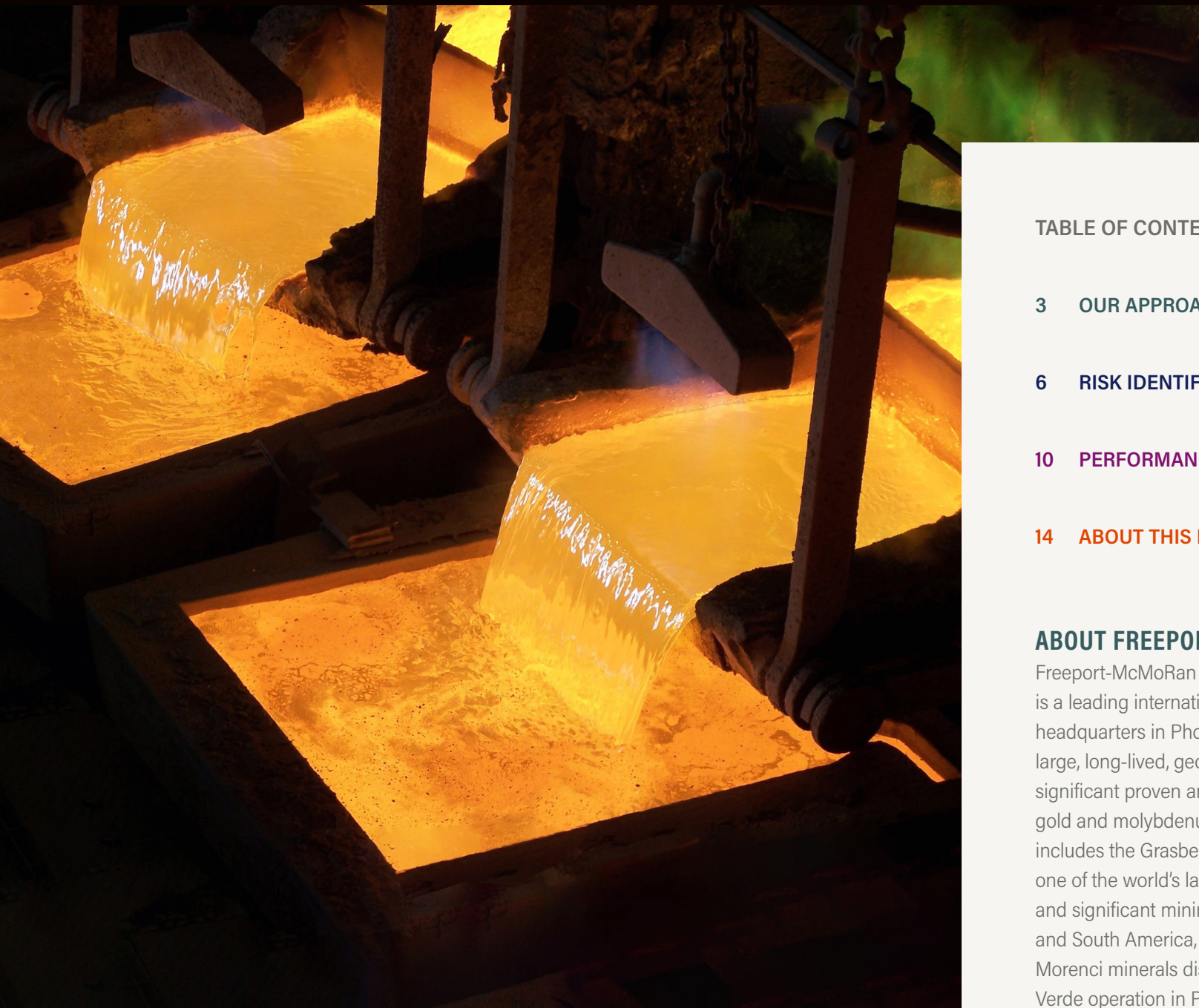


FREEMPORT
FOREMOST IN COPPER

THE POWER OF COPPER



Casting molten copper at our Miami smelter, Arizona.

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ABOUT FREEPORT-McMORAN

Freeport-McMoRan Inc. (FCX or the Company) is a leading international mining company with headquarters in Phoenix, Arizona. FCX operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. FCX's portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits; and significant mining operations in North America and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru.


OUR APPROACH

FCX is a leading responsible copper producer — supplying 9% of the world's mined copper. As global decarbonization accelerates, demand for copper is expected to increase. FCX is committed to meeting growing demand through our sustainability strategy — **Accelerate the Future, Responsibly**. Our strategy is underpinned by the recognition that our products are key contributors to global progress, including the acceleration of decarbonization around the world.

We have Anti-Corruption and Human Rights policies and programs in place globally. We are committed to implementing the United Nations Guiding Principles on Business and Human Rights and are a founding member of the Voluntary Principles on Security and Human Rights. We have endorsed and supported the Extractive Industries Transparency Initiative (EITI) since 2008. We maintain significant mining operations in Indonesia and Peru, both of which have implemented EITI, and we actively support and participate in associated in-country processes as part of EITI. We also aim to support governments' ambitions to achieve contract transparency. In addition to our country-level EITI commitments and regulatory reporting obligations, our practice is to provide transparency by voluntarily reporting cash payments to governments in all significant jurisdictions where we conduct business. Our support includes direct financial contributions as well as contributions through the International Council on Mining and Metals (ICMM) of which we

are a founding member. Refer to the key economic contributions and cash payments to governments tables in the Performance Data section of the [2022 Annual Report on Sustainability](#).

