

HUMAN RIGHTS IMPACT ASSESSMENT

Arizona Operations

What is a Human Rights Impact Assessment?

Freeport-McMoRan Inc. (FCX or the Company) uses Human Rights Impact Assessments (HRIAs) conducted by third-party consultants as its primary method for conducting human rights due diligence at our active operations. HRIAs are conducted by third-party consultants on a standalone or integrated basis and involve direct input from a broad cross-section of internal and external rights-holders (and those with insight into such rights-holders). HRIAs support continuous improvement of FCX's management systems by testing their effectiveness in identifying and addressing potential, actual and perceived human rights risks and impacts.

These types of third-party assessments are central to fulfilling our responsible production commitments, including those associated with the International Council on Mining and Metals (ICMM) membership, Copper and Molybdenum Mark site certification, the Voluntary Principles on Security and Human Rights membership, as well as for the delivery of assurance to our customers and other stakeholders.

HRIA Methodology

FCX's HRIAs use structured, UN Guiding Principles-aligned methodologies to identify and prioritize human rights risks and impacts at each operation. HRIAs are conducted by third-party consultants and help us better understand how effective our established programs and practices are at identifying, mitigating, and remediating human rights impacts – and, if relevant, how they can be improved.

In many cases, human rights risks and impacts have already been identified through each sites' sustainability risk register process, management systems and grievance mechanisms. However, HRIAs verify/clarify and supplement existing information with any unreported risks or impacts. These are uncovered through direct in-depth engagement with actually or potentially affected rights-holders in and around our operations.

For more information on our approach, please see our **Human Rights – Embedding Respect** section on our [website](#) and our [HRIA Methodology](#).

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Arizona Operations: Bagdad, Miami, Morenci, Safford, and Sierrita

We have five active operations in Arizona, U.S., which are described below.

Bagdad mine: Our Bagdad mine is an open-pit copper and molybdenum mining complex in Yavapai County that has been operating continuously since 1945. At the end of 2022, Bagdad’s workforce comprised approximately 1,100 employees and 1,300 contractors. We are planning an expansion to double the concentrator capacity of the Bagdad operation. We are engaging stakeholders and conducting a feasibility study, which is expected to be completed in the second half of 2023. We are also advancing plans for expanded tailings infrastructure projects to support Bagdad’s long-term plans.

Miami mine, smelter and rod mill: Miami is an open-pit copper mining complex in Gila County. Miami is no longer mining ore, but currently produces copper through leaching material already placed on stockpiles. The site also includes an active smelter and a rod mill. At the end of 2022, Miami’s workforce comprised approximately 800 employees and 3,200 contractors.

Morenci mine: Morenci is an open-pit copper mining complex in Greenlee County that has been in continuous operation since 1939. At the end of 2022, Morenci’s workforce comprised approximately 3,900 employees and 3,900 contractors.

Safford mine, including Lone Star: Our Safford mine is an open-pit copper mining complex in Graham County that has been in operation since 2007. At the end of 2022, Safford’s workforce comprised approximately 1,500 employees and 1,000 contractors.

Sierrita mine: Our Sierrita mine is an open-pit copper and molybdenum mining complex near Green Valley and Sahuarita in Pima County that has been in operation since 1959. At the end of 2022, Sierrita’s workforce comprised approximately 1,200 employees and 3,200 contractors.

For more information on our operations please visit our [website](#).



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HRIA Process

In 2021, we engaged a third-party consultant, Verisk Maplecroft, to conduct an HRIA of our five active Arizona operations—Bagdad, Miami, Morenci, Safford and Sierrita. Our HRIA approach includes the following steps:

Desktop Assessment & Planning

As a first step, Verisk Maplecroft conducted a desktop assessment of the sites' potential human rights risks and impacts based on:

- ▶ Verisk Maplecroft's proprietary Human Rights Risk Indices;
- ▶ Third-party sources, including the media and civil society organizations;
- ▶ Site-specific documentation, including site-level sustainability risk registers, grievance reports, health and safety reports, environmental reports, employee survey results, site-level ICMM/Copper Mark Assurance Reports, and Social Performance Plans, among other sources; and
- ▶ HRIA Self-Assessment Questionnaires completed by managers at both corporate and site levels.

