



**nexa**

Annual  
Report

2020

# About the Report

We are presenting the annual performance report of Nexa Resources S.A. for the period from January 1 to December 31, 2020. This report has been prepared in accordance with International Integrated Reporting Council (IIRC) guidelines and the Global Reporting Initiative (GRI) Standards, Essential option. The previous edition, which refers to the year of 2019, was published in April 2020. The content includes economic, social and environmental aspects, as well as the risks and opportunities mapped and considered of interest by shareholders and other stakeholders

GRI 102-1, 102-50, 102-51, 102-52 SGD 12.6

The financial indicators are reported in accordance with the International Financial Reporting Standards (IFRS), while social and environmental data have been prepared according to Brazilian standards applied to labor and environmental issues. The greenhouse gas disclosures have been prepared in accordance with the GHG Protocol calculation methodology. The Sustainability and Corporate Affairs team was responsible for the general content, as well as for complementary information, and the document has been subjected to third part assurance by PwC Brazil, in order to improve accuracy of data presented throughout the Report. The contracting of assurance services by an independent third party for the information contained in the Annual Report, requires the approval of the company's Audit Committee and the Board of Directors. GRI 102-56

The consolidated financial statements and the external audit report are available at: <https://ri.nexaresources.com> and <https://riperu.nexaresources.com> within the financial information section.

Cerro Lindo  
Unit

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Materiality

GRI 102-42, 102-43, 102-44, 102-46

The content of this Report follows the Materiality Principle established by the IIRC and GRI Standards defined based on topics of major relevance to the mining and smelting sector evaluation, the Sustainability Accounting Standards Board (SASB) guidelines and sectorial benchmarking.

Revised every two years, we decided, for the first time, to make an survey with our external stakeholders in our materiality process. We have combined the results of this survey with 194 complete responses, to the assessment we have also conducted with Nexa's leadership to deliver at the 12 material topics most relevant to us and to our stakeholders. When defining Nexa's material topics, we seek to direct the company's reporting and management considering the context, impacts, risks and opportunities of each topic in the short, medium and long term.

In the external survey, publics were engaged, such as customers, suppliers, public authorities, shareholders, among others, increasing our scope and reflecting in our materiality the issues

that are in fact relevant to the stakeholders consulted. Performed according to GRI requirements, which guides companies and institutions to address in their reporting information on topics that reflect the significant economic, environmental and social impacts of the organization and materially influence the assessments and decisions of stakeholders.

The material aspects of sustainability presented throughout the report cover the following subjects: Decommissioning; Ethics and Compliance; Operational Excellence; Water Resources Management; Dam Management; Waste and Tailings Management; Social Management; Climate Change; Plurality; Reputation; Health, Safety and Well-being, and Innovation.

We consider that 2020 was a year of materiality transition, since we are concluding the previous cycle and starting a new process, more robust and with a more strategic view, so that the new materiality matrix can be the main tool for managing the company's sustainability and ESG (environmental, social and governance) aspects. As part of this transition, long-term goals will be shared in the report for the next cycle.

GRI 102-47

Compared to the previous materiality, the Dam Management, Innovation, Ethics and Compliance, Operational Excellence and Reputation topics have been included. The indicators previously monitored under the Human Rights topic were included in the Social Management and Ethics and Compliance topics.

GRI 102-49

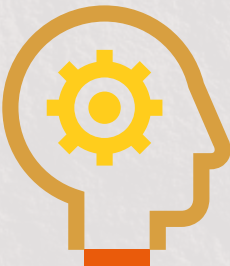
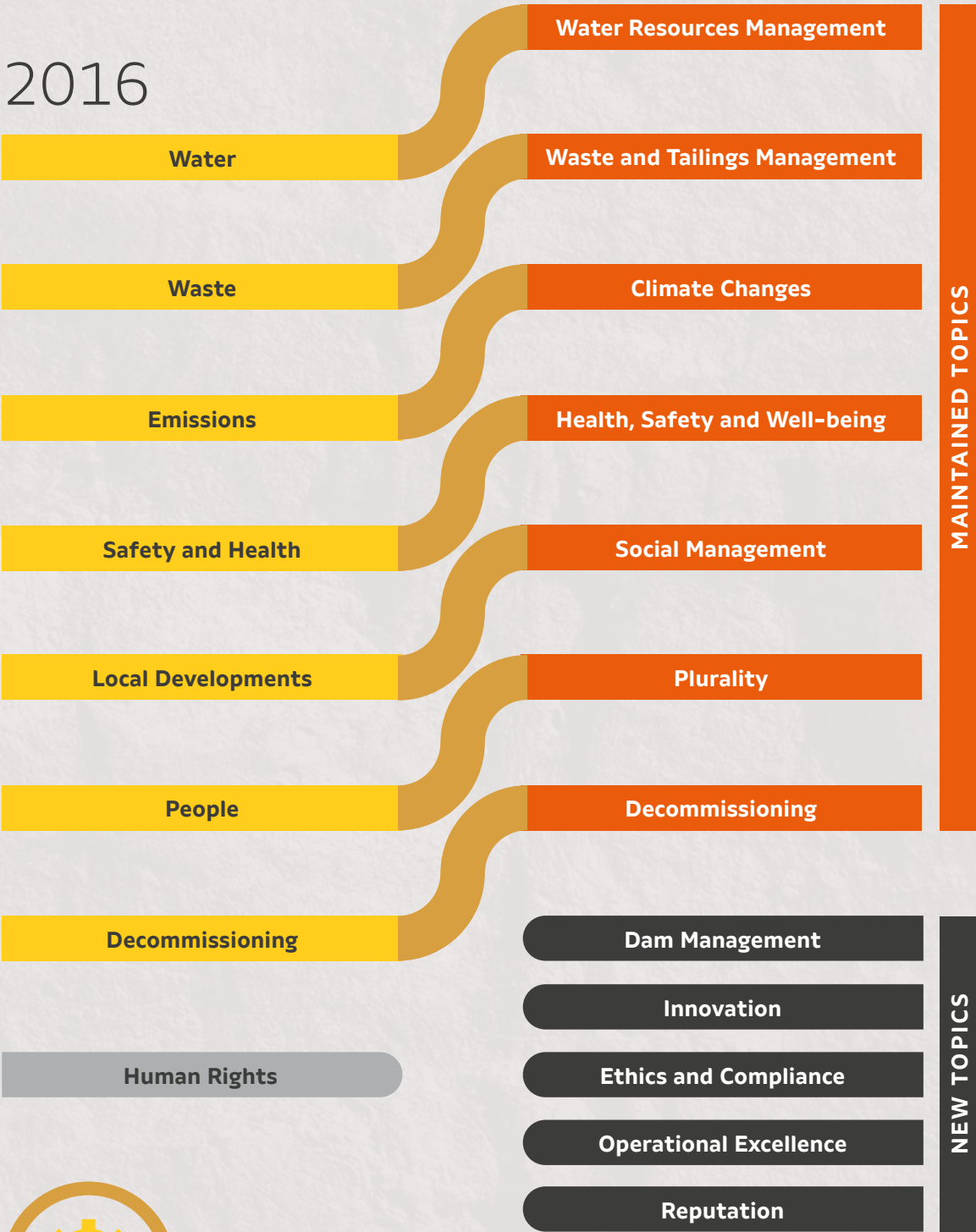
Employees from Três Marias

2020 Nexa materiality

REVIEW OF MATERIAL TOPICS

Material Topics | Comparison between matrices

2020





Relevant Topics

Material topic	Why it is relevant for Nexa and stakeholders	Where impacts occur	Stakeholders involved and limit of impacts
GRI 102-47	GRI 103-1		
Ethics and Compliance	Acting responsibly and transparently is one of Nexa's values. We are committed to standards of ethics and integrity, which are transversal issues for the entire Company and guaranteed through the Compliance Program, with the Board of Directors being one of the main agents in promoting the program and ensuring compliance with it. We maintain a Code of Conduct shared with all stakeholders, including employees, suppliers, clients, communities, NGOs, government agencies, shareholders and other individuals and organizations with which we interact. The document is public, so that we are successful in achieving excellence in all our practices, with an effective process in risk management and mitigation.	All operations	Nexa, shareholders, suppliers, clients and the community
Operational Excellence	We seek continuous improvement in competitiveness, designed to maximize the value of existing operations. We invest in projects that guarantee operational stability, increased capacity utilization, ongoing cost improvement, productivity and rationalization of capital employed.	All operations	Nexa, shareholders and clients
Water Resources Management	The mining activity involves technical procedures in which water assumes an important role, both for extraction and smelter. It is an indispensable input, especially in a context in which water resources are scarce and their management has an impact on local communities. Thus, it is even more important strive to reduce water use and increase reutilization throughout the value chain.	All operations	Nexa and communities
Dam Management	Tailings deposits are one of the main risks associated with mining activity. We have safe tailings disposal practices, but we constantly review our dam management policy, which exceeds the requirements of Brazilian law. We apply guidelines from the International Commission on Large Dams to control and monitor our 47 dams and tailings deposits (23 in Brazil and 24 in Peru). We also have 6 Golden Rules for Management of Dams and Tailings Deposits, which are mandatory.	All operations	Nexa, environmental agencies and the community
Waste and Tailings Management	Our activities generate a significant amount of waste. There are regulatory requirements, such as the National Solid Waste Policy (PNRS) in Brazil, which determine the Company's responsibilities in this field. Thus, we strive to reduce the generation of mining and smelting waste, complying with local legislation and with actions as committed to in our strategy, leaving a positive legacy for society. We also seek to use these residues in byproducts, avoiding their disposal and reducing liabilities with tailings.	All operations	Nexa, suppliers and communities

Material topic	Why it is relevant for Nexa and stakeholders	Where impacts occur	Stakeholders involved and limit of impacts
GRI 102-47	GRI 103-1		
Social Management	Our projects emphasize relationship actions with the communities and training of local labor to act in the setting up of the units and in their future operations, always taking into account the co-creation of a legacy in the locations where we operate. We operate in four areas, according to our strategic planning: Local Economic Development, Public Management and Social Participation, Social and Environmental, Childhood and Youth.	All operations	Nexa and communities
Decommissioning	Our premise is to assess impacts in all phases of a project, since any operation starts. Thus, for each of our units, we have developed a decommissioning plan, regardless of whether there is a legal requirement to do so. This plan is prepared together with the input of the surrounding communities when we undertake the study of the future use of the areas of operation. In this analysis, we consider the community's vision, the risks involved and the company's own vision of leaving a legacy for the future.	All operations	Nexa, environmental agencies, local governments and communities
Climate Change	We consume a large amount of energy due to the nature of our logistics and transportation processes and activities. Thus, we are looking for new technologies and advances in the generation of sustainable energy. The search for green technologies is also due to the fact that the mining activity represents a considerable part of foreign trade and, therefore, is subject to the rules and regulations of the countries to which we export. With this, we contribute to the promotion of the National Policy on Climate Change.	All operations	Nexa, suppliers and communities
Plurality	We know that plurality is a challenge in the mining sector. We understand that we need to contribute to a more plural and inclusive environment, in which everyone in an organization, without distinction, can be recognized, valued, have an active voice and decision-making power. The Plurality Committee has been coordinating the implementation of several actions aimed at promoting plurality in a uniform and constant manner in all our units.	All operations	Nexa, suppliers
Reputation	We want to differentiate ourselves from our competitors and be recognized as protagonists in building the mining of the future, focusing our efforts on the sustainability of our practices, respect for people and the environment, close and transparent relationships with our stakeholders, thus co-creating a legacy for society and for the next generations.	All operations	Nexa, suppliers, clients, shareholders, governments and communities
Health, Safety and Well-being	We continuously invest in strengthening a culture of health and safety with our own employees and third parties, improving training, especially in risky activities, and working conditions, aiming at protecting the health and safety of employees. We also stressed the concept of quality of life and mental health, encouraging our employees to find a better balance between personal and professional life.	All operations	Nexa, suppliers and communities
Innovation	Enabler of the strategic axes of growth and operational excellence, it makes our operations safer, minimizes waste and optimizes production. We have been managing a powerful tool for open innovation, the Mining Lab platform, for four years.	All operations	Nexa



# Message from the Board of Directors

**Jaime Ardila**

Chairman of the Board of Directors



“

Nexa Resources has always been committed to the sustainability of its businesses in its DNA and the environmental and social impact of its operations”.

Nexa Resources has always been committed to the sustainability of its businesses in its DNA and the environmental and social impact of its operations. Over the years, we have evolved to increasingly include environmental, social and governance (ESG) aspects in our strategic planning, just as we pursue the path of profitability.

In 2020, we started reviewing our material topics, so that we can always include the most relevant information for our stakeholders in our reports. In this sense, we conducted a public consultation and identified 12 material topics: Decommissioning; Ethics and Compliance; Operational Excellence; Water Resources Management; Dam Management; Waste and Tailings Management; Social Management; Climate Change; Plurality; Reputation; Health, Safety and Well-being; Innovation. These topics are presented throughout this report and represent a transition in our model of accountability to society.

As of the next report, we will have more indicators and goals defined to monitor our progress in each topic. We want materiality to be seen from a more strategic point of view, as a management tool for ESG aspects.

Regarding governance, we have advanced within the scope of the Sustainability Committee, which also includes the monitoring of the main projects



in which we invest, so as to ensure adequate monitoring of the material aspects from the moment of prospecting until the start of operations.

In the social field, we seek to adapt our units to the emergency needs that arose with the Covid-19 pandemic. We trained entrepreneurs in the communities, donated food and hygiene materials, and worked in partnership with the government to equip hospitals and service stations. Moreover, we also focused our efforts on our employees, taking care of their physical and mental health and that of their families. We took some further steps towards having a more plural company, with the creation of affinity groups to discuss issues related to diversity and inclusion.

In the environmental area, we are in the process of reviewing our goals. However, we continue with the goal of reaching, by 2025, 75% of recirculation and less specific use of water; reduce the specific emission of greenhouse gases by 5%; reduce the disposal of tailings in dams and reduce the specific generation of mining and metallurgical waste by 50%; in addition to ensuring that all the units have an alternative study for future use and a decommissioning plan.

From an operational perspective, the construction of Aripuanã, our most important project, continues to advance. The schedule was extended in

relation to the original project and we reviewed investment estimates upwards after a comprehensive study of internal and external issues, which included impacts related to COVID-19. According to the new schedule, production is planned for the beginning of 2022, which will allow us to increase our production and increase the company's EBITDA.

In this cycle, I assumed the position of Chairman of the Board of Directors and I am proud to be part of this team, that also incorporated a new board member, Mr. Gianfranco Castagnola. I would like to thank the members of the Board of Directors, the Management Team and all our employees in this challenging year for their significant contributions, which required an ability to reinvent ourselves and adjust quickly to changes in the scenario. The determination and commitment of all will be essential in Nexa's intensive work towards building the mining of the future, one which is more sustainable, more plural and more innovative.



# Message from the CEO

**Tito Martins**  
CEO



“

In this year full of challenges and learning, we were sure that Nexa is following the right path, in line with our strategy”.

The year 2020 presented many challenges caused by COVID-19, requiring Nexa to quickly adapt to this new scenario. Even facing a low predictability of the market, we were able to present sound and sustainable results for the year. Our consolidated net revenue reached around US\$ 2 billion, compared to US\$ 2.3 billion recorded in 2019, due to the decrease in the average prices of metals on the London Metal Exchange (LME) and of volumes traded. Adjusted EBITDA reached US\$ 403 million in 2020, an increase of 15% over the previous year, driven by lower operating costs, reduced expenses with mineral exploration and evaluation of projects, as well as the positive effect of the depreciation of the real against the US dollar.

We were also able to meet production guidance for the year and the metal sales exceeded the projections previously released to the market. In Peru, the mines remained temporarily suspended, for two months, due to the state of national emergency decreed by the national government. However, during the second half of 2020, activities resumed safely, and operations are current working at normal levels. In Brazil, despite the challenges of the pandemic, the mines operated at higher yields, which allowed the company to partially offset the reduced volumes in Peru. In our smelters, we recorded lower production volumes in Cajamarquilla (Peru) due to the restrictions imposed by the pandemic, and in Juiz de Fora (Brazil/MG), due to the adequacy of volumes to market demand. However, the solid performance of the Três Marias (MG) smelter partially offset the production decrease from the other units.

We have overcome the challenges imposed by the pandemic thanks to the major effort and willingness to transform our teams. Our Nexa Way program, which aims to structurally improve our business model and transform our corporate culture, was essential to achieve consistent results in this complex period. With Nexa Way, we added US\$ 98 million to EBITDA for this year.

With a unique portfolio of projects, we continue building a path to increase our zinc and copper production in the Americas in the long term. Furthermore, our main project under development in Aripuanã (MT) is advancing well, considering the adjusted schedule, and we should start production in early 2022. A milestone this year was the signing of an agreement with the mining cooperative in the region, mediated by the National Mining Agency (ANM) and in partnership with the Government of the State of Mato Grosso, something unprecedented in the sector. Thus, Nexa granted consent for an area of 516.9 hectares, through a mining permit (PLG), for a period of 2.5 years. The Nexa initiative will allow an illegal activity, which generates high social and environmental degradation, to become a legalized initiative, monitored by the appropriate control bodies, reflecting our commitment to environmental, social and governance (ESG) practices.

During the second half of 2020, exploration activities at the Bonsucesso project were resumed as planned and engineering studies are expected to resume in the first quarter of 2021. Bonsucesso

is expected to extend the life of mine of Morro Agudo and use the existing mine facilities of the complex. Magistral engineering studies continue to progress and we expect to advance further detailed engineering and optimization opportunities to mitigate the risk of project execution in 2021. In the fourth quarter, we also restarted exploration activities at the Hilarión project. In addition, the pre-feasibility studies at Shalipayco and Pukaqaqa remain on hold, and Florida Canyon was also placed on hold.

During the pandemic, Nexa allocated approximately US\$ 15 million, including donations and operating expenses, to support the municipalities and regions where it is present in Brazil and Peru in the fight against Covid-19. We donated more than 780,000 items to the public health service, including rapid tests, PPE and supplies for the municipalities, in addition to oxygen cylinders, and dozens of hospital equipment for advanced life support, such as respirators, x-rays, among others.

Although provided for in Brazilian law, we decided not to reduce working hours and the fixed remuneration of employees. We maintained jobs and hired 738 people throughout the year, ending the period with 5,349 employees. Our annual climate survey showed that, despite the impacts of the pandemic, our people remain motivated and proud to belong to an increasingly plural and innovative organization.

For socially vulnerable communities, also with the support of Instituto Votorantim, we donated approximately 20,000 food baskets, which benefited more than 14,000 families in Brazil and Peru. Moreover, we provided technical support to municipal health agencies in establishing health protocols, digital health management solutions and telemedicine. The initiatives brought us closer to the communities and further demonstrated our responsibility as co-creators of a legacy in the regions where we operate.

An important commitment we made during the year was with the Women in Mining movement, which seeks to foster gender equality, expanding opportunities for women to participate in mining activities. This initiative represents another step in our goal to build the mining of the future. This means mining that values differences, respects diverse opinions and fosters this plural environment, which encourages inclusion and diversity.

In this year full of challenges and learning, we were sure that Nexa is following the right path, in line with our strategy of growing with responsibility and sustainability, maintaining the excellence of our operations, and helping to build a positive legacy for the communities around our operations. Finally, I would like to thank the Board of Directors for their trust and the dedication of our employees, who are fundamental to overcome this challenging moment.



# Nexa Resources



Employees from  
Cerro Lindo



We are large-scale, low-cost integrated zinc producer with over 60 years of experience developing and operating mining and smelting assets in Latin America. We are part of the conglomerate of investors of Votorantim S.A., our main shareholder (64.7%). Nexa Resources S.A. was incorporated almost four years ago, as a result of the integration between Brazilian and Peruvian operations. Since then, we have taken mining into people's lives. Our zinc is used in agricultural plantations, aircraft manufacturing, while copper is an integral part in the manufacturing of cars and cell phones, among many other applications.

GRI 102-1

Since October 2017, our shares have been traded on the New York (United States) and Toronto (Canada) stock exchanges. Furthermore, the shares of the subsidiary Nexa Peru are traded on the Lima stock exchange, in Peru. We have a head office located in Luxembourg and administrative headquarters in the cities of São Paulo (Brazil) and Lima (Peru). Our commercial offices are located in Brazil, Peru, the United States and Luxembourg.

GRI 102-3, 102-5, 102-10

We currently operate five polymetallic mines, three located in Peru (Cerro Lindo, El Porvenir and Atacocha), and two in the State of Minas Gerais, Brazil (Vazante and Morro Agudo) – and we continue in the development process of Aripuanã, our sixth polymetallic mine, located in the State of Mato Grosso, Brazil. Aripuanã is among the three largest green-field zinc projects under construction in the world and is our largest investment within the country, as well as the largest mining investment in the State of Mato Grosso.

GRI 102-2, 102-4

We produced 313 thousand tonnes of zinc in 2020. Two of our mines, Cerro Lindo (Peru) and Vazante (Brazil), are among the 15 largest zinc mines in the world and, coupled with other mining operations, place us among the 5 largest zinc producers in the world, according to Wood Mackenzie.

GRI 102-7

We have three zinc smelters in our production chain: one in Peru (Cajamarquilla) and two in Brazil (Três Marias and Juiz de Fora), which produce metallic zinc, zinc oxide and byproducts. Cajamarquilla is the only zinc smelter operation in Peru and is among the seven largest in the world by volume produced, according to the 2020 Wood Mackenzie study. During the year, our smelters sold 585.4 thousand tonnes, 550.7 thousand of metallic zinc and 34.7 thousand of zinc oxide, sold to clients in different industrial segments worldwide, such as automotive, civil construc-

tion, food, agriculture, beauty and hygiene, pharmaceutical, among others.

GRI 102-4, 102-6, 102-7

The integration between our mines and smelters is above to 50% and tends to increase with the start-up of operations of Aripuanã, being one of our differentials. In Brazil, the zinc concentrates produced in the Vazante and Morro Agudo mines are transformed into metallic products at Três Marias unit. Moreover, the Juiz de Fora plant, in addition to concentrates, uses recyclable materials (such as scrap and electric steel-making powder) for the production of zinc. In Peru, most of the zinc concentrates produced in the Cerro Lindo, El Porvenir and Atacocha mines is processed at the Cajamarquilla unit.

Our net revenue in 2020 reached around US\$ 2 billion and adjusted EBITDA totaled US\$ 403 million, with a margin of 20.7%. At the end of the year, we had 5,349 own employees<sup>1</sup> and 7,136 permanent independent contractors. Moreover, we have over 5,088 temporary independent contractors, mainly dedicated to the construction of the Aripuanã Project.

GRI 102-7, 102-8

<sup>1</sup> This number disregards interns and apprentices

Our net revenue in 2020 reached around **US\$ 2 billion** and adjusted EBITDA totaled **US\$ 403 million**, with a margin of 20.7%



Employee from Vazante



# Operations and projects

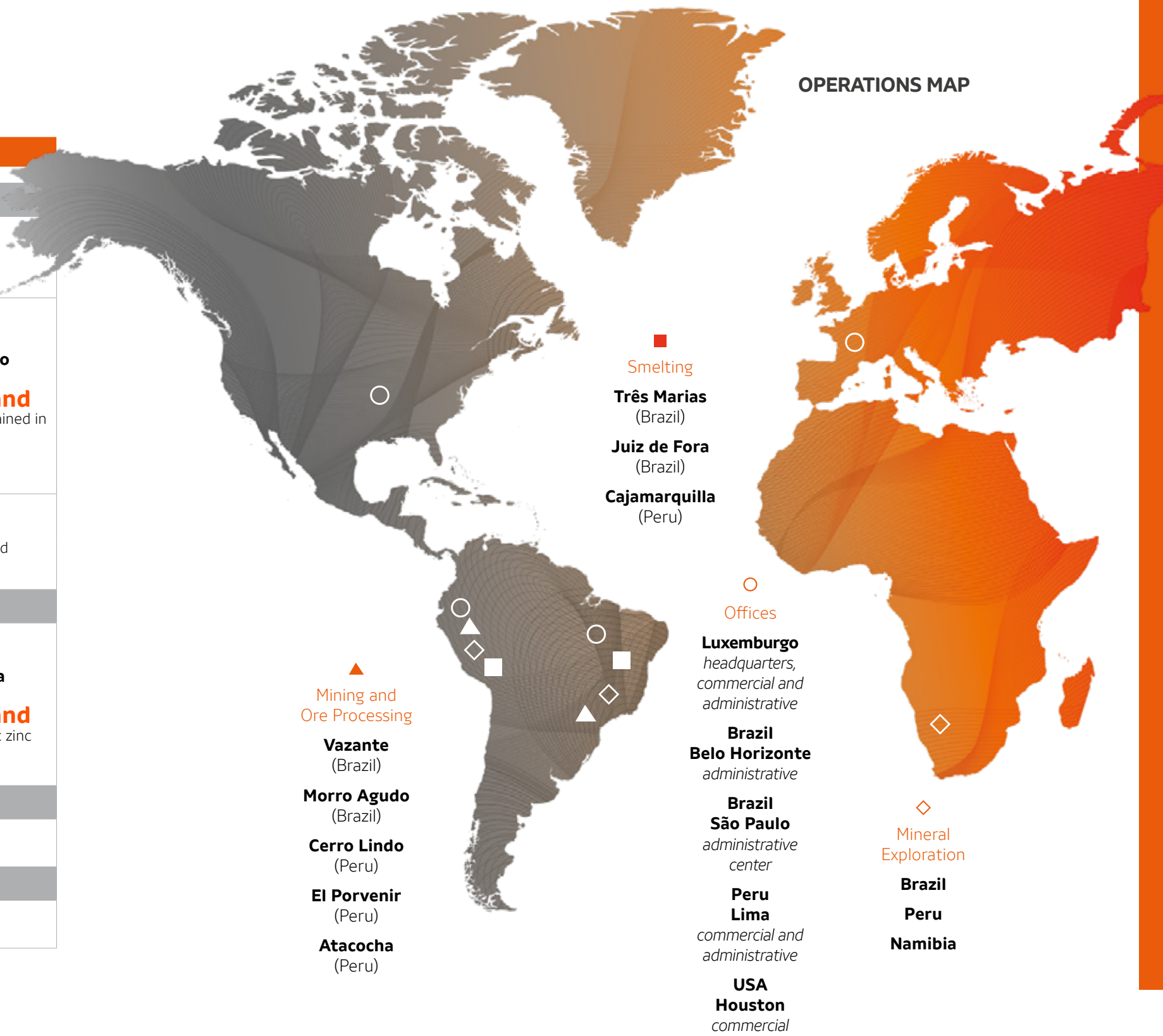


## 2020 PRODUCTION AND SALES

PERU		BRAZIL	
Mining			
8.05 million tonnes of treated ore		2.80 million tonnes of treated ore	
Cerro Lindo  95 thousand tonnes of zinc contained in concentrates	Pasco (El Porvenir and Atacocha)  44 thousand tonnes of zinc contained in concentrates	Vazante  148 thousand tonnes of zinc contained in concentrates	Morro Agudo  25 thousand tonnes of zinc contained in concentrates
33 thousand tonnes of lead contained		5 thousand tonnes of lead contained	
28 thousand tonnes of copper contained			
Smelters			
Cajamarquilla  303 thousand tonnes of metallic zinc		Três Marias  204 thousand tonnes of metallic zinc + oxide	Juiz de Fora  79 thousand tonnes of metallic zinc
Greenfield projects in development			
Magistral, Pukaqaqa <sup>2</sup> , Shalipayco <sup>2</sup>		Aripuanã, Bonsucesso, Caçapava do Sul <sup>2</sup>	
Projects in resource definition process			
Florida Canyon <sup>2</sup> , Hilarión		–	

<sup>2</sup> Projects placed on hold in 2020 due to the Covid-19 pandemic

OPERATIONS MAP





# Highlights 2020



Financial capital

GRI 102-7

Approximately  
**US\$ 2 billion**  
of net revenue



Manufactured capital

**US\$ 336 million**  
of investments in assets (Capex)



Human capital

**5,349**  
own employees



Social and relationship capital

More than  
**20 thousand people**  
benefited from social investments GRI 203-1



Intellectual capital

**US\$ 4 million**  
invested in Research & Development



Natural capital

**82%**  
of water recirculation over total consumption in units GRI 303-5

**US\$ 403 million**  
of adjusted EBITDA

**585.4 thousand**  
tonnes of metallic zinc + zinc oxide sold

More than  
**98 thousand**  
hours of training

More than  
**US\$ 8 million**  
invested in social actions, with 132 projects in 17 locations

**US\$ 632 million**  
of distributed added value



# Coping with Covid-19

Health and safety are paramount and non-negotiable values for us. Thus, our priority in the face of the pandemic scenario was to take care of the well-being of everyone who works with us – our own employees and service providers – as well as their families and the community around our operations.

