Rio Doce State Park's Advisory Board, in accordance with Law 9.985/2000, which established the Brazilian National Conservation Unit

The purpose of Usiminas is to be conducive to developing activities that are as least disturbing as possible to the native vegetation and animals that live there.

System, where the Company is the main private sector representative that operates in the area surrounding the conservation unit.

The Cubatão plant is located in the Serra do Mar State Park's buffer zone.

It is worth mentioning that MUSA has an internal system to record and manage complaints about disrespectful attitudes and damage to biodiversity, and, whenever necessary, it investigates and promotes actions to correct, mitigate and offset the impacts generated.

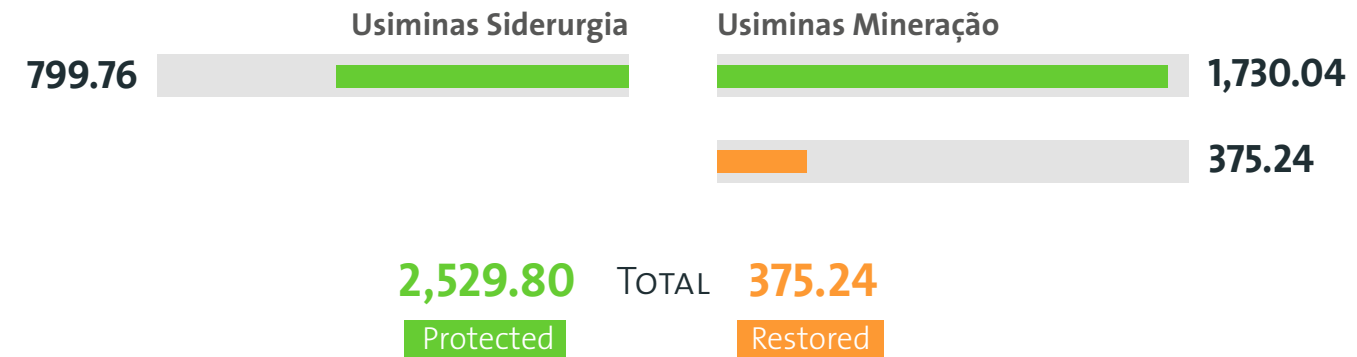


The *Fauna sem Lar* program has served for almost five years

1,850
animals

Habitats protected or restored in 2021

GRI 304-3 (Area in hectares)



Notes:

1. At Usiminas Siderurgia it was considered the Private Natural Heritage Reserve (RPPN in Portuguese) areas from Zoo Botanical Park and from Silvana Lake, and the Green Areas of Usiminas.
2. Only the Green Areas didn't have its restoration measures approved by independent external experts, like approvals from the Forest Institute (IF) and prosecutors.
3. There isn't partnership with third parties for areas protection or restoration.

Fauna sem Lar Rehabilitation Program

The *Fauna Sem Lar* Rehabilitation Program provides clinical services to wild animals rescued by the Environmental Military Police, the Fire Department of the Vale do Aço region and the State Forest Institute (IEF).

It was created from a partnership between The Biodiversity Center (CEBUS) of Associação Esportiva e Recreativa Usipa (Sport and Recreation Association), the State Forest Institute (IEF), Arpava, the Minas Gerais State Military Police and State Military Fire Department, the

Environmental Prosecution Office of Ipatinga (MG) and Usiminas.

The *Fauna sem Lar* program has been operating for almost five years and has served 1,850 animals in danger situations from several cities in the *Médio Rio Doce* region. These animals include birds, reptiles and mammals but most of them are birds – parrots and passerine – victims of animal trafficking, and injured mammals, which are run over or injured by urban equipment.

The program returned almost 46% of rescued animals to the wilderness, including southern tamanduas, opossums, passerine, pacas, ferrets, forest foxes, coatis, blue-and-yellow macaws, hawks and several species of owls. Many of them are endangered species, e.g., black-and-white hawk-eagle, ocelots, cougars, maned wolves, vinaceous-breasted parrots, turquoise-fronted parrots, among others.

In some cases, rehabilitation treatment to return to the wilderness has not been

In 2021, 12,500 seedlings were produced at Usiminas' nursery, of which 5,000 were planted in the Company's preservation areas.

possible due to the long period these animals spent in captivity, eating food that is different from what they can find in their original habitat thus developing behaviors that complicate their resocialization. In such cases, animals wait to be part of the zoo roster or are transferred to other institutions.

By December 2021, about 13% of rescued animals remained in rehabilitation treatment. Most of them are Psittaciformes (jandayas and parrots) that are being prepared to be released to the wilderness or waiting to be sent somewhere else. A large number of owls and hawks that have been amputated and cannot return to the wilderness remain at CEBUS.

In addition to the activities above, CEBUS has supported actions to oversee and fight animal trafficking conducted by the Environmental Policy, SEMAD and IEF. It has also provided regular Technical Reports to the Environmental Police in their oversight activities.

Green Areas Recovery and Conservation Program

Usiminas plants and supplies seedlings to green areas surrounding the Ipatinga plant (MG) in order to restore and preserve the local environment. Moreover, the Company also carries out preventive maintenance against fires.

In 2021, 12,500 seedlings were produced at Usiminas' nursery, of which 5,000 were planted in the Company's preservation areas.

At the Cubatão plant, the Company has the volunteer project "Plant a Life", which foresees that company's employees who have had natural or adopted children will plant native tree seedlings, using Atlantic Forest native species.