In addition to our ICMM commitments, we have implemented the Copper Mark at all our copper producing operations. The Copper Mark is a comprehensive assurance framework that promotes responsible production practices. It is the first and only framework developed specifically for the copper industry. To achieve the Copper Mark, sites are committed to adhering to internationally recognized responsible operating practices and specifically to a detailed framework covering 32 issues across five ESG categories developed by the Responsible Minerals Initiative's (RMI) Risk Readiness Assessment. The Copper Mark requires an independent external assurance process to assess conformance across the 32 issues at each site. Awarded sites are required to be revalidated by the Copper Mark every three years. FCX has achieved the Copper Mark at all 12 of its copper producing sites globally, including most recently at PT Freeport Indonesia (PT-FI) in February 2023. In addition, following the extension of the Copper Mark framework to molybdenum producers in 2022, our two primary molybdenum mines and our four copper mines that produce by-product molybdenum were awarded the Molybdenum Mark.



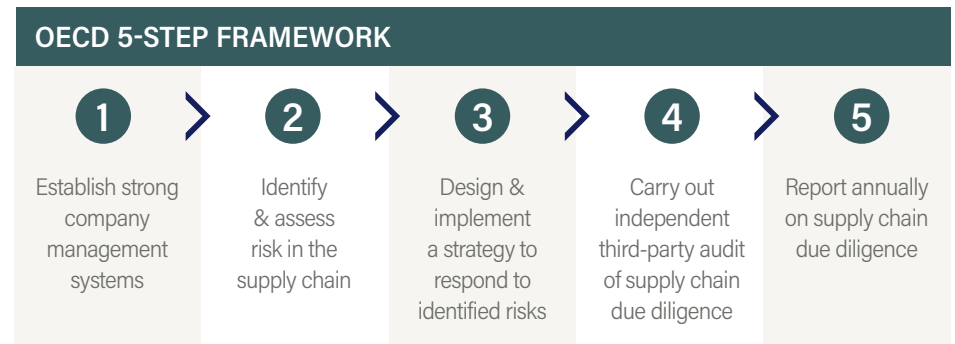
Copper cathode produced by our Atlantic Copper smelter & refinery, Spain.

GOVERNANCE

The Board of Directors (Board) oversees and guides the Company's business strategy and monitors the development and management of risks that impact the Company's strategic goals, including sustainability-related risks. The Board has four standing committees: Audit, Compensation, Corporate Responsibility, and Governance. Each of these committees is comprised entirely of independent directors and regularly reports to the full Board. The Corporate Responsibility Committee (CRC), on behalf of the Board, oversees the Company's environmental and social policies and implementation programs and related risks.

Our Chairman and CEO has ultimate responsibility for the Company's sustainability performance, with active oversight from the Board. The Company's cross-functional Sustainability Leadership Team (SLT) includes members of the management tasked with defining the sustainability strategy and implementing our sustainability policies, systems and programs across the organization to achieve integrated decision-making for responsible production and performance. The SLT is sponsored by our Chief Administrative Officer and is led by our Chief Sustainability Officer, with active participation from other members of the SLT, including our five business unit presidents. SLT membership also includes senior leadership from functional groups including health and safety, security, supply chain, human resources, sales, legal, compliance, sustainability and finance. In 2022, the SLT met nine times and members of the SLT regularly reported to executive leadership, including our Chairman and CEO and our President. The SLT reviews responsible sourcing matters at its scheduled meetings, among other things.

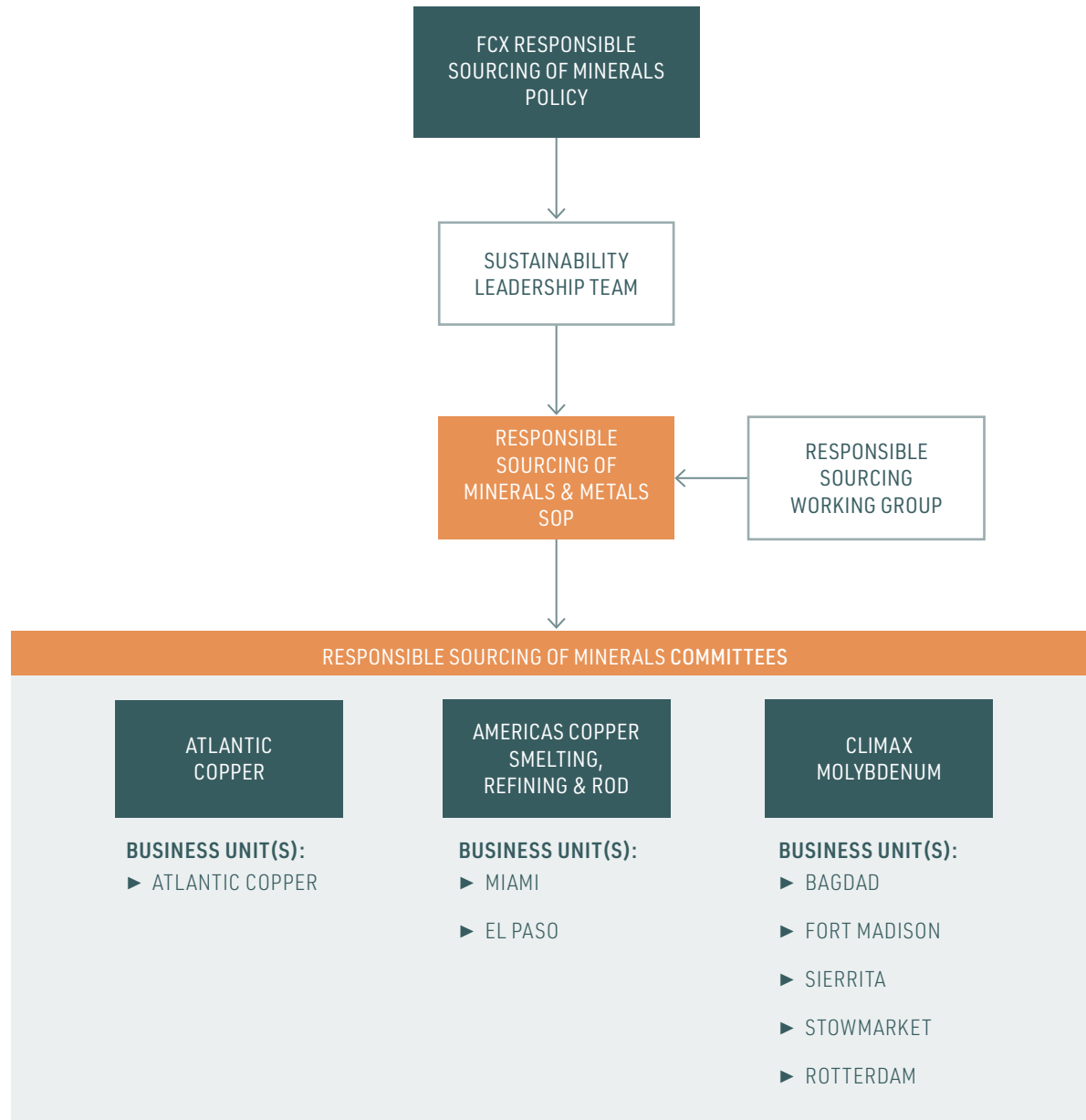
In 2019, the Board adopted a Responsible Sourcing of Minerals Policy, which commits us to producing and sourcing minerals and metals responsibly, including respecting human rights; preventing bribery, fraud and corruption; and implementing the Organisation of Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). Our policy and the implementation of OECD Guidance is a critical component to address the London Metals Exchange's (LME) requirements on responsible sourcing, necessary to maintain LME brand approval. This work is also a requirement of both the ICMM Mining Principles Framework and the Copper Mark, as well as the Molybdenum Mark and Responsible Steel, which are important for our molybdenum customers.