Aiming to face the challenge brought by the pandemic, we operate on six pillars – management, control, health, laboratory support, communication and innovation, which have given us agility in responding to the crisis, both in Brazil and in Peru.

When the World Health Organization (WHO) declared Covid-19 a global pandemic, our first initiative was to establish a central crisis committee, comprising four corporate subcommittees, focused on specific fronts to face this crisis. Each unit also created its local committee. During the first months of the pandemic, the central committee met daily to decide on the most urgent issues and provide a prompt response, which was also adopted by the other committees. At the same time, guidelines and procedures for new work formats and social life started being created. While corporate activities were directed towards remote work arrangements, we have adopted several control measures, which involved new social distancing rules in our operations, our camps, cafeterias, public transportation and in all other work environments.

Moreover, sanitary measures, such as the use of masks, provision of hand washing and disinfection points were quickly implemented. Throughout the year, the protocols were updated following the strictest technical recommendations from WHO, the Center for Disease Control (CDC) and organizations in the locations where we operate.

We trained our occupational health team in the process of screening employees, in the guidelines for handling suspected and confirmed cases and in all the necessary support for prevention. We also had a laboratory support team, responsible for selecting and developing suppliers to make emergency purchases, such as tests for Covid-19. Strict criteria for technical analysis and evaluation of the best available tests

were established by the team responsible for facing the pandemic. The health infrastructure was adequate to meet the new demands and new health care professionals were hired to carry out the processes of permanent epidemiological surveillance in our operations.

All changes, whether in infrastructure or in new social rules, relied on the support of the communication area to disseminate guidelines and positively impact collective behavior. Virtual informational materials, broadcasting of lives for different audiences (internal, suppliers, service providers, community, among others) were used.

We also assembled a team to foster innovation, composed of the innovation, IT, health and safety staff, responsible for evaluating innovative solutions in the market regarding the challenges of the pandemic and creating others for the demands that were emerging. As immediate solutions for collaboration with society, a special edition of Covid-19 Mining Lab Challenge was held, from which two solutions were chosen to support public health: a hospital ICU management platform and a mental health app for healthcare professionals.

The nimble establishment of all protocols allowed us to be the first mining company to resume activities in Peru, after the end of a period of national emergency decreed by the country's government. Thus, we were able to comply with the revised production guidance and exceed the sales forecast.

Throughout the year 2020, we made efforts to preserve cash and, consequently, there was a reduction in Capex, maintaining the essential investments to ensure that the operations met all safety requirements. In 2021, Nexa should resume investments in levels similar to the pre-pandemic period, aiming to guarantee the long-term sustainability of its businesses. Despite budgetary restrictions, we did not join Provisional Measure 936, providing for temporary wage reduction or suspension of employment contracts, nor did we dismiss our personnel due to the pandemic.



We would like to emphasize our contribution to society, especially to the most vulnerable communities in the areas in which we operate, by donating food baskets to the population, providing online courses for entrepreneurs and donating equipment and health items to hospitals.

## OUR PERFORMANCE BEFORE COVID-19

### Taking care of our people

Health and Safety as a core value for Nexa, for the genuine care of our employees, service providers, their families and the community where we operate

### Fast response to the pandemic scenario

Protocols were established considering the most stringent controls

**1st mining company** to be authorized to resume operations in Peru after a national emergency decree by the government

**100+ materials** for communication developed internally with guidelines for employees and service providers

**Over 3 thousand participations** in activities and internal events to face the changes and this moment of insecurity

**New type of relationship** and rapprochement with stakeholders and communities

**Over 1 million people reached** in communication campaigns to prevent Covid-19 in communities

**100% of the active and eligible employees are supported** by the Employee Assistance Program + legal dependents with support in the areas of psychological, social, legal and financial support

**1,200+ positive news** in the press about donations and actions implemented by Nexa to combat the pandemic

**780 thousand health items donated together with Instituto Votorantim** – biosafety, medicines and rapid tests

**64+ equipment donated for advanced life support** – Respirators, emergency trolleys, monitors, oxygen cylinders, blood gas devices, etc., in partnership with Instituto Votorantim

**19,886 food baskets collected** benefiting 14,264 families in Brazil and Peru, in partnership with Instituto Votorantim

**9 regions supported** with technical support in health protocols, digital health management solutions, telemedicine and municipal crisis management



# Strategy and Business Model



Employees  
from Atacocha



## Our vision of the future

GRI 103-2, 103-3

The backbone of Nexa Resources' strategy consists of growing competitively, building the mining of the future and generating value for all its stakeholders. Therefore, we are consolidating a safe and sustainable company that, in constant dialogue and relationship with its communities, seeks to create a relevant legacy for society.

This strategy is based on two strategic axes (Growth and Operational Excellence) and eight enablers (People and Organization, Sustainability, Project Management, Commercial, Risk Management, Technology and Automation, Supplies and Logistics and Capital Structure) that have clear strategic objectives, linked to the corporate strategy and aligned with the relevant trends that impact the mining industry worldwide. The two strategic axes bring important value drivers, which indicate the path we seek to deliver our strategy. In the Growth axis, our platform for growth is based on 5 avenues: extension of the useful life of our mines, development of greenfield projects, development of brownfield projects, development of businesses and exploration of new areas. Regarding Operational Excellence, our focus is on operational discipline in cost management, capital expenditures and working capital, as well as on increasing the productivity of our assets and of our corporate structure.

Put to the test this year of economic and health uncertainties generated by the Covid-19 pandemic, the company's strategy proved to be correct and capable of supporting the crisis. Considering capital preservation, the Operational Excellence axis and the operational continuity supported by the enablers were prioritized during this period, while the Growth axis faced hard choices in the investment plans and capital allocation. The business plan needed to be adjusted to be consistent with the new scenario.

As opposed to previous years, in which the process of planning and reviewing the business plan took place between May and August, with the discussion of strategic aspects within each area, in 2020, several possible scenarios for the post-pandemic were simulated, by means of an ongoing dialogue with the Board of Directors.

The next review of the strategic mandate is scheduled for 2021, when relevant aspects for the business will be discussed, seeking to test the strategy resilience and, eventually, adjust routes and tactical plans. Our mandate is reviewed every three years, through a process called Strategic Dialogue, coordinated by the Strategic Planning area. By means of individual and structured interviews with the company's directors and board members, we identified positive aspects, opportunities for improvement and potential adjustments. This process includes an analysis of the macro trends that affect the company and the industry, of new technologies, and of the socioeconomic and political environment of the countries where we operate. We also reassessed our skills, our ability to implement the strategy and the evolution we have achieved in these areas since the last assessment.

Our Nexa Way of implementing this strategy – in a highly collaborative environment and through core competencies – defines and guides us to continue to grow competitively. Furthermore, this allows us to take the world of mining to the world of people, with quality products, produced in such a way as to cause the least environmental impact and leaving a relevant legacy for society.

### Axes

Growth  
Operational Excellence

### Enablers

People and Organization  
Sustainability  
Project Management  
Risk Management  
Commercial  
Technology, Automation and Innovation  
Logistics and Procurement  
Capital Structure & IR

Employees from  
Juiz de Fora





# Business Model

The value that Nexa adds to society exceeds the financial results. We established our business model considering the capture, creation and distribution of value from the six imperatives proposed by the International Integrated Reporting Council (IIRC). In the mining sector, the main elements of value added involve natural, financial and human capital. Our mining, processing, smelting and marketing activities allow us to add and distribute value to stakeholders.

1

**Financial Capital:** We use our own financial resources, derived from operating cash generation, and from third parties (capital markets), to make the necessary investments to develop new projects and maintain operational excellence and competitiveness in the mines and smelters.

**Natural Capital:** We seek to rationally extract the mineral resources required for our operation with innovative alternatives to reduce water consumption, waste generation, atmospheric emissions and impacts on biodiversity.

**Human Capital:** Our Values and Beliefs, our development and compensation policies and our safe and healthy organizational environment are key factors in attracting and retaining highly qualified people in our staff.

**Manufactured Capital:** Our mines, smelters, administrative buildings, exploration areas and logistic structures enable the generation of value through more efficient processes and equipment. Mining and smelting activities require the use of engineering and technology resources, managed with the purpose of guaranteeing the operational stability of the units, maximizing productivity and greater competitiveness.

**Social and Relationship Capital:** Dialogue with the communities in which we operate is essential for the maintenance of the operations and the sustainability of the businesses and is part of a process for co-creating a legacy in the localities where we have a presence.

**Intellectual Capital:** We stimulate innovation and the development of technologies that create competitive differentials, carried out in partnership with universities, research centers and public institutions.

2



**Mineral exploration:** The discovery and development of economically viable mineral resources, as well as the extended life of our mines, are important competitive advantages that add value to the business.



**Mining:** Zinc and copper mining activities, in addition to the metals associated with these materials such as gold, silver and lead, which are distinguished by the management of social and environmental impacts and relationships with the surrounding communities. Zinc concentrate feeds our smelters.



**Smelting:** We operate three smelters, two located in Brazil and one in Peru, which produce metallic zinc, zinc oxide and alloys. The units are also configured to make byproducts, such as silver concentrate, sulfuric acid and copper sulfate.



**Sales:** We sell concentrates, metallic zinc, zinc oxide and byproducts, and we invest in the development of products and applications with greater growth potential in the coming years, identifying new trends and market needs.

3

Approximately  
**US\$ 2 billion**  
in net revenue

**US\$ 57 million**  
invested in mineral exploration and project evaluation

**US\$ 1 billion**  
paid to suppliers

Over  
**US\$ 8 million**  
invested in communities

**US\$ 42.8 million**  
allocated for the environment

**738**  
new jobs created

**1,984**  
registered suppliers

VALUE CREATION

VALUE CAPTURING

VALUE CREATED

SHARED VALUE

4

**Employees:** employment, development, intellectual and professional growth.

**Investors:** dividend distribution and increase in the company's value.

**Clients:** quality products, new solutions and applications for zinc and copper.

**Governments:** payment of federal, state and municipal taxes.

**Communities:** co-creation of legacy in the localities where we operate.

**Suppliers:** hiring and training local suppliers, promoting the creation of indirect jobs.

**Financial institutions:** contracting financing for projects that bring development and value creation to the company and its stakeholders.



## Commitments

GRI 102-12

As a way of expressing our commitment to sustainable development, we voluntarily joined several initiatives undertaken with national and international entities:

**Global Compact** – Since 2017, we have been a signatory of this United Nations Initiative, which aims to mobilize the business community around the world to adopt ten principles that represent fundamental values of human rights, labor relations, the environment and the fight against corruption.

**Sustainable Development Goals** – Commitment signed in 2017 with the Sustainable Development Goals (SDGs), a global agenda composed of 17 objectives and 169 goals to be achieved by 2030 (United Nations Summit on Sustainable Development – 2015). The agenda includes measures for eradicating poverty, food security, agriculture, health, education, gender equality, reduction in inequalities, energy, water and sanitation, sustainable production and consumption patterns, climate change, sustainable cities, protection and sustainable use of oceans and terrestrial ecosystems, including economic growth, infrastructure and industrialization, among others. This report indicates the relationship between the SDGs with our material topics and long-term goals. New correlations and deepening of goals are underway and will be reported in the next period.



**Carbon Disclosure Project (CDP)** GRI 302-1 – Since 2019, we have participated in the Carbon Disclosure Project (CDP), responding about water security. Reflecting the good water management that we carry out in all of our operations, we were included in the “B-” category. We highlight the participation of Nexa in the climate category for the first time, in which it obtained the “C” rating. This was the first time that the company conducted, still as a pilot project, the emissions inventory following the guidelines of the GHG Protocol. CDP is an international non-profit organization that analyzes and recognizes business initiatives to minimize and manage the environmental impacts of its activities. The initiative operates a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

**Women In Mining (WIM Brazil and WIM Peru)** – In 2020, we signed a letter of commitment to this initiative to expand and strengthen the participation of women in the mineral industry, fostering a dynamic business environment, capable of attracting and maintaining them, capitalize on their strengths and recognize their values. Furthermore, this is an opportunity to take a closer look at women in communities impacted by mining and to value female entrepreneurship in the supply chain. We also have an internal goal of reaching a participation of 20% of women in our workforce by 2025.

Employee from  
Três Marias





# Corporate Governance



Employees from  
Cajamarquilla



We follow the principles of transparency, fairness, accountability and corporate responsibility in our organization. We want to go beyond efficiency and technical rigor, maintaining the confidence already achieved in the markets and society, through a robust structure for decision-making, follow-up and monitoring of our achievements. Following international standards of best corporate governance practices, we extract what is essential to the present, with a responsible view of the future, designed to generate value for us and for society. Our main policies are established by the Board of Directors and supported by four advisory committees: Finance; Compensation, Nominating and Governance; Audit (composed entirely of independent directors); and Sustainability and Capital Projects. **GRI 103-2, 103-3**

We are a publicly traded company, with shares traded on the New York Stock Exchange (NYSE) and Toronto Stock Exchange (TSX). We are Sarbanes-Oxley (SOX) certified, which guarantees strict internal control and disclosure systems, required by US law. Even before the company's initial public offering, we already had structured governance bodies in 2017 to guarantee autonomy and speed in decision-making and the definition of business strategies.

Our governance model is constantly improving, to meet the dynamics of society and our shareholders. Thus, in view of the health crisis scenario caused by Covid-19, we installed a crisis committee in March, at the corporate level and in the units, following the rules established in our Crisis Management Manual, developed in 2018. At the corporate level, the committee is formed by the CEO, vice-presidents and key personnel identified to help solving specific problems in the topic in question, not linked to the Board of Directors.

Another improvement occurred in the Sustainability Committee, which is currently called Sustainability and Capital Projects Committee, giving more visibility and transparency to the information related to the projects identified as the most relevant for the company, whether from a social, business or investment volume perspective.

## Governance Structure

**GRI 102-18**

Our governance structure is formed by the Shareholders' Meeting, the Board of Directors, the Advisory Committees and the Management Team.

### Shareholders' Meeting

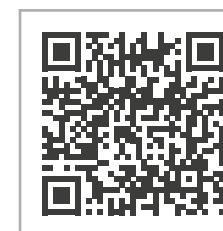
It is our main decision-making body, empowered to amend the Bylaws, elect or dismiss members of the Board of Directors, approve accounts and financial statements, and other matters that are vital to our business.

### Board of Directors (BoD) **GRI 102-22**

It strives for the fulfilment of the business objectives and monitors its performance, seeking business longevity. Its responsibilities include: establishing the company's general guidelines, defining mission, strategic objectives and direction; conducting the annual adoption and approval of strategic planning; approval of transactions related to Capex investments and other relevant financial transactions, such as loans, mergers, incorporations or joint ventures, in accordance with the limits established in the Bylaws; evaluating the CEO's performance and effectiveness; oversight and assurance of the company's governance and sustainability practices.

Our Bylaws require that the Board of Directors be comprised of at minimum of five and maximum 11 full members, at least three of them independent, in order to comply with the rules established by the stock exchanges in which we are listed. The members' term of office is one year, with the possibility of re-election.

Currently, the Board of Directors is made up of ten members (two women and eight men), of different nationalities. Four of them are independent members. We always seek to have diversity represented not only in our organization's operations, but also in our highest governance body. In 2020, one member left the Board of Directors, who was replaced, and the change of the president, elected at the meeting. No member, including the Chairman of the Board, exercises an executive function in the company and all receive compensation. **GRI 102-23**



More information about the duties of the Board of Directors and the curriculum of each member can be found at

<http://nexaresources.com/en/board-of-directors>



## BOARD OF DIRECTORS

### Jaime Ardila

Chairman of the Board  
(Compensation, Nominating and Governance Committee)

### Edward Ruiz

Independent Director  
(Audit Committee and Finance Committee)

### João Henrique Batista de Souza Schmidt

Director (Finance Committee)

### Diego Hernandez

Director  
(Sustainability and Capital Projects Committee)

### Jane Sadowsky

Independent Director  
(Audit Committee and Compensation, Nominating and Governance Committee)

### Daniella Dimitrov

Independent Director  
(Audit Committee and Sustainability and Capital Projects Committee)

### Eduardo Borges de Andrade Filho

Independent Director  
(Compensation, Nominating and Governance Committee)

### Luís Ermírio de Moraes

Director  
(Compensation, Nominating and Governance Committee)

### Ian W. Pearce

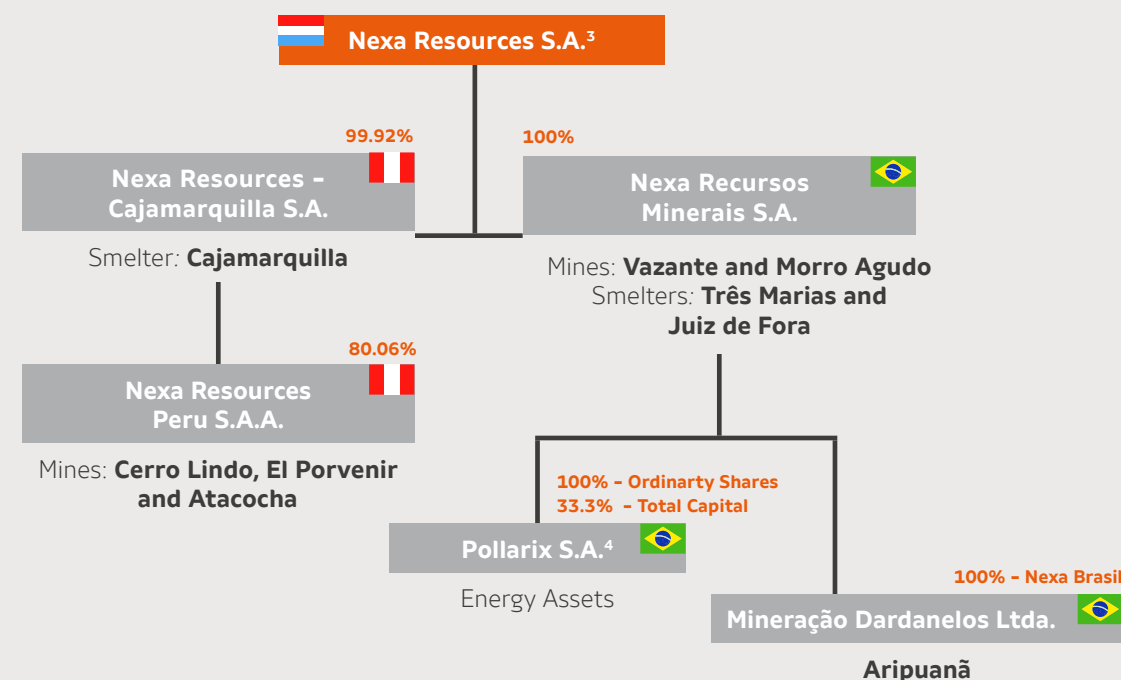
Director  
(Sustainability and Capital Projects Committee)

### Gianfranco Castagnola

Director (Finance Committee)



## CORPORATE STRUCTURE



<sup>3</sup> Nexa Resources holds a direct equity interest of 0.17% in Nexa Resources Peru S.A.A. and an indirect equity interest of 80.06% through the Cajamarquilla unit; 15.79% of shares are in free float and the remaining 3.97% of the shares are held in Treasury. Excludes the investment class shares.

<sup>4</sup> Nexa holds 100% of the common shares and 33.3% of the total capital stock of Pollarix.

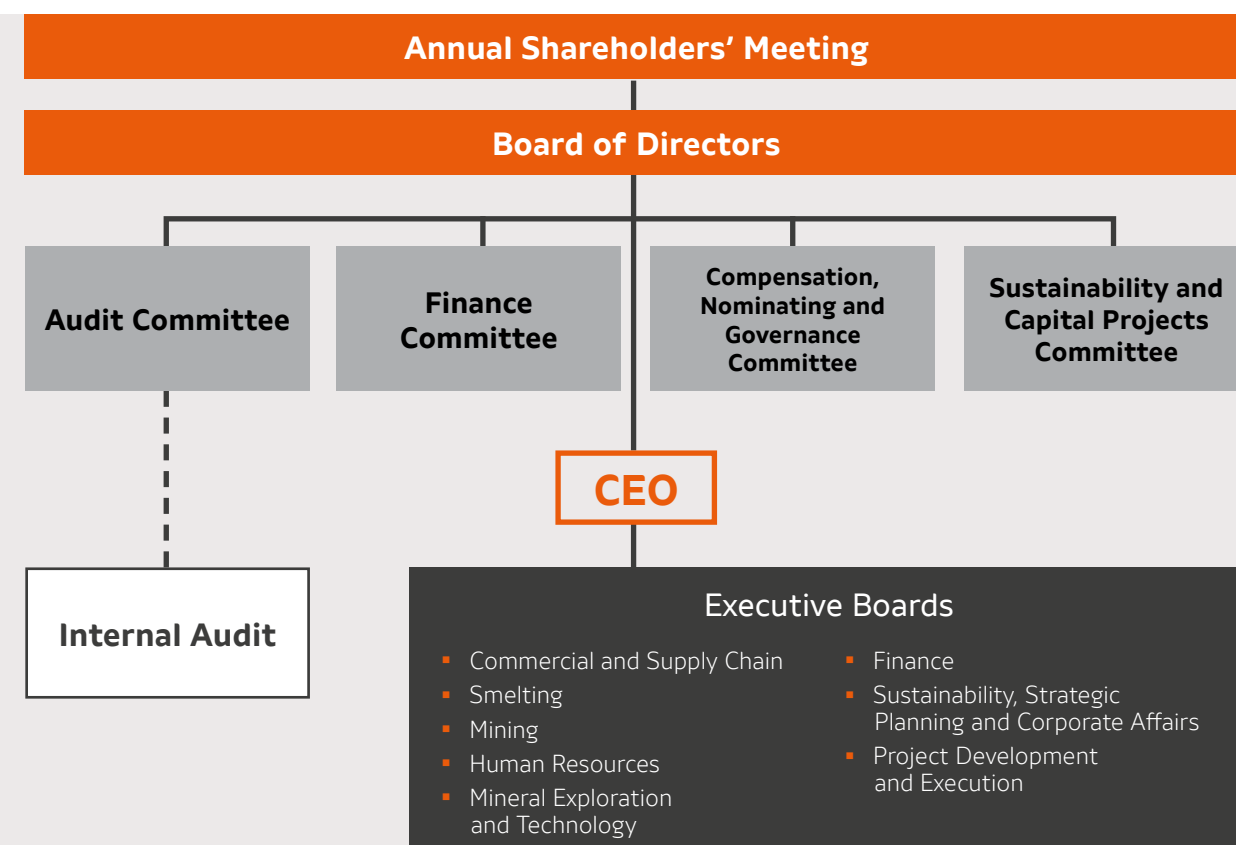
**Advisory committees** GRI 102-22, 102-18 – The permanent committees aim to assist the Board of Directors in monitoring the company's performance. Composed of Board members, they cover Audit, Finance, Compensation, Nominating and Governance, as well as Sustainability and Capital Projects matters. There are at least three annual meetings held, and periodically one of the members reports on the activities of the committee back to the BoD. Each committee has its own set of internal rules, which establishes roles and mandates, rules and procedures for its operation.

**Audit Committee** – Comprised of three independent members of the BoD, it is responsible to assist the board of directors' oversight of: quality and integrity of our financial reporting and related financial disclosure, the effectiveness of our internal control over financial reporting and disclosure controls and procedures, the monitoring of risk management processes and establish international governance standards (required by the TSX and the NYSE), as well as ethics and conduct procedures.

**Finance Committee** – Comprised of three members of the BoD, one independent. It is responsible to assist the board of directors in fulfilling its oversight responsibilities with respect to monitoring Nexa's balance sheet and by providing recommendations on our capital management strategy and capital structure, including indebtedness, investments and returns, among others.

**Compensation, Nominating and Governance Committee** – Composed of four BoD members, two independents. It is responsible for evaluating compensation models, proposing candidates to the chair of CEO and the board of directors, as well as the evaluation of the performance and effectiveness of the board of directors, the CEO and each of the board's standing committees, and developing corporate governance guidelines and principles.

## GOVERNANCE STRUCTURE



### Sustainability and Capital Projects Committee

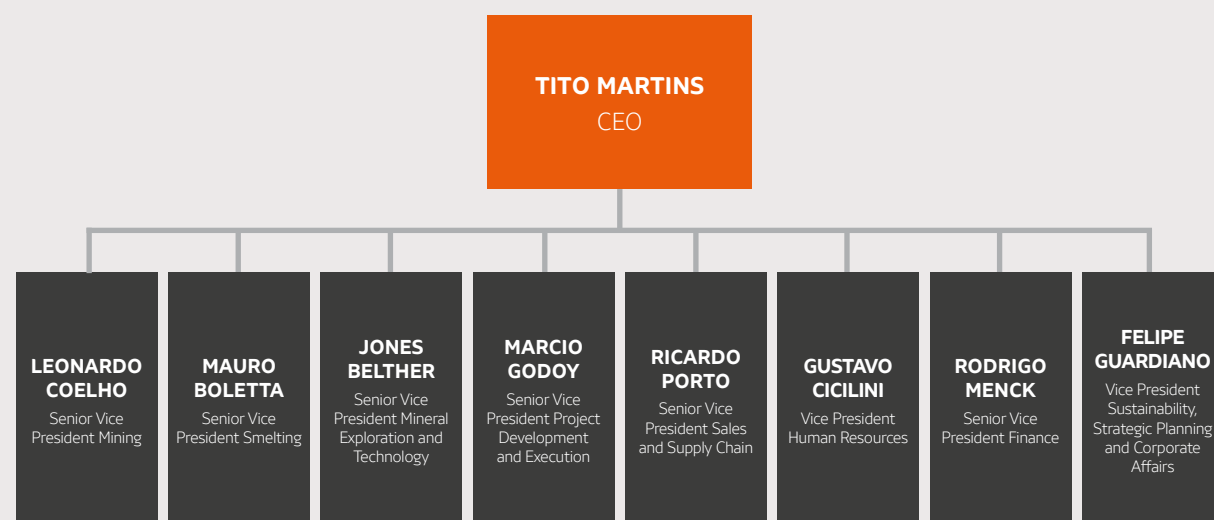
Composed of three BoD members, one independent. It is responsible to assist the board of directors by supporting safe and sustainable business practices in the conduct of our activities in respect of environmental, health, safety and social matters, including tailings management. The committee also assists in the oversight of the estimate and disclosure of mineral reserves and resources related to our operational projects. It is also responsible for assisting the board with the review of technical, economic and social matters with respect to our projects, including exploration, development, permitting, construction and operation of our mining and smelting assets, which are core to our strategy and growth.