In September 2021, the 13th edition of "Plant a Life" was held. By then, 1,961 native trees had been planted at the Cubatão plant and, still in 2021, 93 trees were planted in honor of the birth and adoption of Usiminas employees' children (Cubatão and CEA units).

Approximately

46%



OF RESCUED ANIMALS WERE RETURNED TO THE WILDERNESS, including southern tamanduas, opossums, passerine, pacas, ferrets, forest foxes, coatis, blue-and-yellow macaws, hawks and several species of owls.

1,961



NATIVE TREES HAD BEEN PLANTED at the Cubatão plant and, still in 2021, 93 trees were planted in honor of the birth and adoption of Usiminas employees' children (Cubatão and CEA units).

Mina D'Água

Developed by Mineração Usiminas (Musa), the project aims to protect and restore headwaters vegetation and riparian forests in permanent preservation areas by planting native seedlings in the city of Itatiaiuçu (MG) and the surrounding region. In 2021, 7.40 hectares were recovered and 6.6 thousand seedlings planted. Additionally, the project also included fencing, firebreaks, and fighting pests and invasive species. Another relevant fact in 2021, was the beginning of a hydrogeological study to map headwaters located on Mineração Usiminas' properties, contributing to Musa's a more effective part in the preservation of natural resources.

Forest Recovery

Musa has adopted several measures to protect the remnant native vegetation surrounding the mining operation. This initiative has allowed the formation of large areas with potential to become wildlife corridors. In 2021, 61,624 seedlings of the region's native species were planted, distributed in approximately 63 ha in the company's forest reclamation and legal reserve areas.

Seedling Nursery

The Serra Azul (MG) seedling nursery was reopened in 2021. It has been completely restructured to produce native flora species to recompose permanent preservation areas and for forest compensation. The expectation is that, after the first year of operation, about 30,000 seedlings will be produced every year for planting and donation to the communities, which will also participate in environmental education initiatives in the region.

Besides Serra Azul, the Company has a second seedling nursery in Santa Luzia (MG), which was opened in 2019 aimed at contributing to the revegetation of the banks of the Rio das Velhas, which passes behind Usiminas' plant. The structure was opened with an initial batch of 400 seedlings and, since 2019, more than 100 have already been planted, 70 of them in 2021 only. The next steps include to develop environmental education actions and take the seedlings planting to revitalize green areas in the Santa Luzia community.



Pegadas da Serra Azul

Created in 2012, the fauna monitoring program has made it possible to establish a powerful database that allows MUSA's activities to coexist with the local fauna. In 2020, the program was reformulated and gained more robustness when other fauna groups were added and the methodology that monitors large carnivores by telemetry was enhanced. Said changes led the program to another level, turning to a large research work, including behavioral aspects.

In 2021, important biological information was collected on individuals of the maned wolf species (*Chrysocyon brachyurus*), a female (Sansa) and a male (Sirius), which are being monitored by a GPS collar, without any interference in their quality of life.

In addition to these measures, the program holds other initiatives, such as the Environmental Education and the Recovery of Degraded Areas programs, which represent indirect measures, but with positive impacts for the local and regional fauna.

Created in 2012, the fauna monitoring program has made it possible to establish a powerful database that allows MUSA's activities to coexist with the local fauna.

Mina de Mel

Mina de Mel is a project that stimulates beekeeping in Usiminas' areas assigned as loan for use. Bees are fundamental to the balance of the ecosystem since they are responsible for much of the pollination, contributing to the reproduction of plants that will serve as food for people and animals and ensuring the acceleration of local and regional biodiversity.

In 2021, the project reached approximately ten areas assigned as loan for use and 540 hives, with voluntary donation of honey to the community. Throughout the year, 250 kg of honey were distributed to three entities in the region, two in the city of Itatiaiuçu (MG) and one in Igarapé (MG).

The projects of Usiminas' Green Areas Recovery Program relate to 5 Sustainable Development Goals (SDG) devised by the UN in its 2030 Agenda:

- 01  Clean Water and Sanitation, through *Mina D'Água*
- 02  Decent Work and Economic Growth, through *Mina de Mel*
- 03  Responsible Production and Consumption, through *Mina de Mel*
- 04  Climate Action, through the projects *Mina D'Água*, Forest Recovery, Seedling Nursery, and *Mina de Mel*
- 05  Life on Land, through Forest Recovery, *Pegadas da Serra* and *Mina D'Água* projects

ENVIRONMENTAL COMMITMENTS

Usiminas understands that complying with legal requirements and commitments made may result in opportunities or risks that must be addressed and managed. If the Company fails to comply with the law, it may, for example, receive penalties in the administrative, civil or even criminal levels.

As compensation for environmental, health and collective moral damages, the company allocated R\$ 4.5 million to be used in projects of social and environmental interest, which should be chosen by the Public Prosecutor's Office of the state of Minas Gerais.

Therefore, identifying and having access to the legal requirements, understanding how they apply to the Company, is the first step to ensure compliance with the environmental commitments made through the Integrated Management Policy.

The units managing the Environmental Management System are responsible for continuously verifying the existence of new obligations to be fulfilled as well as ensuring compliance with each obligation. The compliance with the legal and other applicable requirements is assessed through internal audits and in the periodic inspections performed at the departments.

Currently, Usiminas has signed commitments with the Minas Gerais (MPMG) and São Paulo (MPSP) Public Prosecutor's Offices, states where the Company's steel plants are located.