Source: www.OECD.org

Our **Responsible Sourcing of Minerals Policy** is approved by the Board and implemented through our SLT. A global Responsible Sourcing of Minerals & Metals Standard Operating Procedure (SOP) defines the process, roles and responsibilities across the organization. The SOP is supported by our Responsible Sourcing Working Group, established in 2021. Key to the implementation of the SOP are the Responsible Sourcing of Minerals Committees, shown in the governance graphic on the next page, along with the business units participating in the program. These committees are made up of key individuals from both the business units and corporate office and meet as needed to review the outcomes of the due diligence process described in the next section.

We are committed to producing and sourcing minerals and metals responsibly, including respecting human rights; preventing bribery, fraud and corruption; and implementing the OECD Guidance.



RISK IDENTIFICATION AND MITIGATION

TOOLS

We use a combination of tools to understand and monitor supplier risk and to encourage compliance with our Business Partner Code of Conduct.

FCeX

The Freeport Compliance Exchange (FCeX) is the Company's online due diligence platform that has been in place for many years. This survey-based software platform has enhanced our ability to identify, assess, and mitigate compliance risk in areas of anti-corruption, international trade and human rights for all goods, including minerals and metals, and services supplied to the company. FCeX also provides data analytics and important metrics that help FCX audit supplier commitments and actions for mineral and metal sourcing. The survey is utilized for new vendors as our first line of due diligence in our responsible sourcing program.

Our El Paso refinery & rod mill in Texas.

TDi Tool

FCX also utilizes the TDi Copper Due Diligence Tool (TDi Tool), which is developed and maintained by the International Copper Association (ICA) and TDi Sustainability, a global sustainability consultancy. FCX uses the tool to review the origins and transit routes of mineral and metal suppliers to determine the presence of risk flags related to "conflict-affected and high-risk areas" (CAHRAs), as defined by the OECD Guidance¹. The TDi Tool is designed to support this "red flag assessment", by rating the likelihood that a country meets the OECD Guidance definition of a CAHRA. To do so, the TDi Tool assesses countries and regions against a set of 11 well-known indicators related to corruption, human rights and governance, including those produced by the Heidelberg Institute for International Conflict Research, Transparency International and Worldwide Governance Indicators, among others. The results are then classified using a scoring system into either green, orange or red as defined by thresholds established by TDi Sustainability. Every year, FCX reviews these default thresholds. This review includes a comparison against other tools (e.g., the Responsible Minerals Initiative Country Risk Map and EU Conflict Minerals Regulation) and our own experiences in our compliance program, operations and supplier engagements. In 2022, the default thresholds were lowered (i.e., made more conservative) following this review.

¹ The OECD Guidance defines a Conflict-Affected and High-Risk Area as follows: Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

SAP Ariba

SAP Ariba Supplier Risk Management is the software system that FCX uses to consolidate ESG-related risk data collected during the goods and services supplier qualification process and monitor supplier risk regularly. The graphic on the right depicts the supplier life cycle process, and the SAP Ariba platform will support us through each step. In particular, it enhances our compliance and supplier risk assessment, using data from external sources in four risk domains: operations, regulatory and legal compliance, environmental and social, and financial. It also provides us with the capability to conduct more in-depth risk-based assessments through targeted questionnaires on ESG topics.