### Management Team

Comprised of the president and the eight vice presidents, who make up the Management Team meet weekly to monitor strategic planning, discuss financial and non-financial issues and outline tactical plans for their teams. It is formed by leaders with the capacity to act globally in the key business areas and in the relationship with all stakeholders. Its objective is to ensure the development and execution of the strategic and budgetary plan, based on guidelines received from the Board of Directors. In 2020, the new Vice President of Human Resources, appointed in 2019, formally took over, and the Senior Vice President of Project Development and Execution was replaced. The management team also started having a more direct participation in the Board meetings, to personally discuss issues related to their areas, increasing their accountability before the Board members.



## MANAGEMENT TEAM



## Ethics and Compliance

MATERIAL TOPIC GRI 103-2, 103-3

Aiming to manage our businesses with the highest standards of ethics and integrity, we rely on the support of our Compliance Program, periodically reviewed, which specifically details the conduct we expect from all our employees and third parties when addressing the most diverse situations. The management and dissemination of this program is the responsibility of the general Compliance, Controls and Internal Audit management, who reports administratively to the CEO and functionally to the Audit Committee. As of 2020, the Internal Controls and Compliance areas are no longer linked to the Finance Department, gaining more independence and synergy in the performance of their duties. The Board of Directors is one of the main agents in promoting the program and we are determined to ensure its compliance, with penalties for acts that are not in compliance.

One of the main pillars of the Compliance Program is the Nexa Code of Conduct, essential in guiding activities and supporting decisions made at all levels of our Company. Based on the century-old values of the Votorantim Group, this document guides our internal behavior and the way we interact with different audiences. The Compliance pro-

gram is comprised of policies – such as Compliance; Anti-corruption; Antitrust/Competition; and Money Laundering and Terrorism Financing Prevention – and the nine internal procedures that detail the management of these issues on a daily basis. Published two years ago, they are under review to incorporate the improvements that have been made over the period. Additionally, in 2021, we will create five additional general procedures and, after the issuance of these documents, update training will begin. The documents currently effective are available on the company's website (<https://ri.nexaresources.com>).

GRI 205-2, 412-2 SDG 16.5

The Code of Conduct is a public document, shared with all stakeholders, including employees, suppliers, customers, communities, NGOs, government entities, shareholders and other individuals and organizations with whom we interact, to ensure that we achieve excellence in all our practices. Its review is scheduled for 2021, with the inclusion, among other issues, of the handling of data from third parties and employees, plurality and environmental, social and governance (ESG) practices. Our beliefs and our values are detailed on the internet ([nexaresources.com/en/beliefs-and-values](https://ri.nexaresources.com/en/beliefs-and-values)). GRI 102-16



Employees from Lima Corporate Office

### Training in policies and procedures SDG 10.3

Remote training in the three policies – Code of Conduct, Anti-Corruption and Money Laundering – was available to the eligible employees via e-learning. Professionals hired as of the second quarter of 2020 should mandatorily attend this online training in their onboarding process. GRI 205-2 SDG 16.5

In 2020, a risk assessment was also performed to identify professionals in positions considered critical; that is, who are directly related to government, customs brokers, competitors, non-profit entities, communities, among others. These people were trained in specific rules and conduct for their positions. In the next period, people exposed to risks related to the management of third parties will be identified, who will also be subjected to specific training.

### Information and reporting channels GRI 102-17 SDG 5.1

Aiming to maintain the appropriate communication channels to report misconduct, we provide the Ethics Line, so that the internal and external audiences can report possible violations of the Code of Conduct or any policy, procedure, law or regulation. It

was implemented to be impartial and transparent, in addition to ensuring the information confidentiality, safeguarding the identity of anyone who accesses it and promoting the best work environment for everyone.

Through this channel, it is possible to fully and anonymously report, any suspicion of financial crime, fraud, corruption, discrimination, harassment or other types of ethical violations. Available in Portuguese, English and Spanish, the service can be accessed through the electronic address (<https://secure.ethicspoint.com/domain/en>) or by phone (Brazil: 0800-892-0741 (Portuguese); Peru: 0800-50-000 (Spanish) and 0800-50-288; United States: 1-855-888-9926; Canada 1-855-888-9926 and 1-855-350-9393; and Luxembourg: 800-201-11 (English and French)). The use and operation of the channel are widely publicized to employees.

The channel is managed by a specialized and globally recognized external company, which performs the initial screening of all reports received to ensure that there is no conflict of interest in the handling of complaints. The Audit Committee



and the organization's leaders, supported by the Internal and Legal Audit areas, decide how to deal with each report received from its initial understanding, interviews with the parties involved, detailed investigation and conclusion as to the merits or lack thereof regarding the complaint, with the possible application of disciplinary and orientation measures.

However, no cases of corruption or violation of antitrust and antimonopoly laws involving employees or business partners were confirmed during the period. **GRI 205-2, 205-3, 206-1**

## Risk Management

**GRI 102-15, 103-2, 103-3**

The Risk Management area, formerly part of the General Management of Internal Controls, Compliance and Risks, became part of the General Management of Controllershship and Financial Planning, a management change that does not impact our risk procedures. The area is responsible for identifying, evaluating, tracking and monitoring the company's risk mitigation action plans.

We have divided risks into three major topics: compliance; business risks (operational and strategic, including social and environmental aspects, and project risk); and financial risks. The risk matrix is reviewed annually to ensure it is always aligned with our strategic plans. In the ongoing review, we are analyzing the improvement of how this risk matrix can be submitted to the board members on a quarterly basis, with the purpose of giving more visibility to the risks to which the company is exposed and facilitating monitoring.

For risks considered critical and high, we have prepared action plans with specific deadlines for completion. Those with high and critical risks rely on the issuance of expiration alerts, facilitating the monitoring and compliance with deadlines. We carry out a monitoring that involves, in addition to the area directly responsible for the issue, the Risk team, the Financial Executive Board, the Board of Directors and the Audit

Committee. For the risks below this rating, the monitoring is performed on an ad hoc basis by the areas involved.

Since 2016, we have adopted the Enterprise Risk Management - ERM Policy, which addresses the main risks in all corporate areas and operational units and is applied to subsidiaries and controlled companies. With the adequacy of the B Wise System to our management process, the risk assessment is performed online and can be updated at any time, and not only in the reassessment period determined by the ERM team. Therefore, we gain efficiency in the evaluation and monitoring process.

With the new scenario arising from Covid-19, virtually all risk management processes were carried out. The training on the B Wise system took place with the participation of the focal points of the units and the corporate areas. These focal points started reassessing the risks with the areas and input the information in the system, as well as identified new risks and filled in the matrix, with the full process being assisted by the Risk Management area.

Among the new risks identified are those regarding the Aripuanã project, which still need to be complemented with operational activities (mine development, drilling and geomechanics). We also identified the IT risks arising from the General Data Protection Act, which will be inserted and managed at B Wise

as of 2021. In 2020, the financial and non-financial impact rule was updated to adapt to the changes in our scenario and are already reflected in the system. During the year, we also made progress in project risk governance, holding workshops to support Vazante and Três Marias to identify risks in small internal projects, which emerged with high and critical risk action plans.

With the support of an external consulting firm, we carried out a risk culture survey, involving all Nexa employees and third parties from Brazil, Peru, Luxembourg and Namibia. Eight vectors were assessed: Risk tolerance and appetite; Perception of risks and vulnerability; Perception of controls; Discipline regarding rules and procedures; Autonomy in decision-making; Compliance culture; Prioritization of risks vs. production; Occupational safety. The score of each vector was compared with the Brazilian national average within the segment and with the global benchmarking, when applicable. Each unit and each corporate area had its average score in each of the vectors and operation strategies are being created for each one of them according to the result obtained.



Employees from Juiz de Fora



The details of the main risks we manage can be found in the Form 20-F, a document presented to the New York Stock Exchange, that can be accessed at <https://ir.nexaresources.com/listgroup.aspx?idCanal=Ny3+tGR+zKsY3DSJghT06w==>





## REPUTATION

### MATERIAL TOPIC

We want to stand out from our competitors by bringing the world of mining to the world of people, through sustainable production and co-creation a legacy for society.

We constantly take care of our corporate and organizational identity to be recognized before the internal and external audiences as a company that consistently invests in the sustainability and longevity of its businesses while payment close attention to the impacts of its activities on the environment and in society, seeking to mitigate them.

Our Corporate Affairs area has carried out and extensive work to identify opportunities to expand the influence with stakeholders that impact the company's business, increasing the familiarity of the Nexa brand by occupying positive spaces in the press, at events and on social media, as well as we seek to generate connection with the priority stakeholders for the company.

By taking care of our reputation, we are contributing to maintaining our leadership position in the Latin American market, attracting better talent, expanding the penetration of our products in different markets and presenting even more stable results.

One of the parameters to identify a company's reputation is through the awards and recognitions received.

### Awards and Recognition

**Company of the Year by the magazine Brazil Mineral** – Nexa Resources was elected for the 12th time as one of the Companies of the Year by Brasil Mineral magazine. In the 36th edition of this award, the company was the winner in the Non-Ferrous Metals category for its innovative capacity in fighting the pandemic.

**Companies that Best Communicate with Journalists Award** – In the 8th edition of the award promoted by Negócios da Comunicação magazine, in partnership with Centro de Estudos da Comunicação (Cecom), Nexa was recognized in the mining sector for generating good quality information, being transparent in its communication and maintaining a good relationship with journalists and the market. 25 thousand professionals from all over Brazil were consulted for the award, voting for companies from 30 sectors of the economy.

**Excellence in the Brazilian Mining-Smelting Industry Award** – For the second consecutive time, the Vazante unit received the award from Minérios Magazine in the process category, with the project "Optimization of ball mill lining", which allows to extend the profile useful life and optimize the performance of a given mill, resulting in significant increases in production capacity and energy gains in our operation.

**Sustainable Development Award** – Nexa ranked first in the category Together against Covid-19 – Adding Efforts, in the Sustainable Development Award promoted by the National Society of Mining, Oil and Energy (SNMPE), at Peru. The company was recognized for its contribution to the fight against the new coronavirus in its Citizen Monitoring and Surveillance project, from which 60 monitors were trained in 14 communities in Pasco and Chincha to help establish safety rings to prevent contagion.

**Best Underground Mining Safety Indicator** – El Porvenir unit was recognized by the Peruvian Mine Safety Institute (ISEM) for achieving the best underground mining safety indicators in the country during 2019. Six million man hours were worked, with no record of fatal accidents and zero accidents, the result of a robust safety plan implemented since 2018.

## Sustainability

We want to be a benchmark in sustainability, continuously improving the organization's safety and health culture. At the same time, we seek to reduce the environmental impacts (emissions, waste, water, and energy consumption, and similars) of the operations and co-create a relevant legacy for society, based on a constructive relationship with our stakeholders.

In all our activities, we follow strict sustainability guidelines as defined in our Sustainability Master Plan, whose practices are supported and monitored by the Sustainability Committee that was created in 2019 and improved in 2020, including in its scope the monitoring of the most relevant projects for the company.



# Performance



Employees from  
Juiz de Fora



FINANCIAL CAPITAL

Results

Operational

Nexa delivered solid and sustainable operating results in this cycle, overcoming the challenges imposed by Covid-19. We met our production guidance for 2020, of 313 thousand tonnes of zinc, despite having recorded a 13% decrease compared to 2019. The reduction is mainly due to the lower volume of ore processed in our Peruvian mines, which were affected by the temporary mandatory suspension imposed by the Peruvian government in response to the pandemic. We also produced 28 thousand tonnes of copper, 38 thousand tonnes of lead and 6,826 thousand ounces of silver.

The volume of metal sales also fell due to the drop in production at the Cajamarquilla and Juiz de Fora units, but was partially offset by the solid performance of Três Marias. The decrease reached 6% in the year-over-year comparison, to 585.4 thousand tonnes of metallic zinc and zinc oxide, but even so, we exceeded the guidance for the period.

Financial

Net revenue from our operations totaled approximately US\$ 2 billion, accounting for a 16% reduction compared to 2019, impacted by lower average base metal prices and volumes traded on the world market.

Adjusted EBITDA in 2020 reached US\$ 403 million, up 15% compared to the amount of US\$ 349 million in 2019. This positive impact was driven by the decrease in costs and exploration and project evaluation expenses, and the depreciation of the Brazilian real against the U.S. dollar.

Mineral exploration and project evaluation costs decreased in 2020, mainly because Nexa revised its short-term capital allocation in response to Covid-19. The effects of the temporary suspension of such projects were reflected in the company's cash flow estimates due to the impairment testes performed in 2020.

The Nexa Way program generated an estimated annualized positive impact on EBITDA of US\$ 98 million in 2020, based on the initiatives implemented in 2019. We continue with the goal of reaching an improvement of at least US\$ 120 million in annualized EBITDA by the end of 2021 through the program's initiatives.

Investments

In 2020, investments in operations (Capex) totaled US\$ 336 million, after deducting accrued tax credits of US\$ 18 million with respect to our ongoing projects. Of this amount, 66% was allocated to expansion projects driven by the development of the Aripuanã project (US\$ 187 million) and the deepening of the Vazante mine (US\$ 13 million).

Liquidity and Indebtedness

GRI 102-7

As of December 31, 2020, our consolidated gross debt totaled US\$ 2 billion, up 34.2% compared to the same period of the previous year (US\$ 1.5 billion), mainly due to the appreciation of the Brazilian Real against the U.S dollar at the end of the fourth quarter and the partial drawn down of the BNDES loan agreement. At the end of the period, 77.7% (or US\$ 1.6 billion) of gross debt was denominated in US dollars and 22.3% (or US\$ 452 million) in Brazilian reais. The net debt to adjusted EBITDA ratio in the last twelve months was 2.29x, compared to 3.23x at the end of September, reflecting the improvement in results and cash generation.

We maintained strong liquidity. Cash and cash equivalents and financial investments amounted US\$ 1.1 billion at the end of the period. The total cash was sufficient to cover the payment of all obligations maturing over the next six years. The average maturity of the total debt was 5.4 years at an average interest rate of 4.68% per year.

SENIOR NOTES

In June, Nexa concluded an offering of US\$ 500 million 6,500% senior unsecured notes, due in January 2028. The proceeds from this offering were used to repay certain existing financial indebtedness, including the US\$ 300 million revolving credit facility. The revolving credit facility remains committed until October 2024, and future disbursement under the credit facility will be subject to Nexa's compliance with the relevant conditions, including applicable financial covenants.



Production of metal contained in the concentrate

	Zinc (thousand t)		Copper (thousand t)		Lead (thousand t)		Silver (thousand ounces)		Gold (thousand ounces)	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Vazante	139.0	148.0	-	-	1.0	1.3	333.1	383.5	-	-
Morro Agudo	24.4	25.2	-	-	4.7	4.0	22.6	3.5	-	-
Cerro Lindo	126.3	95.4	37.7	27.8	12.3	11.6	3,250.5	2,939.0	4.5	4.0
Atacocha	16.7	9.6	-	-	16.5	10.2	1,882.1	1,184.7	9.3	6.3
El Porvenir	54.7	34.9	0.5	0.3	16.9	10.9	3,412.7	2,315.2	11.2	5.9
TOTAL	361.1	313.1	38.2	28.2	51.3	38.0	8,901.0	6,825.9	25.0	16.2



## MANUFACTURED CAPITAL

Our investments are directed to two strategic axes: Growth and Operational Excellence. Due to the global health crisis, there was an effort to preserve cash throughout the year 2020 and, consequently, investments were reduced, with the core initiatives being maintained to ensure that operations met all safety requirements.

### Project management

The performance of our strategic Project Management enabler was crucial in this context, as it helped ensure the development and execution of the several projects in progress at the company, supporting the areas to guarantee the best return and minimize the risk of deviations. We also work to monitor and improve the long-term investment plan, focusing not only on asset maintenance and modernization projects, but also on priority expansion projects for the company at this time of crisis and that could wait for a better scenario, without compromising future growth.

### Growth

Our strategy foresees the creation of long-term value, through sustainable growth from the mineral exploration of zinc and copper in the Americas, with the allocation of ideal capital through five growth avenues: extension of the useful life of mines, brown-field projects, greenfield projects, exploration of new areas and development of new businesses.

Considering the challenging scenario of 2020, and in line with our sustainable growth strategy, we conducted a review of our investment pipeline to preserve the company's cash. In this sense, it is worth highlighting the review of Capex investments, prioritizing strategic investments, with a total of funds allocated in 2020 of US\$ 336 million.

Despite the investment review, the strategic purposes of the Growth and Operational Excellence axes remain unchanged.

### Greenfield projects

With the strategic review, the investments for the year were focused on the Aripuanã project, which is already under construction (details on the evolution of the project can be found on page 50).

We have projects in different stages of Front-End Loading (FEL) feasibility assessment, which have evolved according to the following table:

Employee from Vazante



Projects in execution	Description	Status in 2020
<b>Aripuanã</b> (100% Nexa Brazil)	<ul style="list-style-type: none"> <li>Nexa's main project</li> <li>Polymetallic project (Mato Grosso)</li> <li>Integrated underground mine with estimated annual zinc production of 72.7 thousand tonnes</li> </ul>	<ul style="list-style-type: none"> <li>It reached 55.3% of the total expected investment</li> <li>It achieved 70.3% of physical progress</li> <li>Exploratory Drilling: the campaign focused on the mineralized areas of the Babaçu body and confirmed the presence of mineralization over an area of 1.3 km</li> </ul>
<b>Hilarión</b> (100% Nexa Peru)	<ul style="list-style-type: none"> <li>Exploration project located south of the Antamina mine in Ancash, Peru</li> <li>Skarn mineral deposit made of vertical tabular ore bodies containing sulfide zinc, lead, silver and copper deposits</li> <li>Potential underground mine that could either use its own processing plant or one of the several existing plants in the area</li> </ul>	<ul style="list-style-type: none"> <li>In exploration stage</li> <li>Exploration activities are ongoing</li> <li>For 2021, we plan to drill south of Hilarión to test the continuity of mineralization</li> </ul>
<b>Magistral</b> (100% Nexa Peru)	<ul style="list-style-type: none"> <li>Potential open pit copper project</li> <li>Located in Ancash, in Peru.</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study (FEL3) in progress and expected completion in the first half of 2021</li> <li>Detailed engineering is planned for 2021, eliminating potential future project execution risks</li> </ul>
Projects under analysis	Description	Status in 2020
<b>Shalipayco</b> (75% Nexa Peru; 25% Pan American Silver Peru)	<ul style="list-style-type: none"> <li>Potential underground polymetallic project containing zinc, lead and silver deposits</li> <li>Located in the central Andes of Peru</li> <li>Consists of mining concessions with evidence of MVT mineralization (a deposit type similar to Morro Agudo)</li> </ul>	<ul style="list-style-type: none"> <li>In the pre-feasibility study stage (FEL2)</li> <li>Remains on-hold due to the capital allocation strategy in response to Covid-19</li> </ul>
<b>Pukaqaqa</b> (100% Nexa Peru)	<ul style="list-style-type: none"> <li>Potential copper project in open pit (with gold credits)</li> <li>Located in Huancavelica, Peru</li> </ul>	<ul style="list-style-type: none"> <li>In the pre-feasibility study stage (FEL2)</li> <li>Remains on hold due to capital allocation strategy in response to Covid-19</li> <li>Only smelter testing is in progress</li> </ul>
<b>Florida Canyon</b> (61% Nexa Peru; 39% Solitario Zinc)	<ul style="list-style-type: none"> <li>Potential underground mine project containing high grade zinc and lead sulfide</li> <li>Advanced mineral exploration project comprised of 16 contiguous mining concessions, covering approximately 12,600 hectares, located in Peru</li> </ul>	<ul style="list-style-type: none"> <li>In exploration stage</li> <li>Project on hold</li> </ul>
<b>Caçapava do Sul</b> (56% Nexa Brasil; 44% IAMGOLD)	<ul style="list-style-type: none"> <li>Polymetallic project for the production of copper, lead and zinc concentrates</li> <li>Located in Rio Grande do Sul</li> </ul>	<ul style="list-style-type: none"> <li>Project on hold</li> </ul>
<b>Bonsucesso (Morro Agudo)</b> (100% Nexa Resources)	<ul style="list-style-type: none"> <li>Potential underground mine that will extend the life of mine of Morro Agudo</li> <li>The run-of-mine of Bonsucesso will feed the existing processing plant</li> </ul>	<ul style="list-style-type: none"> <li>FEL3 has been resumed in 1Q21</li> <li>Updated mine designs with new block model information was completed</li> </ul>



MANUFACTURED CAPITAL

Brownfield projects

We seek to preserve our investments in projects around the mines we already operate, aiming to extend its useful life, resulting in an increase in resources and reserves.

Cerro Lindo

During the stoppage of drilling activities (March to June), owing to the enactment of a national state of emergency by the pandemic, the exploration activities had their efforts directed to the studies of the geological information collected in the diamond drilling performed until the first quarter of the year, as well as in planning for the resumption.

After the national emergency period determined by the Peruvian government, Cerro Lindo was the first mine in the country to have its protocols approved for resumption of operations. Drilling activities resumed in June, focusing on extensions of known ore bodies and exploratory drilling to find new mineralized areas towards the southern extension of the mine. In 2020, the exploration team performed approximately 60.4 kilometers of diamond drilling, 23.2 kilometers of exploratory drilling and 37.2 kilometers of infill drilling carried out by the mining unit, which confirmed the continuity of several mineral bodies in the region. These discoveries will allow to extend the operating useful life of Cerro Lindo by almost two years. We will continue investing in mine development to investigate and confirm the continuity of other mineralized areas.

Vazante

The brownfield exploration in Vazante aims to expand the existing mineralized zones and explore new areas to define new mineralized zones close to the mine. In the first half of 2020, we confirmed the extension of a willemite body in the Extreme North Area and, during the third quarter, the extension of mineralization in the Lumiadeira South area. An exploratory well is underway in the Vazante Sul area (which includes the areas of exploratory targets, such as Carapato and Mata Preta). With the new areas in operation, we practically maintained the reserve in Vazante, generating replacement to what is being mined.

Pasco Complex

The extension of the useful life of the two operations in the Pasco Complex – Atacocha and El Porvenir – depends on the result of exploration that will allow the aggregation of mineral resources, such as the discovery of Sara mineralized body (with high content of silver and lead) and the confirmation of good results in the integration zone.

In response to Covid-19 isolation measures, the Atacocha drilling program was temporarily suspended and is expected to be resumed in 2021, when 3 kilometers of exploratory drilling is planned.

In El Porvenir, the drilling works were directed to the extension of the existing mineralized bodies along the strike and at depth, as well as to the exploration drilling in the mineralized zone of Sara, seeking to define the potential and evaluate the continuity of mineralization in the south and west zone of the exploratory target. At the end of 2020, 16.1 kilometers of exploratory drilling were carried out and further 18 kilometers are planned for 2021.

Morro Agudo/Bonsucesso Project

Aiming to extend the useful life of the Morro Agudo complex, we continue surveying the mineralized body of Bonsucesso, which entered in the project feasibility phase. 6.1 kilometers of infill surveys and 6.1 kilometers of mineral exploration surveys were performed, both focused on expanding resources and extending existing mineralized bodies in Bonsucesso. Infill drilling confirmed the continuity of the content in the northern sector of the deposit. Drilling holes have confirmed the open potential for expansion and exploratory drilling will continue to be concentrated in the northern and central parts of the deposit.

Reserves & Resources

We annually declare our proven and probable mineral resources and reserves in accordance with the Standards for Defining Mineral Resources and Mineral Reserves (2014 CIM Definition Standards) prepared by the CIM (Canadian Institute of Metallurgy and Petroleum) and incorporated by reference in National Instrument 43-101 (NI 43-101) of all mines and

projects. These definitions are consistent with the definitions of mineral resources and mineral reserves described in Regulation S-K, Subpart 229.1300, new American legislation applied to registrants involved in mining operations and adopted by the SEC (Securities and Exchange Commission) in the United States. This information is available in the Nexa 20-F Annual

Report at <https://ir.nexaresources.com/regulatory-filings>. According to NI 43-101, as of December 31, 2020, the total metal contained in our mineral reserves was 3,563 thousand tonnes of zinc, 411 thousand tonnes of copper, 586 thousand tonnes of lead, 96,691 thousand ounces of silver and 236 thousand ounces of gold.

Reserves and Resources <sup>5</sup>

Class	Total (million t)	Zinc (%)	Copper (%)	Silver (g/t)	Lead (%)	Gold (g/t)	Zinc (Thousand t)	Copper (Thousand t)	Silver (Thousand oz)	Lead (Thousand t)	Gold (Thousand oz)
Reserves											
Proven	51.65	3.35	0.42	26.0	0.51	0.06	1,728.3	218.1	43,105	263.7	95
Probable	54.49	3.37	0.35	30.6	0.59	0.08	1,835.1	192.6	53,586	321.8	142
Total	106.14	3.36	0.39	28.3	0.55	0.07	3,563.4	410.8	96,691	585.5	236
Resources											
Measured	244.52	0.73	0.40	7.9	0.19	0.01	1,791.0	974.2	61,906	460.1	59
Indicated	412.12	0.71	0.35	5.9	0.16	0.01	2,919.6	1,430.6	77,519	674.4	108
Total	656.64	0.72	0.37	6.6	0.17	0.01	4,710.6	2,404.8	139,425	1,134.4	166
Inferred	260.71	2.67	0.21	20.6	0.58	0.09	6,956.3	549.8	172,750	1,522.2	747

Note: The estimate of reserves and mineral resources involves assumptions about future commodity prices and technical mining issues. The presented Statement of Resources and Reserves follows the CIM 2014 Definition Standards (Definition Standards for Mineral Resources and Mineral Reserves) and are consistent with the definitions of mineral resources and mineral reserves described in Regulation SK, Subpart 229.1300.

<sup>5</sup> The amounts shown in this table have not been adjusted to reflect our ownership interests. The information presented in this table includes 100% of the estimates of reserves and mineral resources of our consolidated subsidiaries and our joint ventures, calculated based on the CIM 2014 definition standards and consistent with the definitions of mineral resources and mineral reserves described in the Regulation, Subpart 229.1300, some of which are not wholly owned, as set out in the participation column available in the 6-k Mining Report or in the Nexa 20-F Annual Report, which can be accessed at <https://ir.nexaresources.com/regulatoryfilings>



MANUFACTURED CAPITAL

### Aripuanã Project

The polymetallic project, located in the State of Mato Grosso, is considered one of the largest zinc projects in the world. Its integrated underground mine has an expected production of 2.2 million tonnes of crude ore per year (containing zinc, lead and copper) – with a production of 119 thousand tonnes of zinc equivalent. The expected life is at least 11 years, considering only the reserves.

The extension of the useful life is under study with three probes in the northwest extension of the Babaçu body, which has presented relevant intersections, thus indicating the possibility of connection between the bodies of Ambrex and Babaçu. In 2020, seven points were drilled, including the Aripuanã brownfield and regional targets, totaling 4.2 kilometers of diamond drilling.