Continuing with the actions set forth in the Consent Decree (TAC), signed in 2019, Usiminas and the Environmental Prosecution Office established, on

12/17/2021 the targets for sediment particulate build-up from Usiminas operations in the neighborhoods surrounding the Ipatinga Plant for the coming years. The second amendment to this TAC established multi-year goals for the period from the 2022 to 2027, and took into account the new initiatives identified by the Company to reduce its contribution to the dispersion of particulates.

In 2021, two Consent Decrees were signed with the Public Prosecutor's Office of the state of Minas Gerais:

- In May, a TAC was signed to offset the damages arising from the gasometer collapse, which occurred in August 2018. As compensation for environmental, health and collective moral damages, the company allocated R\$ 4.5 million to be used in projects of social and environmental interest, which should be chosen by the Public Prosecutor's Office of the state of Minas Gerais. The agreement also set forth the

obligation to prepare and implement an Environmental Compliance Program, to revise the Emergency Action Plan for the Ipatinga Plant and to implement safety measures for the operation of the new gasometer.

- In November, a TAC was signed to determined compensatory measures for the possible environmental repercussions of the events that occurred inside Usiminas' industrial plant on 09/22/2020 and 10/18/2020 (incidents at the Blast Furnace 01). The obligations undertaken upon signing this TAC encompass the supply of a specific number of interlocking blocks for the cities of Ipaba and Santana do Paraíso, in the state of Minas Gerais.

The Company offers three channels for its stakeholders and the community in general to submit their complaints regarding possible violations to Usiminas' commitments: Open Channel, *Fala Aí Comunidade* and Contact Us, detailed throughout this report.

DECOMMISSIONING AND DAM SAFETY

GRI 103-1; 103-2; 103-3

Tailing dams in mining activities can be harmful for the environment and the surrounding communities, with direct and indirect impacts that can last for a long time. Solid tailings can liquefy with excessive rainfall, damaging the dam structure and causing major environmental accidents.

Therefore, Usiminas has been devoting its efforts to meet the ESG goal of fully de-characterizing its dams, migrating from the traditional tailing disposal method to the filtering method. The inauguration of the dry stacking system in Itatiaiuçu (MG), in 2021, is evidence of the Company's efforts.

Dam's de-characterization is in progress in Usiminas' operations – soon they will no longer exist -, however the topic still requires attention and measures to ensure a safe tailing treatment.

The Mining Planning and Geotechnical Department is responsible for managing geotechnical structures, maintaining operating conditions, minimizing environmental impacts and preserving lives.

Every six months, the Company's dams undergo external audits, which are communicated to the environmental agencies as determined by the legislation. Among the control and monitoring mechanisms, the following can be highlighted: safety factor, operational infrastructure/accesses, upstream slopes, spillways/extractors, piezometers, water level instruments, and monitoring of upstream and downstream water quality.

The control assessments' outcomes are within expectations, as the safety factor and other requirements for good maintenance of the structures are in compliance with current laws on dam safety.

Inauguration of the dry stacking system at Mineração Usiminas

In December 2021, Usiminas took an important step towards eliminating its dams. The Company inaugurated the dry stacking system in Itatiaiuçu (MG), a disposal system for filtered tailings. This represents an important step of the ESG agenda and reaffirms Usiminas' commitment to safe and sustainable operations.

Dry stacking is a more modern form of mining operation. In this process, tailings are sent to the filtering plant, where part of the water is filtered and returns to the production process. The filtered material then follows a conveyor belt, forming a dry tailings stack, which is compacted to be used in the revegetation of areas surrounding the mines.

The Company has invested R\$ 235 million in the project, which, at its peak, has created 600 jobs. From now on, about 120 professionals will be directly working in the system's operation. For Usiminas, even though dry stacking implementation and operating costs are higher than those of conventional dams, environmental gains, safety standards and the comfort of its employees and surrounding communities are more important.

In 2020, the Company completed the de-characterization of Somisa Dam, which was validated by the inspection agencies in January 2021. The Central Dam is expected to be de-characterized in 2022. The Samambaia Dam, a downstream dam, was recently deactivated after the dry stacking system began operating. The Company is yet to define its de-characterization schedule.



9

GRI CONTENT INDEX AND SASB

GRI and SASB Content Index **172**

Assurance Statement **182**

Credits **187**

GRI AND SASB CONTENT INDEX

GRI 102-55

Disclosure	Answer	Page
STANDARD CONTENT		
GRI 102: GENERAL DISCLOSURES		
ORGANIZATIONAL PROFILE		
102-1	Organization name	8
102-2	Activities, brands, products and services	13
102-3	Headquarters location	11
102-4	Location of operations	11
102-5	Ownership and legal form	65
102-6	Markets served	13
102-7	Size of organization	11, 26, 60
102-8	Information about employees and other collaborators	8, 90, 91, 92
102-9	Suppliers chain	78, 81
102-10	Significant changes in the organization and its supply chain	There were no significant changes to the organization and its supply chain between 2020 and 2021.
102-11	Precautionary principle or approach	There is no formal adherence to the Precautionary Principle.
102-12	External Initiatives	39, 48, 56, 88
102-13	Membership in association	138
STRATEGY		
102-14	Statement from the organization's top executive	6
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behavior	24, 42
102-17	Ethical advice and concern mechanisms	44
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	82
102-41	Collective bargaining agreements	93