In 2022, we finished integrating relevant Verisk Maplecroft country- and industry-level ESG risk indices, including the OECD Guidance's Annex II risks, into the SAP Ariba platform based on our potential supply chain risks and selected supplier metrics. Integration of onsite contractor safety data into the SAP Ariba platform will begin in 2023. With these screening tools in place, we are working to complete a risk-based decision-making tool to identify higher risk suppliers where closer collaboration is warranted, for example through on-the-ground audits or partnerships. The on-the-ground audits and partnerships will be focused on confirming that risks identified in certain industries and regions are not present in our supply chain. The intent is to identify and assess the risks and then, in partnership with the supplier, review their processes/policies for identifying and mitigating them. In cases where they do not have strong management systems, we will coordinate and conduct on-the-ground audits and build capacity on any gaps identified.



Molybdenum concentrate leach plant in Bagdad, Arizona.

PROCESS

Risk Review

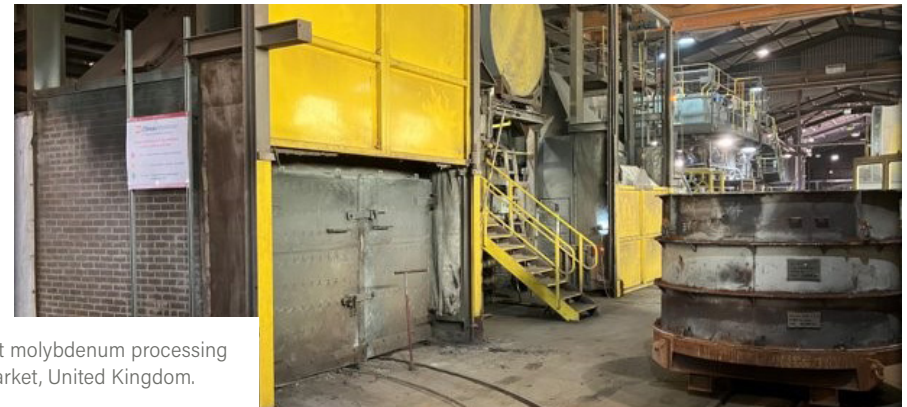
To support the identification of risks in our mineral and metal supply chains, we map and assess our incoming materials to evaluate the potential for flags, as defined by the OECD Guidance and described in more detail below. The graphic on page 9 depicts our parallel processes designed to identify both mineral and metal origin and transit flags and supplier flags. In particular, when a source's country of origin and/or transit is classified as orange or red in the TDi tool, a corresponding orange or red mineral or metal flag is raised and further due diligence is required. Further due diligence is similarly required when a supplier red flag is raised, based on either the results of the FCeX survey or our assessment of whether the supplier has shareholder interests in, or is trading from or through, a CAHRA, which is how the OECD Guidance defines supplier red flags. The exception to this is when a default, trader supplier red flag is the only one raised for a given source as described next. If flags are not identified in either the mineral and metal risk review or the supplier risk review, no further actions are taken.

Confirming the presence of supplier red flags for mineral and metal traders presents a unique challenge. Traders act as a broker, sourcing, buying, storing and transporting copper and molybdenum concentrates and refined products. Because of complex legal and operational structures and the trading of myriad material types worldwide, it is often difficult to obtain information from all our trader suppliers to determine whether they have shareholder interests in, or are trading from or through, a CAHRA. Given these limitations, we have made the assumption that such risks are present for all trader suppliers. As such, when we purchase material through a trader, a supplier red flag is raised based solely on this default assumption. Typically, when a red flag is raised, the next step is to conduct due diligence and risk assessment as described below. However, when a default, trader supplier red flag is the only one raised for a given source (i.e., when there are no red flags associated with the source's mineral or metal origin or transit requiring further evaluation), we do not move on to this next step. Instead, reasonable efforts are made to verify that any material being purchased through traders, which has a known origin, is not comingled with other materials that may have originated from or transited through a CAHRA. These efforts are in addition to our collection and evaluation of company policy, program and responsible sourcing-related information via FCeX, which is used to qualify all suppliers. When the supplier is a trader, efforts are made to issue the FCeX survey to the company producing the mineral for additional due diligence.

Due Diligence and Risk Assessment

The due diligence process can include conducting desk research, reviewing third-party human rights and environmental data sources and consulting with internal human rights and compliance teams and external advisors. On an as-needed basis, we may also engage directly with suppliers, evaluate their due diligence programs, conduct on-the-ground assessments and consult with affected, or otherwise relevant, stakeholders. All of the information we gather in this due diligence step is then evaluated and used to inform an assessment of the potential for risks. When we purchase from traders, we work closely with the trading companies to understand their responsible sourcing programs and the level of due diligence that they have performed on the mineral or metal's origin and transit. We also undertake our own risk assessment and, if necessary, due diligence. In some instances, we may leverage a trading company's due diligence; in others, we will conduct our own.

We have initiated a different approach at our copper rod mill operations in alignment with the OECD Guidance's requirements for downstream supply chain actors and given the short-term nature of the external cathode purchases made by these facilities. At the end of 2022, we developed a tool to support a rapid assessment of the due diligence practices of the smelters and refiners associated with the cathode brands in our supply chain. This tool compiles up-to-date information on the CAHRA status of each smelter and refiner's location, along with indicators of the likelihood of third-party audits having been conducted on the sites' due diligence practices (i.e., Copper Mark awards, Joint Due Diligence Standard assessments and LME registrations). Moving forward, such information will allow us to identify cathode brands that may be considered a higher risk, requiring additional discussion by the Responsible Sourcing of Minerals Committees, as described further below.