The construction of Aripuanã started in 2019, having reached 55.3% of total investment and 70.3% of physical progress so far. This is the main zinc project for the coming years, which is fundamental to the evolution of our growth strategy. The production of zinc in Aripuanã, from its stabilization (2022-2023), will contribute to a greater integration between mines and smelters, meaning that we will be able to reduce our dependence on the purchase of zinc concentrate in the market.

In 2020, based on technical studies, a new level of Capex and schedule was established, with the postponement of the implementation completion to December 2021, and the start of the operation scheduled to the beginning of 2022.

### Public and project infrastructure

Reinforcing our commitment to local development, we carried out several actions to guarantee the improvement of the infrastructure in Aripuanã. In partnership with the municipal and state public administration, we support the renovation of the wooden bridge over the Aripuanã River, located on the MT-208 state highway. The stretch is essential for local logistics, allowing rural communities in the municipality to access the settlements, indigenous areas and Districts of Conselvan, Rio Branco and Lontra, in addition to having access to the project.

### 2020 Advances

- **Support for the renovation of the bridge over the Aripuanã River**
- **Cooperation to readjust the Poraquê Side Road**
- **Expansion of Military Police facilities**
- **Approval of the projects to renovate three UBSs**
- **Airport expansion agreement**
- **Donation of products and services and technical support to the Water Department**

We also worked on the readjustment of Poraquê Side Road, which connects MT-208 to rural communities within the region. In total, 10 kilometers of the road were covered, based on an agreement signed between Nexa and the Municipality of Aripuanã. With *Sindicato das Indústrias de Laminados e Compensados do Estado de Mato Grosso (SINDILAM)*, we promoted the maintenance and recovery of Salvação Road, an alternative route to our project, which also allows the flow of forest, agricultural and livestock products, whose implementation was needed while renovation services were being performed on the main bridge.

In the beginning of 2021, we will begin the renovation of three Basic Health Care Units (UBS), whose new structures will contribute to expand and improve the flow of health care, ensuring agility and coverage to the population, in addition to initiatives to support the Municipal Health Department in strengthening the Management of the Public Health System, Primary Care and Health Surveillance and Urgency and Emergency Care. Furthermore, we delivered the renovation and expansion works of the 10th Independent Military Police Company of Aripuanã (CIPM), in partnership with the Community Public Security Council of Aripuanã (Conseg).

In relation to the project works, the main milestone for 2020 was the solution for the Dardanelos substation, which will start supplying electricity to the project from July 2021, making it possible to operate all the mine equipment, which are already in the installation phase: mill, crusher, ventilation. The excavation of the galleries and ramps, as well as the entire structure for the ventilation system, also advanced, which was one of the bottlenecks of the engineering project that we had to change regarding deadlines and cost throughout the year.

### ESG benchmark project

#### Scrap

Dry stacks and backfill

#### Wetlands System

100% water recirculation

#### High degree of automation

Safety and operational efficiency

#### Plurality

### Mining legalization GRI MM6

Nexa provided the Miners and Mining Cooperative of Aripuanã Region (Coopemiga) with an approval for the granting of a Mining Permit (PLG), granted by the National Mining Agency (ANM) and having *Companhia Mato-grossense de Mineração (METAMAT)* as the Intervening Party. Such grant will allow miners linked to the Cooperative to legally explore 516.9 hectares for the exclusive extraction of gold for two and a half years.

Aripuanã City





## MANUFACTURED CAPITAL

This initiative took place to foster harmonious coexistence, essential for safe operation in Aripuanã and the economic development of the region.

### Local development

Even before starting the works, we were already concerned with the legacy that we will leave for the region. In this sense, we highlight the performance in the following projects in 2020:

**Aripuanã por Elas** – Partnership with the Social Protection Network and the Aripuanã Rights Guarantee System that aims to strengthen the performance of a protection network and public policies focused on women's rights, mainly through actions to promote gender equality and fighting violence. Educational campaigns and informational workshops are planned, with support from Instituto Votorantim and Ecos-Co-municação em Sexualidade.

**Rural Product Development Program** – the result of our partnership with Pacto das Águas, the program aims to support the sustainable and integrated development of the municipality's production chains. In 2020, the program was suspended for a few months due to the pandemic, but it resumed its technical assistance activities to farmers remotely.

**Generation of jobs and income** – Our presence in the region has been fundamental in maintaining the employment and income generation. Currently, almost 3 thousand professionals work on the construction sites of the Aripuanã Project, also fostering other sectors of the local economy. According to the General Register of Employed and Unemployed Workers (Caged), developed by the Labor Secretariat of the Ministry of Economy, Aripuanã ended 2020 with a positive balance in formal hiring of workers. The data, measured from January to December 2020, show that the municipality made 4,886 admissions throughout the year and had a balance between recruitment and dismissal of 1,444 job vacancies filled.

Employees from Aripuanã



## Operational excellence MATERIAL TOPIC

In the search for continuous improvement in competitiveness to maximize the value of existing operations, especially in the face of a crisis scenario, we have developed projects aimed at operational stability, increased capacity utilization, ongoing cost improvement, productivity and rationalization of capital employed. Technology, automation and innovation are part of the tools to achieve our productivity and competitiveness goals, with a high level of safety and sustainability (increased water recycling, reduced CO<sub>2</sub> emissions and waste generation). SDG 9.4

In 2020, our operational excellence goals strengthened cash generation, supported by the Nexa Way program, which promoted gains of US\$ 98 million, based on initiatives implemented in 2019. Furthermore, we engage employees and create value by encouraging the generation of ideas, performance improvements and capital allocation.

### Mining

The performance improvements at the mining units were supported by the Nexa Way program, which enabled greater operational and administrative synergy between the teams at the Vazante and Morro Agudo units, as well as cost optimizations at the Cerro Lindo and Pasco Complex units, through the involvement of several operating and corporate disciplines, accelerating the implementation of initiatives and bringing new operational levels to the units.

In Morro Agudo, we reached the historical record of 1.3 million tonnes of limestone sold. With more robust commercial actions, we managed to get closer to the consumer market to offer a better-quality product and logistics, enabling greater use of the demands of the agricultural market. We increased our share in this market and achieved better prices for the product (increase from US\$ 6.3 to US\$ 7.1 per ton), obtaining a higher margin. Thus, in addition to the fact that there is no need to dispose of mining waste in the Morro Agudo operation, we were able to sell all the limestone material produced and reduced the existing volume in our dams.

In Vazante, we had significant results with the optimization of work shifts at the underground mine (19.4 hours of work instead of the previous 15 hours),

which led to a new record for the extraction of ore (1,536 thousand tonnes). We were also favored by the improvement in the performance of zinc recovery (from 86.3% in 2019 to 87.5% in 2020), due to the project to implement the new flotation cell and the deployment of the high frequency sieving circuit with cyclone. The new sieve led to an increase in the treatment capacity, reaching a new record in the ore processing at the plant (1,407 thousand tonnes in 2019 to 1,623 thousand tonnes in 2020), being also recognized as an innovative model by the Brasil Mineral magazine.

In Cerro Lindo, the main project carried out during the year was the consolidation of new geotechnical standards and controls, which resulted in optimizations in the underground mine operational cycle and reduction of the respective costs. We also had a work stream to increase the plant's reliability: we increased the availability of the main conveyor belt circuit and increased the useful life of the mill linings, optimizing the cycles of scheduled maintenance shutdowns. In 2020, we also completed the reagent dosing automation project, which will help the unit maintain the performance of smelter recovery, even with the drop in feed levels expected in 2021.

At the Pasco Complex, the focus in 2020 was the extension of the Life of Mine (LoM) and maintain the competitiveness of the operating margin, with the expansion of the San Gerardo Open Pit mine, increasing the capacity of the tailings and sterile deposits and offering a new configuration for the unit to maximize the operating margin. Another fundamental initiative for the results was the optimization of the concrete projection activities in the development galleries (with the decrease of the concrete reflection rates and a better geotechnical model), as well as a review and prioritization of the operational service scopes, allowing for more competitive costs.

Optimization processes at the El Porvenir plant are underway, with the installation of concentrate filters with greater capacity (improving the quality of the concentrate) and initiatives for automation and reliability of the plant. In a next step, we will proceed to stabilize the extraction capacity of the El Porvenir mine at 7 ktpd, which will be supported by the project to expand the capacity of the vertical transport system (Shaft – Pique Picasso) and to deepen the mine.



## MANUFACTURED CAPITAL

### Smelting

Efficiency gains, cost reduction and gradual of bottlenecks at the plants are the focus of operational excellence in smelter. Driven since the end of 2019 by the Nexa Way and by the pandemic, we improved operational performance and increased our productivity, which resulted in lower costs and improved quality of our products.

Regarding efficiency gains, we invested on two fronts: equipment for improvement or modernization of the automation processes and optimization of existing processes. Several initiatives were implemented, such as increasing the electrolysis efficiency and changing the technology of the steam boiler at the Três Marias unit, thus reducing energy consumption and the emission of greenhouse gases; flexibility in the processing of raw materials in all operations, increasing competitiveness in the purchase of concentrates and alternative sources of zinc.

Small projects were performed, disseminated by all plants, which bring incremental gains and are part of the routine for optimizing operations on these fronts, such as operational stability in hydrometallurgies, proper operation of the roasts, avoiding gas emissions, among others.

We achieved a record in the sales of the slag from the Waelz process at the Juiz de Fora unit, reducing the generation of waste and generating more revenue.

In Cajamarquilla, the Jarosita project remains on hold and will be resumed at a more opportune time.

Employee  
from Atacocha

## INTELLECTUAL CAPITAL

### Technology, automation and innovation

#### MATERIAL TOPIC

This is one of the enablers of the strategic axes of growth and operational excellence, making our operations safer, minimizing waste and optimizing production. We invested US\$ 4 million in research and development throughout 2020, with US\$ 8.9 million expected for 2021, with the Mining Lab platform being our main tool for open innovation.

Nexa's effort in the search for innovation has been recognized every year by the Valor Inovação Brasil yearbook. In its sixth edition, we ranked second in the Mining, Smelter and Steel category.

Following the path of innovation, we continue actively participating in the Mining Hub, an initiative that brings together mining companies, traditional suppliers

in the sector, start-ups and the Brazilian Mining Institute (IBRAM) team, with the purpose of being a direct channel for open innovation, gathering the trends of the sector and fostering the relationship between the affiliates. The 2020 meetings were fully held online, with great support from members.

We also participated in the M-Start4 of the Mining Hub, with the Digital Locking solution, a security program that speeds up and guarantees the locking of all types of energy for equipment maintenance. For this project, we obtained an investment of R\$ 700 thousand through Finep's Technologies 4.0 Bid Notice. The system will be implemented in Vazante, Três Marias and, in the future, in all Nexa in Brazil.

We were one of the three mining companies responsible for the creation of the *Hub de Innovación Minera del Perú*, a pioneering initiative within the country.

Hub Peru's first start-up challenge brought a solution to reduce the cost of electricity to Nexa: the use of batteries. The project consists of installing a set of batteries, which will be charged in the period with the cheapest energy and used when the energy is more expensive. This project is already in the bidding phase, with the Nexa Supplies area and the contract will be signed in 2021.

In 2021, Nexa will be one of the leaders of PERU-MIN HUB, an Open Innovation program of one of the largest mining events in the world, which will involve the full Peruvian innovation ecosystem (universities, research centers, institutions and private companies, government, etc.).

#### Mining Lab Platform

Since 2016, we have been looking for innovative solutions in the areas of mining and smelting through our Mining Lab Program. Although we always have at least one edition with specific challenges, the platform is open for registration throughout the year, as a continuous innovation challenge. This means that anyone can submit an innovative idea for the sector, without necessarily being linked to the schedule of any call.

We were one  
of the three  
mining companies  
responsible for the  
creation of the  
*Hub de Innovación  
Minera del Perú*,  
a pioneering  
initiative within  
the country.



INTELLECTUAL CAPITAL

Our international partnerships have been expanding every year, allowing this 5th edition to receive registrations from 14 countries, such as Brazil, Peru, Canada, Chile, United States, Germany, Israel, United Kingdom. This was the largest number of countries registered in an edition of the Mining Lab, a positive reflection of the program's maturity.

A striking initiative in 2020 was the holding of the Mining Lab University in partnership with *Universidad Nacional Daniel Alcides Carrión* (Undac) in Peru, with challenges aimed at undergraduate students. The goal was to encourage students to develop skills in the professional world by solving a Nexa challenge. The winners participated in summer internships at our Pasco mining unit, where they are developing their projects in practice.

Mining Lab Challenge 2020

The main novelty of this edition was the theme "Building Positive Legacies", with a view that we must go beyond our operations to create the legacy that we want to leave for the communities. We select companies that foster actions that go beyond our business and connect us with the society around our activities. The challenge included three other themes, and for one of the categories - Producing zinc and copper - there were no selected companies, since none presented a truly innovative solution.

Throughout the process, which was fully held virtually, we received 178 solution proposals, 50 were selected for participation in the Bootcamp, 13 were chosen for immersion and 6 reached the proof-of-concept phase.

Developing Projects

The selected projects go through a Research and Development (R&D) phase in order to validate the business model and the technology in specific scenarios. Those with positive results move ahead to the industrial implementation phase.

Compared to the previous edition, we implemented the Cedrotech chatbot called "Nina", a virtual assistant who started serving the legal department and expanded operations to the Human Resources department. We also continued the development of our magnetic nanoparticle collector (now in partnership with Ecolab), and developed filters on social networks with augmented reality in order to disseminate our brand. Some of the projects from last year's edition were suspended due to the pandemic and are expected to resume in 2021.

Winners of mining lab challenge – 2020 Cycle

Category	Company	Country	Project description
Waste and effluent management and disposal	InSilico	Brazil	Use of molecular modeling and artificial intelligence to transform waste into new products (tests will be carried out in Peru)
Waste and effluent management and disposal	Oxi Ambiental S.A.	Brazil	Development of new products from Jarosita, aiming to eliminate their disposal in dams
Building positive legacies	GyD Runakay	Peru	Support for the development of alpaca wool producers in the community of Huancamachay, with the purpose of increasing the financial independence of the community
Building positive legacies	Coletando Soluções	Brazil	Development of a business model to foster selective collection in the city of Juiz de Fora, from mobile selective collection points and direct financial return in debit cards
Greater efficiency and higher productivity	Radix	Brazil	Application of artificial intelligence in image treatment for monitoring slopes, controlling stability, percolation and reservoir level, verifying instruments, and controlling vegetation, among other activities
Greater efficiency and higher productivity	AMTC	Chile	Use of Machine Learning to create a gold forecasting and recovery model in our Peru operations

TRANSFORMING WASTE INTO STEAM

In 2020, we continued our partnership with ZEG, a Brazilian start-up that owns an innovative and patented solution for turning solid waste into steam. This initiative seeks to reduce the use of fossil fuels and their impacts, using technology that can replace up to 33% the volume of the natural gas used at our Juiz de Fora plant, considering its maximum theoretical capacity of steam production. During the year, the company we engaged began construction of an industrial-size gasifier. To feed this equipment, we will use carbon residues from our units in Brazil, meaning that such waste material will no longer be sent to landfills. We also linked this project to another start-up, called Coletando, which is experienced in collecting recyclable urban waste, aimed at circular economy. Selective collection stations will be installed in the city and around the Juiz de Fora plant (initially in the Igrejinha neighborhood), generating income for local waste pickers. Aside from being a source of income for the community, these waste materials will be gasified in the future, by ZEG



Nexa Virtual Assistant



INTELLECTUAL CAPITAL

## Social Mining Lab

This initiative had a special edition in 2020: the Covid-19 Mining Lab Challenge, in partnership with Instituto Votorantim and Beneficência Portuguesa, to bring innovative solutions to challenges that arose during the pandemic, in a streamlined and collaborative format. In addition to the creators, we organized the challenge in everything ranging from disclosure in the innovation ecosystem to selecting the winners and monitoring deployment of the solutions. The two winning projects developed their health solutions for three cities, in the interior regions of the states of Minas Gerais, Ceará and São Paulo.



Employees from  
Três Marias



**ICU Control** – The 3Wings platform offers an innovative approach to hospital ICU management, whereby it is possible to monitor clinical, epidemiological and hospital bed management remotely, in real time, as well as manage the ICU waiting list and reduce the time and cost of managing hospital beds. The system was installed in the city of Sobral, Ceará, to manage 182 beds, and in Patos de Minas, Minas Gerais, to monitor 31 beds in the local field hospital. The contract — initially for six months — was extended in Patos de Minas at the request of city hall, due to the positive results achieved. In Sobral, the integrated real-time view of the situation of hospital beds helped the municipal health department make crucial decisions for the process of reopening the city.

**Mental health app** – Cíngulo developed an app for guided therapy sessions to combat stress, help raise self-esteem, reduce insecurities and anxiety, and improve the mood of healthcare professionals (and can be extended to other professionals in the future). The app has three interfaces: chatbot, video sessions, and emotional support with human service. It was initially made available to 250 professionals working in the health system of Catanduva, in the interior region of São Paulo state.

Employee from  
Morro Agudo



## R&D Projects

We have several innovation projects from the Mining Lab editions as well as ones we developed ourselves, within the scope of Research and Development (R&D). Below are some of the most noteworthy projects, which are currently in the testing phase:

**Concrete** – We carry out industrial tests that indicate a high potential for using smelting tailings from Três Marias in the production of clinker (an input for the cement production chain). This project is being envisioned as a medium-term alternative for waste generated at the unit. An initial consumption of approximately 100,000 tonnes (metric tonnes) of waste per year is estimated, one third of the total amount produced. Over time, the initiative will be able to consume all the stockpiled mass, eliminating environmental liabilities and giving greater longevity to the industrial operations at Três Marias.



**Transforming waste from the Vazante unit into a usable product** – A technological route was developed, in partnership with the University of São Paulo (USP) and promoted by *Empresa Brasileira de Pesquisa e Inovação Industrial* (Embrapii), for separating the hematite contained in fresh tailings from the Vazante plant (current generation) for use in other industries, such as steel making. The project has tremendous potential for processing the tailings stored in dams as well.

**Synthetic granite** – This project, which originated in the 2018 edition, seeks to transform one of the waste materials in the Três Marias zinc production chain into a glass-ceramic product. Proof of concept has already been established for this initiative, and it is currently undergoing a pilot test. For 2021, we expect to continue our industrial testing. The project directly contributes to our goal of reducing waste generation.

**Rockmass** – Also originating in the 2018 edition, the aim is to automate measurements made in underground mining activities. It is currently in the second version of a commercial product and is available on the market for all mining companies. Development of this project using Axismapper contributes toward greater safety and lower costs in operations.

**Confirm8** – Expansion throughout Nexa, with the digitization of vehicle checklists, preliminary risk analyses, dam inspections, and environmental incidents, among other items at our units. Vis-à-vis the quarantine situation, the tool also began being used to check the health of Nexa employees, helping to control contagion within our operations.

**Meantrix** – A machine-learning project used in mineral exploration. In 2020, we populated the system with data and we are currently confirming the efficiency in identifying new potential areas for drilling in the surrounding areas of all our operations (Cerro Lindo, Vazante, Morro Agudo, and Pasco). Areas identified by the system are being defined and will be surveyed in 2021.



INTELLECTUAL CAPITAL

## Industry 4.0

Aiming to be an increasingly digital company, we invest in equipment with a high degree of embedded technology in order to assist in business management. We have an Automation and Information Master Plan (PDAI) for digital transformation of our production units and new units, which includes several projects worth highlighting:



Employee  
from Vazante



### Ore sorter

Technology that consists of dry separation according to ore and sterile content, improving efficiency and reducing the cost of recovering metals. In 2020, Nexa consolidated the ore sorting technology in Vazante with equipment running on a full-time basis and other larger equipment in the basic engineering phase, scheduled to start in 2022. The current equipment, installed in 2018, was responsible for processing approximately 150 kt/year of ROM at 7%, raising its content to 10.8% and removing 40 kt/year of sterile material, contributing toward a 2,500-t/year increase in zinc production.

We completed the **implementation and modernization** of the operational control system at the **Vazante underground mine**

### Automation in Vazante

We completed the implementation and modernization of the operational control system at the Vazante underground mine, which includes automation of the main ventilation systems – Phase I. We also completed the implementation of the MES (Manufacturing Execution System), which provides for the automation of reagent dosing in the plant and control over the access of people at the mines, among other improvements. For the coming period, we plan to install the anti-collision system (an evolution of the fleet management system) and automate the crusher closing system.

### Fleet management and mine operation at Cerro Lindo and Aripuanã

We consolidated the fleet management and mine operations system (known as the dispatch system) in Vazante, and we plan to make it available at Cerro Lindo in 2021. The system is also part of the Aripuanã implementation plan. The system helps us manage the activities that take place on the equipment and the status of the underground operations work fronts, as well as the performance of crews and operators. The main information is centralized in the mine control room, which is located on the surface. The system also integrates all production and quality information, with automatic and real-time generation of mine planning/control reports, offering higher productivity, greater control, and lower costs.



Employees  
from Juiz  
de Fora





HUMAN CAPITAL

## People and organization

GRI 103-2, 103-3

We manage people according to three strategic foci led by the Organizational Human Development department: maintain inspiring leadership, capable of effective management of talent, constructing and securing critical skills for the organization, and contributing toward increasing the company's productivity and competitiveness. We encourage our employees to think, act, and do things differently. Moreover, we understand that well-being and engagement at the workplace are major levers for better business performance.

Bearing this in mind, we continued to consolidate our culture, the Nexa Way, by strengthening aspects of leadership in conducting this process and integrating HR into the business in a more effective way. We want to make the outlook for "mining of the future" tangible for the entire organization, which consists of becoming a more flexible, more agile and more dynamic mining company, open to seeking new solutions and new ways of acting on the market and for the benefit of society.

For a more dynamic people management, we worked with four pillars in 2020: simplicity, collaboration, delivery, and plurality. Simplicity means reducing hierarchies, for more streamlined and flexible decision making; Collaboration to take advantage of each other's skills in multidisciplinary groups and seek new opportunities for career development; inclusion and plurality, aimed at building a more diverse organization and looking at the needs of individuals.

### Organizational health

Even amidst a pandemic, the decision to apply our organizational health survey considered the need to measure employees' satisfaction and motivation in an adverse scenario as well. Surprisingly, we moved up five points in the survey, compared to the previous year, reaching 81 points, and 92% participation, which shows that the organization continued to respond positively to the expectations of our workforce.

## Plurality

MATERIAL TOPIC

Our goal is to create an increasingly plural environment that encourages inclusion and diversity. We began to take the path of plurality by listening to leaders and employees, analyzing internal data, and evaluating points for improvement. Each year, we move a little further toward being socially just with the relevant social groups in society.

Plurality opens the door to a work environment in which everyone within an organization — without distinction — can not only be recognized and valued, but also have an active voice and decision-making power. Each in one's own way, contributing toward the company's evolution with their different worldview. Therefore, we use the following hashtags internally and externally: #jeitonexa, #seujeitoéonossojeito, #nossojeitomudaojogo, always highlighting the fundamental role of each collaborator in changing our company.

Particularly in the mining sector, plurality is still a major challenge. It is an ongoing journey and is currently a necessary and urgent advancement in an

increasingly demanding society. We believe that mining can and should become a more plural environment, in which investing in the multiplicity of ideas, origins, races, ethnicities, genders, orientations, generations, and inclusion of professionals with disabilities at the workplace is the pathway to build a more diverse organizational culture and promote businesses that boost employee satisfaction.

In 2019, we had already expanded the concept of diversity within the organization, focusing not only on the issue of gender equality, but also on the effective inclusion of people with disabilities. Continuing this work, we created affinity groups composed of volunteer collaborators to discuss five main themes: women, multiculturalism with Races/Ethnicities, LGBTQIA+, disable peoples, and multigenerations. Thus, we use our differences as a potential to transform and innovate.

### Gender equality

Regarding gender equality, Nexa took yet another step toward increasing the participation of women in mining, by signing the Women In Mining (WIN Brasil) commitment letter, during the world's largest mining convention in Canada — PDAC 2020. Throughout 2020, we also made a commitment to WIN Peru. Thus, we reaffirm the commitment to foster a dynamic business environment, in which the mining sector has the opportunity not only to attract women, but also keep them, capitalize on their strengths, and recognize their value. Furthermore, this is an opportunity to take a closer look at women in communities impacted by mining and to value female entrepreneurship in the supply chain.

In the affinity group on the theme of Women, launched in the week during which International Women's Day was celebrated, we propose to expand women's representation in high- and mid-level leadership positions, foster the development of women's careers at the company, and implement the actions proposed by the Women In Mining plan.

For 2025, our main goal is to reach 20% of women in our workforce. We consider this to be a relevant objective, considering that the mining sector is mainly made up of men. In 2020, our workforce consisted of 14.2% women, a 1.2% increase over the previous year. Among the initiatives, we can highlight the project in Aripuanã (MT), where we are working toward the goal of women holding positions in all departments and on all boards. This will make us one of the first mines in the world to have an operation with a massive female presence.

We can also highlight the approval of the expansion of maternity leave in Peru, from 98 to 180 days, a major stride toward guaranteeing well-being and safety for mothers. We also carried out the "Mujeres Power" project at the Cajamarquilla unit — a selection process focused on expanding the representation of women in the operation. Over 200 applicants took part in the selection process, with the approval of nine candidates to work in the areas of Maintenance Engineering, Torrefaction, Hydrometallurgy and Electrolysis. Additionally, at the Juiz de Fora and Três Marias units, we refurbished the women's restrooms and changing rooms, to make the environment more pleasant and safer for our female employees.

We also established a Plurality Committee with several levels of activity — Strategic Committee, Corporate Committee, and nine Local Committees. They all have the same purpose of coordinating the implementation of various actions aimed at promoting diversity in a consistent and ongoing manner at all our units, supporting the achievement of specific goals regarding diversity-related issues.

We look proudly at what has been accomplished, but also with the conviction that we still have a long way to evolve and have only taken the first steps in this area.





## HUMAN CAPITAL

### Employee profile

At the end of the year, our workforce consisted of 5,349 direct employees, out of whom 3,193 were staffed in Brazil, 2,131 in Peru, and 25 in other countries, plus 7,136 third-party workers from service providers, on a permanent basis. A good portion of our workforce is outsourced, especially in Peru, due to the nature of our operations. Of the total number of employees, 15.5% are in the age group of 50 years old and more, and 14.2% were women. **GRI 102-8, 405-1**

The pandemic did not inhibit hiring, and we admitted 738 new workers in the year. There was only a temporary reduction of third-party workers during the lockdown months in Peru, when we had to let go part of the manpower that was not under our employment. During this period, we conducted our process of receiving new employees, digitally, inserted in a platform that also received the entire recruitment, selection and hiring flow.

