



Money Laundering & Terrorist Financing Prevention Policy

NEXA
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1. OBJECTIVE

This Policy defines the strategy, principles and objectives of Nexa Resources S.A.'s ("Nexa" or the "Company") Money Laundering ("ML") and Terrorist Financing ("TF") Prevention System ("PS") ("MLTFPS"), which seeks to prevent and timely detect Unusual and Suspicious Transactions related to Money Laundering and Terrorist Financing, to adequately comply with the laws and regulations in force in each country where Nexa conducts business.

In case of any conflict of laws or practices among the regions where Nexa conducts its business, and Nexa's standards are stricter than those of the region, Nexa's stricter standards will be adopted. Such commitment will guide this Policy and all Nexa's Compliance policies and procedures, including its Code of Conduct.

2. SCOPE

This Policy applies to all of Company Representatives and Third Parties, when acting on behalf of Nexa.

3. DEFINITIONS

See Definitions in PG-CCA-CMP-010-EN Compliance Definitions.

4. NEXA'S PRINCIPLES AND COMMITMENT TO THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

As set forth in this Policy, Nexa is committed to preventing the use of its assets and operations for Money Laundering, Terrorist Financing, or other illicit purposes.

In this way, Nexa complies with all laws and regulations applicable in the countries where it conducts business to prevent MLTF. To that end, Nexa has developed certain mechanisms to identify sensitive transactions with the goal of preventing its business operations from being used, whether directly or indirectly, for unlawful activities.

Using a risk-based approach, Nexa has implemented and continuously monitors an internal control environment framework in accordance with the regulatory requirements of the countries in which it operates, which is designed (but not limited) to:

- Ensure that Company Representatives and Third Parties (when acting on behalf of Nexa), based upon the nature of their duties, nature and level of responsibility and their associated risk exposure, have the appropriate training to identify red flags or potential MLTF risks and to comply with the mechanisms and procedures to prevent such risks.
- Ensure that Third Parties are appropriately screened according to the Company's Integrity Due Diligence Procedure to identify Red Flags and avoid engaging with those considered sensitive or high-risk.
- Ensure that Nexa's agreements with Third Parties shall incorporate risk-based provisions addressing the prevention of MLTF.
- (Continually) Monitor Nexa's financial and accounting systems to identify unusual or suspicious transactions, and promptly report any such transactions to the CFO, CEO, Audit Committee and lastly to the competent authorities, if required as applicable.
- Periodically report to the Audit Committee and, when required, to the competent authorities, on the performance of the Compliance program and the functioning and compliance level of the MLTFPS.

- With respect to benefic associations which are part of the economic group of Nexa, appointing a Compliance Officer as required by Peruvian laws who shall be responsible —together with the General Managers — for ensuring the strict compliance with said law and the adequate implementation of requirements under the applicable regulations on matters related to of MLTF, as well as Nexa’s internal compliance policies and procedures. See more information on Appendix 1.
- Evaluate the MLTFPS and propose improvements in the process.

5. ROLES AND RESPONSIBILITIES

Nexa’s Board of Directors is responsible for setting the tone that establishes the Company’s commitment to prevent the use of its assets and operations for MLTF or other illicit purposes and to respect and comply with applicable laws as well as internal and external rules and procedures.

Executive Officers (CEO and Vice-Presidents) and General Managers are the main parties responsible for ensuring that all activities performed within or by Nexa are done in accordance with current policies and procedures related to these matters.

In addition, the Compliance area is responsible for the enforcement of this Policy, its implementation, monitoring and effectiveness, as well as, together with the involved areas, implementing the procedures that will guarantee its adequate functioning, and for supporting all Company Representatives and Third Parties on issues related to it by giving professional and technical opinions and working as an advisor on MLTF matters, and therefore when making any final decision, the areas involved should consider Compliance and Legal recommendations on any issue involving potential ethical or Compliance risk.

In case the areas do not agree with the recommendation from Legal /Compliance areas, Compliance shall report this situation before its conclusion to the respective Vice-President of the areas and the CFO or CEO and this issue will be acted upon until the final assessment of the involved Vice-President.

The Treasury area is responsible for ensuring that all payments and collections processed by the treasury are made through bank transfer, checks or other bank instruments, but in no case, it shall be done in cash. In exceptional cases where cash shall be used, the Treasury area must communicate this to the Compliance and Legal areas for evaluation before the cash payment is made.

The Controllershship area has responsibility to review the books and records and the result of the monthly financial transaction and report to the CFO and Compliance any suspicious transaction that might be related to MLTF.