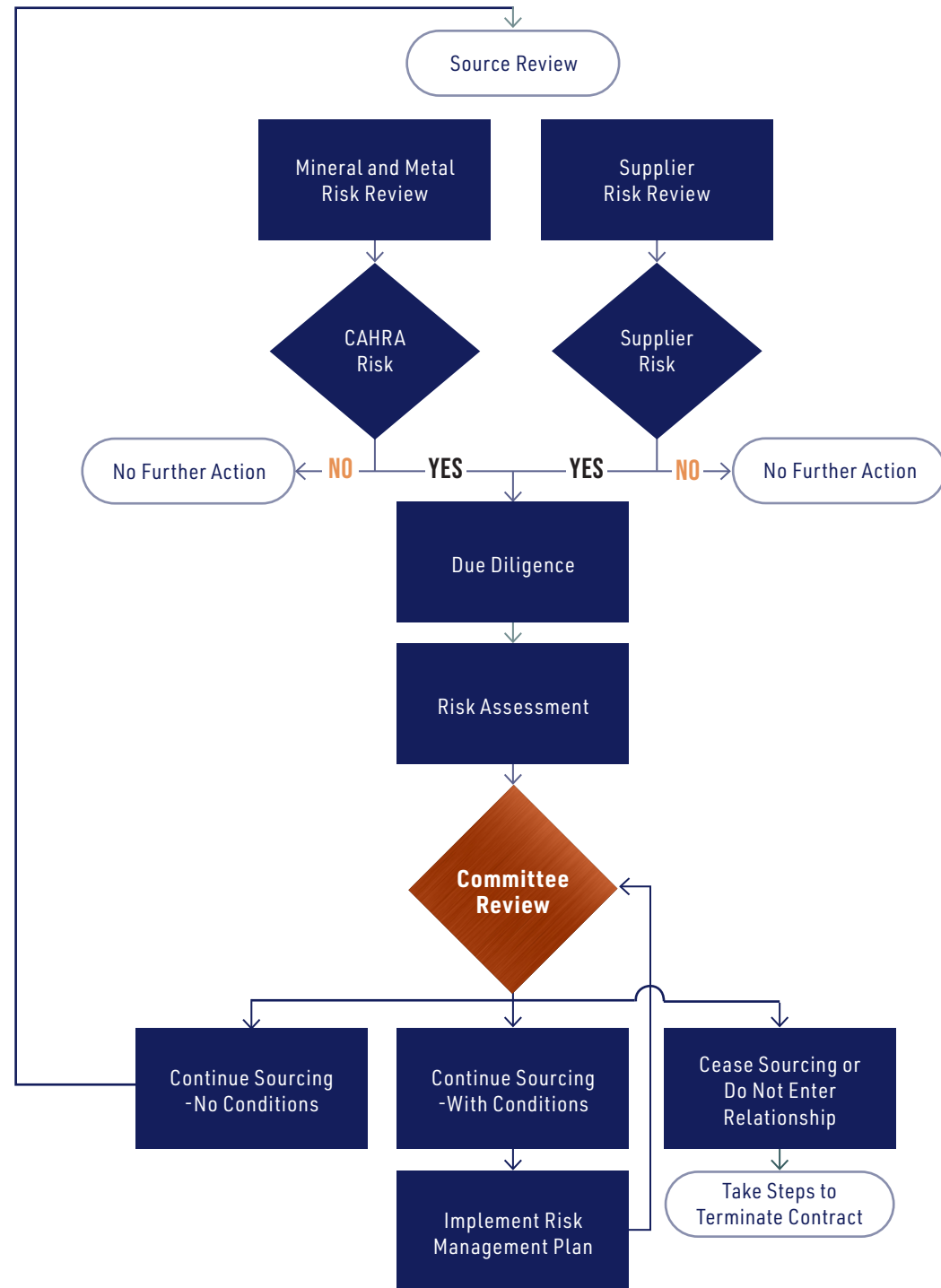
Firing chamber at molybdenum processing facility in Stowmarket, United Kingdom.

Responsible Sourcing of Minerals Committee Review

Depending on the business unit(s) for which the source is being evaluated, one of the three Responsible Sourcing of Minerals Committees depicted on page 5 reviews the results of the risk review, due diligence and risk assessment processes and then determines the path forward, which can include the following:

1. **Acceptable risk:** continue sourcing with no conditions
2. **Moderate risk:** continue sourcing with conditions, implement a risk management plan in conjunction with the supplier
3. **Unacceptable risk:** cease sourcing and take steps to terminate contracts with an existing supplier or do not enter into a relationship with a new supplier

The applicable committee also reviews progress on the risk management plans established when moderate risks are identified. If there are no significant, measurable improvements after six months, the committee reviews the risk management plan and may engage with the supplier to determine the appropriate path forward. The applicable committee also oversees the termination of a supplier when unacceptable risks are identified.