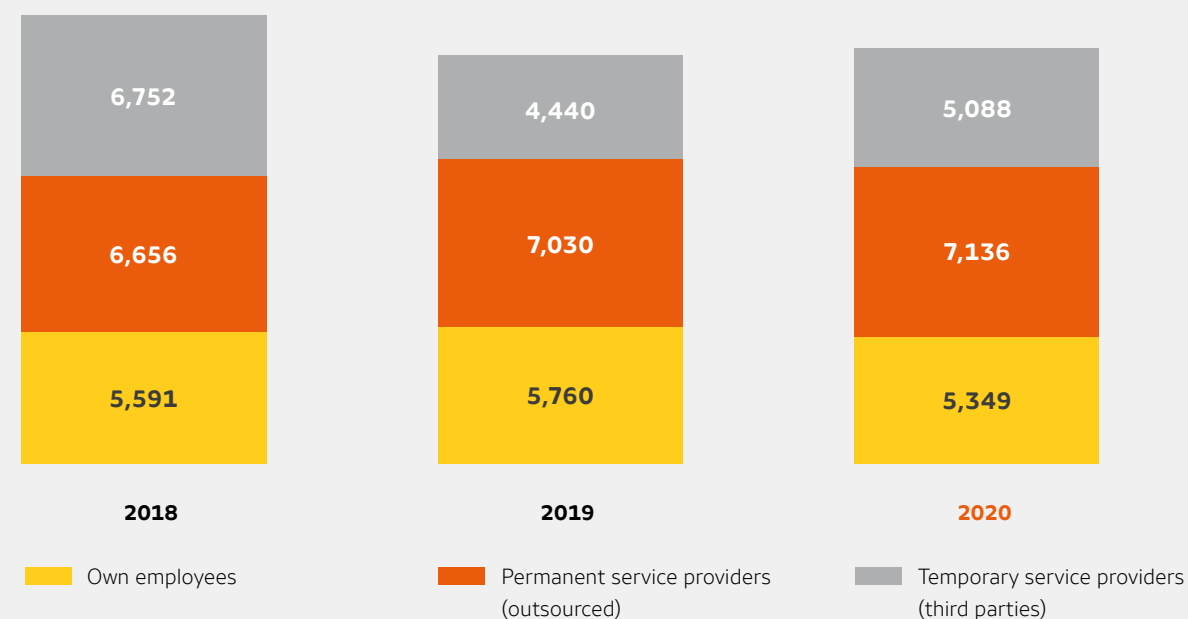
### Union negotiations

In 2020, we started new formats of union negotiations, seeking to enter into collective agreements for longer periods, as in Cerro Lindo, where we negotiated conditions that would remain in force for two years. We also made progress with regard to resting hours, working hours and other proposals aimed not only at the well-being of employees, but at the competitiveness and profitability of the business as well.

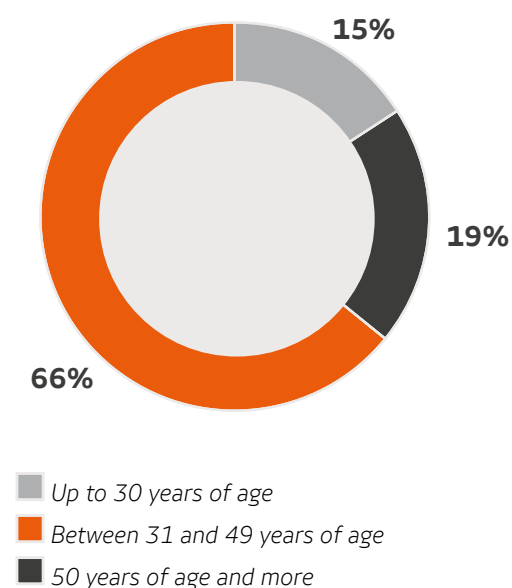
Another agreement in progress is that of a “*cesse coletivo*” in the operation at the Atacocha underground mine in Peru. Although there is collective bargaining with the union, we have also conducted individual negotiations with 164 company employees, so that they receive a more advantageous severance package and so that we can continue to operate the open pit mine in a competitive and profitable manner. **GRI 102-41**

During the period, there were no labor strikes that lasted for more than seven days at any of our units, which underscores our ability to establish an open dialogue with employees and unions. **GRI MM4**

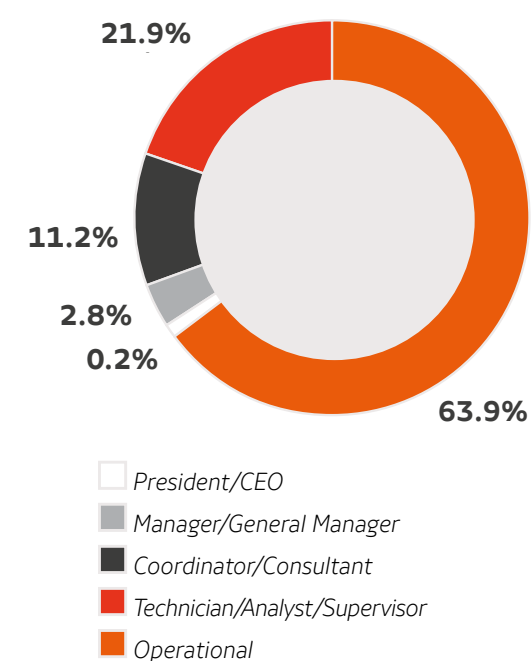
### Total employees **GRI 102-8**



### Employees by age group **GRI 405-1**



### Employees by functional category **GRI 405-1**



Employee from Três Marias





HUMAN CAPITAL

Qualification and training

GRI 103-2, 103-3, 404-2 SDG 4.4

Facing the need to maintain social distancing, we created different online tools to offer training and qualification to our employees, through live streams, games, and videos.

A multiple training program was prioritized, focusing on health and safety, compliance, and emotional health, all of which are topics that were mapped as the most strategic ones for the moment. Any training that was not adaptable to the new models was rescheduled, which led to a 36% reduction in our total number of training hours. In 2020, we offered over 98,000 hours of training and qualification programs to our employees, equal to an average of 18 hours per employee.

GRI 404-3

During the year, the following programs stood out the most:

**Mining Development** – A mining technical school that develops the workforce through an undergraduate program in Mining Engineering and several graduate courses as well, ensuring the specific know-how and ongoing evolution of our way of mining. In 2020, 57 professionals participated in courses within this program and 29 will complete their training in 2021.

**More HSE Talent** – A group of six employees completed this three-year program in 2020, which focused on expanding environmental, social and governance (ESG) skills. Participants had the opportunity to conduct a Short Term Assignment (STA) in another country in order to consolidate their experience — an initiative that occurred prior to the pandemic.

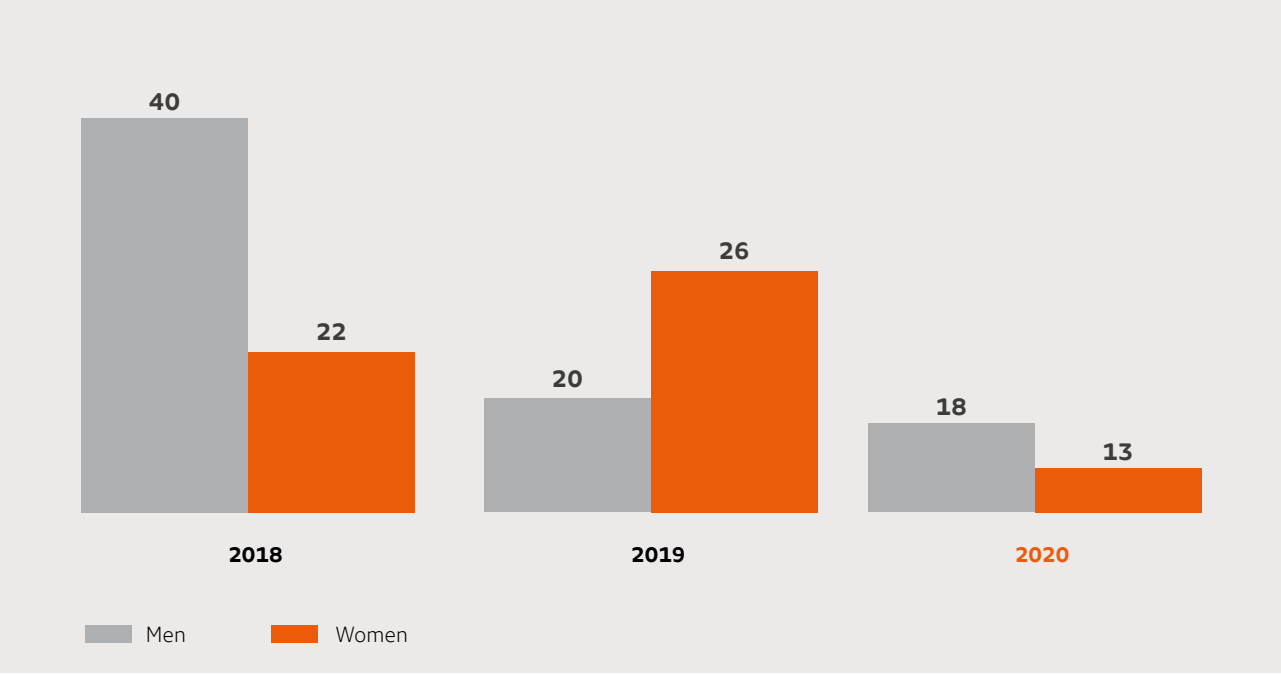
**Apprenticeship in Aripuanã** – In a specially adapted way, we trained new employees in procedures and initiated development-based work for leaders to prepare the project for its start of production, slated for 2022.

**Internship Program** – The aim of this program is to promote the professional development of interns through activities, face-to-face and online training, knowledge sharing with company leaders, technical references, and implementation of a project related to the company's area of activity. In 2020, 3,536 young people registered to compete for the 32 openings for interns in different areas of the company.

**Cultivating Leaders** – We continued globally with the leadership development program, to reinforce cultural transformation and train executives as leaders. Since the inception of the program, more than 700 leaders have been trained in Brazil, Peru, and Luxembourg. During the year, topics such as new ways of working, empathy, and the 10 behaviors of the Nexa Way were presented.

For 2021, we intend to complete the implementation of our Learning Management System (LMS), a platform that will allow us to reduce the complexity of our training operation by 85%, thereby significantly reducing the number of suppliers, while having a unique and integrated learning model. Through this platform, it will be possible to offer training in different formats, such as games, movies, interaction, TED, content in partnerships with Brazilian and international universities.

Average hours by gender of training GRI 404-1



Employee from Três Marias





HUMAN CAPITAL

## Health, Safety and Well-being

MATERIAL TOPIC

The people who are part of Nexa are our most important asset. This is why our human resources management is based on concern with their physical integrity, well-being, and quality of life, providing suitable working conditions and ensuring safe workspaces. Therefore, health and safety have always been essential values for us, an importance that has been reinforced even more in this pandemic year.

Through an Integrated Management System — which takes regulatory requirements into account — we adopt the best management practices and high standards of occupational health and safety for collaborators, whether company employees or third-party workers, as well as for the populations located within the areas of influence of our mining operations, projects, and prospects. **GRI 403-1, 403-2, 403-8**

Day after day, we work to strengthen a safety culture that does not tolerate any violations, works to correct risky behavior, and plays a role in planning activities, which guarantees the implementation of risk controls, encourages the reporting of unsafe conditions, and ensures that any such conditions are corrected. Our aspirations in health and safety are to eliminate fatalities; reduce the number, frequency and severity of accidents; and raise the standards of safety culture at all of our units. **GRI 403-2, 403-9**

Therefore, the involvement and genuine commitment of all company leaders allows us to continually improve matters concerning health and safety, which are part of the meetings attended by everyone from senior managers to area leaders. Roles and responsibilities are clearly defined in the procedures of our management system. Likewise, active-listening tools, such as “Fale Fácil”, Daily Safety Dialogues, Risk Perception Workshops, Task Risk Observations and the committees between employee representatives and the company, allow everyone to have an active voice within a dynamic and democratic management system. **GRI 403-3, GRI 403-4 SDG 16.7**

We are also committed to promoting and encouraging healthy habits for our employees, and we continue to reinforce the shared model of occupational health and safety, aimed at ensuring the proper man-

agement of potential risks of disease. One example is the Quality of Life Committee, composed of representatives from Health & Safety, OHD and Corporate Communication, in addition to representatives of the units, defined by each local committee. This Committee defines the guidelines and actions to be implemented at all units, while the local quality of life committees are responsible for implementing corporate and local actions according to each unit's demands. **GRI 403-3, GRI 403-4 SDG 16.7**

Training and awareness raising are essential for ensuring a strong and genuine culture of accident prevention, care for all people, and commitment to life. Systematic, planned and ongoing training on health and safety is developed for our employees, aimed at developing skills and knowledge among our employees and service providers, in order for them to be able to perform their tasks with greater safety.

### Safety initiatives

**GRI 403-5 SDG 16.1**

In 2020 — in line with our strategic aspirations, especially to eliminate fatalities — we developed the Fatality Prevention Program, by implementing critical risks, critical controls, the Golden Rules and, emphatically, the Right of Refusal for our employees. To reduce the frequency and severity of accidents, the “Strengthening Alliances” Program, the management of hired companies, risk perception workshops, and the implementation of a strong routine were all important. To raise the standard of culture within the organization, tools such as *Fale Fácil*, Daily Safety Dialogue, Safe Behavior Programs, and Safety at Home are always used with our visible and participative leaders, in addition to an effective process of communication and mobilization of people.

In 2020, we advanced in six of the eight Health and Safety goals defined in our Sustainability Master Plan. Some of the most noteworthy, for example, are the actions to improve the preparedness and performance of teams for emergency situations, and the reinforcement of our external image regarding health and safety, through participation in forums with cus-

tomers and suppliers. In terms of communication and internal image, in 2020, during our Internal Accident Prevention Week, we celebrated World Health and Safety Day at our units, a global event that mobilized several people in the different countries where we operate. **GRI 403-9**

For 2021 we will start a major cultural transformation process, through G-MIRM (Global – Mining Industry Risk Management), developed by the University of Queensland in Australia, focusing on a health and safety culture based on risk management for the mining industry. This knowledge will allow us to train our leaders to make decisions focused on risk management. Another major initiative is the implementation of the risk management process by layers, which will lead to more effective management of our risks, focusing on our aspirations

Employee from Morro Agudo



HUMAN CAPITAL

Initiatives for health and quality of life GRI 103-2, 103-3, 403-6 SDG 3.5, 3.9, 8.8, 16.7

An organization that values health and quality of life at work through disease prevention actions, promotion of health, well-being, and quality of life. This is how we want to be recognized. Following this premise, in 2020 we sought to align the quality-of-life program (the Nexa Way of Better Living) with the Sustainability Master Plan and the new normality, positioning quality of life and well-being in a strategic way, and strengthening the importance of actions deployed at the units. The program is based on six pillars: physical, psychological, environment, interpersonal relationship, autonomy, beliefs.

It is a set of several programs associated with the concept of Better Living. These programs include “Go Nexa”, which encourages the practice of physical activities, good diet, and adequate water intake, among other ways of taking care of one’s body; the “Enfrente” Program, aimed at people with chemical dependencies; *Nosso Jeito de Cuidar das Pessoas* (“Our Way of Caring for People”), together with OHD, which offers psychological, financial and legal assistance; “Desconexa”, to disconnect people after their working hours in times during their work-from-home status; the Ergonomics program, which promotes the best ergonomic practices when working from home.

With the well-being of our employees in mind, we continued the actions of the Habitability Plan at the Pasco Complex and Cerro Lindo units in Peru.

Third-party worker safety GRI 403-7

The theme of safety is observed with the same strictness and importance for our own employees and for third-party service providers. We seek an equal treatment in our operations, which includes all protocols and support to cope with the pandemic. We are even more concerned at our Peru units, where around 76% of the workforce is made up of outsourced workers.

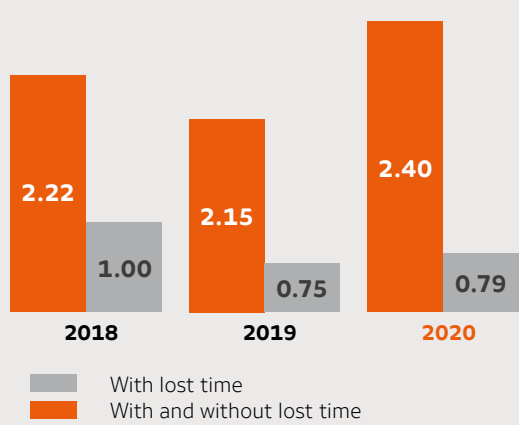
We kept up actions with service providers, which ranged from the selection and hiring of strategic partners to the training of operational professionals and leaders of these companies, risk management in activities, managing consequences, and recognizing the companies and professionals that best meet our standards.

We continued with our awareness-raising campaigns in 2020, within our “communication” pillar, encouraging safe behavior at the units and in remote work. In 2020, we completed three years with no fatal accidents involving service providers, and we are proud to know that we are achieving positive results through our awareness-raising campaigns.

Accidents

The Lost-Time and Non-Lost-Time Injury Rate (LTIR/NLTIR) in 2020 was 2.40, including accidents involving company employees and third-party contractors. The Severity Rate (SR) was 178. We did not record any fatal accidents in the period, which demonstrates that our preventive and awareness-raising actions have been improved and have been shown to be effective. For serious accidents, as well as others, we map and identify the associated risks. In addition, in order to establish the appropriate controls to mitigate the risks of the activities, the risks. In addition, in order to establish the appropriate controls to mitigate the risks of activities, we have made available our Golden Rules booklet, where we present the risks involved ([www.nexaresources.com/en/safety-and-health](http://www.nexaresources.com/en/safety-and-health)).

Accident frequency rate GRI403-9



Health and Safety Initiatives in 2020

Sipat and Sipatmin (Brazil and Peru)	First global event, with all units connected simultaneously (1,500 connections in the opening live-stream, in three languages), four countries, presence at all units, with the participation of employees and their families as well as events geared toward to the community. Several interactive formats were used, such as games, contests, webinars and stories to address the topic “We choose life and we don’t negotiate when it comes to health and safety”. We created an app for participation via cell phone, which features scores and prizes, and launched the “Enfrente” program for the prevention and treatment of alcohol and drug abuse.
Peru Safety Plan	This program got underway in 2017, with the aim of eliminating fatalities, reducing the number and severity of accidents, and increasing the safety culture at our Peru units. Over a period of two and a half years, 244 initiatives were developed in 30 projects, based on the eight pillars defined for the Peru Safety Plan – Leadership training and awareness-raising; Implementation of the Third-Party Management Program; Improvement of the conditions of well-being and work regime at the units; Standardization of processes and procedures, and improvement of emergency plans at our mining units in Peru; Team training and awareness-raising; Synergy with Digital Mining actions, focused on Safety; Industrial Automation Master Plan (PDAI), to support risk mitigation.
“Enfrente” Program	A project designed and developed by a multidisciplinary team (OHD and corporate health). In 2020, actions were taken with a focus on prevention, education, identification, and treatment. For 2021, we plan to continue actions for implementing and expanding the program in order to include drug-testing processes (preparation for sample collection, training, communication plan, and deployment). The program’s target groups are Nexa employees and their immediate relatives, and actions of awareness raising and continuing education can be shared with employees of third-party service providers.
Nexa Way of Better Living	Launch of the second wave of the Better Living program, adapted to the pandemic setting, with online contests and awards. Starting in 2021, the program will begin to be restructured in order to serve the surrounding communities as well.
Go Nexa 2021	In 2019, the program was focused on combating sedentary lifestyle, in 2020, it underwent an adjustment phase due to the pandemic context, and in 2021 it will bring a new approach.
Apollus	This program is aimed at transforming the management of our occupational health and hygiene processes and the interfaces with other areas, by standardizing them as well as seeking optimization and excellence. Its purpose is to integrate information in a single data base, streamline the process, reduce errors, align information between areas, and eliminate the risk of non-fulfillment of deliveries to “e-social” (an online platform for reporting payroll information). The possibilities of interfaces and integration were reviewed in 2020 and the training is scheduled for early 2021; the first phase of the system is to be implemented in March and the second phase by late June.
Support in times of social isolation and working-from-home	We developed a mental health guide, with tips and recommendations for employees and their families; we promoted live streams and forums to discuss issues related to mental health; we reinforced ergonomic care in work-from-home spaces; and we offered online and face-to-face workplace exercise activities and a sports program.



NATURAL CAPITAL

GRI 103-2, 103-3 SDG 11.6

Preventing impacts on the environment and using natural resources consciously is an increasingly urgent concern on the planet. Five out of the ten main risks that comprise the risk matrix presented at the 2020 Global Economic Forum are environmental: extreme weather, climate action failure, natural disasters, biodiversity loss, and human-led environmental disaster.

For this reason, we are committed to improving our environmental monitoring and the results of our indicators, so as to contribute more to future generations. We want to be a company recognized for its sustainable conduct, one that builds the eco-efficient mining of the future, with fewer resources consumed and less waste generated.

We are in the process of reviewing our environmental goals. However, in this last cycle, we continue with the goal of reaching, by 2025, 75% of recirculation and less specific use of water; reduce the specific emission of greenhouse gases by 5%; reduce the disposal of tailings in dams and decrease the specific generation of mining and metallurgical waste by 50%; in addition to ensuring that all the units have an alternative study for future use and a decommissioning plan, aligned with the development of the surrounding communities where we operate.

Our Integrated Management System is based on a policy that establishes the guidelines that steer the way we do business, focusing on management of quality, the environment, and occupational health and safety, and social responsibility. In addition, we are guided by environmental laws and regulations relevant to our business in each country where we are present. SDG 13.2

All operational units are ISO 14001-certified, therefore we follow globally recognized compliance systems and standards that support us in achieving our goals. On an annual basis, each unit undergoes an assessment of compliance with environmental legislation and commitments, conducted by an outside company. Every two years, the units' Environmental Management System is audited internally. Each year, a

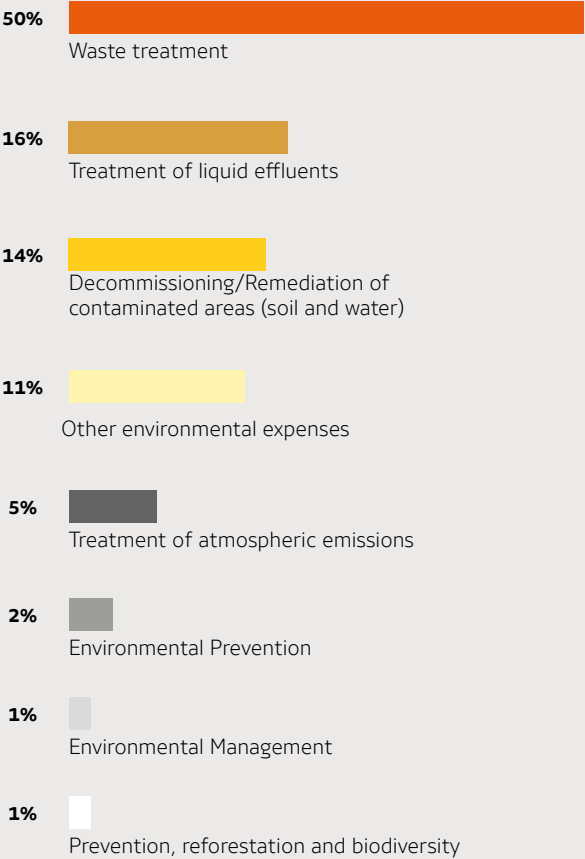
self-assessment is carried out to identify opportunities for improvement and, following the Precautionary Principle, to ensure that we adopt appropriate measures to prevent environmental degradation. GRI 102-11

We invest not only in innovation projects, to contain the advance of climate change, but also in Environmental Education Programs ("PEAs"), aimed at raising awareness and changing habits in the communities. In 2020, we earmarked US\$ 42.8 million in investments and environmental expenses, of which 22% were used for waste disposal, 18% for environmental management, and 17% for wastewater treatment.

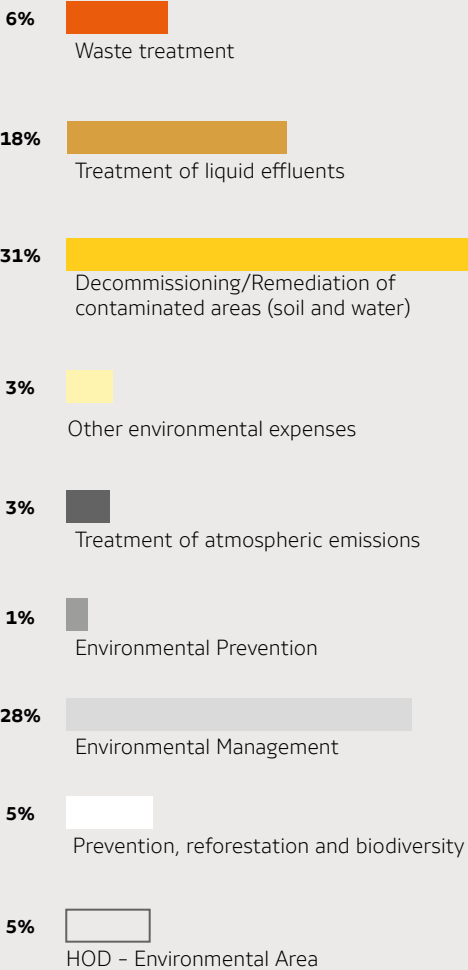
For 2021, we have already approved the "Vazantes Mineiras" project, a project linked to decommissioning initiatives, with multiple land uses, even during mine operation, which will integrate the area's environmental, social and economic issues. This is an innovative vision, anticipating the implementation of future uses and enabling the development of a new business model. The initiative is divided into four modules: research, planting and production, tourism, and social.

Legado das Águas

Environmental investments GRI 103-2



Environmental expenses GRI 103-2





NATURAL CAPITAL

## Water Resources Management

MATERIAL TOPIC GRI 103-2, 103-3, 303-1 SDG 6.A, 9.4

Water remains a central theme for Nexa, and is part of our Sustainability Master Plan, which outlines guidelines for the conscious use of water. As part of our commitment to the sustainable management of water resources, we carry out relevant socio-environmental projects in this area, such as *Jovens Cientistas* ("Young Scientists"), *Gente Cuidando das Águas* ("People Caring for Water"), and the *Água Boa* ("Good Water") Support for Public Management (details on the projects can be found on page 84). Committed to disseminating this issue to the mining sector, we spearheaded the coordination of the technical group of the Brazilian Mining Institute (Ibram) that deals with this issue, having made a public commitment last year to develop more sustainable mining.

In a year in which several external actions had to be postponed due to the pandemic, we sought to focus our work on internal actions to raise awareness and reduce consumption. Among our goals of ongoing improvement in reducing water use in all of our operations, we have already achieved the target set for 2025, which was to reach 75% water recirculation. In December 2020, we reached 82%, a significant gain compared to the previous year (67% recirculation). **GRI 303-2**

Several ongoing improvement actions contributed toward the improved index, such as control of wastage and use of new water only when recirculated water cannot be used. The percentage indicators for recirculation and specific use of new water

### Legado das águas

In 2020, we received the seal as a founding company of *Legado das Águas* ("Legacy of Water"), the largest private reserve of Atlantic Forest in Brazil (nearly 1% of the total), with 31,000 hectares of protected woodlands and Brazilian biodiversity. The seal was awarded by *Reservas Votorantim* to Group companies that support the initiative. Aside from preserving water, *Legado das Águas* promotes development of the economic activity of riverside communities, with a high level of engagement of the populace in the expansion of local tourism and in the preservation of nature. Since 2012, Nexa has contributed R\$ 10 million to support the initiative, with more than R\$ 2 million in 2020.

*Legado das Águas* has become a Brazilian benchmark in environmental asset management, due to the business model that uses standing forests as a means of innovation in ecotourism, scientific research, and socio-economic development. Scientific research and monitoring of flora and fauna have already registered 1,765 species in the *Legado* area, 50 of which are endangered animal species and nine are endangered plant species. Recognized as an Outpost of the Atlantic Forest Biosphere Reserve by the UN/Unesco system, it recently found two albino tapirs, possibly the only two in the world, and rediscovered a species of orchid thought to be extinct in the wild.

