

Voluntary Principles on Security and Human Rights 2020 Annual Report to the Plenary

Freeport-McMoRan Inc. (“Freeport-McMoRan” or “the Company”) maintains a strong, unequivocal commitment to respecting human rights. We are a leading international mining company with headquarters in Phoenix, Arizona. We operate large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. Our 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 and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru.

The Company’s Human Rights Policy commits us to implementing both the UN Guiding Principles on Business and Human Rights (UN Guiding Principles) and the Voluntary Principles on Security and Human Rights (Voluntary Principles). Freeport-McMoRan has been a member of the Voluntary Principles Initiative since it was first established in 2000. The Voluntary Principles have been an important cornerstone of our human rights and security program, providing guidance for our operations as well as a mechanism to promote engagement, awareness, and respect for human rights within our workforce and with our government and community partners. As part of our UN Guiding Principles implementation, we are advancing site-level Human Rights Impact Assessments (HRIAs). These assessments use a comprehensive and dedicated HRIA methodology to identify and prioritize an operation’s human rights risks and impacts, including those related to security and human rights.

Freeport-McMoRan is a founding member of the International Council on Mining and Metals (ICMM). Implementation of the ICMM Sustainable Development (SD) Framework across the company results in site-level sustainability programs that meet responsible sourcing objectives for the global marketplace and includes site-level external assurance in accordance with the ICMM SD Framework Assurance Procedure. The framework includes a commitment to uphold human rights. This commitment was strengthened in 2018 with the adoption of multiple Performance Expectations (PEs) that are to be implemented and validated at the operating site level. One of these PEs commits members to supporting the implementation of the UN Guiding Principles and another to implementing, based on risk, a human rights and security approach consistent with the Voluntary Principles. Independent assurance of self-assessments is underway at our global mining and metals facilities. Along with the PEs, FCX has chosen to implement the Copper Mark at all copper operations. The Copper Mark includes several human rights requirements (such as the UN Guiding Principles and the Voluntary Principles) and is also assured at a site level. To date, FCX has received the award at 6 of its sites, including Cerro Verde in Peru and El Abra in Chile.

Furthermore, we continue to participate in multi-industry dialogue on respect for human rights via the Business for Social Responsibility human rights working group. We also continue to participate in and engage with the Corporate Human Rights Benchmark (CHRB), which assesses our performance related to a set of human rights indicators based on publicly available information, which includes our participation in the Voluntary Principles Initiative and implementation of the Voluntary Principles.

While under the Voluntary Principles’ revised reporting guidelines we are only required to submit an update report to the Plenary for 2020, we have chosen to prepare a full report. This report sets out

developments in our human rights programs as well as implementation activities, events and incidents during 2020 unless otherwise noted. While much of the background information does not differ from previous years' reports, it is provided here both to reflect our on-going activities and for new members of the Voluntary Principles and other stakeholders. Country implementation details are provided for Indonesia and Peru, as these countries represent our higher risk operating environments in terms of security and human rights.

We are deeply committed to supporting the health, safety and well-being of our people which was further emphasized as the COVID-19 pandemic created unprecedented challenges for our workforce and their families, our host communities and Indigenous neighbors, and for society at large. Despite social distancing due to COVID-19, many of our human rights teams collaborated more effectively in 2020. Teams held weekly meetings with critical sites to discuss and address complex issues brought on by the pandemic. Protecting our workforce from the virus was paramount and determining the best course of action was challenging. As we gained experience with COVID-19 protocols and listened to feedback from our workforce and communities, we responded and adjusted workforce COVID-19 requirements. Meanwhile, much of our in-person engagement and training shifted to virtual and socially distanced interactions. In support of continued activities and to conduct required liaisons with community stakeholders, a broad array of medical support targeting COVID prevention, detection, and treatment was implemented.

A. Commitment to the Voluntary Principles

1. Public Statement of Commitment or Endorsement of the Voluntary Principles, Engagement in the Voluntary Principles Initiative, and Transparency

In 2000, Freeport-McMoRan joined other extractive companies, governments and human rights organizations in endorsing the joint U.S. Department of State-British Foreign Office Voluntary Principles. Since that time, we have worked closely with our affiliate operations to assist in the implementation of the Voluntary Principles. Our endorsement of the Voluntary Principles is set forth on our website (www.fcx.com/index.php/sustainability/people#human) as well as in our Annual Report on Sustainability (www.fcx.com/sustainability/reports-and-documents).

We have incorporated our commitment to the Voluntary Principles into our Human Rights Policy as well as our Principles of Business Conduct (PBC). Our Human Rights Policy and PBC apply to all of our employees and our Board of Directors. We also expect our suppliers (including contractors and other partners with whom we conduct business) to uphold and abide by the same standards, which are reflected in our Supplier Code of Conduct. These policies and practices can be found at: www.fcx.com/sustainability/approach#policy.

In 2020, Freeport-McMoRan participated in country-level Voluntary Principles activities in Indonesia and Peru (please see the country-level reports below in Part C). At the Initiative-level, we participated in the virtual 2020 Voluntary Principles Plenary as well as Corporate Pillar and Secretariat meetings and verification presentations throughout the year.

We publish our Annual Reports to the Plenary on the Freeport-McMoRan public website (www.fcx.com/sustainability/reports-and-documents) as part of our broader sustainability reporting and

are committed to engaging with fellow Voluntary Principles members and observers to facilitate greater understanding our Voluntary Principles implementation.

2. Examples of Promoting Awareness of the Voluntary Principles Throughout Our Organization, Including Within the Value Chain

The Company has incorporated standard language on human rights into our corporate contract templates. Suppliers receive, and are expected to perform in accordance with, our Supplier Code of Conduct. Our Supplier Code of Conduct is based on our PBC and sets forth our expectations for suppliers in areas such as safety, human rights, anti-corruption, community and environment. For the purpose of the Supplier Code of Conduct, a supplier is defined as a business that provides goods or services to our company, their subcontractors, and any other contracted third parties.