The Mining and Smelting units shall ensure robust controls in place related to the explosives used in the operations, according to the local regulations, ensuring the completeness and accuracy of the stocks and an adequate and timely inventory of such materials.

The Supply Chain (CAPEX and OPEX) and Logistics has responsibility to ensure that all the IDD procedures for all suppliers, together with the homologation process, are executed, ensuring bank accounts are properly validated.

The Commercial area is responsible for requesting the customers’ IDD process and through the results of the IDD, assess the information about the origin of the funds.

The Compliance area is also responsible for the enforcement of this Policy, ensuring periodic internal trainings to Company Representatives and intervening in cases involving potential violations. The Compliance area will work closely with Legal and Internal Audit to determine the appropriate response to any violation, on a case-by-case basis.

Violations of this Policy may be identified through the reports made by any Company Representative or Third Party directly to Nexa's Compliance area or through the other established available channels including supervisors, the Human Resources area, the Legal area, or the Ethics Line.

As described above, the Compliance area shall also continuously monitor the appropriate functioning of the MLTFPS and this Policy, addressing all the reports made. As mentioned in Section 11 of this Policy, the reports made through the Ethics Line will be additionally reviewed and investigated by Nexa's Internal Audit and Conduct Committee.

The Compliance area shall report to the Audit Committee periodically on the effectiveness of this Policy, informing about any material deviation identified and measures taken to correct identified issues.

Nexa's employees and Third Parties have the following responsibilities as part of the MLTFPS:

- Be familiar with, understand, and apply the provisions of this Policy. In addition to exercising common sense in performing their job duties, all Company Representatives and Third Parties should be familiar with Red Flags that could alert potential illegal activity signals. Red Flags will be a theme of MLTFPS trainings.
- Direct any questions about this Policy and report any actions or any suspicions of MLTF, or other illicit activity to their supervisor, the Compliance or Legal areas, and/or submit an allegation through the Ethics Line.
- Cooperate with any investigation into activities that may potentially involve MLTF.
- Complete, on a timely basis, all required training sessions related to the prevention of MLTF, including initial baseline training and, where applicable, ongoing periodic training of a nature and frequency consistent with their roles and responsibilities.

Nexa requires all its Company Representatives and Third Parties to act in accordance with highest standards of personal and professional integrity in the performance of their work, ensuring compliance with internal policies, procedures, and the applicable legislation, and thus preventing risks of MLTF.

6. INTEGRITY DUE DILIGENCE REQUIREMENTS – IDD

- Nexa has rigorous MLTF controls that have been developed as part of an IDD Procedure, available in GQI. In the IDD procedure you can find several MLTF red flags that will help you to identify high risks situations. As part of the IDD process all Third Parties shall go through, among other things, restrictive MLTF lists (see a non-exhaustive restrictive lists in Appendix 2).

7. CASH PAYMENT GUIDELINES

Nexa prohibits its employees and Third Parties from making or receiving cash payments.

Cash payments made through expense reports or with withdrawals from corporate cards must follow the guidelines set forth in the corresponding procedures (Credit card and expense reports) available in GQI system.



In an unlikely situation where the security of Nexa's employees and/or assets may be at risk for not accepting or making such payment, the manager of the requesting area shall provide, after the payment, proper justifications to its General Manager, Vice-President, and the Legal and Compliance areas for proper evaluation of the case.

Since cash payments present elevated risks, if exceptions are made as described above, extra care must be taken when making cash payments to ensure that the amounts do not exceed the limits permitted by the laws in the countries where Nexa conducts business, to avoid any potential fines, penalties, or violations of said laws.

In the event Nexa makes a cash payment, the Compliance and Legal areas shall be consulted to determine whether a report must be filed with the relevant governmental authority (such as, in the case of currency transactions in excess of US\$10,000 occurring in the United States, or the shipment of currency or its equivalent into or out of the United States in excess of US\$10,000, such transactions must be reported to the U.S. government within a specified time period using the appropriate forms).

All cash payments must be properly and fully accounted for in the Company's financial books and records.