(m<sup>3</sup>/t) are systematically monitored in an integrated corporate database.

### Water Catchment in Vazante **SDG 11.6, 15.1**

We continued monitoring the Santa Catarina River, supporting the study that has been conducted by the Institute for Technological Research (IPT) to assess the impact of river drying in the region, due to the reduced volume of rainfall in the drainage basin and the phenomenon of sinkholes, which are depressions that characteristically occur in limestone-rich soils.

We have a project to recover headwater sources of the Santa Catarina River, which involves an area of 50,000 hectares, with 134 springs, over a five-year period. For 2020, we protected 27 springs by constructing 19,900 meters of fence, to begin installing flow monitoring points.

## Dam Management **MATERIAL TOPIC**

We are aware that the management of tailings deposits and dams is one of the main risks associated with mining activities. Accordingly, in 2019 we reviewed the management process, completed the installation of sirens and mandatory mass evacuation drills with the populace living in the surrounding area. In 2020, due to the pandemic, we were unable to carry out the simulations involving communities. However, we continue carrying out all inspection practices, and have evolved in the instrumentation of the Vazante and Morro Agudo dams, implementing online monitoring.

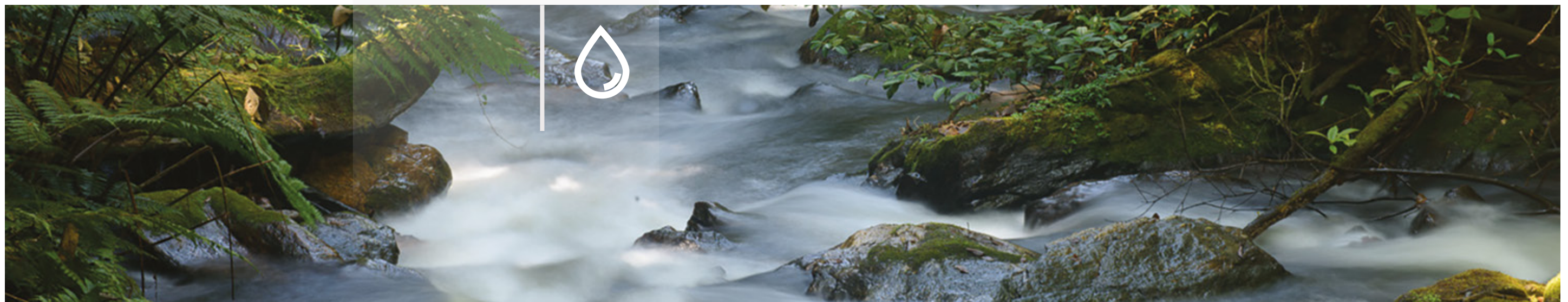
In order to control and monitor our dams and tailings deposits, we apply guidelines from the International Commission on Large Dams. Additionally, we implemented our Six Golden Rules for Managing Tailings Deposits and Dams, which are mandatory and entered into force in 2020. In the event of any transgression, the case will be evaluated by a local committee, which will decide the disciplinary measure to be adopted.

With the aim of bringing greater transparency and visibility about our dam management, we developed a website that features information on our operations. For example, it is now possible to have online access to the result of the geotechnical stability report of the dams (<https://nexabarragens.com.br/>).

We currently use three waste disposal methods in our operations: return to the mine, by filling the spaces where the mineral was removed (known as backfilling), dry stacking, and dams. For all our control and monitoring methods, we follow the laws in force in each country where we operate.

Some operations may combine one or more disposal methods. At the Atacocha, El Porvenir and Cerro Lindo units in Peru, we adopted the backfill system, whereby 21% of the tailings are returned to the mines at the Pasco Complex (Atacocha and El Porvenir), and 38% is returned to the Cerro Lindo mine, in which part of the waste is filtered, separating water and solids. The water is recirculated and the filtered tailings are sent to the dry stacks to be compacted. This same model will be adopted in the Aripuanã operation, still under construction. At the Vazante mine, we started the dry stacking method, thereby reducing environmental impacts and risks to the operation.

Legado das Águas





## NATURAL CAPITAL

### Reuse of material

As a priority, we seek to reuse tailings/waste by using new technologies. When this is not technologically applicable, the material is disposed in such a way as to contain environmental impact and to pose lower risk, such as dry stacking. Dams are resources that we avoid using; when they are necessary, we build them in a single stage, using downstream elevation or centerline method. Currently, only 34% of the tailings generated by Nexa in Brazil and Peru are sent to dams, as other disposal technologies are mainly used.

The Management Team regularly monitors this issue, through structure stability reports, presented in monthly reports. We use processes and procedures that form the Integrated Dam Management System (called SIGBar) and an Integrated Deposit Management System (called SIGDep), permanently monitored by an independent firm, which receives inspection data every 15 days and monitoring by monthly instruments, respectively, to issue its reports.



Cerro Lindo Unit

### Waste and Tailings Management

MATERIAL TOPIC GRI 103-2, 103-3 SDG 9.4, 12.4, 12.5

We remain committed to developing new technologies that allow us to reduce our waste volumes and transform them into secondary products, to be marketed. To develop these new products and improve the existing ones, we rely on our innovation platform — the Mining Lab — which selects start-ups with unique solutions for different purposes, in addition to partnerships with universities and research institutes.

Several products that originated from these research projects are currently being developed, such as the production of sulfoaluminate pre-clinker for application in concrete, and synthetic granite for the construction industry, made from the tailings at the Três Marias unit; and the separation of hematite from the tailings generated at the Vazante mine for use in the steel industry (details on the projects are found on page 55 – in the chapter on Technology, automation, and innovation).

In 2020, our operations generated around 19 million tonnes of mining and smelting waste, 82.1% of which were hazardous and 17.9% were non-hazardous, a 7.9% total reduction compared to 2019. **GRI MM3**

#### Recovery and reprocessing

**Cerro Lindo** – In order to increase the circular economy in our operations, we conducted a study to reuse the barium sulfate (baryte) contained in the tailings from the Cerro Lindo unit. We find between 10% and 20% baryte that can be used, with economic, social, and environmental benefits. The results of the research at pilot plants show that it is possible to obtain a baryte concentrate with commercial interest; however, this is not yet economically viable. The studies will continue in 2021.

**Juiz de Fora** – At our materials recycling unit, we aim to increase the percentage of production from secondary material to 33% by 2023 and 40% by 2025. In 2020, we recycled 13.4% of the waste from Electric Arc Furnace Dust (EAFD), 0.41% of the brass oxide, 0.8% of the imported Waelz oxide, and 1% of the low-grade silicate.

**Morro Agudo** – We transformed all the tailings into a secondary product, Agricultural Limestone Powder, from which Zincal200 is derived. The tailings from the mining operation are sedimented, part of which is reused in the plant and part of which is sold as Zincal, a product used in agriculture to decrease soil acidity and increase yields. In 2020, we reached a record in the sale of Zincal, which allowed us to reduce the volume of old stockpiled tailings. Last year, we passed the milestone of 1.3 million tonnes of limestone sold, and doubled the reprocessing of old tailings at the plant. **GRI 102-2**

**Vazante** – We developed the mechanized mining method and mineral processing technology to produce zinc by means of reprocessing tailings from the Aroeira dam. The extra zinc production contributed to the Vazante unit and surrounding community, generating more direct and indirect jobs. In this process, part of the tailings removed from the dam is transformed into con-

centrated zinc, and the other part is transformed into dry-stacked tailings, a safer and more sustainable process. In 2020, roughly 111,000 tonnes of tailings were reprocessed, generating approximately 7,000 tonnes of zinc concentrate with a content of 39% and 104,000 tonnes of dry tailings.

### Climate change

MATERIAL TOPIC

Climate change has been the subject of frequent discussion and, has increasingly gained relevance in the mining sector. Recently, it has become a key issue for Nexa, which will start reporting its indicators in a more comprehensive way. Aware of our role in containing the advance of global warming, we have developed actions to reduce energy consumption and pollutant emissions in our operations.

We want to reduce the air polluting load by increasing the percentage of renewable energy at mines and smelters and decreasing the pollutants released into the atmosphere, as well as increasing energy efficiency by avoiding the use of non-renewable energy. Moreover, we intend to reduce significant incidents

#### Volume of waste (thousands of tonnes) **GRI 306-2, MM3**

		2018	2019	2020
Hazardous	Mining and smelting waste (sterile)	2,357.12	8,749.86	6,744.80
	Mining and smelting waste (tailings)	10,670.60	10,172.39	9,126.08
	Industrial waste	3.01	5.24	5.90
Non-hazardous	Mining and smelting waste (sterile)	5,209.27	1,010.03	2,207.74
	Mining and smelting waste (tailings)	1,012.58	1,043.04	1,245.45
	Industrial waste	15.57	104.65	133.52



NATURAL CAPITAL

that may impact climate change, and to increase preventive management in the use of resources in the area of influence, through changes in people's behavior and lifestyle.

In 2020, we started using the GHG Protocol calculation tool at all operational units, considering new sources of energy consumption and greenhouse gas emissions. This effort was carried out by the Environment team, with a strategic vision and reflecting our concern for the sustainability of our business.

Energy

GRI 103-2, 103-3 SDG 11.6, 13.2

In pursuit of a low-carbon economy, we set a target of reducing greenhouse gas (GHG) emissions by 5% per tonne of product by 2025.

One of the main actions in this regard is the operation, beginning in 2017, of a biomass boiler (eucalyptus chips) at the Três Marias unit, replacing boilers powered by petroleum-derived fuel. Considering the operating period (2017 to 2020), the equipment provides US\$ 4.3 million in savings each year, with an 81% reduction in emissions of greenhouse gases and a 44% reduction in the cost of steam production. At the Cajamarquilla unit, we are implementing the project to replace diesel oil, fuel oil and LPG with natural gas. At Juiz de Fora, in 2020 we started the implementation of a gasifier that will reuse energy waste from Nexa and the city of Juiz de Fora as fuel. SDG 7.2, 9.4, 12.2

We have also advanced in the use of bio-oil (eucalyptus biomass pyrolysis oil), in a pyrometallurgical process at the Três Marias unit, replacing the consumption of fossil fuel oil. We began testing the use of hydrogen in vehicles with direct injection into the engines, reducing the consumption of diesel oil and, consequently, the emissions of greenhouse gases.

We implemented actions to optimize the transport of inputs at the Cerro Lindo operations, which allowed us to achieve a significant reduction in the transport flow, thereby reflecting a reduction of roughly 28% in GHG emissions from this activity. This project will be expanded to the Atacocha and El Porvenir operations.

We worked toward signing a new electric energy contract for all Nexa operations in Peru, and we have a partner who supplied us with 100% of the energy from renewable sources in 2020. In Brazil, the consumption of renewable electric energy was nearly 96.8%, totaling an overall consumption of 98.5% renewable electric energy for Nexa, of the total consumed. We also advanced in projects such as the installation of solar panels at Três Marias and Vazante, with the aim of maintaining the basis of the renewable energy matrix. We intend to extend this pattern of projects to other units, through partnerships with companies specializing in solar energy.

We consumed 17,874,424.72 GJ of thermal energy in our operations, of which 12,958,576.06 GJ were from renewable sources and 4,915,848.65 GJ were from non-renewable sources. Our energy intensity was 30.54 (GJ/t zinc and zinc oxide sold). The increase in thermal energy consumption, compared to 2019, is mainly due to the more refined mapping of inputs used. GRI 302-1, 302-2, 303-3

Atmospheric emissions

Our greenhouse gas (GHG) emissions totaled 773,391.154 tCO<sub>2</sub>e, which meant a 24% decrease compared to the previous year (1,017,744.42 tCO<sub>2</sub>e). The reduction is mainly attributed to the temporary suspension of mining activities in Peru for two months, which has been a consequence of the declaration of a national state of emergency due to the Covid-19 pandemic.

Emissions from electricity consumption (Scope 2) corresponded to 56% of the total; direct emissions (Scope 1) totaled 252,649.063 tCO<sub>2</sub>e, or 33% of the total. Emissions intensity, in 2020, it was 1.32 tCO<sub>2</sub>e per tonne of zinc and zinc oxide sold. Direct biogenic emissions (Scope 1) totaled 168,360.85 tCO<sub>2</sub>e.

GRI 305-1, 305-2, 305-3, 305-4

<sup>6</sup> The following gases were included in the calculations: Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O) and Hydrofluorocarbons (HFCs)

<sup>7</sup> We consider operational control as an approach for calculating

<sup>8</sup> The emission factors and indices of global warming potential (GWP) used, follow the references of the GHG Protocol

(\*) We inform that the energy data (GRI Standards 302-1, 302-2, 302-3) and greenhouse gas emissions (GRI Standards 305-1, 305-4) indicators have been revised due to the identification of an unintentional error in data compilation from one of our operations sites. For this reason, the 2020 Annual Report originally issued on April 8, 2021 is being reissued to reflect the necessary corrections in the referred indicators (table below). We also clarify that the information reviewed in this Report differs from that presented in the Annual Report of Votorantim S.A., published on April 8, 2021.

	Data originally presented	Data resubmitted
Energy Consumption (GJ)	33,769,921.20	17,874,424.72
Specific Energy consumption (GJ/t product)	57.69	30.54
Direct (Scope 1) GHG emissions (tCO <sub>2</sub> e)	1,258,873.58	252,649.06
Total GHG emissions (tCO <sub>2</sub> e)	1,779,615.67	773,391.15
Specific Emissions (tCO <sub>2</sub> e/t product)	3.04	1.32



Três Marias Unit

In 2020, we started using the **GHG Protocol calculation tool at all operational units**, considering new sources of energy consumption and greenhouse gas emissions



SOCIAL AND RELATIONSHIP CAPITAL

## Stakeholder engagement

We continuously work toward expanding our relationship with all stakeholders, to maintain the sustainable growth of our business and to maintain an ongoing, open and transparent dialogue with each stakeholder impacted by our business. We consider the most relevant stakeholders that have the greatest effect on our operations and strategy, as well as the greatest influence on our business. These are groups made up of shareholders and investors, communities, employees, and customers. However, we also look at banks, suppliers, industry associations, government authorities, regulatory agencies, third-sector organizations and the press with equal respect and consideration.

We want to be increasingly closer to these groups, by promoting constant dialogue through our participation in forums and sectorial meetings, holding events with our business partners, and promoting meetings with the communities surrounding our operations and their leaders to gather suggestions and complaints, clarify doubts, and provide them with information about our projects under way. We believe that this proximity provides the co-creation of a relevant long-term legacy.

## Social Management

MATERIAL TOPIC GRI 103-2, 103-3 SDG 11.6, 13.2

We seek an ever closer, transparent, and constructive relationship with society. We aim to be able to create a positive and well-structured legacy with the communities where we operate, promoting positive transformations for local development, within a harmonious environment and based on respect and empathy.

In 2020, faced with the pandemic, we redirected our efforts, human resources and investments to support municipalities and communities in combating Covid-19. Our capacity to respond to humanitarian emergencies has further strengthened our ties with communities. In supporting municipalities against the coronavirus, we operate on four major fronts: 1) rapid response – donations of healthcare supplies and equipment to reinforce speedy care, as well as so-

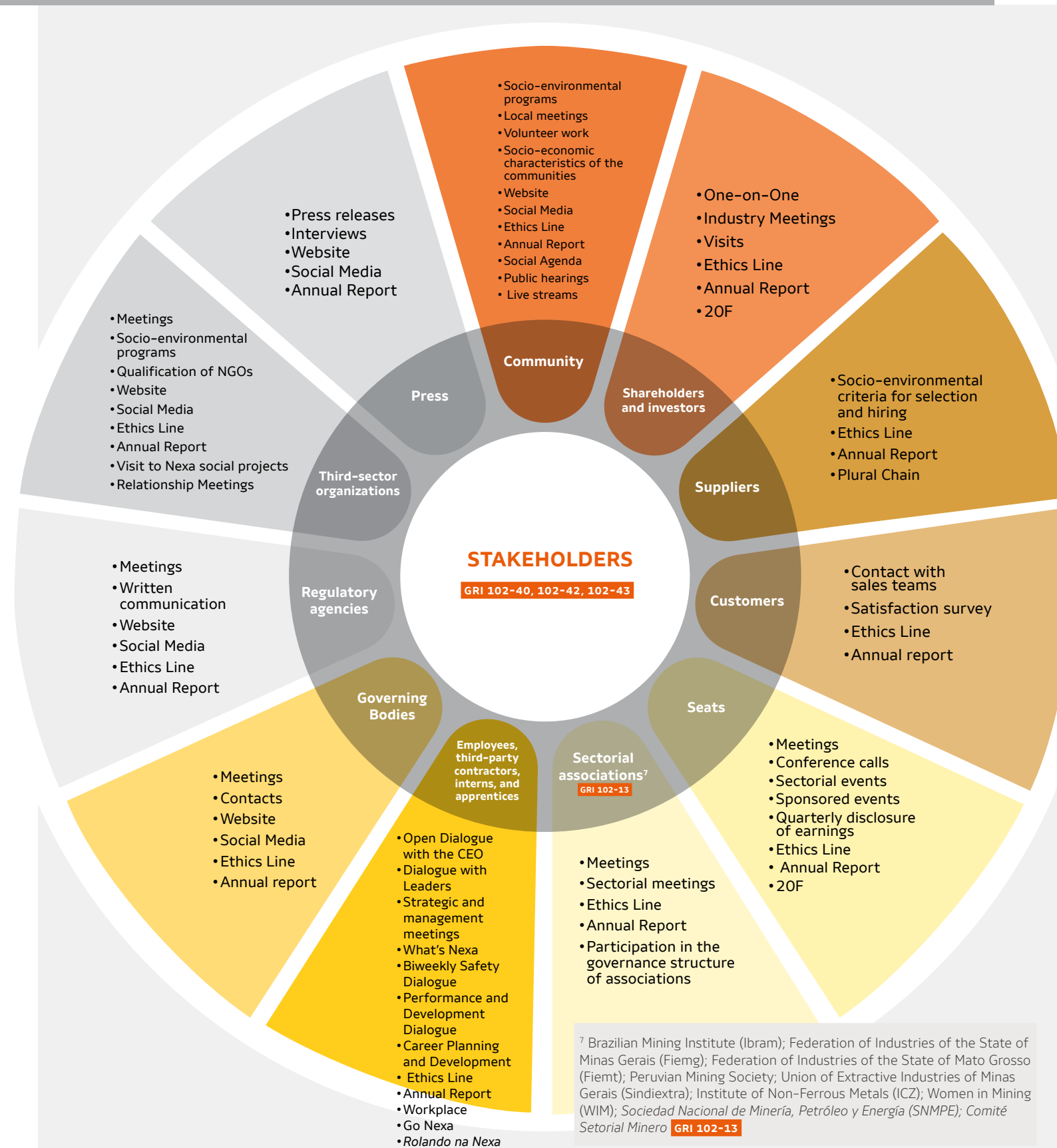
cio-economic assistance to families in situations of vulnerability; 2) technical advisory to public policy-makers in the crisis contingency plan; 3) training and assisted implementation of health-related protocols for municipal health teams; 4) encouraging community surveillance groups in educational activities and preventive campaigns.

Additionally, we were able to resume some of the planned social projects in our social investment portfolio, with the appropriate adjustments for distancing, and realigned to contribute toward mitigating the effects of the crisis. Priority was given to economic development projects (income generation for small-scale farmers and local entrepreneurs); childhood and youth – especially in education; public management and social participation; and we also maintained several socio-environmental projects.

In addition to the investments earmarked for combating Covid, Nexa's social investments — whether through its own funds, incentive programs or fundraising efforts — totaled US\$ 8.8 million in the year, a 39.3% reduction compared to 2019. During the period, 132 projects were sponsored in 17 locations in Brazil and Peru, benefiting more than 20,000 people.

GRI 203-1, GRI 413-1 SDG 4.4, 8.6, 10.2

Social actions took place in parallel with our internal restructuring. This was the first year in which we worked under a General Social Management Department, within the Sustainability Directorate, which required reorganization from the viewpoint of priorities, definition of scope, roles and responsibilities of the teams in Brazil and Peru. This restructuring involved a strategic realignment and a review of social management procedures, preparing Nexa to fulfill its aspiration and social role.



<sup>7</sup> Brazilian Mining Institute (Ibram); Federation of Industries of the State of Minas Gerais (Fiemg); Federation of Industries of the State of Mato Grosso (Fiemt); Peruvian Mining Society; Union of Extractive Industries of Minas Gerais (Sindiextra); Institute of Non-Ferrous Metals (ICZ); Women in Mining (WIM); Sociedad Nacional de Minería, Petróleo y Energía (SNMPE); Comité Setorial Minerio GRI 102-13



SOCIAL AND RELATIONSHIP CAPITAL

Local Economic Development Axis

This aims to contribute toward sustainable economic development of the territories, through the enhancement of their local resources, qualification of people, and protection of the environment.

Vicuña Chain

The project aims to improve the sustainability and productivity of vicuña-breeding for 500 members of the Ticlacayán community, developing their technical-production capacities, management, promoting transformation and increasing the added value of the products.

Community in Action

The Community in Action Project, which began in 2019, offers individual consultancies and training for 30 formal and informal entrepreneurs from Juiz de Fora and vicinity, aimed at contributing toward the strengthening of socio-emotional skills and entrepreneurial behavior to increase income. With a focus on strengthening local entrepreneurs and identifying new ones, in 2020 it prioritized the monitoring of the evolution of sales, bootcamp, individual consultancies, finances, management, and intense support in digital marketing and sales through social media.

Qualification

With a similar purpose, the Qualificação project took professional training to 40 youths and adults in Aripuanã, combining socio-behavioral and technical training for inclusion in the job market. In 2019, a talent bank was consolidated and the employability network was activated for selection processes. With a focus on increasing employability, modules on emotional intelligence, future work and customer service were taught in 2020, and behavioral profile tests were given. This initiative had the support of volunteers, simulating job interviews and creating a LinkedIn profile.

Public management and social participation Axis

It seeks to encourage social participation, not only strengthening citizenship and the role of civil society but also encouraging the improvement of public management to make it more effective in the development of public policies.

2020 Social Agenda

The aim was to create and strengthen community networks in the regions where the company operates. The initiative aims to apply groups and other forms of collective online communication as a method of expanding social participation and fighting the pandemic in the municipalities of Juiz de Fora, Três Marias, Paracatu, and Vazante, in Minas Gerais, as well as Aripuanã in Mato Grosso, where the mining company is present. Our proposal was to enhance the participation of the existing community groups and committees in discussions and multiplication of collective actions to prevent Covid-19. The program is based on three pillars of action: collective construction, with online meetings, assignment of responsibilities, and support for articulation; communication and awareness-raising through informative materials; community networks and post-pandemic networks, with plans to produce and share content on the importance of collective community work and to stimulate debate on the future of the community after the pandemic, constructing a vision of the future and underscoring the importance of networking in territorial development.

Dialogue! Três Marias

In just three months, the "Dialoga! Três Marias" program — an initiative spearheaded by Nexa in partnership with Instituto Votorantim and the NGO Politize!, gathered more than 200 people from Três Marias, who debated ideas and solutions for building the town's future after the novel coronavirus pandemic. As a result, the project held 13 online meetings to discuss the future of the municipality, which resulted in the construction of eight sets of public policies in the areas of education, health, economy, culture, tourism, citizen participation, vulnerable populations, and the role of the state.

Volunteering – We Are Everyone

Present in 10 municipalities in Brazil and Peru, the *Somos Todos* ("We Are Everyone") program has put in 40,000 hours of volunteer service since 2016, benefiting more than 45,000 people. Our volunteering program continues in a broad-based way and contributes toward creating a legacy jointly with the community and as a means of support for initiatives that comprise the four strategic axes of our social management. It is aimed at promoting social participation and developing local networks and alliances, thereby providing dialogue and greater engagement of communities and businesses for local sustainable development.

In this challenging year, strongly impacted by the pandemic, the company not only changed the focus of its initiatives, but also adopted measures to contribute to the fight against Covid-19. Accordingly, hundreds of masks were produced together with the communities in which Nexa operates, and more than 18 tonnes of food as well as more than 3,000 cleaning/hygiene products were donated, which benefited 701 families in situations of high social vulnerability. The volunteer-work initiatives added up to 10,089 hours of dedication, which mobilized 1,571 employees and their families (10.8% work-force engagement), directly benefiting 17,000 people.

<b>We are All Solidarity</b>	<b>We are All Education</b>
Donations of food baskets, hygiene items and materials to social vulnerable communities	Support for distance learning initiatives, development of several educational videos to foster education in the communities where we operate.
<b>We are All Nexa</b>	<b>We are All Health</b>
Reception, integration and emotional support activities to face the pandemic.	Strengthening self-care and public health care practices



Employee from Atacocha



SOCIAL AND RELATIONSHIP CAPITAL

**Social and Environmental Axis**

These initiatives aim to contribute toward improving the water quality and availability, solid waste management, and environmental health conditions.

**Water management in Chavín and Topará**

To meet the water consumption needs for residential and industrial use in the cities of Chavín and Topará (vicinity of Cerro Lindo), a set of activities was deployed to improve efficiency in the management of water resources. These actions include efforts to improve water catchment in high-lying areas, increase water storage capacity, and obtain public support for investments in water infrastructure and access to basic services.

**People taking care of water**

In partnership with BNDES (Brazilian Development Bank), the project combines the fencing of water spring areas and footpaths in the Santa Catarina River Basin with community and school environmental

education, in the municipality of Vazante. The environmental education front (which includes the making a scale model of the river's drainage basin, with sixth-grade students from state and municipal public schools, and edu-communication with eighth-grade students) was directly impacted by the pandemic. But we continue to forge ahead with the fencing of water springs and raising awareness among rural producers in Vazante, and we have already expanded the program to Morro Agudo (Paracatu). The goal is to make this a program that encompasses Nexa as a whole.

**Good Water**

In this support project to adjust the sanitation conditions in the municipalities in Brazil and Peru where we operate, a diagnosis of the sanitation conditions (water and sewage) was performed, and a technical registration of households located in the prioritized areas is currently under way. We also plan to develop projects, compile construction manuals and operate sustainable solutions, as a tool to support municipal public management and a means to foster implementation.



Employee from Vazante

Support in the project to **adapt the sanitation conditions** in the municipalities of Brazil and Peru where we operate

**Young scientists**

A project designed to train young people, children of company employees and of service providers, aged 12 to 16 years old), with a focus on water management. Around 150 people were involved, including young scientists, the Nexa team, universities, partner companies, and the community. The young people participated in the Rio São Francisco monitoring campaign, and presented their final papers at the 1<sup>st</sup> Young Scientists Convention, open to the community.

**Educational Networks**

The project seeks to provide educators with a broader view and training. Early in the project, we selected a group of specialists in each location, drawing a baseline and contacting the schools. Due to the pandemic, we developed a proposal to adapt the initial scope, considering the educational needs of school managers and teachers vis-à-vis the new reality. We developed activities through online platforms and offered an emotional support program for teachers. In all, 241 virtual sessions were held, attended by 109 parents and educators, and we identified 26 proposals for good practices.