To assess potential human rights risks in our supply chain, we utilize an online due diligence system, the Freeport Compliance eXchange (FCeX), for suppliers (including contractors). The system issues a risk assessment questionnaire to suppliers, which they must complete before being approved as new business partners at Freeport Indonesia (PT-FI), Cerro Verde and El Abra (and other sites). The questionnaire includes topics related to a range of legal, regulatory and reputational risk areas, including human rights and security risks. In 2020 we added a Responsible Sourcing section to the survey to gather information from each supplier on their ESG programs, including sustainability related management systems and certifications, human rights, health and safety and environmental commitments, among others.

As in recent years, we have included some information on our site-level Voluntary Principles implementation at our El Abra operation in this report. El Abra is an open-pit copper mining complex located 47 miles north of Calama in Chile's El Loa Province. We continue to evaluate a large-scale expansion at El Abra to process additional sulfide material and to achieve higher copper recoveries.

During 2019 and 2020, Chile experienced significant and prolonged civil unrest nationally that was unrelated to our operations. Social unrest, and in many cases violent protests, emerged in October 2019. A declaration of a national referendum on whether and how to rewrite the Constitution was made in November 2019 and protests continued at reduced frequency and intensity into early 2020. These protests caused broad disruptions across Chile but had relatively little impact operationally at El Abra. The referendum was held in October 2020 and overwhelmingly passed.

In 2020, the El Abra operation provided training on Human Rights and the Voluntary Principles to both of its security employees and all 74 of its security contractor personnel. In addition, approximately 300 employees and contractors received training on our Corporate Human Rights, Community and Environmental policies. The human rights policy is also posted in various locations throughout the operation. El Abra employs one private security contractor company, which deploys unarmed personnel to assist with the protection of company assets. Government security personnel are not directly assigned to the site.

In May 2020, an El Abra shift change was delayed by approximately two hours when a small group of local Indigenous community members blocked the entrance to El Abra to protest workforce reductions. Police responded to the scene but did not intervene. The issue was resolved through direct engagement with El Abra leadership and Community team.

We initiated implementation of a Human Rights Impact Assessment at El Abra in 2019, the scope of which includes the conduct of security personnel. Unfortunately, fieldwork in Q4 was deferred due to the outbreak of social unrest throughout the country, including in Santiago and Calama where meetings were scheduled. We were unable to restart in 2020 due to continued unrest and the COVID-19 pandemic; however, we are restarting in early 2021 with a virtual approach to field work. These assessments help us test the effectiveness of our human rights relevant management systems, including the degree to which they are effective in addressing human rights and security issues.

For other examples of how we promote awareness of the Voluntary Principles in Indonesia and Peru, including with host governments and authorities, please see the country-level reports below in Part C.

3. Examples of Promoting and Advancing Implementation of the Voluntary Principles Internationally

We frequently engage with financial and other stakeholders on security and human rights issues, including our implementation of the Voluntary Principles. This engagement is conducted both proactively and by request. In 2020, this included continuing to serve as an Observing Member of the International Code of Conduct Association (ICoCA). It also included continuing to participate in a Business for Social Responsibility (BSR) human rights working group, which provides a forum for gaining insight from companies representing multiple industrial sectors on methods for integration of the UN Guiding Principles into our business practices.

For other examples of how we promote awareness and advance implementation of the Voluntary Principles in Indonesia and Peru, please see the country-level reports below in Part C.

B. Policies, Procedures and Related Activities

4. Relevant Policies, Procedures and Guidelines to Implement the Voluntary Principles

Our Human Rights Policy (www.fcx.com/sustainability/approach#policy), which incorporates the Voluntary Principles, outlines our dedication to recognition, respect, and promotion of human rights wherever we do business. We respect the rights of all individuals, including employees, suppliers, community members and other stakeholders who may be impacted by our business. The policy, first established in the late 1990s, was most recently updated in December 2020. We respect internationally recognized human rights, including the rights under the International Bill of Human Rights, and are committed to implementing the UN Guiding Principles, to educating employees about human rights, to maintaining grievance mechanisms to record and address human rights allegations and incidents, and to protecting anyone who reports suspected human rights violations. The policy also includes a commitment to not tolerating forced, compulsory or child labor; and human trafficking; and respecting the rights of our workforce by providing fair treatment and work conditions, including fair wages and working hours and right to freedom of association and collective bargaining. Moreover, in the area of security, the Voluntary Principles serve as the guidelines for the Company's security programs, including interactions with host government police and military personnel and private security contractors. We condemn any form of threats, intimidation or violence against those who peacefully promote and defend human rights. Furthermore, we expect all suppliers of goods and services to operate in accordance with this policy. Refer to our Human Rights Policy for more detail.

The Corporate Responsibility Committee of our Board of Directors (Board) assists the Board in fulfilling its oversight responsibilities with respect to the implementation of our Human Rights Policy. The Corporate Responsibility Committee also oversees the Company's SD programs, including respect for human rights. During 2020, the Corporate Responsibility Committee reviewed our human rights performance and adopted the company's UK Modern Slavery Act Statement and amended Human Rights Policy.

Our Chairman and CEO has ultimate responsibility for the company's sustainability performance. The company's cross-functional Sustainability Leadership Team (SLT) includes members of the management team tasked with defining the sustainability strategy and implementing our policies, systems and programs across the business – including respect for human rights. The SLT aims to meet monthly and regularly reports to executive leadership, including to our CEO and Chief Financial Officer. In addition, members of the SLT report to the CRC on key ESG matters. The SLT is sponsored by our Senior Vice President and Chief Administrative Officer and is led by our Vice President and Chief Sustainability Officer, with active participation from other members of the SLT including our four operational business unit Presidents. SLT membership also includes Vice Presidents or senior representatives from groups including health and safety, security, supply chain, human resources, sales, legal, compliance, sustainability and finance functions.

Our Human Rights Working Group, launched in 2018, further supports our implementation of the UN Guiding Principles and the integration of human rights considerations across our business. The team is sponsored by our Vice President and Chief Sustainability Officer and is co-led by our Director of Sustainability and Manager of Business and Human Rights. The team is comprised of representatives from Safety, Supply Chain, Human Resources, Sales, Security, Legal/Compliance, Environment, Community Development and Product Stewardship. The scope of the working group is reflected in our Human Rights Dashboard, which summarizes the human rights issues relevant to our mining-related activities and includes security and human rights (refer to the Human Rights section of our website) (www.fcx.com/sustainability/people#human).

