



Materiality Process

2023



Materiality Assessment

Our materiality process is performed every two years or whenever a significant change in the Company's strategy occurs. In 2023, we performed a materiality review where, together with different stakeholders, we gathered key information on ESG topics and matters to support the sustainability strategy of Nexa Resources Perú as shows in the following process.



The results are reviewed and approved by Nexa's General Management.

Standards

The 2023 materiality assessment is based to differentes standards, such as, the Global Reporting Initiative (GRI), International Council on Mining and Metals (ICMM), Ecovadis, Down Jones Sustainability Index (DJSI), Sustainability Accounting Standards Board (SASB), among others.

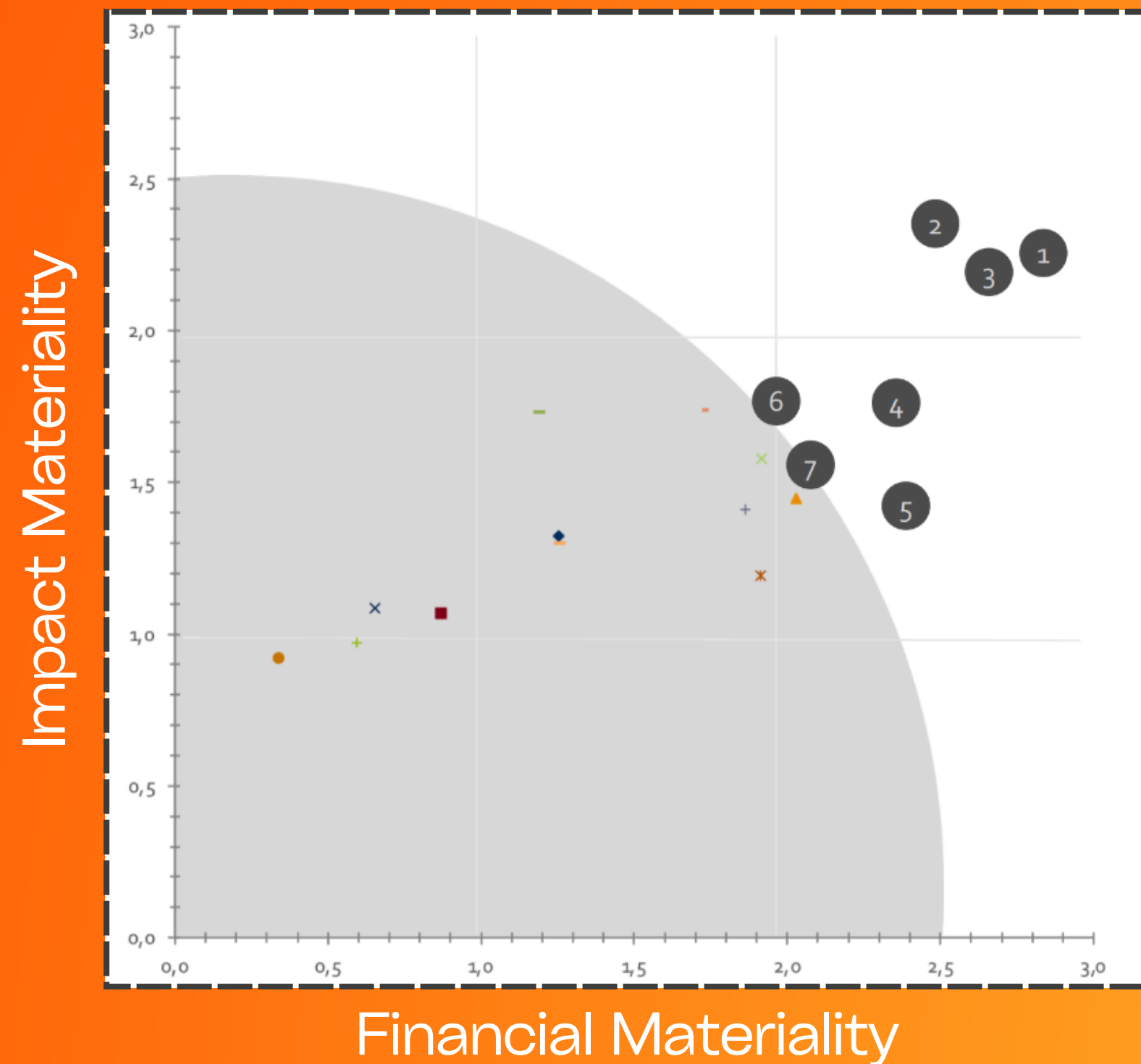




Stakeholder Engagement

The materiality assessment involved more than 600 participants, including our stakeholders (employees, customers, shareholders, investors, suppliers, public authorities, sectoral agencies and communities), through online questionnaires, interviews and 30 rounds of conversations in Brazil and Peru, were able to contribute to the process.

Double Materiality Matrix



- ① Social Management
- ② Health, Safety and Well-being
- ③ Water Resource Management
- ④ Climate Change
- ⑤ Governance and reputation
- ⑥ Dams, tailings and waste management
- ⑦ Diversity
- ⑧ Innovation

Risk Management

The materiality assessment at Nexa is a crucial component of its Enterprise Risk Management (ERM), allowing for comprehensive management that ensures value creation, risk mitigation, and the capture of strategic opportunities. This integration not only strengthens the resilience and adaptability in a dynamic business environment but also enhances transparency and communication with stakeholders. Moreover, it ensures compliance with relevant regulations and standards, promoting sustainable and responsible practices across the organization.