**Youth Art and Culture – A Banca (The Newsstand)**

The Youth Art and Culture Project is a social and economic cultural inclusion program aimed at young people in the Igrejinha neighborhood of Juiz de Fora (MG), with the strategy of using art and urban culture for social integration, empowerment, stronger self-esteem and identity, youth entrepreneurship,

**Childhood and Youth Axis**

Our mission is to contribute to the social development of children and youths, to turn them into lead players and make them socially participative, in addition to being trained and qualified for study and work. To do so, we seek to strengthen the protection network and social participation.



Social Project in Cerro Pasco



## SOCIAL AND RELATIONSHIP CAPITAL

and access to the city to exercise citizenship and rights. In 2020, young people aged 10 to 18 participated in eight online workshops/meetings and three thematic webinars to discuss solutions to combat Covid-19. Since 2018, the project has served more than 300 children and adolescents who took part in the ongoing workshops and collective activities, impacting around 50% of the stakeholders in this age group in this neighborhood that is marked by high social vulnerability.

### Decommissioning

MATERIAL TOPIC GRI 103-2, 103-3 SDG 11.4

Our commitment to the mining and industrial facilities that we operate in Brazil and Peru is not limited to the operating time of our mines, but rather extends to an appropriate closing of activities, aimed at creating a legacy for the surrounding community.

We consider this topic to be relevant and part of our business strategy, so much so that it is accompanied by internal policies and involves everyone from the operational units to the Management Team. All of our operations have plans for future use and decommissioning based on the most current technical references and best market practices. These plans are even more thorough and committed than the current legal requirements.

One of our major differentiators is in the planning of closure/decommissioning even before the start of operations, as in the most recent case of Aripuanã, which will have the plan completed even before the start of activities, scheduled for 2021. We revised our decommissioning plans in Brazil (2017) and Peru (2018–2019), with disbursements expected to exceed US\$ 92 million by 2022. Thus, we achieved our goal of having 100% of our plans updated. We have also established governance to ensure that all stages of the plan will move forward as planned.

Decommissioning plans are documents that contain technical guidelines for safe, complete and efficient deactivation, and include information on economic, environmental and social actions. Gathering these data in a formal document creates a sense of urgency among the population, which encourages

the role of the community and public authorities that may not have been achieved during the mine's operation phase.

### Commercial

The consolidated commercial strategy (introduced in 2019) of maintaining Nexa's Leadership in Latin America and becoming a well-known and globally present brand through direct sales, partners and distributors, proved to be mature and resilient in the face of the challenges brought on by the global novel coronavirus pandemic. Decreasing our exposure to the volatility of global markets helped to maintain a more continuous demand, by trading with partners according to the level of economic activity in the countries in virtue of Covid-19. To this end, the sales planning team revisited product relocation strategies, considering locality and customer demand.

The initiatives that we have been developing to expand relationships with our customers, offering other product formats, have resulted in new orders from Asia and have helped keep sales stable. Currently, we offer a product portfolio that goes beyond the 25-kg ingots (the standard for this commodity priced on the London Metal Exchange – LME), and we add services that develop and retain the market. Moreover, we customize chemical/physical specifications and identification marks for some of our customers.

GRI 102-6

Our portfolio includes alloys for the Continuous Galvanizing Grade (CGG) and General Galvanizing (GG) segments, with varying levels of aluminum plus other elements such as magnesium, antimony, bismuth and nickel, in addition to the various Zamac foundry alloys. We also market high-quality zinc oxide in several chemical compositions, serving the pneumatic, agribusiness, and chemical markets, among others. Nexa is a pioneer in the Brazilian market by earning the oxide quality seal, certified by the International Zinc Association (IZA). In 2020, we also developed active zinc oxide, which is already being marketed and will expand our participation in the Brazilian domestic market.

Sales of co-products also played a major role in 2020. We set a new record in sales of Zinco 200, an agricultural limestone from the Morro Agudo unit, and



Social Project in Três Marias

in sales of Waelz Aggregate from the Juiz de Fora unit. Plus, we were able to increase the market for secondary products, such as brass oxide, batteries, among others. These actions are extremely relevant for the company, because in addition to bringing profitability to our operation, they are aligned with the Company's sustainability strategy and ESG aspects.

#### Encouraging galvanization

The online environment, widely used because of the pandemic, favored several initiatives to foster the use of zinc, especially in galvanizing, a market that includes sheets for automobile production and wide-ranging use in infrastructure, such as metal structures in the construction industry, transmission line towers, and cell phone towers, among others. For example, we adopted the galvanized metal structure in the construction of Aripuanã, which will represent lower maintenance costs over time.

In this context and with the support of the Non-Ferrous Metals Institute (ICZ) and the International Zinc Association (IZA), we held a university challenge, called the "Galvanization Battle", focusing on innovation and sustainability. The contest sought new ideas and projects, supported by 18 Brazilian universities, capable of identifying or indicating what can or should be galvanized in society. The winning project was submitted by students at the Lorena School of Engineering (University of São Paulo) with the theme "Galvanization of agricultural tools", which aims to reinforce and preserve tools — mainly cutting tools — in rural settings, which suffer from problems of corrosion due to their constant use.



SOCIAL AND RELATIONSHIP CAPITAL

Logistics and Procurement

GRI 102-9, 103-2, 103-3

The logistics team made major advances in safety, competitiveness, and differentiated service to customers. In this regard, we develop processes based on technology and cost reduction.

Safety protocols relating to Covid-19 were implemented at the access controls of the units, in addition to weekly examinations for drivers, temperature screening and routine committees to evaluate the best solutions. Additionally, we reduced the number of environmental, personal and property accidents in the logistics area by 21%.

The integration of the systems allowed the sales, planning and logistics teams to share a single database, making these themes more visible to the teams, for streamlined and secure decision making. Furthermore, the use of automated processes increased the reliability of information, improving customers' perception of quality, which was noticed through the reduced number of complaints. We also started to use electronic documents, without the need for hard copies, thus reducing costs and response time. We increased the number of partnerships with shipping companies by 40%, thus flexibilizing our ability to meet customer demands. Adopting a new digital platform for hiring shipping services has ensured the necessary transportation resources for record-breaking limestone shipments.

Authorized Economic Operator (AEO) certification has allowed Nexa to keep up its competitiveness on the foreign market, while an internal Nexa project expanded the capture of gains in the synergy of shipping and supply flows, as well as a reduction in fuel consumption.

Suppliers GRI 102-9

Through the Supplier Management Program, we establish ongoing dialogue with suppliers, who support us in this mission and strive for the fulfillment of our values. Regardless of the product offered or the service provided, all our suppliers must be committed to seeking the best socio-environmental practices, using natural resources responsibly and respecting the rights of all employees.

At the year's end, our registered supplier base had 8,041 companies (4,561 in Brazil and 3,480 in Peru), from a wide range of segments: inputs, raw materials, waste management, environmental management, energy supply, minerals and chemicals, fuels in general, health services, packaging supply, transportation in general, MRO (Maintenance, Repair and Other), facilities and IT, services, and maintenance, among others. At the year's end, our purchases totaled US\$ 1 billion, 2.7% of which were contracted from companies located in the regions where we operate.

Faced with this new scenario, we had to expand our supplier base, optimize management, and seek innovations and new forms of relationship as well as alternative products to replace those that became unavailable due to the pandemic. In the case of zinc concentrate (a key input for our operation), it was necessary to engage alternative suppliers, bringing in material from Africa, Spain, and Portugal. In addition to developing and training new suppliers, we also share our new health protocols and monitor compliance. For those who needed to be at the units in person, we provided rapid testing to avoid contagion at our facilities. These actions made it possible for us to avoid disruption in supply during this crisis. GRI 102-10

Selection and hiring

Suppliers undergo an approval and due diligence process to verify whether they meet the pre-established supply criteria, to generate greater security and confidence in the buyer-supplier relationship. There are two steps to identifying health risks: Standard Due Diligence, which is the standard process for screening purposes for registering or remaining in the Nexa vendor database, and Advanced Due Diligence, a process applicable to suppliers identified as high risk or extremely high risk, according to the criteria established by the Management Standard. Once the level of risk is confirmed, suppliers in these categories can only be engaged on an exception basis, through justification and approval by the person in charge of the area and continuous monitoring throughout the contract.

In 2020, we reviewed the supplier management process, based on which we relayed the documents requested for registration and approval according to the intended supply, and reinforced compliance with Nexa's Code of Conduct and Sustainable Supply Policy. We stepped up the due diligence process, providing greater transparency, standardization and compliance with our policies and requirements as well as

providing training on the subject. We also applied a sustainability survey to map out our suppliers' profiles concerning requirements relating to: combating corruption, transparency in relations and information, relations with competitors, inclusive management, relations with suppliers and the community, general environmental, environmental certifications, and specific issues such as waste disposal. GRI 102-10

With the aim to extend the concept of plurality to our supply chain, we conducted a survey to diagnose the maturity of this topic among our 162 largest suppliers in Brazil and Peru. We found that 62% have less than 20% women in their workforce, only 34% have LGBTQIA+ inclusion policies, and 45% meet the minimum quota of PWDs by law. Based on such data, we will develop actions to increase our suppliers' level of engagement regarding these matters.

Service providers

Due to the nature of our business, we deal with a large contingent of service providers, particularly in Peru, where this category accounts for up to 76% of the local workforce. This means that the challenge faced with the pandemic was even greater in that

Employees from Juiz de Fora



Supplier Expenses GRI 204-1

	2018	2019	2020
Total amount spent on suppliers (US\$ million)	1,277.30	1,957.11	1,054.23
% of spending on local suppliers	3.6%	3.1%	2.7%



SOCIAL AND RELATIONSHIP CAPITAL

country. Therefore, it was essential to swiftly implement all the necessary protocols to return to job activities in a safe manner, in partnership with the service providers.

In addition to efforts related to combating Covid-19, in Peru we continued to reclassify service providers from the mines, aimed at deepening our relationship and seeking innovation. We also strengthened our policies and developed more conscious suppliers, who proactively report possible risks of accident.

Our third-party management system is supported on four pillars: processes, tools, structure, and people. In our Third-Party Management Program, we have 25 multidisciplinary fronts in Brazil and 36 in Peru, all of which work on improving procedures, tools, flows, and indicators, as well as providing clearly defined roles and responsibilities throughout each stage of the services management process. Thus, we ensure compliance with legal obligations, ongoing improvement in the quality of services, and optimization of costs.

In case of complaints of non-compliance with the requirements relating to the impacts on human rights, an investigation process is initiated to ascertain the facts and take the applicable measures. Sanctions range from fines to contractual termination. In the period covered by this report, no case of violation of these conditions was recorded.

**Evaluation and continuous monitoring**

GRI 103-2, 103-3 SDG 8.8

Since 2018, our main suppliers have undergone periodic evaluations, within our Supplier Assessment Program (IAF), in which four dimensions are verified: performance, health & safety, environment, and legislation. Sustainability and compliance requirements that disqualify suppliers, and therefore do not fall within the scope of the assessed dimensions.

Supplier assessment is now performed every four months (previously it was performed on a quarterly basis), which made it possible to include more fronts: Services, Capex, Engineering, Logistics and Supplies.

In the last cycle, 144 suppliers in Peru and 360 suppliers in Brazil were assessed. Suppliers who do not reach the minimum score of 7.8 in the overall

assessment and do not follow our recommendations for improvement are replaced after three consecutive cycles with results below expectations. The contract manager is responsible for preparing a recovery action plan, considering each dimension in which the supplier underperforms, in partnership with the respective supplier, and monitors the execution and the result of the action plan agreed between the parties.

In 2020, 54% of new suppliers were selected and included in the system based on criteria of labor practices, human rights, and social impacts, plus 13% on environment-related criteria. Our target is to engage 100% of critical suppliers in programs for the prevention and mitigation of socio-environmental risks by 2025, and we fully intend to achieve this goal.

GRI 308-1, 414-1

During the contract period, suppliers also began being monitored according to the criteria available in a Nexa risk matrix, which corresponds to tracking their assessments throughout the cycles or a scorecard for material suppliers, risk presented on approval, financial risk, and accidents reported.

Although we do not have in our records any suppliers with operations considered to be at risk for the occurrence of violations of human rights, part of our contracts and purchase orders refer to the topic through specific clauses that prohibit the use of child labor or forced/compulsory labor, in addition to establishing the obligation to consult and comply with the Code of Conduct. Suppliers must also ensure a safe and healthy work environment, freedom of union association, and non-discrimination due to gender, race, social class, nationality, religion, physical or mental disability, sexual option, or any other condition of diversity, in accordance with our sustainable supply policy. GRI 407-1, 408-1, 409-1

**54% of new suppliers** were selected and included in the system based on criteria of labor practices, human rights, and social impacts





# GRI Attachment





General Contents

Information on employees and other workers GRI 102-8

		2018	2019	2020
Own Employees				
Monthly	Men	3,696	3,774	3,444
	Woman	570	624	631
Hourly	Men	1,242	1,234	1,143
	Women	82	128	131
Interns and Apprentices				
Intern	Men	68	73	87
	Woman	56	91	96
Apprentice	Men	35	63	37
	Woman	21	39	31
Service Providers (Third Parties)				
Permanent	Men	6,085	6,385	6,449
	Women	571	645	687
Temporary	Men	6,362	4,097	4,685
	Women	390	343	403
Total		19,178	17,496	17,824

Economic Series

Entities included in the financial statements GRI 102-45

Subsidiaries
L.D.O.S.P.E. Geração de Energia e Participações Ltda. - "L.D.O.S.P.E"
L.D.Q.S.P.E. Geração de Energia e Participações Ltda. - "L.D.Q.S.P.E"
L.D.R.S.P.E. Geração de Energia e Participações Ltda. - "L.D.R.S.P.E"
Mineração Dardanelos Ltda.
Nexa Recursos Minerais S.A. – “NEXA BR”
Mineração Santa Maria Ltda.
Pollarix S.A. <sup>9</sup>
Karmin Holding Ltda.
Mineração Rio Aripuanã Ltda.
Votorantim Metals Canada Inc.
Nexa Resources El Porvenir S.A.C.
Minera Pampa de Cobre S.A.C
Nexa Resources Cajamarquilla S.A. - "NEXA CJM"
Nexa Resources Perú S.A.A. - "NEXA PERU"
Nexa Resources Atacocha S.A.A. - "NEXA ATACOCHA"
Nexa Resources UK Ltd. - “NEXA UK”
Nexa US. Inc.
Joint-operation
Campos Novos Energia S.A. – “Enercan”
Cia. Minera Shalipayco S.A.C

<sup>9</sup> Nexa BR holds all Pollarix common shares, which represent 33.33% of its total capital. The remaining shares are preferred shares with limited voting rights, which belong to Nexa’s controlling shareholder, VSA

## Direct economic value generated and distributed (US\$ thousand) GRI 201-1

	2018 <sup>10</sup>	2019 <sup>10</sup>	2020
<b>Direct Economic Value Generated</b>			
<b>1) Revenue</b>	-	-	-
1.1) Sales of Products and Services	2,775,518.00	2,548,856.00	2,135,643.00
1.2) Other Operating Income (Expenses)	-9,536.00	-857.00	-2,268.00
1.3) Allowance for Doubtful Accounts	-544.00	353.00	-842.00
1.4) Total Revenues	2,765,438.00	2,548,352.00	2,132,533.00
<b>2) Inputs purchased from third parties</b>			
2.1) Raw materials and other production inputs	-1,086,974.00	-1,063,094.00	-856,300.00
2.2) Materials, energy, outsourcing and others	-472,244.00	-599,000.00	-430,867.00
2.3) Impairment of property, plant and equipment	-3,283.00	-142,133.00	-557,497.00
<b>3) Gross Added Value</b>	1,202,937.00	744,125.00	287,869.00
3.1) Depreciation, amortization and depletion	-267,189.00	-317,892.00	-243,925.00
<b>4) Net added value generated</b>	935,748.00	426,233.00	43,944.00
<b>5) Added Value received in transfer</b>			
5.1) Equity Pickup	-	-	-
5.2) Realization of the impacts when investment is written-down	-	-	-
5.3) Financial revenues	428,556.00	204,201.00	587,654.00
Total Added Value Received in Transfer	428,556.00	204,201.00	587,654.00
<b>6) Added Value to be distributed</b>	1,364,304.00	630,434.00	631,598.00
<b>7) Distribution of Added Value</b>			
7.1) Salary, benefit and social charges	262,964.00	254,251.00	213,865.00
7.1.1) Direct remuneration	142,259.00	151,610.00	123,537.00
7.1.2) Social charges	46,413.00	35,483.00	43,859.00
7.1.3) Benefits	74,292.00	67,158.00	46,469.00
7.2) Taxes, tariffs and contributions	339,785.00	185,503.00	169,478.00
7.2.1) Federal	305,096.00	215,694.00	210,982.00
7.2.2) State	67,176.00	74,070.00	45,785.00
7.2.3) Municipal	543.00	485.00	55.00
7.2.4) Deferred taxes	-33,030.00	-104,746.00	-87,344.00
7.3) Remuneration of third-party capital	668,413.00	348,196.00	900,761.00
7.3.1) Financial expenses	631,210.00	309,055.00	865,829.00
7.3.2) Rents	37,203.00	39,141.00	34,932.00
7.4) Remuneration of own equity	93,142.00	-157,516.00	-652,506.00
7.4.1) Net profit (loss) for the year	93,142.00	-157,516.00	-652,506.00
<b>8) Distribution of added value</b>	1,364,304.00	630,434.00	631,598.00

<sup>10</sup> Revised 2018 and 2019 data published in the previous report GRI 102-48

## Communication and training in anti-corruption policies and procedures GRI 205-2 SDG 16.5

Region	Functional Category	Total employees who were informed about anti-corruption policies
Brazil	CEO/Director	7
	Manager	107
	Coordinator/Consultant	424
	Technician/Analyst/Supervisor	639
	Operational	-
	Intern	105
	Apprentice	-
	<b>Total</b>	<b>1,282</b>
Peru	CEO/Director	2
	Manager	40
	Coordinator/Consultant	167
	Technician/Analyst/Supervisor	520
	Operational	-
	Intern	78
	Apprentice	-
	<b>Total</b>	<b>807</b>

## Environmental Series

### Materials used by weight or volume (tonnes) GRI 301-1

	Classification	2018	2019	2020
ROM (Internal Supply)	Non-renewable	13,027,531	12,984,367	10,656,539
Concentrate (Internal Supply)		1,163,740	1,230,367	1,192,832
Other Materials (Internal Supply)		191,658	88,708	105,528
Other Materials (External Supply)		414,910	317,529	323,010
Total Volume of Materials		14,797,840	14,620,971	12,278,909

### Raw materials or recycled materials used GRI 301-2

	2018	2019	2020
Total recycled materials used	109,624	85,464	85,291
Total materials used <small>GRI 301-1</small>	14,797,840	14,620,971	12,278,909
Percentage of recycled materials used	1%	1%	1%



## Water withdrawal by source (in megaliters)<sup>11</sup> GRI 303-3

	2018	2019	2020		
	Total	Total	Total	In water scarcity area	In water scarcity area
Surface water <sup>12</sup>	16,432.35	16,849.30	17,208.64	4,077.96	13,130.68
Fresh water <sup>13</sup>	-	-	9,852.53	4,077.96	5,774.56
Other water <sup>13</sup>	-	-	7,356.11	-	7,356.11
Underground water <sup>14</sup>	111,332.81	122,053.18	119,982.84	0.17	119,982.67
Fresh water	-	-	5,080.02	0.17	5,079.85
Other water	-	-	114,902.81	-	114,902.81
Rainwater <sup>15</sup>	9,487.58	5,249.03	5,595.68	1,509.87	4,085.80
Fresh water	-	-	2,659.73	1,509.87	1,149.86
Other water	-	-	2,935.94	-	2,935.94
Sea water	3,245.26	3,646.73	2,909.73	-	2,909.73
Fresh water	-	-	-	-	-
Other water	-	-	2,909.73	-	2,909.73
Produced water <sup>16</sup>	1,781.73	1,003.37	682.13	54.84	627.29
Fresh water	-	-	569.00	54.84	514.16
Other water	-	-	113.13	-	113.13
Third party water <sup>17</sup>	-	19.01	17.78	-	17.78
Fresh water	-	-	-	-	-
Other water	-	-	17.78	-	17.78
Total water withdrawn and used	142,279.73	148,820.65	146,396.81	5,642.85	140,753.95
Fresh water	-	-	18,161.29	5,642.85	12,518.43
Other water	-	-	128,235.51	-	128,235.51

Legend valid for tables related to withdrawal and water discharge GRI 303-3 and 303-4

Megaliter = 1 thousand m<sup>3</sup>

<sup>12</sup> Surface waters: rivers, streams and lakes

<sup>13</sup> Fresh water corresponds to (≤1000 mg/L Total dissolved solids) and Other Water to (> 1,000 mg/L Total dissolved solids).

<sup>14</sup> Underground water: water tables, wells and mine lowering

## Water discharge (in megaliters)<sup>11</sup> GRI 303-4

	2018	2019	2020		
	Total	Total	Total	In water scarcity area	In water scarcity area
Surface water <sup>12</sup>	21,411.55	128,413.37	128,089.84	5,300.88	122,788.96
Fresh water <sup>13</sup>	-	-	108,665.37	-	108,665.37
Other water <sup>13</sup>	-	-	19,424.47	5,300.88	14,123.59
Underground water <sup>14</sup>	358.05	1,106.19	3,973.63	305.61	3,668.02
Fresh water	-	-	3,488.83	-	3,488.83
Other water	-	-	484.79	305.61	179.19
Sea water	2,125.43	2,345.14	1,882.25	-	1,882.25
Fresh water	-	-	-	-	-
Other water	-	-	1,882.25	-	1,882.25
Outsourced treatment <sup>18</sup>	1,573.74	740.22	608.64	83.37	525.27
Fresh water	-	-	-	-	-
Other water	-	-	608.64	83.37	525.27
Retained water <sup>19</sup>	1,421.32	1,330.40	2,141.54	-	2,141.54
Fresh water	-	-	520.14	-	520.14
Other water	-	-	1,621.40	-	1,621.40
Other <sup>20</sup>	8,725.46	9,271.53	9,620.89	519.25	9,101.64
Fresh water	-	-	683.64	-	683.64
Other water	-	-	8,937.25	519.25	8,417.99
Total water discharged	35,575.56	146,206.87	146,316.79	6,209.10	140,107.69
Fresh water	-	-	113,357.99	-	113,357.99
Other water	-	-	32,958.80	6,209.10	26,749.70

<sup>15</sup> Rainwater: rainwater collected and stored directly by the organization

<sup>16</sup> Water produced: water contained in ores and concentrates

<sup>17</sup> Third party water: supplied by utilities and suppliers

<sup>18</sup> Outsourced treatment: concessionaires, government and others

<sup>19</sup> Retained water: in products and/or waste

<sup>20</sup> Others: examples: evaporation, losses, effluents supplied to third parties, etc.

### Total weight of waste, by type and disposal method GRI 306-2

	2018	2019	2020
<b>Non-hazardous waste disposal</b>	<b>15,574.41</b>	<b>104,657.85</b>	<b>133,521.19</b>
Composting	1,094.51	1,405.82	1,399.75
Reuse/Recycling	10,732.91	99,218.64	124,615.23
Recovery	-	-	-
Incineration (or use as fuel)	390.02	262.87	-
Landfill	1,804.83	1,934.22	2,092.68
Coprocessing/Refining	645.19	208.53	169.68
On-site storage	47.12	1,530.99	3,904.63
Industrial landfill	219.18	42.05	135.85
Other	640.65	54.73	1,203.37
<b>Hazardous waste disposal</b>	<b>2,964.86</b>	<b>5,240.78</b>	<b>5,899.75</b>
Composting	-	-	-
Reuse/Recycling	328.95	294.00	379.10
Recovery	0.50	0.64	0.50
Incineration (or use as fuel)	13.42	0.39	1.30
Industrial landfill	1,511.39	2,633.63	2,760.06
Coprocessing/Refining	1,062.35	1,912.86	2,408.94
On-site storage	45.15	259.07	301.56
Destination for specific purposes	2.88	2.38	4.13
Sale- Partial recycling	-	137.56	-
Other	0.22	0.24	44.16
<b>Waste disposal - Total</b>	<b>18,539.27</b>	<b>109,898.63</b>	<b>139,420.94</b>
Composting	1,094.51	1,405.82	1,399.75
Reuse/Recycling	11,061.86	99,512.54	124,994.33
Recovery	0.50	0.64	0.50
Incineration (or use as fuel)	403.44	263.26	1.30
Landfill	1,804.83	1,934.22	2,092.68
Industrial landfill	1,730.57	2,633.63	2,895.91
Coprocessing/Refining	1,707.54	2,121.39	2,578.62
On-site storage	92.27	1,790.06	4,206.19
Destination for specific purposes	2.88	2.38	4.13
Sale- Partial recycling	-	137.56	-
Other	640.87	54.97	1,247.53

### Volume of significant atmospheric emissions GRI 305-7

	2018	2019	2020
Nox	83	250	162
Sox	370	518	666
Particulate Matter (MP)	682	1,150	759
Other standard categories of atmospheric emissions identified in regulations	10	81	74

### Environmental non-compliance <sup>21</sup> GRI 307-1

Period	2018	2019	2020
Total number of sanctions	14	14	23
Total monetary value of significant fines (US\$)	415,544.98	664,349.60	5,169,602.80
Processes through arbitration mechanisms	-	-	-

<sup>21</sup> Considers fines and sanctions received and amounts paid, including both lawsuits and administrative proceedings. The indicator shows an increase in relation to the sanctions received in recent years, due to stricter criteria by the Peruvian environmental authorities

## Social Series

### New hires and employee turnover GRI 401-1

Brazil/Abroad	Man	Woman	Under 30 years old	Between 30 and 50 years old	More than 50 years
Total employees	4,702	889	1,236	3,533	830
Employees admitted	504	234	391	328	19
Terminated employees	761	140	112	459	330
New hires rate	9%	4%	7%	6%	0%
Turnover rate	14%	3%	2%	8%	6%

Rates	
New Hires	13%
Terminations	16%



## Occupational accidents GRI 403-9

	2018	2019	2020
Man-Hours Worked (Own, permanent outsourced, temporary mobile outsourced and third party Capex projects)	37,708,421.81	51,705,071.01	37,988,386.06
Total number of injuries (Level 1)	174	161	125
Total number of injuries without lost time (Levels 2 and 3)	46	72	61
Total number of injuries with lost time (Levels 4, 5 and 6)	38	39	30
Fatalities	-	1	-
Injury rate (IR) <sup>22</sup>	0.47	0.44	0.48
Frequency rate of accidents with and without lost time <sup>23</sup>	2.23	2.15	2.40
Frequency rate of accidents with lost time <sup>24</sup>	1.01	0.75	0.79

<sup>22</sup> Calculation of the injury rate does not include level 1 (outpatient care) and level 6 accidents. The sum of accidents of own employees, fixed third parties, mobile third parties and Capex projects is multiplied by 200 thousand and divided by the total hours worked.

<sup>23</sup> Rate of accidents with and without lost time calculated based on the sum of accidents of the level 2 to 5 accidents involving own, permanent outsourced, temporary mobile outsourced and third party Capex projects, multiplied by 1 million and divided by the total hours worked.

<sup>24</sup> Rate of accidents with lost time calculated based on the sum of accidents of the level 4 and 5 accidents involving own, permanent outsourced, temporary mobile outsourced and third party Capex projects, multiplied by 1 million and divided by the total hours worked.