PERFORMANCE

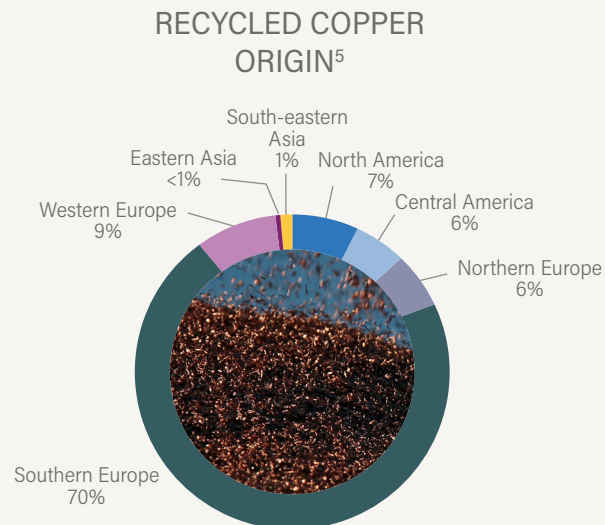
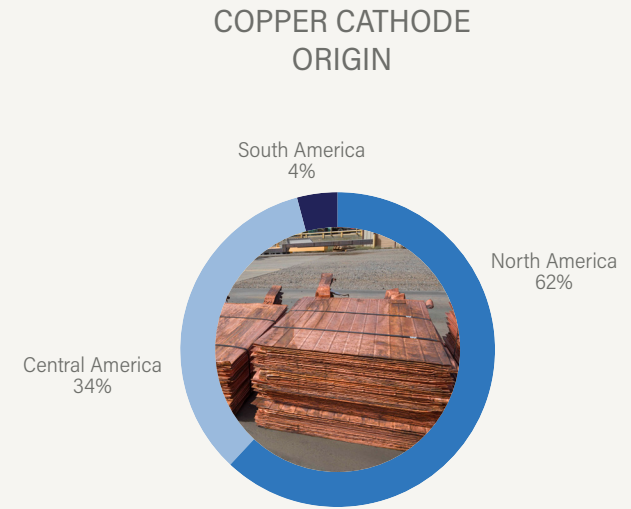
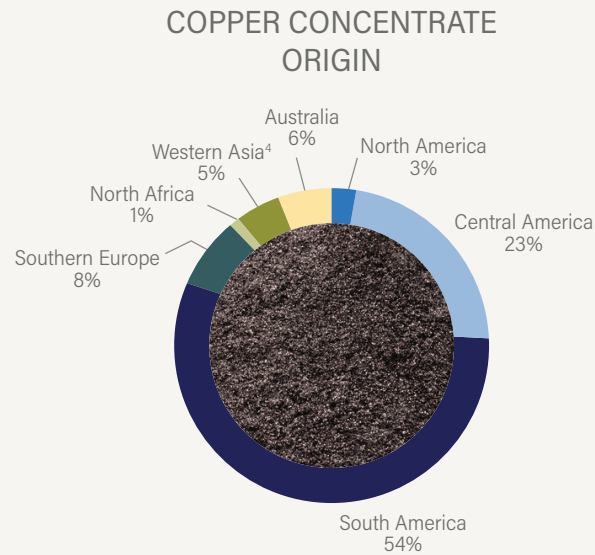
In 2022, we continued our execution of the OECD Guidance's five-step process across the business. This included incorporating our Responsible Sourcing of Minerals Policy into new contracts and agreements with mineral and metals suppliers, regardless of the source origin, and incorporating additional clauses into contracts, where warranted, to mitigate identified risks. We also improved internal process documentation, developed additional tools to support purchasing decisions, and refined our approach to several aspects of policy implementation including training. Finally, we initiated compliance with the LME Responsible Sourcing Policy and began taking part in the Copper Mark program for its new chain of custody standard, which aims to connect parties from the mine through to the original equipment manufacturers, enabling Copper Mark status to be identified throughout the entire value chain.

Throughout the year, we continued our efforts to build deeper relationships through existing and new collaborations with suppliers. Collaborations can take many forms and are generally founded on the premise that, by building stronger programs together, we can better mitigate and prevent human rights abuses. Some examples associated with orange-flag suppliers are provided in the [Risk Review and Path Forward](#) section. In early 2022, we also engaged with a new supplier of recycled copper and visited their facilities as part of the qualification process. While the primary focus of these collaborations is human rights, we also seek to share our commitment to the Copper Mark and improve performance across a broader range of ESG issues.

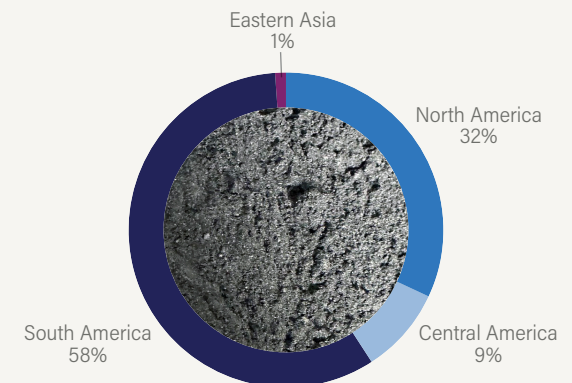
Molybdenum roaster in Rotterdam, The Netherlands.

ORIGIN² OF EXTERNALLY SOURCED MINERALS AND METALS

Our mineral and metal risk review requires us to collect relevant information such as location of material origin to identify CAHRA risk flags. Though we collect and document this information for both internally and externally sourced material, the figures on the right capture the origin of externally sourced minerals and metals received across the different business units in 2022, inclusive of copper concentrate, copper cathode, recycled copper and molybdenum concentrate. We also purchased externally sourced copper anode from a single South American supplier in 2022. Since these were the only anodes received, they are not shown in the figures on the right. Internal sources are as described on the operations page of our [website](#) and generally comprise a much larger portion of the input material at our downstream processing sites. For example, in 2022, externally sourced cathode was only 9% of the total feed at our Miami and El Paso rod mills, combined. Likewise, tolled³ molybdenum concentrates were 14% of the total amount processed at our roasting facilities. In contrast, our Atlantic Copper smelter took in more external (63%) than internal (37%) concentrates in 2022, and also purchased the majority of the recycled copper shown in the figure on the right.



MOLYBDENUM CONCENTRATE ORIGIN



² Country groupings are based on the geographic regions defined under the Standard Country or Area Codes for Statistical Use (known as M49) of the United Nations Statistics Division, where Mexico is classified as Central America.

³ Tolling is an arrangement where materials are processed by a company on behalf of a client who retains ownership of the agreed to metals and/or volume of those materials.