The desktop assessment informed the identification of stakeholders to be interviewed, the outcome of which is shown in the table below. The HRIA was designed to specifically consider the unique stakeholder connections across our Arizona operations, including relations with neighboring, federally recognized Native American Tribes and suppliers and contractors that service multiple sites. Specific focus was paid to potentially vulnerable groups, including women, ethnic minorities, linguistic minorities, and sexual minorities.

AZ OPERATIONS STAKEHOLDERS

EMPLOYEES	CONTRACTORS/SUPPLIERS	COMMUNITY MEMBERS	THIRD PARTIES
Managers	Onsite contractors	Community members and representatives	Public officials
Employees (including women/minorities)	Offsite suppliers	Native American Tribal members and representatives	Non-governmental organizations
	Domestic logistics contractors	Teachers/doctors	Private security
	Domestic suppliers of goods	Religious leaders/organizations	Police
	Domestic cleaning/catering contractors		Fire
	Workers within the supply chain		

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Field Work

Two Verisk Maplecroft consultants visited our five active Arizona operations and their surrounding communities between October and December of 2021 and conducted face-to-face interviews with stakeholders identified during the planning phase. Subsequent remote interviews were conducted in early 2022.

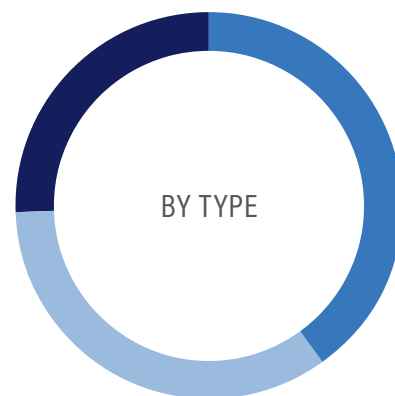
Engagement was structured around a “living” list of stakeholders prepared by our Arizona operations team members and Verisk Maplecroft in advance of the field work, and then updated throughout the engagement process as new lines of inquiry became apparent and recommendations were made. Engagement was conducted on both an individual and collective basis. This included a range of actually and potentially affected rights-holders as well as those with insight into such rights-holders.

During the engagement across the five Arizona operations, the Verisk Maplecroft consultants engaged more than 420 stakeholders, including:

- ▶ 172 employees
- ▶ 118 third parties, including community representatives, public officials, private security employees, police and fire service providers
- ▶ 29 community members
- ▶ 109 individuals at suppliers, contractors and subcontractors

Within the entire stakeholder sample, the Verisk Maplecroft consultants interviewed 30 Native American stakeholders belonging to the following Tribes: Hualapai Tribe, San Carlos Apache Tribe, Tohono O’odham Nation, White Mountain Apache Tribe, Yavapai Prescott Indian Tribe, Yavapai-Apache Nation, and Hopi Tribe.

STAKEHOLDER ENGAGEMENT



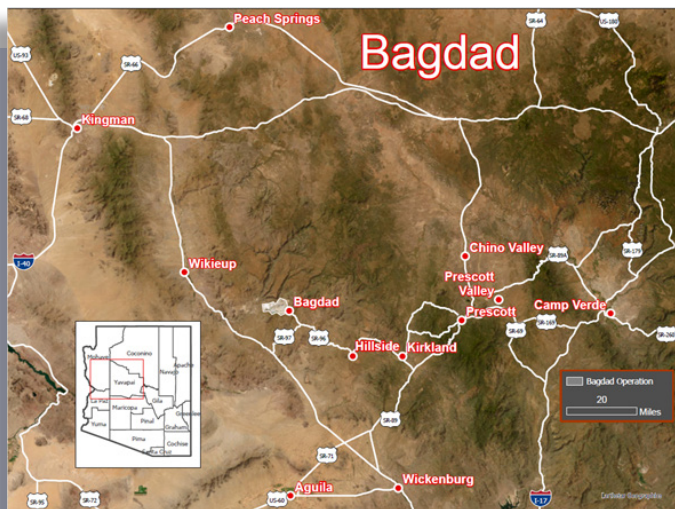
■ Employees	172
■ Community members and third parties	147
■ Suppliers/contractors /subcontractors	109