## Average hours of training per year, per employee GRI 404-1

Functional category	Gender	2018	2019	2020
CEO/Director	Women	10	3	-
	Men	11	1	-
Manager	Women	40	14	10
	Men	94	13	6
Coordinator/Consultant	Women	16	5	6
	Men	30	8	7
Technician/Analyst/Supervisor	Women	37	23	19
	Men	79	27	28
Operational	Women	11	33	16
	Men	31	30	18
Intern	Women	28	15	6
	Men	43	14	5
Apprentice	Women	1	4	4
	Men	10	7	3
Total	Women	22	20	13
	Men	40	26	18

## Diversity of governance bodies and employees GRI 405-1

Functional Category	Gender	Total employees	Age Group		
			-30 years	30 to 50	+50 years
CEO/Director	Women	-	-	-	-
	Men	9	-	4	5
Manager	Women	33	1	28	4
	Men	117	1	88	28
Coordinator/Consultant	Women	182	19	151	12
	Men	418	32	324	62
Technician/Analyst/Supervisor	Women	278	121	150	7
	Men	894	164	629	101
Operational	Women	269	113	147	9
	Men	3148	541	2005	602
Intern	Women	96	91	5	-
	Men	87	85	2	-
Apprentice	Women	31	31	-	-
	Men	37	37	-	-

	2018	2019	2020
<b>Composition of minority groups in the organization</b>			
Employees over 50 years old	837	954	830
Women	673	882	889
<b>Composition of governance bodies (Board Members and Executive Officers)</b>			
Men	15	17	17
Women	3	3	2
<b>Composition of governance bodies (Board Members and Executive Officers) by age group</b>			
Under 30 years old	-	-	-
Between 30 and 50 years old	4	5	5
More than 50 years old	14	15	14

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

Position	2018		2019		2020	
	Salary	Compensation	Salary	Compensation	Salary	Compensation
CEO/Director	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported
Manager	1.09	1.03	1.02	0.98	1.04	1.04
Coordinator/Consultant	1.11	1.05	1.14	1.11	1.13	1.13
Technician/Analyst/Supervisor	1.06	1.00	1.06	1.01	0.96	0.98
Operational	1.36	1.36	1.51	1.51	1.68	1.68
Intern	1.01	0.99	0.99	0.99	0.99	0.99
Apprentice	0.97	0.97	0.99	0.99	0.97	0.97

### Incidents of discrimination and corrective actions taken GRI 406-1

	2018	2019	2020 <sup>25</sup>
Received in the year under analysis	6	11	8
Analyzed and considered to have standing	27	43	14
Analyzed and considered to be unfounded	56	104	37
<b>Total analyzed or under analysis</b>	<b>89</b>	<b>158</b>	<b>59</b>

<sup>25</sup> For the 14 cases considered to have standing, 5 were related to harassment and/or abuse of power, 8 to persecution, disrespect and discrimination and 1 to religion. In all cases, corrective measures were adopted, such as dismissals, verbal warnings, suspensions and/or transfers

### Training of employees in human rights policies or procedures GRI 412-2

	2018	2019	2020
Total number of employee training hours regarding human rights or procedures related to human rights matters	156	1,186	1,771
Percentage of employees trained in policies or procedures related to human rights matters	3%	20%	32%

### Non-compliance with laws and regulations in the social and economic area <sup>26</sup> GRI 419-1

	2018	2019	2020
Total monetary value of significant fines for non-compliance with laws and regulations, including products and services (US\$)	63,266,667.93	161,382,266.96	<b>34,083,072.76</b>
Number of non-monetary sanctions	-	-	-
Processes through arbitration mechanisms	-	-	-

<sup>26</sup> Considers fines and sanctions received and amounts paid, including both lawsuits and administrative proceedings

## Sector Indicators

### Land that has undergone changes or been restored (hectare) MM1

	2018	2019	2020
Total land altered and not yet rehabilitated	1,711	1,987	<b>2,761</b>
Total amount of land recently altered during the reporting period	46	4	-
Total amount of land rehabilitated during the reporting period, considering the agreed final use	44	10	<b>10</b>
Total land altered and not yet rehabilitated	1,712	1,981	<b>2,751</b>

### Areas with Biodiversity Management Plans (PGB) MM2

	2018	2019	2020
Total number of units	8	8	8
Total number of units that were identified with the need for a PGB	4	4	3
Number of units that have a current PGB	2	2	1
Percentage of units that have a current PGB	50%	50%	33%

### Operations with decommissioning plans MM10

	2018	2019	2020
Total number of operations	12	13	13
Total number of operations that have decommissioning plans	12	13	13
Percentage of operations that have decommissioning plans	100%	100%	100%
Value of the total financial provision for the shutdown of activities (US\$)	195,367,132.10	224,620,226.40	265,945,782.44



# Summary of GRI Standards

GRI 102-55

This report was prepared in accordance with the GRI Standards: Essential option . GRI 102-54

GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
GRI 101: Fundamentals 2016					
Standard Content					
GRI 102: General content 2016	Profile				
	102-1 Name of the organization	3, 14	-	-	-
	102-2 Activities, brands, products and services	14, 16, 18, 20, 77	-	-	-
	102-3 Location of the headquarters	14, 123	-	-	-
	102-4 Location of the operations	14, 16, 18, 20	-	-	-
	102-5 Ownership and legal form	14	-	-	-
	102-6 Markets served	14, 86	-	-	-
	102-7 Scale of the organization	14, 16, 18, 20, 45	-	-	-
	102-8 Information on employees and other workers	14, 64, 94	-	6	5,8,10
	102-9 Supply chain	88	-	-	-
	102-10 Significant changes to the organization and its supply chain	14, 89	-	-	-
	102-11 Approach or precautionary principle	72	-	-	-
	102-12 External initiatives	28	-	-	-
	102-13 Participation in associations	81	-	-	-
	Strategy				
	102-14 Statement from senior decision-maker	8, 10	-	-	-
	102-15 Key impacts, risks and opportunities	38	-	-	-
	Ethics and integrity				
	102-16 Values, principles, standards and norms of behavior	36	-	10	16
	102-17 Mechanisms for advice and concerns about ethics	37	-	10	16
	Governance				
	102-18 Governance structure	32, 34	-	-	-
	102-22 Composition of the highest governance body and its committees	32, 34	-	-	-
	102-23 Chair of the highest governance body	32	-	-	-

GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
GRI 101: Fundamentals 2016					
Standard Content					
	Stakeholder engagement				
	102-40 List of stakeholder groups	81	-	-	-
	102-41 Collective bargaining agreements	100% of employees are covered by collective bargaining agreements.	-	3	8
	102-42 Base used for identifying and selecting stakeholders for engagement	81	-	-	-
	102-43 Approach to stakeholder engagement	81	-	-	-
	102-44 Key topics and concerns raised during the engagement	4	-	-	-
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	95	-	-	-
	102-46 Defining report content and topic boundaries	4	-	-	-
	102-47 List of material topics	4, 6, 7	-	-	-
	102-48 Restatements of information	96	-	-	-
	102-49 Changes to list of topics and topic boundaries	4	-	-	-
	102-50 Reporting period	3	-	-	-
	102-51 Date of most recent report	3	-	-	-
	102-52 Reporting cycle	3	-	-	-
	102-53 Contact point for questions relating to the report	123	-	-	-
	102-54 Claims of reporting in accordance with the GRI Standards	110	-	-	-
	102-55 Content index	110	-	-	-
	102-56 External verification assurance	3, 120	-	-	-

GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
<b>GRI 200 Economic Series Standards</b>					
<b>Standard Content</b>					
<b>Economic performance</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	6	-	-	-
	<b>103-2</b> The management approach and its components	38	-	-	-
	<b>103-3</b> Evaluation of the management approach	38	-	-	-
<b>GRI 201:</b> Economic performance	<b>201-1</b> Direct economic value generated and distributed	96	-	-	8,9
<b>Market presence</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	24, 34	-	-	-
	<b>103-3</b> Evaluation of the management approach	24, 34	-	-	-
<b>GRI 202:</b> Market presence 2016	<b>202-1</b> Ratios of standard entry level wage by gender compared to local minimum wage	In 2020, no employee was identified below the local minimum wage.	-	6	5,8,10
<b>Indirect economic impacts</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	80	-	-	-
	<b>103-3</b> Evaluation of the management approach	80	-	-	-
<b>GRI 103:</b> Indirect economic impacts 2016	<b>203-1</b> Investments in infrastructure and services	19, 80	-	6	1,2,3,4, 8,9,10, 16,17
<b>Buying practices</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	80	-	-	-
	<b>103-3</b> Evaluation of the management approach	80	-	-	-
<b>GRI 204:</b> Buying practices 2016	<b>204-1</b> Proportion of spending on local suppliers	88	-	-	8,10, 11,12

GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
<b>GRI 200 Economic Series Standards</b>					
<b>Standard Content</b>					
<b>Anti-corruption</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	36, 88	-	-	-
	<b>103-3</b> Evaluation of the management approach	36, 88	-	-	-
<b>GRI 205:</b> Anti-corruption 2016	<b>205-2</b> Communication and training in anti-corruption policies and procedures	36, 37, 38, 97	-	10	8,16,17
	<b>205-3</b> Confirmed cases of corruption and measures taken	38	-	10	8,16,17
<b>Anti-Competitive Behavior</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	6	-	-	-
	<b>103-2</b> The management approach and its components	36	-	-	-
	<b>103-3</b> Evaluation of the management approach	36	-	-	-
<b>GRI 206:</b> Anti-Competitive Behavior 2016	<b>206-1</b> Legal actions for anti-competitive behavior, anti-trust and monopoly practices	38	-	10	8,16,17
<b>GRI 300 Environmental Series Standards</b>					
<b>Materials</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	6	-	-	-
	<b>103-2</b> The management approach and its components	72	-	-	-
	<b>103-3</b> Evaluation of the management approach	72	-	-	-
<b>GRI 301:</b> Materials 2016	<b>301-1</b> Materials used by weight or volume	97	-	7,8	12
	<b>301-2</b> Raw materials or recycled materials used	97	-	8	12,13, 14,15
<b>Energy</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	78	-	-	-
	<b>103-3</b> Evaluation of the management approach	78	-	-	-
<b>GRI 302:</b> Energy 2016	<b>302-1</b> Energy consumption within the organization	78	-	7,8	7,9,11, 12,13
	<b>302-2</b> Energy consumption outside the organization	78	-	8	7,9,11, 12,13
	<b>302-3</b> Energy intensity	78	-	8	7,9,11, 12,13



GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
<b>GRI 300 Environmental Series Standards</b>					
<b>Standard Content</b>					
<b>Water and effluents</b>					
<b>GRI 103:</b> Management approach 2018	<b>103-1</b> Explanation of the material topic and its boundary	6	-	-	-
	<b>103-2</b> The management approach and its components	74	-	-	-
	<b>103-3</b> Evaluation of the management approach	74	-	-	-
<b>GRI 303:</b> Water 2018	<b>303-1</b> Water interaction as a shared resource	74	-	7,8	3,6, 11,14
	<b>303-2</b> Management of water discharged related impacts	74	-	7,8	3,6, 11,14
	<b>303-3</b> Water withdrawal	78, 98	-	7,8	3,6, 11,14
	<b>303-4</b> Water discharge	99	-	8	3,6, 11,14
	<b>303-5</b> Water consumption	19	-	7,8	6
<b>Emissions</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	78	-	-	-
	<b>103-3</b> Evaluation of the management approach	78	-	-	-
<b>GRI 305:</b> Emissions 2016	<b>305-1</b> Direct (Scope 1) GHG emissions	78	-	7,8	3,9,11, 12,13
	<b>305-2</b> Indirect emissions of greenhouse gases (GHG) from energy acquisition (Scope 2)	78	-	7,8	3,7,9, 11,12, 13
	<b>305-3</b> Other indirect (Scope 3) GHG emissions	78	-	7,8	3,9,11, 12,13
	<b>305-4</b> Greenhouse gas emissions (GHG) intensity	78	-	8	3,9,11, 12,13
	<b>305-7</b> NOx, SOx and other significant air emissions	101	-	8	3,9,11, 12,13
<b>Waste</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	6	-	-	-
	<b>103-2</b> The management approach and its components	76	-	-	-
	<b>103-3</b> Evaluation of the management approach	76	-	-	-
<b>GRI 306:</b> Effluents and Waste 2016	<b>306-2</b> Waste by type and disposal method	77, 100	-	8	12,13, 14,15

GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
<b>GRI 300 Environmental Series Standards</b>					
<b>Standard Content</b>					
<b>Environmental compliance</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	6	-	-	-
	<b>103-2</b> The management approach and its components	72	-	-	-
	<b>103-3</b> Evaluation of the management approach	72	-	-	-
<b>GRI 307:</b> Environmental compliance 2016	<b>307-1</b> Non-compliance with environmental laws and regulations	101	-	8	16
<b>Environmental Evaluation of Suppliers</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	6	-	-	-
	<b>103-2</b> The management approach and its components	88	-	-	-
	<b>103-3</b> Evaluation of the management approach	88	-	-	-
<b>GRI 308:</b> Environmental Evaluation of Suppliers 2016	<b>308-1</b> New suppliers that were screened using environmental criteria	90	-	8	-
<b>GRI 400 Social Series Standards</b>					
<b>Employment</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	62, 66	-	-	-
	<b>103-3</b> Evaluation of the management approach	62, 66	-	-	-
<b>GRI 401:</b> Employment 2016	<b>401-1</b> New employee hires and turnover	101	-	6	5,8,10
<b>Occupational Health and Safety</b>					
<b>GRI 103:</b> Forma de gestão 2018	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	68	-	-	-
	<b>103-3</b> Evaluation of the management approach	68	-	-	-
<b>GRI 403:</b> Occupational Health and Safety 2018	<b>403-1</b> Occupational health and safety management system	68	-	-	3,8
	<b>403-2</b> Hazard identification, risk assessment and incident investigation	68	-	-	3,8
	<b>403-3</b> Occupational health services	68	-	-	3,8

GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
<b>GRI 400 Social Series Standards</b>					
<b>Standard Content</b>					
	<b>403-4</b> Employee participation, consultation and communication on occupational health and safety	68	-	-	3,8
	<b>403-5</b> Worker training on occupational health and safety	68	-	-	3,8
	<b>403-6</b> Promotion of worker health	70	-	-	3,8
	<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	70	-	-	3,8
	<b>403-8</b> Workers covered by the occupational health and safety management system	68	-	-	3,8
	<b>403-9</b> Work-related injuries	70, 102	-	-	3,8
	<b>403-10</b> Work-related health problems	In 2020, there was no record of work-related health problems.	-	-	3,8
<b>Training and education</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	66	-	-	-
	<b>103-3</b> Evaluation of the management approach	66	-	-	-
<b>GRI 404:</b> Training and Education 2016	<b>404-1</b> Average hours of training per year per employee	66, 102	-	6	5,8,10
	<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	66	-	-	8
	<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	66	-	6	5,8
<b>Diversity and equal opportunities</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	62	-	-	-
	<b>103-3</b> Evaluation of the management approach	62	-	-	-
<b>GRI 405:</b> Diversity and equal opportunities 2016	<b>405-1</b> Diversity of governance bodies and employees	64, 65, 103	-	6	5,8,10
	<b>405-2</b> Ratio of basic salary and remuneration of women to men	104	-	6	5, 8, 10

GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
<b>GRI 400 Social Series Standards</b>					
<b>Standard Content</b>					
<b>Non-discrimination</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	6	-	-	-
	<b>103-2</b> The management approach and its components	36	-	-	-
	<b>103-3</b> Evaluation of the management approach	36	-	-	-
<b>GRI 406:</b> Non-discrimination 2016	<b>406-1</b> Incidents of discrimination and corrective actions taken	104	-	6	5,8, 10,16
<b>Freedom of association and collective bargaining</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	88	-	-	-
	<b>103-3</b> Evaluation of the management approach	88	-	-	-
<b>GRI 407:</b> Freedom of association and collective bargaining 2016	<b>407-1</b> Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	90	-	5	8,16
<b>Child Labor</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	88	-	-	-
	<b>103-3</b> Evaluation of the management approach	88	-	-	-
<b>GRI 408:</b> Child Labor 2016	<b>408-1</b> Operations and suppliers at significant risk for incidents of child labor	90	-	5	8,16
<b>Forced labor or analogous to slave labor</b>					
<b>GRI 103:</b> Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	7	-	-	-
	<b>103-2</b> The management approach and its components	88	-	-	-
	<b>103-3</b> Evaluation of the management approach	88	-	-	-
<b>GRI 409:</b> Forced labor or analogous to slave labor 2016	<b>409-1</b> Operations and suppliers with significant risk for the occurrence of forced or compulsory labor	90	-	4	8,16



GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
GRI 400 Social Series Standards					
Standard Content					
GRI 103: Management approach 2016	Human rights evaluation				
	103-1 Explanation of the material topic and its boundary	6	-	-	-
	103-2 The management approach and its components	66	-	-	-
GRI 412: Human rights evaluation 2016	103-3 Evaluation of the management approach	66	-	1	-
	412-2 Training of employees in human rights policies human resources	36, 66, 104	-	1	4,5,8,10
GRI 103: Management approach 2016	Local communities				
	103-1 Explanation of the material topic and its boundary	7	-	-	-
	103-2 The management approach and its components	80	-	-	-
GRI 413: Local communities 2016	103-3 Evaluation of the management approach	80	-	-	-
	413-1 Operations with local community engagement, impact assessments and development programs	80	-	1	1,2,3,4, 8,10,16
GRI 103: Management approach 2016	Supplier social assessment				
	103-1 Explanation of the material topic and its boundary	7	-	-	-
	103-2 The management approach and its components	88	-	-	-
GRI 414: Supplier social assessment 2016	103-3 Evaluation of the management approach	88	-	-	-
	414-1 New suppliers that were screened using social criteria	90	-	2	5,8,16
GRI 103: Management approach 2016	Socio-economic compliance				
	103-1 Explanation of the material topic and its boundary	6	-	-	-
	103-2 The management approach and its components	36	-	-	-
GRI 419: Socio-economic compliance 2016	103-3 Evaluation of the management approach	36	-	-	-
	419-1 Non-compliance with laws and regulations in the social and economic area	104	-	-	16

GRI Standard	Content	Page and/or URL(s)	Omission	Global Compact	SDG
GRI 400 Social Series Standards					
Standard Content					
	Mining sector				
	MM1 Quantity of land (owned, leased or managed for production or extraction activities) that was altered or has already been restored	105	-	-	12,14, 15
	MM2 Total number and percentage of areas identified with the need to implement Biodiversity Management Plans (PGBs) and the number of areas with implemented plans	105	-	-	12,14, 15
	MM3 Total quantities of sterile, tailings and sludge and their associated risks	76, 77	-	-	12,13, 14,15
	MM4 Number of strikes and work stoppages lasting more than one week per country	64	-	-	8,10
	MM5 Total number of operations located in territories of indigenous peoples or adjacent to them, and number and percentage of operations or units where there are formal agreements with communities of indigenous peoples	Only Aripuanã is located in a region adjacent to indigenous lands. The unit has formal agreements with adjacent indigenous communities.	-	-	10,11, 12,16, 17
	MM6 Number and description of significant conflicts related to land use and customary rights of local communities and indigenous peoples	In 2020, three conflicts were registered at Nexa operations. Two in the Cerro Pasco region (Atacocha and El Porvenir) in Peru, and one in Aripuanã, in Brazil.	-	-	10,11, 12,16, 17
	MM9 Places where resettlements occurred, the number of families settled in each, and how their livelihoods were affected in these processes	There were no cases of resettlements.	-	-	10,11, 12,16, 17
	MM10 Number and percentage of operations with plans for the closure of activities (Decommissioning plan)	105	-	-	3,8,9, 10,11, 12,14, 15

For the GRI indicators included in the report, the following coverage limits were considered:

Standards	Coverage limits
102-8, 202-1, 205-2, 206-1, 401-1, 404-1, 405-1, 405-2, 406-1, 412-2	Offices: São Paulo, Lima, Luxemburgo and EUA • Units: Atacocha, Cajamarquilla, Cerro Lindo, El Porvenir, Juiz de Fora, Morro Agudo, Três Marias and Vazante • Project: Aripuanã
303-3, 303-4, 305-7, 306-2, MM1, MM2, MM3, MM4	Units: Atacocha, Cajamarquilla, Cerro Lindo, El Porvenir, Juiz de Fora, Morro Agudo, Três Marias and Vazante
203-1, 302-1, 302-2, 305-1, 305-2, 305-3, 307-1, 413-1, 419-1	Offices: São Paulo and Lima • Units: Atacocha, Cajamarquilla, Cerro Lindo, El Porvenir, Juiz de Fora, Morro Agudo, Três Marias and Vazante • Project: Aripuanã
308-1, 308-2, 403-9, 408-1, 409-1, 414-1, 414-2	Offices São Paulo and Lima • Units: Atacocha, Cajamarquilla, Cerro Lindo, El Porvenir, Juiz de Fora, Morro Agudo, Três Marias and Vazante • Project: Aripuanã and Mineral Exploration
MM5, MM6, MM9	Units: Atacocha, Cajamarquilla, Cerro Lindo, El Porvenir, Juiz de Fora, Morro Agudo, Três Marias and Vazante • Project: Aripuanã
MM10	Units: Atacocha, Cajamarquilla, Cerro Lindo, El Porvenir, Juiz de Fora, Morro Agudo, Três Marias and Vazante • Project: Aripuanã • Discontinued units: Pampa de Cobre, Sinaycocha and Santa Rosa

# Independent auditor's limited assurance report on sustainability information in the 2020 Annual Report

To the Board of Directors and Stockholders

**Nexa Recursos Minerais S.A.**  
São Paulo – SP

## Introduction

**Nexa Recursos Minerais S.A. (“Nexa” or “Company”)** engaged us to present our limited assurance report on the compilation of sustainability information contained in the **NEXA 2020 Annual Report** for the year ended December 31, 2020.

## Management’s responsibilities

Management of Nexa is responsible for the preparation and fair presentation of the information in the **2020 Annual Report**, presented in accordance with the Global Reporting Initiative (GRI-Standards) and for such internal controls as it determines necessary to prepare of information free from material misstatement, whether due to fraud or error.

## Independent auditor’s responsibilities

Our responsibility is to express a conclusion on the information included in the **2020 Annual Report** based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, “Issuance of an Assurance Report related to Sustainability and Social Responsibility”, issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, “Assurance Engagements Other than Audit and Review”, also issued by the CFC, which is equivalent to the international standard ISAE 3000, “Assurance engagements other than audits or reviews of historical financial information”, issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical and independence requirements, and other responsibilities, including in relation to the Brazilian Standard on Quality Control (NBC PA 01) and, therefore, the maintenance of

a comprehensive quality control system, including formal compliance policies and procedures for ethical requirements, professional standards and legal and regulatory requirements.

These standards also require the work to be planned and performed to obtain limited assurance that the information included in the **2020 Annual Report**, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the entity involved in the preparation of the sustainability information, as well as applying analytical procedures to obtain evidence that enables the issue of a limited assurance conclusion on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead the auditor to believe that the information taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation and presentation of the information in the **2020 Annual Report**, other engagement circumstances and our analysis of the areas in which significant misstatements might exist. The following procedures were adopted:

- Planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems used to prepare the information in the 2020 Annual Report;
- Understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the information;

- Applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2020 Annual Report;
- Comparing the financial indicators with the financial statements and/or accounting records;

The limited assurance engagement also included tests to assess compliance with the guidelines and criteria of the Global Reporting Initiative (GRI-Standards) applied in the preparation of the information related to sustainability included in the **2020 Annual Report**.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## Emphasis of matter

We draw attention to the information disclosed on page 79 of the 2020 Annual Report, which describes the updating and reissue of such report due to an unintentional error identified by management as regards the compilation of the fuel consumption data of one of the Company’s operating units, which resulted in misstatements of the energy (GRI Standards 302-1, 302-2, 302-3) and greenhouse gases emissions (GRI Standards 305-1, 305-4) indicators. We issued our original limited assurance report, dated April 8, 2021 and with no qualifications, on the 2020 Annual Report issued prior to the correction of the errors indicated above. Due to the updating described in this report, we are providing this new reissued independent auditor’s limited assurance report on the 2020 Annual Report, which alters and replaces the prior independent auditor’s report. Our limited assurance report is not qualified in respect of this matter.

## Scope and limitations

The procedures applied in a limited assurance engagement are substantially less detailed than those applied in a reasonable assurance engagement, the objective of which is the issuance of an opinion on the sustainability information in the 2020 Annual Report. Consequently, we were not able to obtain reasonable assurance that we might become aware of all significant matters that might be identified in an assurance engagement, the objective of which is the issue of an opinion. Had we performed an engagement with the objective of issuing an opinion, we might have identified

other matters and possible misstatements in the information related to sustainability in the **2020 Annual Report**. Therefore, we do not express an opinion on this information.

Non-financial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not carry out any work on data reported for prior periods, nor future projections and goals.

The preparation and presentation of the sustainability indicators performed pursuant to the criteria of the GRI-Standards and, therefore, do not aim to provide assurance with regard to the compliance with social, economic, environmental, or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our limited assurance report should be read and understood in this context, which is inherent to the criteria selected (GRI-Standards).

## Conclusion

Based on these procedures, no matter has come to our attention that causes us to believe that the information included in the **2020 Annual Report** of **Nexa Recursos Minerais S.A.** has not been compiled, in all material respects, in accordance with the Global Reporting Initiative (GRI - Standards).

**São Paulo, April 28, 2021**

PricewaterhouseCoopers  
Contadores Públicos  
CRC 2SP023173/O-4

**Maurício Colombari**  
**Contador CRC 1SP195838/O-3**



## Forward-Looking Statements

This report contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to in this Earnings Release as “Forward-Looking statements”). All statements other than statements of historical fact are forward-looking statements. The words “believe,” “will,” “may,” “may have,” “would,” “estimate,” “continues,” “anticipates,” “intends,” “plans,” “expects,” “budget,” “scheduled,” “forecasts” and similar words are intended to identify estimates and forward looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of NEXA to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include estimates, forecasts, and statements as to management’s expectations with respect to the business and operations of the Company and mining production our growth strategy, the impact of applicable laws and regulations, future zinc and other metal prices, smelting sales, capex, expenses related to exploration and project development, estimation of mineral reserves and resources, mine life and our financial liquidity.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Statements concerning future production costs or volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labor disturbances, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies, among other assumptions.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks and uncertainties associated with these forward-looking statements and our business can be found in our public disclosures filed under our profile on Sedar ([www.sedar.com](http://www.sedar.com)) and on Edgar ([www.sec.gov](http://www.sec.gov)).

## About the Cover



The cover photo was created from a photo of our collaborator at the Três Marias unit, Gislene Lemes da Silva, she works as a pyrometallurgy operator in front of flotation. Gislene has started her professional career at Nexa as a service provider in the unit's restaurant, when in 2018, she got the opportunity to take the Metallurgy course, offered by Nexa. In the beginning of 2019, after finishing the course she was selected to work in our pyrometallurgy team.

*“Being at Nexa brings me a sense of achievement, seeing that I can overcome great obstacles and break barriers. To feel, on a daily basis, how rewarding it is to work in a company that is recognized worldwide, values its employees and allows me to win my space.”*

We are proud to have Gislene in our team, with its growing trajectory and making their mark on Nexa.

## Corporate Information

### Board of Directors

#### Jaime Ardila – Chairman

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*Vice President Sustainability, Strategic Planning & Corporate Affairs*  
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