We promote awareness of our Human Rights Policy and the Voluntary Principles through a variety of mechanisms, including annual training through classroom and online training classes, distribution of pamphlets and other media for managers, and periodic training for non-managers on a rotating basis.

We conduct comprehensive training on the Company's employee code of conduct, the PBC, which incorporates our commitment to the Voluntary Principles and links to our Human Rights Policy. The PBC highlights our core values of *Safety, Respect, Integrity, Excellence* and *Commitment*, which help guide how we conduct business, from top-level management to entry-level employees. It sets forth a variety of business principles, from promoting a safe workplace to complying with laws and avoiding conflicts of interest to treating each other and our stakeholders with respect and developing positive relationships with local communities. While all employees typically receive training annually either online or in-person, due to operational challenges associated with the COVID-19 pandemic training was not mandatory in 2020.

The Voluntary Principles serve as a key component of our broader human rights program, which includes implementation of the UN Guiding Principles. Not all human rights issues are security issues, and not all security issues are human rights issues; it is at the nexus of human rights and security where our implementation of the Voluntary Principles resides.

We report on our human rights performance in our annual Sustainability reporting (www.fcx.com/sustainability). Our 2020 Sustainability Report, in combination with a separate GRI Index available on our website (fcx.com/sustainability/gri-content-index), was prepared in accordance with the GRI Standards Core option and the G4 Mining and Metals Sector Supplement. We have published a sustainability report annually since 2001 and we have reported under GRI guidelines and standards since 2005. In line with the GRI process, we conduct a Sustainability Reporting Prioritization Assessment process to delineate the key focus areas important to our business and our stakeholders. The results of our assessment help inform the development of our Annual Report on Sustainability and the key focus areas disclosed. External assurance of our 2020 reporting was conducted by Corporate Integrity Ltd. (Corporate Integrity) in accordance with the ICMC Mining Principles Assurance and Validation Procedure. Since 2009, site-level external assurance has been completed multiple times at all active mining and metals processing operations. We conduct site-level external assurance at operations at a minimum of once every three years, with annual assurance engagements at PT-FI and Cerro Verde. (fcx.com/sustainability/external-assurance)

We are implementing the Corporate Pillar Verification Framework, which entails a process to verify that we are meeting our responsibilities as a VPI member. As such, our Voluntary Principles reporting (and the performance we communicate therein) is included within the scope of our annual external assurance process. This Annual Report to the Plenary is included in our External Assurance Review provider's scope for the 2020 reporting period. This external assurance process includes meetings with our security and human rights teams to review their respective programs and management systems, which include, for example, their training programs, risk mitigation plans and grievance mechanisms. A public assurance statement is located within our Annual Report on Sustainability. As previously mentioned, we also publish our Annual Report to the Plenary as part of our broader sustainability reporting (www.fcx.com/sustainability/reports-and-documents).

5. Company Procedure to Conduct Security and Human Rights Risk Assessments, and Integrate Findings

The Freeport-McMoRan SD framework is based on operation-specific factors and influences, including regional context, type and stage of operation and social setting. Essential to this framework is the SD Risk Register process, which prioritizes the most significant risks that could have consequences to our business and our stakeholders across areas including health and safety, respect for human rights, environmental management, community development and economic impacts. Our SD Risk Register process was updated during 2018 to include additional categories with more extensive definitions for risk evaluation, which include the potential for human rights impacts across topics. Human Rights is integrated throughout the SD risk category definitions to reflect the broader scope of potential impacts relevant to our mining related activities (also refer to the Human Rights section of our website) (www.fcx.com/sustainability/people#human). Security remains a risk area for evaluation, with human rights considerations reflected in the categorical definition for risk evaluation.

Risks rated as 'actionable' prompt the development and implementation of Action Plans, as well as the monitoring of their progress and results. Site-level SD Risk Registers are maintained by inter-departmental teams at the operational level. The Corporate SD Department and senior, multi-disciplinary experts support operations so that prioritization processes are consistent with corporate procedures and provide associated thought input. Focus Areas identified through this process are annually reviewed by our SD Leadership Team and communicated to our Board. Our current focus areas,

including human rights, are described throughout our website and in our 2020 Sustainability Report (www.fcx.com/sustainability). The report also includes an explanation of the Sustainable Development Risk Register process (see page 14).

Additionally, our Project Development Sustainability Review process allows us to integrate sustainability considerations into mine development or expansion projects. The review is designed to help multi-disciplinary project teams identify risks, unintended consequences, trade-offs and opportunities (including those relating to human rights and security) so they may be addressed early and through each stage of project development. Project Development Sustainability Reviews may occur at the scoping, prefeasibility, feasibility and/or engineering/construction stages of projects and are also applicable to exploration projects. No new reviews were conducted in 2020.

The Company continues to work with expert third-party advisors to advance our implementation of the UN Guiding Principles and integration of human rights considerations across our business. We were unable to restart the El Abra HRIA in 2020 due to continued unrest and the COVID-19 pandemic, however we are restarting in early 2021 with a virtual approach to field work. Plans for 2021 also include initiating an HRIA for our Arizona operations and planning an HRIA for our PTFI operation in Indonesia. Our HRIA scope includes the conduct of both private security and government security.