⁴ The copper originating from Western Asia is associated with the blending facility of a trader who supplies us with a blend that, in 2022, was comprised of sources from South America and Western Asia.

⁵ The origin of recycled copper was determined based on the Joint Due Diligence Standard definition, which is as follows: The point in the supply chain where the recycled material is returned to the immediate supplier of the recycler.

RISK REVIEW AND PATH FORWARD

In 2022, we identified 35 orange or red flags across our minerals and metals supply chains during the review process, compared to 27 in 2021. The increase was primarily associated with the expansion of the responsible sourcing of minerals program to include purchases of recycled copper made during the year, as we began refining our due diligence process for these materials that can present more challenges from a traceability perspective. Each of the 35 flags investigated were associated with origin or transport. No supplier red flags were identified other than those associated with

traders, which were mitigated through our efforts to verify that the material being purchased was not comingled, as previously discussed. For each of the flags, we conducted due diligence and completed risk assessments to inform a decision on the path forward. These decisions, as summarized in the table below, were taken by the Atlantic Copper; Americas Copper Smelting, Refining & Rod; and Climax Molybdenum Responsible Sourcing of Minerals Committees, which met quarterly or as needed in 2022.

Summary of decisions made by the Responsible Sourcing of Minerals Committees for internal (from FCX sites) and external purchases of copper and tolling of molybdenum products in 2022.

	Internal Sources	External Sources			
	Copper Concentrates	Copper Concentrate	Molybdenum Concentrates	Copper Cathode	Recycled Copper
Acceptable Risk	2	6	1	-	-
Moderate Risk	2	11	5	2	2
Unacceptable Risk	-	3	-	-	-
Pending	-	-	-	-	1

Molybdenum concentrate is received at Bagdad operations in Arizona.

Acceptable Risk

Two internal copper concentrate sources, from our PT-FI operations in Papua, Indonesia, and our Cerro Verde mine in Arequipa, Peru, were flagged due to origin but were determined to present acceptable risks. We maintain extensive programs to identify and mitigate human rights and environmental risks at both operations. Please refer to the Robust Governance section of our [2022 Annual Report on Sustainability](#) for more information.

Seven external sources were flagged due to origin and were also determined to present acceptable risks. This was a result of the due diligence process, which did not detect significant risks through desktop research. This research included a review of external allegations and supplier policies and programs to identify and mitigate human rights and environmental risks.

Moderate Risk

Two other internal sources were flagged due to the transit route taken by copper concentrates produced at our U.S. operations in Arizona and exported through the Port of Guaymas in Sonora, Mexico. This risk is related to a small amount of concentrate theft that has occurred during transit (less than 0.1% over the last 5 years). In our inaugural 2019 OECD Step 5 Report, we disclosed the actions taken to address this risk. We continue to monitor events on an ongoing basis, and we are pleased to report that the positive actions taken and ongoing discussion with our partners have again coincided with a reduction in theft in 2022.

Twenty external sources were flagged due to origin and determined to present moderate risks, based on the due diligence findings and risk assessments. This resulted in the implementation of risk mitigation actions through collaboration with suppliers, which, in 2022, involved utilizing their due diligence in addition to our own, receiving updates on their efforts to mitigate identified risks, continuing to monitor allegations through periodic desktop research and review of local media sources and sharing our management systems and best practices to encourage continuous improvement of their operations. For some sources we also limited or changed our agreements from long-term to smaller, spot contracts to allow for purchasing flexibility while we collected and evaluated more information.

We also conducted two on-the-ground assessments in 2022 where the presence of OECD Annex II risks could not be determined due to a lack of sufficient and credible information. FCX engaged an expert third-party with a deep understanding of the OECD Guidance and extensive experience conducting due diligence audits for these assessments. The approach comprised of several phases of work including scoping, development of assessment tools, pre-assessment preparation, site assessment planning, onsite supplier assessments and reporting. The site assessment followed internationally recognized assessment procedures and standards, using a methodology in line with ISO 19011:2018 Guidelines for Auditing Management Systems. Although these assessments were conducted in late 2022, the findings were not available and related decisions were not taken until early 2023. A discussion of these, as well as follow-up activities planned for 2023, will be included in our 2023 OECD Step 5 Due Diligence Report.

Unacceptable Risk

Three external sources, all of which were associated with a blend of copper concentrates, were flagged due to origin and determined to present either an unacceptable level of risk (e.g., were from an active conflict zone) or were sources where we would not be able to effectively mitigate the associated risks (e.g., we have little to no leverage). As a result, we eliminated these sources from our supply chain.

Pending

The decision to source from one of the flagged suppliers remained pending at the end of 2022 and was still pending at the time this report was published. It will be included in our 2023 OECD Step 5 Due Diligence Report.



Atlantic Copper
in Huelva, Spain.