8. IDENTIFICATION, EVALUATION AND MITIGATION OF RISK

As part of Nexa's MLTF risk assessment activities, which will be performed every two years by the Compliance Team, the following actions shall be considered:

- Identify MLTF risks taking into account the following considerations:
 - ✓ Clients: risks associated with customers, their behavior, background and activities, at the beginning and throughout the commercial relationship. The analysis must include the identifying of their characteristics, such as nationality, residence, economic activity, adverse media, corruption index, volume - real or estimated - of the operations.
 - ✓ Products: risks associated with the products offered by Nexa. This includes the risks connected to the distribution channels and means of payment used by the Company.
 - ✓ Geographical area: risks associated with the geographical areas in which it offers its products, both locally and internationally, taking into account the characteristics of each jurisdiction, the list of non-cooperating countries and territories issued by any Financial Action Task Force or other competent authorities with respect to said jurisdictions.
 - ✓ Political Environment: political risk include disruptions such as terrorism, riots, coups, civil wars, international wars, and even elections that may change the ruling government. These can dramatically affect businesses' ability to operate. This kind of situation in general, raises the MLTF risk.
 - ✓ Processes: assess the processes that may present higher exposure to MLTF transactions.
- Analyze, evaluate, and prioritize MLTF risks that must be addressed and mitigated.
- Determine and evaluate the suitability and effectiveness of the action plans implemented by Nexa to mitigate its MLTF risks.

- Validate with the General Managers and Managers responsible of the processes identified, the risks, the controls in place and the action plans.
- Perform monitoring processes to the established controls that mitigate the risks identified.

9. TRAINING AND EDUCATION

Nexa recognizes the importance of training and the dissemination of the applicable laws and regulations in each country where Nexa conducts business, as well as the policies, mechanisms, and procedures related to the prevention system.

The Compliance area plans and implements training for personnel regarding the internal control environment framework to prevent MLTF, to instruct Company Representatives based on the required level of specialization. The scope and content of the annual training program is detailed in the Training and Communication Procedure available in GQL.

All Company Representatives and/or Third Parties (when acting on behalf of Nexa), based upon the nature of their duties, nature and level of responsibility and their associated risk exposure, shall be trained to identify red flags that may present MLTF risks and report to the Compliance area or through the Ethics Line. A non-comprehensive list of Red Flags is included in procedure IDD.

10. ACCURATE BOOKS AND RECORDS AND INTERNAL CONTROLS

Nexa shall maintain detailed books, records and accounts that accurately and fairly reflect its transactions. These recordkeeping requirements are broad and apply to all books, records and accounts including financial records, accounting records, memorandum, documents, and electronic storage devices.

To avoid any MLTF risk, all transactions must be recorded accurately, transparently and in a timely manner, described in sufficient detail and properly supported by documentation that is retained and accessible. Nexa employees must be vigilant at all times in verifying that all invoices are true and reject all false invoices or invoices payments of expenses such as gifts, hospitality and travel expenses that are unusual, excessive, inadequately described, or otherwise raise questions under this Policy, such as payments made to a Third Party when services/supplies were provided by other Third Party.

Nexa should never make any payment to any anonymous (such as, “numbered”) account that is in the name of neither the payee nor any entity known to be controlled by the payee.

Nexa shall maintain a monitoring framework to facilitate compliance with this Policy as well as to foster a culture of integrity and maintain ethical standards throughout Nexa.

11. REPORT OF VIOLATION AND CONSEQUENCES

Potential or actual violations of this Policy shall be reported by anyone through their immediate supervisor, the Human Resources area, Compliance and/or the Legal area, or through Nexa’s Ethics Line.

All these reports will be reviewed and investigated by the Compliance area and additionally, all of those reports made through the Ethics Line will be reviewed and investigated by Nexa’s Internal Audit and Conduct Committee, which must evaluate every claim or report and address proper disciplinary actions.

The Compliance area shall periodically report to the Conduct Committee and Audit Committee on the effectiveness of this Policy, informing about any Material Deviation identified and measures taken to correct

identified issues. In addition, Internal Audit shall report to Nexa's Audit Committee regarding complaints received through the Ethics Line.

Depending on the situations and the results of the investigation, some cases may also be self-reported to the appropriate authorities.

12. ACKNOWLEDGEMENT

Nexa assumes that all employees, agents and members of the Board of Directors have read this Policy carefully, understood its contents and intend to comply with it and are committed to apply its provisions at all times. Lack of awareness of this Policy does not exempt anyone from complying with the imposed obligations.

Consult with the Compliance area if you have any question regarding this Policy or any other compliance policies and procedures.