Disclosure	Answer	Page
102-42	Identifying and selecting stakeholders	82
102-43	Approach to stakeholder engagement	8, 82
102-44	Key topics and concerns raised	9
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	8, 13
102-46	Defining report content and topic Boundaries	8
102-47	List of material topics	9
102-48	Restatements of information	105, 143, 146, 155, 160, 162
102-49	Changes in reporting	8
102-50	Reporting period	8
102-51	Date of most recent report	8
102-52	Reporting cycle	8
102-53	Contact point for questions regarding the report	8, 187
102-54	Claims of reporting in accordance with the GRI Standards	8
102-55	GRI content index	172
102-56	External assurance	8, 182
MATERIAL SUBJECT		
CORPORATE GOVERNANCE		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	32
103-2	The management approach and its components	32
103-3	Evaluation of the management approach	32
GRI 102: GOVERNANCE		
102-18	Governance structure	32
102-19	Delegation of authority	33, 36
102-20	Responsibility of executives for economic, environmental and social issues	36, 45

Disclosure	Answer	Page
102-21	Consultation with stakeholders on economic, environmental and social topics	The Board of Directors does not have formal responsibilities regarding the consultation with stakeholders on economic, environmental and social topics, but has been involved in the process.
102-22	Members of the highest governance body and its committees	33
102-23	Chairman of the highest governance body	33
102-24	Appointment and selection of the highest governance body	33
102-25	Conflicts of interest	33, 41
102-26	Role of the highest governance body in defining purpose, values and strategy	33
102-27	Collective knowledge of highest governance body	45
102-28	Evaluating the highest governance body's performance	There is no formal evaluating of the highest governance body with respect to governance of economic, environmental, and social topics.
102-31	Review of economic, environmental, and social topics	33
102-32	Highest governance body's role in sustainability reporting	8
102-33	Communicating critical concerns	33, 35
102-35	Remuneration policies	37
102-36	Process for determining remuneration	37
102-37	Stakeholders' involvement in remuneration	37
102-38	Annual total compensation ratio	95
102-39	Percentage increase in annual total compensation ratio	95
ETHICS AND TRANSPARENCY		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	39
103-2	The management approach and its components	39
103-3	Evaluation of the management approach	39
GRI 205: COMBATE À CORRUPÇÃO		
205-2	Communication and training on anti-corruption policies and procedures	Usiminas does not have available data on employees hired in 2021 who received training on anti-corruption.
205-3	Confirmed cases of corruption and actions taken	There were no public legal cases regarding corruption brought against the organization or its employees during the reporting period.

Disclosure	Answer	Page
WATER AND EFFLUENT MANAGEMENT		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	153
103-2	The management approach and its components	153
103-3	Evaluation of the management approach	153
GRI 303: WATER AND EFFLUENT		
303-1	Interactions with water as a shared resource	153
303-2	Management of impacts related to water discharge	153
303-3	Water withdrawal	153, 155
303-5	Water consumption	153, 155
BIODIVERSITY AND LAND USE		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	164
103-2	The management approach and its components	164
103-3	Evaluation of the management approach	164
GRI 304: BIODIVERSITY		
304-1	Operational units owned, leased, managed within or in the vicinity of protected areas and areas of high biodiversity value outside protected areas	164
304-3	Habitats protected or restored	Soluções Usiminas' units did not perform habitat protection/restoration activities. 164, 165
GREENHOUSE GAS EMISSIONS		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	147
103-2	The management approach and its components	147
103-3	Evaluation of the management approach	147
GRI 201: ECONOMIC PERFORMANCE		
201-2	Financial implications and other risks and opportunities due to climate change	Usiminas devoted the efforts of its technical teams to structure and expand its initiatives related to Climate Change in 2021. The project will be developed in 2022 and one of its steps is the preliminary mapping of risks and opportunities arising from climate change, which will be performed by a specializing company.

Disclosure	Answer	Page
AIR QUALITY AND POLLUTANTS		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	149
103-2	The management approach and its components	149
103-3	Evaluation of the management approach	149
GRI 305: EMISSIONS		
305-6	Emissions of ozone-depleting substances (ODS)	"In 2021, emissions of ozone-depleting substances (ODS) came to 0.119713 metric tonnes of CFC-11. The substances included in the calculation were: HCFC-22, HCFC-124a and HCFC-141b. Emissions have been calculated using the Ozone Depleting Potential (ODP) adopted by the Montreal Protocol. "
305-7	Emissions of NOx, SOx and other significant air emissions	The community's satisfaction and dissatisfaction levels regarding air control and quality and the burden caused by dust did not significantly change in the survey conducted in the second half of 2021 compared to the previous year in the city of Ipatinga (MG).
SASB: AIR QUALITY		
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx(excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	149, 152
WASTE AND HAZARDOUS MATERIALS MANAGEMENT		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	156
103-2	The management approach and its components	156
103-3	Evaluation of the management approach	156
GRI 306: WASTE		
306-1	Waste generation and significant waste-related impacts	156
306-2	Management of significant waste-related impacts	156
306-3	Waste generated	156, 158
306-4	Waste diverted from disposal	156, 159
306-5	Waste directed to disposal	159, 161, 163