ABOUT THIS REPORT

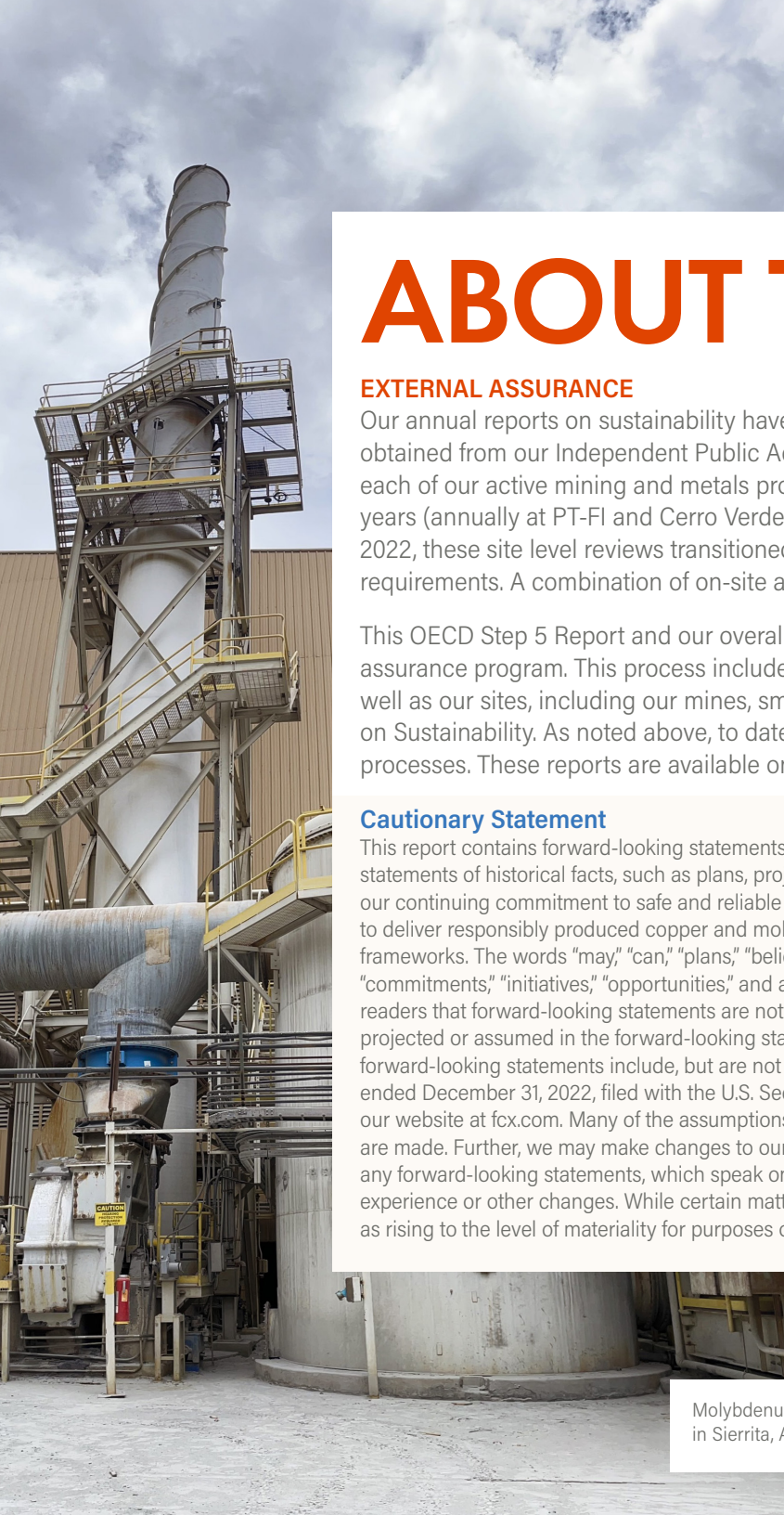
EXTERNAL ASSURANCE

Our annual reports on sustainability have been independently verified since 2005. Limited third-party assurance of our 2022 report was obtained from our Independent Public Accounting Firm. Since 2009, site-level, third-party assurance reviews have been conducted at each of our active mining and metals processing operations. These site-level external assurance reviews occur at least once every three years (annually at PT-FI and Cerro Verde) and the reviews include both ICMM and Copper Mark requirements, where applicable. In 2022, these site level reviews transitioned to a reasonable level of assurance for purposes of meeting Copper Mark site level assurance requirements. A combination of on-site and virtual assurance reviews were conducted in 2022.

This OECD Step 5 Report and our overall approach and business unit implementation are assured through our annual sustainability assurance program. This process includes external assurance on the implementation of the OECD Guidance at the corporate level as well as our sites, including our mines, smelters and refineries. A public assurance statement is located within our 2022 Annual Report on Sustainability. As noted above, to date, all of our sites have been awarded the Copper Mark, which includes external assurance of our processes. These reports are available on the Copper Mark website at coppermark.org.

Cautionary Statement

This report contains forward-looking statements in which we discuss our potential future performance. Forward-looking statements are all statements other than statements of historical facts, such as plans, projections, expectations, objectives, strategies relating to environmental, social, safety and governance performance; our continuing commitment to safe and reliable operations; our commitment to human rights and creating a diverse and inclusive workplace; our commitment to deliver responsibly produced copper and molybdenum, including plans to implement, validate and maintain validation of our operating sites under specific frameworks. The words "may," "can," "plans," "believes," "expects," "seeks," "strategy," "likely," "will," "should," "could," "to be," "potential," "assumptions," "guidance," "commitments," "initiatives," "opportunities," and any similar expressions are intended to identify those assertions as forward-looking statements. We caution readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, expected, projected or assumed in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, the factors described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year-ended December 31, 2022, filed with the U.S. Securities and Exchange Commission (SEC), as updated by our subsequent filings with the SEC, and available on our website at fcx.com. Many of the assumptions upon which our forward-looking statements are based are likely to change after the forward-looking statements are made. Further, we may make changes to our business plans that could affect our results. We caution investors that we undertake no obligation to update any forward-looking statements, which speak only as of the date made, notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes. While certain matters discussed in this report may be significant and relevant to our investors, any significance should not be read as rising to the level of materiality for purposes of complying with the U.S. federal securities laws or the disclosure requirements of the SEC.



Molybdenum roaster
in Sierrita, Arizona.

We Welcome Your Feedback

We would love to hear from you. Please contact us at ir@fmi.com or sustainability@fmi.com to ask questions and provide input to our company.



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