13. REFERENCES

- PC-CCA-CMP-005 Compliance Policy;
- PG-CCA-CMP-007 Integrity Due Diligence;
- PG-REM-REM-005 Travel and entertainment.
- PG-COP-GCT-023 Corporate Credit Card
- PG-MRO-MRO-001 Corporate Purchase Card
- PG-CCA-CMP-005 Training and Communication; and
- PG-CCA-CMP-010 Compliance Definitions.
- US Money Laundering Control Act;
- Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act;
- SBS (Superintendency of Banking, Insurance and Pension Funds) Resolution No. 789-2018;
- SBS (Superintendency of Banking, Insurance and Pension Funds) Resolution No. 369-2018;
- UK Proceeds of Crime Act;
- Anti-money laundering and counter terrorism financing (Laws of 12 Nov.2004 and 27.Oct.2010);
- Prevention of Organized Crime Act (Namibia); and
- Prevention and Combating of Terrorist and Proliferation Activities Act (Namibia).

14. APPENDIXES

14.1 MLTF Prevention System for Benefic Associations

14.2 Restrictive lists on MLTF

Approved on December 2, 2021

Appendix 1 - MLTF Prevention System for Benefic Associations

Asociación Grupo Milpo (AGM), Peruvian benefic association, is required by SBS Resolution No. 369-2018 to implement a limited MLTF prevention system (MLTFPS).

The limited MLTFPS shall focus on detecting unusual transactions and the prevention, detection and reporting of suspicious transactions that are allegedly linked to MLTF, in order to communicate them to the Financial Intelligence Unit (FIU) of Peru, in the established legal term and guaranteeing the duty of reservation of related information.

AGM responsibilities are:

- Establish and periodically review the limited MLTFPS;
- Appoint a non-exclusive Compliance Office with characteristics, responsibilities and attributions established by regulations.
- Provide the resources and infrastructure that allow the adequate fulfillment of the Compliance function.
- Establish measures to maintain the confidentiality of the Compliance Officer.

Main Compliance Officer responsibilities are:

- Act as interlocutor between AGM and the supervisory body and FIU;
- Monitor the implementation and operation of the MLTFPS;
- Evaluate the transactions, identify if they qualify as suspicious and report them to the FIU, within the 24 hours of the classification of the transaction as suspicious;
- Keep a record of the transactions assessed and the analysis of the unusual transactions not qualified as suspicious;
- Identify red flags and keep them for the supervisory body and FIU;
- Check the restrictive lists to contribute to the prevention of MLTF;
- Verify the execution of freezing measures dictated by SBS;
- Ensure conservation of the documents related to the limited MLTFPS for 5 years; and
- Meet the information requirements requested by competent authorities.

Appendix 2 - MLTF Restrictive Lists

Description	Country	Lists
American Sanctions List	US	https://sanctionssearch.ofac.treas.gov/
UN Terrorism List	US	https://www.un.org/securitycouncil/content/un-sc-consolidated-list
DOJ US Terrorists Organizations	US	https://www.state.gov/foreign-terrorist-organizations/
EU Terrorist list	EU	https://www.consilium.europa.eu/es/policies/fight-against-terrorism/terrorist-list/
Most searched by Interpol	International	https://www.interpol.int/How-we-work/Notices/View-Red-Notices
High-risk and other supervised jurisdictions	EU	https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc(fatf_releasedate)
List of high-risk countries with strategic deficiencies in their anti-money-laundering and countering the financing of terrorism regime	EU	https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-supervision-and-risk-management/anti-money-laundering-and-countering-financing-terrorism/eu-policy-high-risk-third-countries_en
Candidates for municipal and regional elections	PE	https://portal.jne.gob.pe/portal/Pagina/Ver/644/page/Elecciones-Municipales-y-Regionales
Congressional Candidates, General Elections	PE	https://plataformaelectoral.jne.gob.pe/
Consultation of officials of the judiciary	PE	https://www.pj.gob.pe/wps/wcm/connect/CorteSuprema/s_cortes_suprema_home/as_servicios/as_internos/as_consultas_personal/
Authorities of the Executive Power, Legislative and Judicial, and others Peruvian State authorities	PE	https://www.peru.gob.pe/directorio/pep_directorio_poderes.asp
Single Platform for Sworn Declaration of Interests	PE	https://dji.pide.gob.pe/
UN on proliferation of weapons of mass destruction	PE	https://www.sbs.gob.pe/prevencion-de-lavado-activos/Informacion-de-Interes/Revision-de-Listas-de-Interes/ONU-sobre-proliferacion-de-armas-de-destruccion-masiva
PEPs List	BR	https://www.portaldatransparencia.gov.br/download-de-dados/pep
List of candidates and political parties	BR	https://www.tse.jus.br/
List of previous elections	BR	https://www.tse.jus.br/eleicoes/eleicoes-anteriores

Open Data from Government Entities	BR	https://www.portaldatransparencia.gov.br/download-de-dados
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