6. Company Mechanism to Report Security-Related Incidents with Human Rights Implications by Public/Private Security Forces Relating to the Company's Activities

Freeport-McMoRan has established Human Rights Compliance Officer positions at PT-FI, Cerro Verde and El Abra as they represent our higher risk operating environments in terms of security and human rights. Part of their role is to receive, document and follow-up on formally or informally reported human rights incidents, grievances and allegations – including those relating to the conduct of public and private security. We actively communicate the role of the Human Rights Compliance Officer to employees and contractors, as well as community groups. All members of our workforce have access to the FCX Compliance Line, a hotline managed by an independent third party that allows for anonymous reporting (refer to PBC pages 42-43 for additional information). The FCX Compliance Line is also available to members of our supply chain via our Supplier Code of Conduct (refer to Supplier Code of Conduct page 11 for additional information). The FCX Compliance Line is fully compliant with all applicable international data privacy regimes. Both our PBC and Supplier Code of Conduct can be found at: www.fcx.com/sustainability/approach#policy. In addition, PT-FI, Cerro Verde and El Abra each have drop boxes or other mechanisms available for anonymous reporting. We have also incorporated human rights into our corporate Community Grievance Management system, which is implemented at each site to collect community grievances including those potentially related to human rights and/or security. Site-level Human Rights Compliance Officers report human rights incidents, grievances or allegations to site-level management, as well as to the Corporate SD group and legal counsel. Allegations related to public security providers are reported to the appropriate government institutions for investigation and, when appropriate, to urge action to prevent recurrence.

Per our Human Rights Policy, the Company does not tolerate retaliation against anyone who raises a question or concern about our business practices or reports a human rights violation. We are committed to protecting the confidentiality of anyone who reports potential violations should they request it. Furthermore, use of our internal and external grievance mechanisms does not preclude access to judicial or other non-judicial grievance mechanisms.

For examples of how we implemented this reporting mechanism in Indonesia and Peru in 2020, please see the country-level reports below in Part C.

7. Company Procedure to Consider the Voluntary Principles in Entering into Relations with Private Security Providers

Contracts with private security providers in Indonesia, Peru and Chile include specific language related to our corporate Human Rights Policy, which includes commitments to the Voluntary Principles. Security contractors are required to comply with the operations' Human Rights Policies, including receiving human rights training and instructions to immediately notify the Company of any human rights related incidents or allegations.

For descriptions of training provided to private security contractors in Indonesia and Peru in 2020, please see the country-level reports below in Part C.

8. Company Mechanism to Investigate and Remediate Security-Related Incidents with Human Rights Implications by Public/Private Security Forces Relating to the Company's Activities

Human rights allegations, including those related to security, are referred to the site-level Human Rights Compliance Officer, who oversees the documentation of each allegation and assigns an internal team to assess the allegation. The outcome of the assessment process is reported to site-level management and the individual respondent. Depending on the level of severity of the case, the outcome is also reported to our corporate SD group and legal counsel.

Where cases involve incidents linked to public security personnel, the Human Rights Compliance Officer and site-level management report these incidents to the appropriate government institution for investigation and, when appropriate, to urge action to prevent recurrence. Cases involving private security personnel are investigated by the Company and, where culpability is found, referred to the service provider for appropriate disciplinary action. We are committed to cooperating with human rights-related investigations and supporting appropriate remediation for proven violations caused by or contributed to by the Company's actions.

For examples of how we addressed security-related incidents in Indonesia and Peru in 2020, please see the country-level reports below in Part C.

C. Country Implementation

Indonesia

Overview of Country Operations

Through its joint venture in PT Freeport Indonesia (PT-FI) with the Government of Indonesia (via state-owned PT Indonesia Asahan Aluminium ("Inalum")), Freeport-McMoRan operates one of the world's largest copper and gold mines in the Grasberg minerals district in Papua, Indonesia. PT-FI operates in the remote highlands of the Sudirman Mountain Range in the province of Papua, Indonesia, which is on the

western half of the island of New Guinea. PT-FI has been implementing the Voluntary Principles since the Company became a signatory in 2000.

Indonesia has long faced separatist movements and civil and religious strife in a number of provinces. Several separatist groups have sought increased political independence for the province of Papua, where our Grasberg minerals district is located. In Papua, there have been sporadic attacks on civilians by separatists and sporadic but highly publicized conflicts between separatists and the Indonesia military and police. Recently, there have been a number of serious incidents throughout Papua. In December 2018, a mass shooting incident targeting a highway construction crew occurred in a remote mountain area approximately 100 miles east of the PTFI project area, resulting in at least 19 fatalities and several reported as missing. In March 2020, a shooting incident occurred near PT-FI's administrative offices in the lowlands community of Kuala Kencana, resulting in the murder of one PT-FI employee and serious injuries to two other workers. Also in March, community members voluntarily evacuated the three Banti villages in the highlands in response to armed criminal and separatist activity in the area. They returned in late January / early February 2021 after receiving security clearance from the local government. Security risks also stem from periodic social and ethnic tensions within the local community and in other areas of the province as well as the presence of in-migration.

Public and Private Security. The Grasberg minerals district has been designated by the Indonesia government as one of Indonesia's vital national assets. This designation results in the police, and to a lesser extent, the military, playing a significant role in protecting the area of our operations. The Indonesia government is responsible for employing police and military personnel and directing their operations. Approximately 1,065 public security personnel from the police and military were assigned directly to the PT-FI project area in 2020. In addition, the PT-FI Security and Risk Management Department employed approximately 560 unarmed security personnel and approximately 525 unarmed private security contractors and transportation/logistics personnel on a rotational basis. These security arrangements have been necessary to enhance the protection of our employees, contractors, and assets, especially considering the nature of security challenges and the remote and challenging terrain. Separatist security incidents, including shootings, continue to be reported and PT-FI remains engaged with government security institutions in monitoring the situation in the region.

Security Incidents. Shooting incidents directed at PT-FI personnel or resources have occurred within the project area, with varying intensity, for many years. Such incidents have most frequently targeted vehicles on the road connecting lowland logistical support activities with highlands operational areas.

In 2009, a series of shooting incidents occurred within the PT-FI project area, including along the road leading to our mining and milling operations. The shooting incidents have continued on a sporadic basis through January 2021. After no shooting incidents in 2014, there was one fatal shooting incident in 2015 (where a PT-FI security guard was killed, believed to be motivated by a dispute). There were 37 incidents in 2017-2018 and one incident in 2019.