Disclosure	Answer	Page
DAM SAFETY		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	170
103-2	The management approach and its components	170
103-3	Evaluation of the management approach	170
GRI 307: ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	Soluções Usiminas: total significant fines came to R\$41,886.58 in 2021. The amount has not been paid yet because the company filed for an administrative appeal, which is pending analysis. Steelmaking: no fines were paid in 2021. Mining: total significant fines came to R\$889,486.97 in 2021.
TRAINING AND QUALIFICATION		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	107
103-2	The management approach and its components	107
103-3	Evaluation of the management approach	107
GRI 404: TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	107
404-2	Programs for the development of employees' skills and assistance for career transition	107
404-3	Percentage of employees receiving regular performance and career development assessments	113
DIVERSITY, EQUALITY AND INCLUSION		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	102
103-2	The management approach and its components	102
103-3	Evaluation of the management approach	102
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES		
405-1	Diversity in governance bodies and employees	34, 102, 104, 105, 106
405-2	Ratio of basic salary and remuneration of women to men	99

Disclosure	Answer	Page
GRI 406: NON-DISCRIMINATION		
406-1	Cases of discrimination and corrective measures taken	102
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	114
103-2	The management approach and its components	114
103-3	Evaluation of the management approach	114
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
403-1	Occupational health and safety management system	114
403-2	Hazard identification, risk assessment and incident investigation	114
403-3	Occupational health services	114
403-4	Worker participation, consultation and communication on occupational health and safety issues	114
403-5	Training of workers in occupational health and safety	114
403-6	Promotion of worker's health	114
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	81, 114
403-8	"Workers covered by an occupational health and safety management system"	114
403-9	Work-related injuries	114, 121, 122
403-10	Work-related ill health	114, 122
SASB: WORKFORCE HEALTH AND SAFETY		
EM-IS-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) nearmiss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	114, 121, 122
COMMUNITY RELATIONS		
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	125
103-2	The management approach and its components	125
103-3	Evaluation of the management approach	125

Disclosure	Answer	Page
GRI 411: RIGHTS OF INDIGENOUS PEOPLES		
411-1	Incidents of violations involving rights of indigenous peoples	There were no incidents of violations involving rights of indigenous peoples.
GRI 413: LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments and development programs	Usiminas is present in 13 cities, in 5 Brazilian states. In 100% of the operations in locations with more than 500 own employees (Cubatãosp, Ipatinga-MG and Itatiaiuçu-MG) and at the headquarters (Belo Horizonte-MG), Usiminas has some type of evaluation mechanism and/or initiative directly targeted at the community or in partnership with Usiminas Institute, which represents 30% of operations. For the other cities where the Company has smaller operations, commercial offices or distribution centers, Usiminas makes a formal complaints channel available to the community.
413-2	Operations with significant real and potential negative impacts on local communities	125
SASB: SECURITY, HUMAN RIGHTS & RIGHTS OF INDIGENOUS PEOPLES		
EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	We do not have mining activities in indigenous areas or close to them.
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	We do not have mining activities in indigenous areas or close to them.
Extras GRI Disclosures - disclosures not considered in materiality, but which Usiminas decided to report to maintain the historical series and comparability		
GRI 201: ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	60, 62
201-3	Defined benefit plans and other retirement plans	100
201-4	Financial assistance received by the government	Tax incentives in 2020 totaled R\$243,025,528.98 for Usiminas and R\$324,932,105.68 for Usiminas Soluções.
GRI 202: MARKET PRESENCE		
202-1	Ratio of lowest paid salary, by gender, compared to local minimum salary	95
GRI 203: INDIRECT ECONOMIC IMPACTS		
203-1	Investments and services in infrastructure	125
203-2	Significant indirect economic impacts	48
GRI 204: PURCHASE PRACTICES		
204-1	Proportion of spending on local suppliers	78

Disclosure	Answer	Page
GRI 206: ANTI-COMPETITIVE BEHAVIOUR		
206-1	Lawsuits for unfair competition, trust and monopoly practices	In 2021, no lawsuits were filed due to unfair competition, trustee and monopoly practices.
GRI 207: TAXES		
207-1	Tax approach	63
207-2	Governance, control and management of tax risks	63
207-3	Stakeholder engagement and management against taxes	63
207-4	Country to country reporting	63, 64
GRI 301: MATERIALS		
301-1	Materials used by weight or volume	145, 146
301-2	Recycled input materials used	145
301-3	Reclaimed products and their packaging materials	Mineração Usiminas S/A - MUSA does not use materials and/or packages for the products it supplies. The main raw materials do not use packaging to be sent to the Ipatinga and Cubatão plants. Soluções Usiminas products and packaging do not have a return system.
GRI 302: ENERGY		
302-1	Energy consumption within the organization	141, 143, 144
302-3	Energy intensity	141, 142
302-4	Reduction of energy consumption	The energy efficiency projects carried out in 2021 enabled the Company to reduce energy consumption by 1,227,861.72 GJ, considering fuels and electricity, compared to 2020 figures and the projects' assumptions include a reliable measuring system.
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT		
308-1	New suppliers that were screened using environmental criteria	76
308-2	Negative environmental impacts in the supply chain and actions taken	76
GRI 401: EMPLOYMENT		
401-1	New employee hires and employee turnover	94
401-2	Benefits granted to full time employees not granted to part time or temporary employees	95
401-3	Maternity/Paternity leave	97, 98
GRI 402: LABOR RELATIONS		
402-1	Minimum notice period for operational changes	93