Material Topics

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Environmental Material Topics



**Climate
Change**



**Water
Resource
Management**



**Dams, tailings
and waste
management**

Social Material Topics



**Social
Management**



**Health, Safety
and Well-being**



Diversity

Governance Material Topic



**Governance
and
reputation**

Transversal Topic



Innovation

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Environmental Material Topics



**Climate
Change**



**Water
Resource
Management**



**Dams, tailings
and waste
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Social Material Topics



Diversity



**Health,
Safety and
Well-being**



**Social
Management**

Governance Material Topic



**Governance
and
reputation**

Transversal Topic



Innovation

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Health, Safety and Well-being

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Business Case

The health, safety, and wellbeing of our employees and third parties is fundamental because we believe that each person is invaluable and their integrity is paramount to our company's success and sustainable operations. Ensuring a safe and healthy work environment reduces incidents and associated costs, such as medical expenses and legal liabilities. Investing in safety training and improving working conditions enhances productivity and reduces absenteeism, directly impacting our financial performance. Moreover, a strong safety culture ensures compliance with regulations, avoiding fines and safeguarding our reputation. By prioritizing mental health and quality of life, we increase employee satisfaction and retention, contributing to operational stability and cost savings. These initiatives are fundamental to mitigating operational risks, ensuring business continuity, and fostering a motivated and effective workforce.

Material metrics to 2030

Objective

1. Eliminate fatalities
2. Reduce the severity, frequency and number of accidents.

Progress

In 2023 we have reported 0 work-related fatalities for employees and contractors. This is unchanged from 2020.

The Lost Time/No Lost Time Accident (LT/NLTA) Frequency Rate measures accidents involving both our own employees and contractors. In 2023, the frequency was 3.92 for every 100.

The Nexa Internal Rate (NIR) is an indicator that measures our safety effectiveness since 2018. This tool allows to apply sanctions to executives in case of occurrence of a fatality in the operations if it is considered that their variable remuneration (salary portion based on performance or the achievement of certain goals) must be reduced or eliminated as a consequence of the fatality.

Dams, tailings and waste management

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Business Case

The proper management of waste and tailings is fundamental for our company, as our activities generate a significant amount of waste. There are regulatory requirements, which determine the company's responsibilities in this area. Therefore, as a company committed to operating responsibly, we strive to reduce the generation of mining and smelting waste, complying with local legislation and with actions committed to in our strategy, leaving a positive legacy for society. In addition, we seek to use these wastes as by-products, avoiding their disposal and thus reducing the liabilities associated with tailings, thus contributing to the preservation of the environment.

Material metrics to 2030

Objective

- 1. Reduce waste generation and encourage its reuse

Progress

During the year, we aimed to maintain our circular economy approach and increase the percentage of solid waste generated at the unit that is reused.

Mining Unit	Hazardous mining-metallurgical waste (t)	Reused mining-metallurgical waste
Cerro Lindo MU	7,813,972	3,612,146
El Porvenir MU	3,312,871	2,162,877
Atacocha MU	7,829,948	

Water resource management

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Business Case

Water is crucial for our mining operations, particularly in extraction and processing. Effective water management is vital, especially in contexts where water resources are scarce and impact local communities. By reducing water use and increasing reuse throughout our value chain, we lower operational costs and minimize risks associated with water shortages. Sustainable water practices enhance our compliance with regulations, preventing fines and legal issues. Moreover, efficient water use boosts our reputation, fostering goodwill with stakeholders and local communities. These initiatives not only mitigate environmental impact but also contribute to the company's long-term financial stability and operational resilience.

Material metrics to 2030

Objective

1. Reduction of 10% in specific water consumption in all mining units

Progress

At the Cerro Lindo MU, we use water from the Pacific Ocean, which is desalinated and recirculated in our plant. At the Pasco mining complex, we extract water from underground sources. We have reported the following water intake:

Mining Unit	Water Intake (m3)
Cerro Lindo MU	4,063,328
El Porvenir MU	6,349,653
Atacocha MU	5,381,902

ESG goals are linked to the bonus of all members who qualify for such compensation since 2022. In 2023, the set of ESG goals represented 20% of the annual bonus for executives, as well as for other management or professional levels.



Relevance to our stakeholders

The external impact of water resources is of great importance to external stakeholders, both in society and in the environment, in the context of mining activity. Water plays a crucial role in technical mining and smelting procedures, but its availability is limited, especially in areas where water resources are scarce. This makes the need to reduce water consumption and promote its reuse throughout the mining value chain even more relevant. Responsible water management not only contributes to the preservation of this vital resource, but also has a direct impact on local communities. Minimizing water use protects access to water and avoids competition for its availability, benefiting people and agriculture in the area.

Material impact metrics

Due to the increase of water reuse in our plants, we optimize the use of our water resources and their efficiency.

Mining Unit	Water Reused (m3)
Cerro Lindo MU	19,418,516
El Porvenir MU	3,371,959
Atacocha MU	3,852,996

+26 M m3

Water reused

Social Management

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Relevance to our stakeholders

Social management is relevant to Nexa's external parties because it ensures that nearby communities are heard, their concerns addressed and their participation promoted. This builds trust, improves quality of life and contributes to the sustainable development of communities. It involves proper management of negative impacts, protection of rights and preservation of heritage. Social management creates an equitable, inclusive and responsible relationship, generating long-term social, economic and environmental benefits.

Material impact metrics

During the last years, Nexa has recruited more community people with the best talent to work in Nexa's operations. Thus, this has increased local economic development in the areas of influence

Mining Unit	Community Members Employed
Cerro Lindo MU	315
El Porvenir MU	927
Atacocha MU	496

+1,700
Local workers