During first-quarter 2020 and April 2020, there was an escalation in shooting incidents in PT-FI's area of operations. Seven shooting incidents occurred during this period, including three shooting attacks on convoys transiting the Main Supply Route, a security patrol ambush in the highlands resulting in 1 police fatality, two police vehicles being struck with gunfire in the highlands, and an exchange of gunfire between unidentified hostile individuals and police impacting a police administrative building. In late March 2020, a shooting incident occurred near PT-FI's administrative offices in the lowlands community of Kuala Kencana, resulting in the murder of one PT-FI employee and serious injuries to two other

workers (refer to **Appendix 1** for an incident report). In January 2021, another shooting incident occurred when a helicopter operating under contract to PT-FI was struck by a single gunshot.¹ No one was injured in the January 2021 shooting incident.

Groups espousing separatist motivations have claimed responsibility for many of these shootings, including releasing videos on social media of the shooting incidents. Separatist security incidents, including shootings, continue to be sporadically reported, and PT-FI continues to monitor the occurrence of incidents in the region. Police have apprehended and arrested several individuals involved in these shootings, and prosecutions are underway in the Indonesian court system.

Between 2009 and January 2021, there were 22 fatalities and more than 75 injuries to our employees, contractor employees, government security personnel and civilians.

The safety of our workforce is a critical concern, and PT-FI continues to work with the Indonesia government to enhance security and address security issues within the PT-FI project area and in nearby areas. We continue to limit use of the road leading to our mining and milling operations to secured convoys, including transport of personnel by armored vehicles in designated areas. Refer to Figure 1 for a map of the PT-FI IUPK Operational and Support Area for geographic context.

In May 2020, PT-FI experienced a labor work stoppage related to COVID-19 travel restrictions when a group of workers staged protests and a blockade restricting access to the main road to the mining operations area. PT-FI operations were suspended for five days. However, PT-FI reached an amicable resolution with the group of workers quickly, while upholding our COVID-19 safety protocols.

In October 2020, PT-FI experienced a security incident in Kuala Kencana, when a community member started a fire at one of its offices in the lowlands. Employees quickly extinguished the fire using a fire extinguisher and no one was injured. The incident was reported to the police and the arsonist, who was later arrested by police, is being prosecuted in the Indonesian judicial system. PT-FI enhanced office security to reduce exposure to such incidents.

Grievances. In 2020, a total of 16 grievances were reported to the PT-FI Human Rights Compliance Office by employees, contractors and community members related to domestic issues, human resources, verbal harassment and discrimination. None of these grievances were related to security. Regardless of the types and credibility of these allegations, all cases reported were documented, reviewed and closed, or are in the process of being followed up by the PT-FI Human Rights Compliance Office.

Engagement with Stakeholders on Country Implementation

PT-FI continues to engage with stakeholders at the national, regional and local level regarding implementation of the Voluntary Principles, the UN Guiding Principles and respect for human rights. While in person engagements were limited due to COVID-19 mitigation protocols, PT-FI's engagement continued. During 2020, the PT-FI Human Rights team participated in multi-stakeholder dialogue on the UN Guiding Principles facilitated by The Institute for Policy Research and Advocacy (ELSAM) in Jakarta. PT-FI's Human Rights team also participated in an online seminar on business and human rights together with ELSAM and the Indonesian Human Rights Commission (KOMNAS HAM). PT-FI also met with

¹ Although it falls outside of the reporting period of this document, we have included this January 2021 incident consistent with our 2020 FORM 10-K disclosures.

KOMNAS HAM Jayapura to discuss labor related matters at PT-FI. These engagements serve to build cooperative relationships and promote protection of and respect for human rights.

Despite the challenges posed by COVID-19 mitigation protocols, PT-FI continued its engagement with community leaders, partner organizations and local authorities within and near its project area. In addition, PT-FI leadership and staff (including security and Community Liaison Officers) meet frequently with community members and local authorities to discuss updates on PT-FI's operations, economic development programs, community transport routes, security matters, illegal gold panning, and customary rights. More information on outreach and training activities is presented below.

Voluntary Principles Considerations in the Selection of Private Security Providers and Formulation of Contractual Agreements with Private Security Providers, as well as Arrangement with Public Security Forces

In 2020, PT-FI employed one primary private security contractor company, which deployed unarmed personnel to assist with the protection of company assets. PT-FI also employed three transportation/logistics contractor companies in 2020, providing unarmed personnel to assist with airport security screening, passenger/supply convoy logistics and driving vehicles for personnel and logistical support. Contracts with private security providers and transportation/logistics contractor companies state that contractors are required to comply with both our Human Rights Policy and the Voluntary Principles (including their participation in human rights training). Furthermore, private security companies are subject to Freeport-McMoRan's online due diligence system (FCeX) and are required to comply with the company's Supplier Code of Conduct. New suppliers and contractors linked to locations not covered by the online system undergo manual screening by our Global Supply Chain department.

PT-FI, like all businesses and residents of Indonesia, relies on the Indonesia government for the maintenance of public order, upholding the rule of law and protection of personnel and property. From the outset of PT-FI's operations, the Indonesia government has looked to PT-FI to provide logistical and infrastructure support and assistance for these necessary services because of the limited resources of the Indonesia government and the remote location of and lack of development in Papua. PT-FI's financial support of the Indonesia government security institutions assigned to PT-FI's operations area represents a prudent response to PT-FI's requirements and commitments to protect its workforce and property better ensuring that personnel are properly fed and lodged and have the logistical resources to patrol PT-FI's roads and secure its area of operations. In addition, the provision of such support is consistent with the scope of PT-FI's project area comprising approximately 1270 square kilometers, our philosophy of responsible corporate citizenship, and reflects our commitment to pursue practices that protect and respect human rights.

PT-FI's MOU with the National Police was last revised and signed in October 2019. PT-FI also signed an MOU with the Military in December 2019. Both MOUs cover a five-year term and detail the working relationship between the company and the public security personnel assigned to it, such as areas of support, coordination and commitment to PT-FI policies and procedures, including business ethics and human rights. The Voluntary Principles and FCX Human Rights Policy are incorporated as an attachment to the MOU. Under the terms of our MOUs, PT-FI neither provides any lethal or non-lethal munitions nor exercises any command and control of the military or police.

In 2020, the majority of PT-FI's security budget (68 percent) was directed to PT-FI's own industrial security requirements (including employee and contractor direct costs and associated overhead) and

totaled approximately \$47 million. The remainder of the budget (32 percent) represented PT-FI's support costs for government-provided security and totaled approximately \$22 million.