Disclosure	Answer	Page
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
407-1	Operations and suppliers where the right of association and collective bargaining may be violated or there is a risk	93
GRI 408: CHILD LABOR		
408-1	Operations and suppliers at significant risk for incidents of child labor	76
GRI 409: FORCED OR COMPULSORY LABOR		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	76
GRI 412: HUMAN RIGHTS ASSESSMENT		
412-1	Operations subject to human rights impact assessment or analysis	Human rights are assessed in 100% of Usiminas operations (all in Brazil).
412-2	Training employees in human rights policies or procedures	Usiminas does not have available data on employees hired in 2021 who received training on human rights topics.
42, 76		
GRI 414: SUPPLIER SOCIAL ASSESSMENT		
414-1	New suppliers that were screened using social criteria	76
414-2	Negative social impacts in the supply chain and actions taken	76
GRI 415: PUBLIC POLICIES		
415-1	Contributions to political parties	Any donation to political parties, campaigns and/or candidates for public offices made by Usiminas Companies or on the Company's behalf are absolutely forbidden, as set forth in the sponsorship and donation policy and the legislation in force.
GRI 416: CUSTOMER HEALTH AND SAFETY		
416-1	Assessment of the health and safety impacts of product and service categories	22
GRI 417: MARKETING AND LABELING		
417-1	Requirements for product and service information and labeling	22
GRI 419: SOCIOECONOMIC COMPLIANCE		
419-1	Non-compliance with laws and regulations in social and economic areas	No fines or penalties for non compliance with laws and/or regulations have been filed in the socio-economic field.

ASSURANCE STATEMENT

GRI 102-56

BSD Consulting, an ELEVATE Company, has carried out an independent verification of the process of the preparation of Usiminas' Annual Sustainability Report 2021 developed based on the GRI (Global Reporting Initiative) Standard, "in accordance" core option. The process met the criteria of the AA1000 Assurance Standard v3 and aims to provide Usiminas' stakeholders with an independent opinion on: the quality of the report; stakeholder engagement processes; the company's sustainability management and adherence to the AA1000 Accountability Principles 2018.

Independence and competence

We work independently and ensure that no member of BSD has consulting contracts or other commercial ties with Usiminas. BSD Consulting is a company specialized in sustainability. The work was conducted by a team of professionals experienced and skilled in external verification processes.

Usiminas and BSD Responsibilities

The preparation of the Annual Sustainability Report, as well as the definition of its content is Usiminas' responsibility. The verification of the report was the object of BSD's work.

Scope and Limitations

The scope of our work includes the information in the full version of Usiminas' Annual Sustainability Report 2021 for the reporting period from January 1, 2021, to December 31, 2021. The independent verification process was conducted in accordance with AA1000AS v3 (AA1000 Assurance Standard v3), in Type 1 verification condition, providing a moderate level of Assurance. The objectives of the Assurance Statement are to inform stakeholders of BSD's findings on the process covering the assessment of the adherence of Usiminas'

accountability process to the four principles: Inclusiveness, Materiality, Responsiveness and Impact, as per the AA1000AP 2018 standard (AA1000 Accountability Principles 2018). The verification of financial data was not object of BSD Consulting's work.

Methodology

The procedures developed during the work and the AA1000AS process verification approach include: evaluation of the content of the 2021 Annual Sustainability Report; evaluation of the engagement and materiality process, focusing on compliance with the criteria contained in Standard 101 of the GRI Standards; understanding of the flow of the processes for obtaining and generating information for the report; research of public information about the sector and the company (press and websites); interviews with leaders and managers of key areas in relation to the relevance of the information for reporting and sustainability management; analysis of the evidence of the materiality process and of the management processes of the material topics; confirmation of the information in the Annual Sustainability Report based on sample testing, with supporting documentation, management reports, internal controls and official correspondence.

Disclaimer

- The Assurance Statement and any other attachments (hereinafter "Product") are for the exclusive use of the intended recipient ("Client"). Under no circumstances should this Product or information contained herein be distributed or reproduced in any form without the prior consent of the copyright holder. ELEVATE does not accept any responsibility, and disclaims all liability, for any third-party use; use of this Product by any third party is entirely at the risk of that party.

- The Product is scoped in accordance with the Statement of Work agreed in advance with the Client including the provisions set out in the Scope and Limitation. The Product should be read and understood as a whole, and sections should not be read or relied upon out of context. Recommendations, where given, are for the purpose of providing indicative advice only, are not exhaustive, relate solely to identifying key and obvious improvements as identified in the Product, and do not take the form or constitute a complete solution to any issue and should not be construed as an advisory service. ELEVATE has no obligation to maintain, update or correct the Product except as otherwise expressly agreed in writing.
- The Product shall not be construed to be legal, investment, tax, accounting, regulatory or other professional advice. The Product is intended for informative purposes only and is not intended to be used as a substitute for expert advice or work product that a professional would normally provide to a client and should not be relied upon as such. Please contact an appropriate professional service provider to further discuss the points mentioned in this Product. The Product is provided as is and ELEVATE makes no representations or warranties as to the accuracy or effectiveness of the Product, beyond such representation or warranties set out to the Client in the Statement of Work. The Client remains solely responsible for their decisions, actions, use of the Product, and compliance with applicable laws and regulations.
- This disclaimer must accompany every copy and/or reproduction of this Product. This Product speaks only as of the date herein and ELEVATE has no responsibility to update the Product.
- ELEVATE's Standard Terms and Conditions of Business ("Terms and Conditions") are hereby incorporated by reference into this disclaimer. All applicable provisions of the Terms and Conditions remain in effect and ELEVATE accepts no responsibility or liability except as otherwise expressly set forth in the Terms and Conditions (see: <https://www.elevatelimited.com/about-elevate/sustainability/terms-conditions/>)

Key Findings on Adherence to the AA1000AP 2018 Principles

1. Inclusion Principle

In the period of 2021, Usiminas continued to make progress in consolidating relationships with stakeholders, especially in engagement with local communities, customers and suppliers. The following relevant engagement activities were evidenced to assist decision making related to sustainability issues:

- The area of Communication and Institutional Relations has channels to engage with stakeholders and its own methodology to monitor the effectiveness of engagement through the Brand Institutional Performance Index (IDIM), which demonstrates the strategic relevance of the engagement processes for the company's management.
- Usiminas' Sustainability Committee meetings had agendas with external stakeholders for management improvement, mainly related to the decarbonization topic.
- Through Usiminas Institute, the Company conducted an image survey with the objective of analyzing the perception of the population about its performance, the level of credibility it has at the population and the satisfaction with the company. A total of 1,460 interviews were carried out with individuals living in the municipalities of Ipatinga (MG), Itaúna and Itatiaçu (MG) and Cubatão (SP), where the Institute operates through cultural and social projects. We highlight the company's initiative to consider all the relevant operational units in the scope of the perception survey.
- In addition, Usiminas continued to conduct a biannual survey on the perception of the population in the city of Ipatinga regarding air pollution. The survey is part of the scope of a Adjustment of Conduct Agreement (TAC) initiated in 2020, related to the monitoring of sedimentable particles, a topic considered of high impact for the surrounding community.

- Usiminas held an online event with customers and suppliers to present the Company's sustainability strategy and its intention to work together towards sustainable development. The Company also evaluates customer satisfaction on an annual basis, identifying needs, aspirations and degree of satisfaction regarding the products and services offered. In 2021, there was an improvement in this index, reaching the best result in the historical series.
- The training of 100% of the employees hired until the end of 2020 and 100% of the members of the governance bodies in the Code of Ethics and Conduct and Anti-corruption Policy trainings was evidenced. It is important to consolidate this performance for all new admissions and new members of the governance bodies. In 2021, Usiminas took an important step in training the internal public on the Company's Sustainability Standard launched in 2020. It is recommended that the training processes for sustainability topics continue with the same rigor applied to integrity topics.
- In 2021, no specific consultations were conducted for the annual sustainability report preparation process. The Company plans to conduct a new materiality process for the next reporting cycle. The process, when conducted with due robustness, offers the opportunity to expand the disclosure of the sustainability agenda in a targeted manner to representatives of the audiences impacted by the Company's communication channels and allows for a deeper understanding of these audiences.

2. Materiality (or Relevance) Principle

Usiminas' 2021 Annual Sustainability Report was prepared based on the material issues of the 2020 reporting cycle. This decision seeks to provide continuity in the process of reporting the form of management and impacts associated with the material topics while the Company plans for the execution of the review process of these topics. The following observations stand out:

- Usiminas, aware of the recommendations made by the assurance in the 2020 Assurance Statement, plans a new review process of the material issues for the next reporting cycle. The Company's concern with the prioritization of material topics according to the sustainability context of its different business units and its industry stands out.
- We evidenced that Usiminas has applied efforts to unfold and improve its activities in the management of material issues, establishing clear and public commitments to the sustainability agenda, with seven goals established in 2021 and expanding this number to ten goals in 2022.
- Likewise, the Company reported on the activities in response to the 10 Principles of the Global Compact, a commitment that Usiminas adopted in 2021 and that completes the commitments made in the global sustainability agenda. The 10 Principles of the Global Compact, together with the Sustainable Development Goals 3 to 17 pointed out by Usiminas as objectives connected to its agenda, will be indispensable references for the new materiality review process, since the Company has postulated its alignment with the topics addressed in these initiatives.

3. Responsiveness Principle and Impact Principle

We evidenced during the process of assuring the report that Usiminas demonstrated consolidated response capability in the following material issues, understanding their impacts and applying metrics, robust management processes and clear targets:

- **Ethics and Transparency:** The topic has a consolidated management in the company. The areas of Integrity and the Open Channel have targets and monitor performance through indicators. Performance is periodically reported to top management at Conduct Committee meetings.

- **Corporate Governance:** The topic has a consolidated management. The Company has responded to sustainability challenges with the creation of the Risk Management Committee and the Decarbonization Committee. It is important to continue with efforts to meet the challenge of increasing diversity in the Company's highest governance bodies.
- **Dam Safety:** The Company's commitments are to recharacterize all its dams and to operate with the dry stacking system. To this end, it established short and medium term goals, which are periodically monitored by the Mining Executive Board. The 2021 goals were achieved. The recharacterization of the Central Dam continued to advance, even with the need to revisit the project due to the occurrence of heavy rains in the Minas Gerais region.
- **Training and Capacity Building:** The Human Resources Training area monitors the training hours per employee, vulnerability (mandatory training) and no-show (absences from training) indicators. The area has the HR Portal system to monitor the completion of training. The indicators are monitored periodically in meetings with management.
- **Occupational Health and Safety:** The topic is followed up weekly by monitoring the safety indicators in reports sent by e-mail to the president and directors. The Work and Process Safety area has the SIASSO system for monitoring the indicators. The Ipatinga (MG) and Cubatão (SP) units are ISO 45.001 certified. The topic has internal and public targets. In 2021, there was an increase in the rate of work accidents requiring mandatory reporting, on the other hand, there was evidence of an 84% reduction in the accident severity index.