Police provide the majority of security and have overall responsibility for the security of the vital national asset; 75 percent of the government support costs were directed to police units. The remainder was directed to military units who provide specialized security skill sets, including for example, Navy and Air Force personnel for port and airport security respectively.

Under the terms of the MOU, approximately 66 percent of overall host government support was provided in-kind such as food, housing, fuel, travel and vehicle repairs. Provision of food represents the single largest category. The remaining host government support is provided in the form of monetary allowances for police and military units, covering incidental and administrative costs (including community assistance programs conducted by the military and police), and a voluntary monthly support allowance (VMSA) for individual service members, which are paid to and managed via official unit-level bank accounts. The VMSA is intended to defray the hardships of the remote assignment and provide a base living allowance for assigned personnel.

All costs associated with assistance to the host government are subject to internal controls, including regular internal and external audits.

Examples of Supporting Outreach, Education and Training

While the COVID-19 pandemic presented operational challenges, which impacted training in 2020, PT-FI still conducted approximately 11,400 hours of training on our Human Rights Policy and the Voluntary Principles either directly by the PT-FI Human Rights Office or indirectly via its Human Rights Ambassador program. This included:

- Induction or refresher training for approximately 1,180 PT-FI employees and 560 PT-FI security employees,
- Induction or refresher training for approximately 2,730 contractor employees and 180 private security contractor employees, and
- Pre-deployment training for approximately 1,065 police and military personnel under PT-FI's MOUs.²

The majority of the training for employees and contractors was transitioned online, while awareness training for local communities, partner organizations and student bodies was paused.

In 2020, PT-FI expanded its Human Rights Ambassador program to include the Manyar smelter project in Gresik. Launched in 2018, the program provides representatives from contractor companies with "train

² Military and police contingents not based in Papua receive a presentation on human rights before beginning their assignment within the PTFI project area; either at their home base or upon arrival at the site. Host government security not directly assigned to the PTFI project area may temporarily travel through PTFI's approximately 2900 square kilometer project area en route to other assignments. When possible, PTFI works to promote human rights and Voluntary Principles awareness among these individuals, including via posters, distribution of Voluntary Principles pocketbooks and awareness training. Approximately 155 such regionally assigned police received this awareness training in 2020.

the trainer” instruction on human rights and the Voluntary Principles. Those trained are responsible to serve as Human Rights Ambassadors within their respective companies, promoting awareness of PT-FI’s human rights policy, emphasizing shared responsibility in respect for human rights, and delivering annual human rights training for their company’s workforce conducting work in the PT-FI project area. The PT-FI Human Rights Team organized a capacity building training for its Human Rights Ambassador’s in early 2020 and coordinated with them remotely throughout the year.

Following training, feedback forms and knowledge checks are collected to help the Human Rights Office assess training effectiveness, address questions and obtain feedback to support continuous improvement.

The PT-FI Human Rights team also created posters and banners to raise workforce awareness on human rights principles. In 2020 these were focused on non-discrimination in the context of COVID-19.

Company Procedure to Review Progress on Voluntary Principles Implementation at Local Facilities

Freeport-McMoRan corporate personnel reviewed implementation of the Voluntary Principles at PT-FI through site visits and meetings with the Human Rights Compliance team, as well as the Security team. The PT-FI Human Rights Compliance team also issues a monthly report to site and corporate management on human rights training, engagement activities and the status of any reported human rights grievances. From the start of the pandemic in 2020 we had weekly meetings to collaborate and share on the challenges the pandemic presented.

PT-FI underwent an external assurance review by Corporate Integrity in February 2021 as part of Freeport-McMoRan’s ICMM assurance commitment (see Section B.4. above) and participation in the Corporate Pillar Verification Framework. The review was undertaken remotely due to COVID-19 restrictions and included a review of its security and human rights risk management systems (see Sections B.4. and B.5. above).

Peru

Overview of Country Operations

Sociedad Minera Cerro Verde SAA (Cerro Verde) is an open-pit copper and molybdenum mining complex located approximately 20 miles southwest of Arequipa. Cerro Verde is majority owned and operated by Freeport-McMoRan, which acquired the mine at the time of its privatization by the Peruvian government in 1994 through a predecessor company. The remaining shareholders are Sumitomo, Buenaventura and other minority shareholders. Cerro Verde has provided a variety of community support projects over the years. In 2015, Cerro Verde completed construction of a wastewater treatment plant for the city of Arequipa. The wastewater treatment plant supplements existing water supplies to support Cerro Verde’s concentrator expansion and also improves the local water quality, enhances agricultural products grown in the area and reduces the risk of waterborne illnesses. In addition to these projects, Cerro Verde annually makes significant community development investments in the Arequipa region.

Cerro Verde, like all businesses and residents of Peru, relies on the Peru government for the maintenance of public order, upholding the rule of law and the protection of personnel and property.

The Peru government is responsible for employing police personnel and directing their operations. During 2019 and 2020, Peru experienced significant and prolonged civil unrest unrelated to our operations.

Public and Private Security. As of the end of 2020, Cerro Verde employed 10 security employees and 270 private security contractors. Some private security contractors assigned to the protection of expatriate personnel and explosives storage are armed. In addition to these security personnel, the national government has assigned Peruvian National Police (PNP) to the site in teams on 7-day rotations, depending on the availability of the PNP, in accordance with Legislative Decree N° 1267, Supreme Decrees 026-2017-IN, N° 003-2017-IN and N° 018-2017-IN, and Emergency Decree N° 006-2017 (article 11). Team sizes varied over the course of the year. A total of 566 members of the PNP rotated through the site during 2020.

Grievances. In 2020, 73 grievances were reported to the Cerro Verde Human Rights Compliance Office and Legal team. Of these, 55 were related to labor compliance, 17 were related to contracts, one was related to sexual harassment. None were security related. All grievances received in 2020 related to contractors or their employees. This is attributed to increased awareness of our grievance mechanism by contractors and their employees who have been targeted for training on our Supplier Code of Conduct and related human rights topics in recent years. Regardless of the type and credibility of these allegations, all cases reported are documented, reviewed and closed by the Cerro Verde Human Rights Compliance Office.

Engagement with Stakeholders on Country Implementation

Cerro Verde continues to participate in the country-level implementation of the Voluntary Principles in Peru and attend monthly working group meetings. In 2020, Cerro Verde also participated in discussions on human rights issues and implementation with the National Society of Mining, Oil and Energy, which replaced meetings previously facilitated by Corredor Minero del Sur (SEMSUR) on the interface between social and security issues. This engagement was conducted virtually as a result of the COVID-19 pandemic.

Voluntary Principles Considerations in the Selection of Private Security Providers and Formulation of Contractual Agreements with Private Security Providers, as well as Arrangement with Public Security Forces

As part of its security program, Cerro Verde maintains its own internal security department and contracts one private security company. Both employees and contractors perform functions such as protecting company facilities, monitoring shipments of supplies and products, assisting in traffic control and aiding in emergency response operations. Cerro Verde's costs for its internal civilian security department totaled \$7 million in 2020. Contracts with private security providers include specific language related to our corporate Human Rights Policy (and, by extension, to the Voluntary Principles) as well as our Supplier Code of Conduct. Furthermore, new suppliers (including contractors) are subject to Freeport-McMoRan's online due diligence system (FCeX) and required to comply with our Supplier Code of Conduct, which is inclusive of our Human Rights Policy.

Cerro Verde has limited public security in support of its operation, with the arrangement defined through an MOU with the Peruvian National Police (PNP). Under Peruvian law, PNP officers may volunteer to be assigned to operations such as Cerro Verde during their scheduled leave. This allows the

officers to supplement their government salaries at a rate set by Government. They retain their full powers as officers of the law when performing this role and wear their police uniforms but are not armed. The MOU was amended in December 2019 to extend the term two years. It details the working relationship between Cerro Verde and the PNP, including areas of support and coordination. A commitment to the Voluntary Principles is included as an addendum to the MOU.

Cerro Verde's share of support costs for government-provided security approximated \$1 million in 2020. This support is primarily remuneration, but also includes a limited amount for in-kind support (e.g., daily bus transportation to and from the mine, food and incidentals) provided by the Company. The amount and modality of payment is in accordance with Peruvian law (Supreme Decree N° 152-2017-EF, Ministry Act N° 552-2017-IN and Legislative Decree N° 1267).

Examples of Supporting Outreach, Education and Training

While the COVID-19 pandemic presented operational challenges, which impacted training in 2020, Cerro Verde still conducted approximately 2,860 hours of training in 2020 either directly or via a third-party. Following the outbreak of the pandemic, most of the training was transitioned online. The training included:

- Induction training for all new Cerro Verde employees on human rights as well as a booklet on human rights and internal labor regulations.
- Refresher training for approximately 145 Cerro Verde employees on our human rights policy with a focus on labor rights, sexual harassment, forced labor, child labor and how to reports concerns.
- Training on Human Rights and the Voluntary Principles for all of Cerro Verde's security contractors.³
- Pre-deployment training on Human Rights and the Voluntary Principles for 566 members of the PNP who rotated through the site.
- Training for approximately 338 contractors on our human rights policy
- Awareness training for visitors to the mine as part of a short safety video delivered to over 262 stakeholders, including authorities, community members, students, teachers and others.

Company Procedure to Review Progress on Voluntary Principles Implementation at Local Facilities

Freeport-McMoRan corporate personnel review implementation of the Voluntary Principles at Cerro Verde through site visits and meetings with the Cerro Verde Human Rights Compliance team, as well as the Cerro Verde Security Manager. From the start of the pandemic in 2020 we had weekly meetings to collaborate and share on the challenges the pandemic presented.

Cerro Verde underwent an external assurance review by Corporate Integrity in December 2020 as part of Freeport-McMoRan's ICMM assurance commitment (see Section B.4. above), Copper Mark requirements, and participation in the Corporate Pillar Verification Framework. The review was undertaken remotely due to COVID-19 restrictions and included a review of its security and human rights risk management systems (see Sections B.4. and B.5. above).

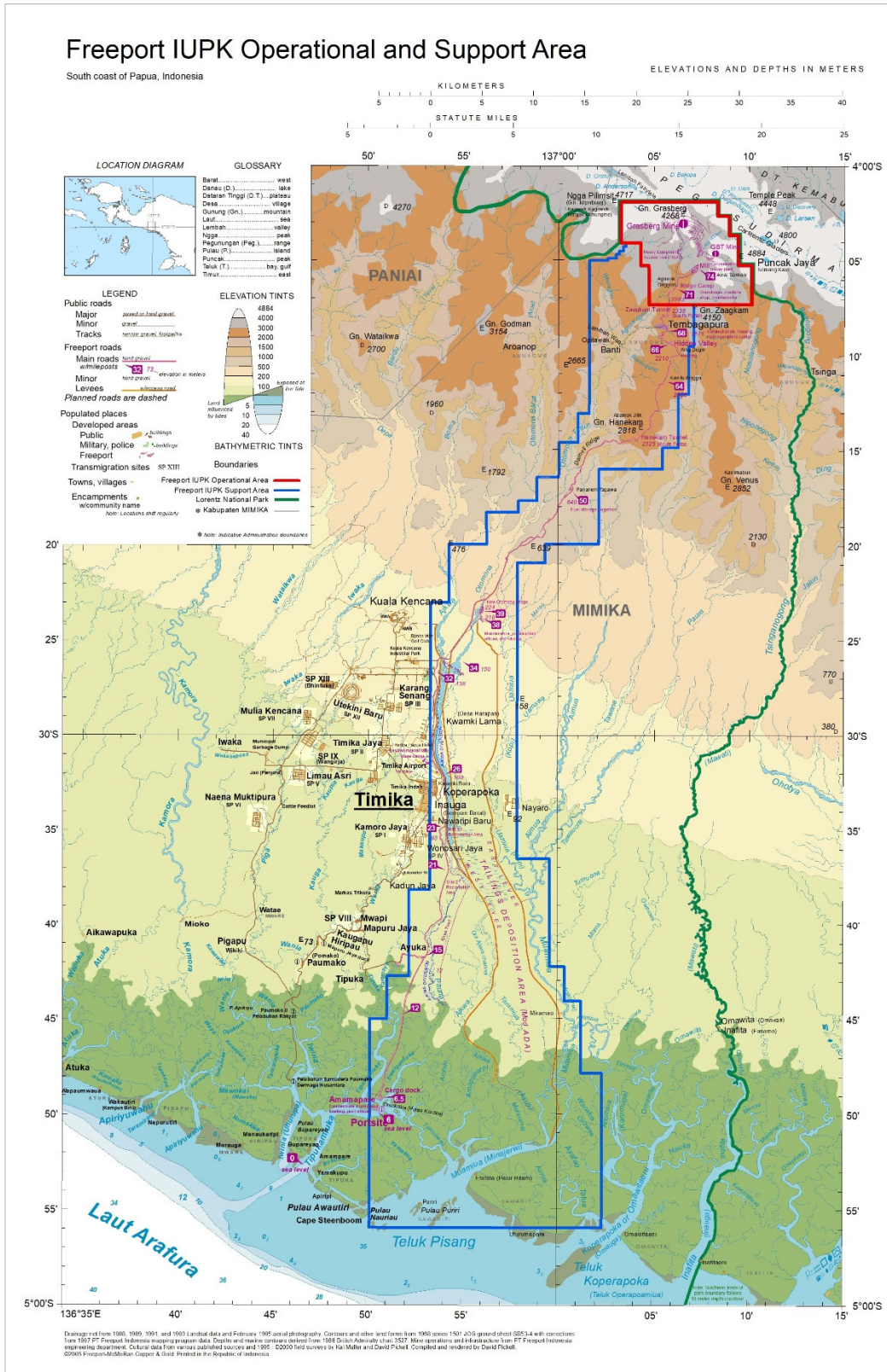
³ Some security contractors assigned to protection of expatriate personnel and explosives storage are armed. These contractors also receive training on defensive driving and firearms handling.