We evidenced during the assurance process of the report the evolution in the consolidation of management and advances in the monitoring of impacts related to the following material topics:

- **Air Quality and Pollutants:** A reduction in deposition rate of sedimentable particles was evidenced in the Cariru, Bom Retiro and Das Águas neighborhoods that have been monitored since 2018, in the Veneza neighborhood that has been monitored since

2019 and in the Novo Cruzeiro neighborhood that has been monitored since 2020. In the Centro neighborhood there was no reduction between 2020 and 2021. In addition, two new neighborhoods were included in the monitoring routine, Bela Vista and Horto.

- **Greenhouse Gas Emissions:** The Company defined that the topic of decarbonization will have a biannual agenda in the meetings of the Board of Directors, created the Decarbonization Committee with a quarterly agenda among the Executive Board, included the topic as a fixed agenda of the Sustainability Committee. In addition, it started the process of assuring the inventory of greenhouse gas emissions in accordance with ISO 14.064 and formalized its participation in the Carbon Project Disclosure (CDP) and in the Brazilian GHG Protocol Program. Significant advances were identified in the adherence to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For 2022, the Company presented as public targets the expansion of the greenhouse gas emissions inventory for the Mining and Solutions units and the engagement of 75% of the Critical Suppliers for Scope 3, according to the World Steel Association (WSA) methodology.
- **Water and Effluent Management:** In Steelmaking, the Energy and Utilities area monitors the internal indicators of volume of water captured, volume of recirculated water and recirculation index, which are presented monthly at the Energy and Utilities Committee. In the Usiminas Solutions business, the Environment area monitors the internal indicators of water consumption and water consumption per man-hour worked (except for the Porto Alegre unit). Water consumption data are monitored by means of the utility bills and daily measurements from the well at the Taubaté (SP) unit. In Mining, the Environment area monitors the internal indicators for water withdrawal. The catchment data are monitored by means of the daily measurement of the tubular wells and the measurement of the water catchment of the Córrego dos Pintos stream. The company presented the public target of achieving a recirculation of 94.6% of the annual average in 2022 at the Ipatinga unit.
- **Community Relations:** The Communication and Institutional Relations area is responsible for community relations and supports the company's areas with

communication and handling of the demands received. The area is also responsible for the activities of Instituto Usiminas. In 2021, Instituto Usiminas conducted an image survey with local communities and involved them in the selection of projects and social initiatives. In addition, the area implemented a community-oriented relationship indicator on an experimental basis, which exceeded the target set for the year. In 2022, the indicator is to be considered as part of the area's targets.

- **Diversity, Equality and Inclusion:** The company has allocated a resource dedicated to managing the Diversity Program. The Diversity area monitors the indicators through an Intranet system, Visual flash. Four strategic diversity indicators are available: disability; generations; equity; and race. The indicators are monitored periodically in meetings with management. In 2021, the company started the process of reviewing the public target of having 10% women in the industrial area by 2022. It was concluded through the review process that for the target to be reached it was necessary to first apply efforts in training women in apprentice courses. Therefore, in the new public target proposal, a commitment was made to reach at least 55% women in apprentice training classes by 2022.
- **Biodiversity and Land Use:** Usiminas provides data necessary to evaluate the impact of restoration and conservation programs, implemented by the Company itself or in partnership with other agents. We highlight the assistance to more than 1,850 animals at risk during the five years of the Fauna Homeless Program and the Neighborhood Impact Study (EIV) with the objective of characterizing the conservation status of a section of riparian forest near the areas of Usiminas Solutions. It is recommended that the recommendations of the study be implemented and monitored. It is important that the Company implement actions to consolidate the form of management, such as monitoring routines with the management and medium and long-term goals for the topic.

Concluding Remarks

We consider that Usiminas has advanced significantly in the management of its material issues in 2021, establishing clear commitments for the sustainability agenda in 2021 and for the next reporting cycle. We note that the issue of greenhouse gas emissions was treated with due priority, being one of the main impacts of the sector and of the Company.

Usiminas consolidated its strategic management of sustainability by establishing clear goals and signing the Global Compact, which, together with the UN Sustainable Development Goals, will guide the alignment with the current sustainability context. We recommend that the new materiality review process planned for the next reporting cycle deepens the dialogue with stakeholders and aligns the content of the report with the principle of sustainability context, as per GRI Standard guidelines.

The Annual Sustainability Report 2021 reflects positive aspects and negative impacts related to the Company's operations, contributing to the balance and transparency of the information. We confirm that the report meets the requirements of the GRI Standards, having been prepared in accordance with the GRI Standards - Essential option.

São Paulo, April 18, 2022.

BSD Consulting, an ELEVATE Company – Brasil



CREDITS

GRI 102-53

Corporate information

Nome: Usinas Siderúrgicas de Minas Gerais S.A - Usiminas

CNPJ: 60.894.730/0001-05

Phone number: +55 31 34998110

E-mail: sustentabilidade@usiminas.com

Website: www.usiminas.com

Head Office:

6594 do Contorno Avenue - 11th floor

Funcionários, Belo Horizonte/MG

Zip Code: 30110-044

Coordination

Sustainability Management

GRI Consultancy

blendON

Writing and revision

blendON

Site development

blendON

Graphic design and diagramming

blendON



USIMINAS U