In December 2020, Cerro Verde was awarded the Copper Mark, a new, comprehensive assurance framework that promotes responsible production practices and includes independent site-level assessment against a comprehensive set of environmental, social and governance (ESG) criteria, including in relation to security and human rights.

D. Lessons or Issues from this Reporting Year, as well as Plans or Opportunities to Advance the Voluntary Principles for the Organization

We continue to identify opportunities for continuous improvement in our implementation of the Voluntary Principles. Within the constraints associated with the COVID-19 pandemic, plans for 2021 include continuing our participation in VPI and Corporate Pillar meetings, continuing our participation in the implementation of the Voluntary Principles at the country-level in Indonesia and Peru, reviewing the final VPI model training materials to identify opportunities to enhance our training on human rights and the Voluntary Principles, and continuing to advance our implementation of the UN Guiding Principles (including advancing site-level HRIAs in Chile and Arizona).

Figure 1. Map of PT-FI IUPK Operational and Support Area



Appendix 1. Report to the Voluntary Principles Plenary re: March 30 Security IncidentReport to the Membership of the Voluntary Principles on Security and Human Rights

April 9, 2020

Freeport-McMoRan is reporting on a fatal shooting incident at its subsidiary, PT Freeport Indonesia (PTFI). PTFI operates one of the world's largest copper and gold mines in the Grasberg minerals district in Papua, Indonesia. The project area comprises approximately 2,900 square kilometers. For geographic context of the incident, which occurred near Timika, refer to a map of the PTFI project area in Figure 1.

There has been no direct impact on mining operations as a result of this incident.

March 30 Shooting Incident

One expatriate employee was killed, one national employee and one national contractor were seriously injured, and four others suffered minor injuries when shots were fired at an administration office building and adjacent parking lot in Kuala Kencana at approximately 2 p.m. on Monday, March 30. The two seriously injured individuals were transported to our company hospital in Tembagapura where they recovered. The four individuals who suffered minor injuries were treated at the scene. We are very saddened by the loss of a colleague, and our thoughts and prayers are with all of the victims and their families.

The incident started when multiple gunshots were fired at the administration office building, striking three employees who were leaving the building. Bullets also struck the northwest corner of the second floor of the building.

PTFI's Security Risk Management department secured the traffic circle south of the building and escorted members of PTFI's Emergency Response Group to move the critically injured employee to an adjacent administrative office. Government security forces also responded to secure the area and assist in evacuating employees from both administrative office buildings and a nearby shopping center. Government security forces implemented armed security patrols throughout Kuala Kencana, and town facilities were shut down until security was reestablished.

Police authorities have stated they believe an armed separatist group, also reported to be responsible for recent attacks on government security posts near Tembagapura, carried out the attack. Eyewitness reports indicate that two armed groups totaling approximately 12 men retreated into the dense jungle after the attack.

The safety of our workforce is our top priority. PTFI continues to work with the Indonesia government to enhance security in and around Kuala Kencana and throughout the PTFI project area. We continue to limit the use of the road leading to our mining and milling operations to secured convoys, including transport of personnel by armored vehicles in designated areas.

PTFI Security Context

Indonesia has long faced separatist movements and civil and religious strife in a number of provinces. In Papua, where our Grasberg minerals district is located, separatist groups have sought increased political

independence for the province. These groups have been responsible for sporadic attacks on civilians, as well as highly publicized conflicts between separatists and the Indonesia military and police. Recently, there have been a number of serious incidents throughout Papua. In December 2018, a mass shooting incident targeting a highway construction crew occurred in a remote mountain area approximately 100 miles east of the PTFI project area, resulting in at least 19 fatalities and several reported as missing.

Since 2001, 16 PTFI employees and contractors have been fatally injured and 67 injuries incurred in 33 separate shooting incidents. These incidents have occurred sporadically, with most events in clusters in 2009-2012 and 2017-2018. Freeport-McMoRan and PTFI condemn these acts of terror perpetrated against our workforce and our communities. PTFI supports government efforts to bring the criminal elements responsible for these acts to justice.

Please refer to our [annual reports to the Voluntary Principles Plenary](#) for more information.