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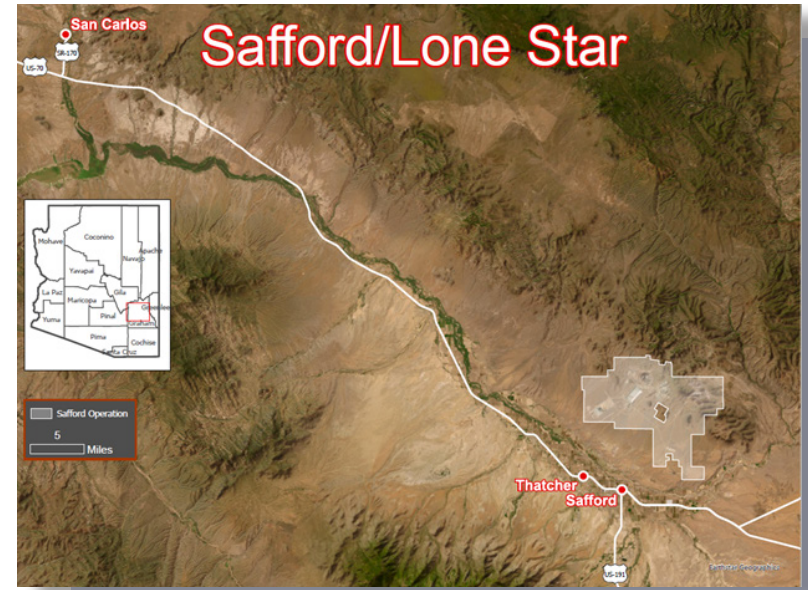
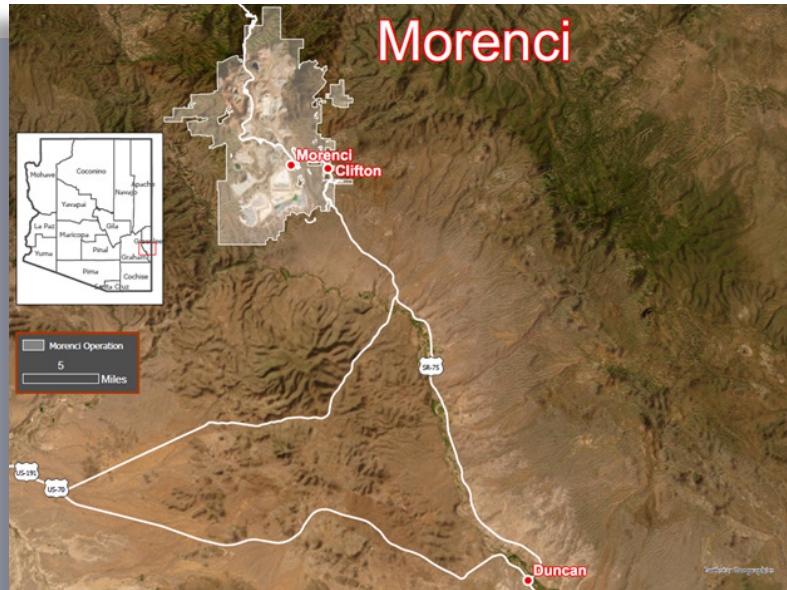
The Verisk Maplecroft consultants made efforts to conduct interviews in locations and in ways that encouraged candid, transparent and constructive discussions. With the exception of managers from our Arizona operations, all interviewees were offered anonymity before the engagement took place. Similarly, FCX employees were absent from all external interviews. Engagement took place at a range of locations, including mine sites and contractors' offices, community centers, libraries, district offices, schools and school district offices, community members' homes, parks, local restaurants, a sheriff's office, a fire department, a clinic, Yavapai College campus, other places of business, and virtually.

The following maps show the scope of the site-specific stakeholder engagement. Some of the Native American stakeholders who were interviewed currently live outside the boundaries of these maps, but have ancestral connections to these lands. Some suppliers based in Phoenix and Tucson are also not reflected in the following maps.



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Presentation of Findings

In mid-2022, the cross-functional Sustainability Leadership Team at each Arizona operation received a full report on the HRIA outcomes, as well as a site-specific presentation on key findings and priority areas for action. This provided site-level leadership teams the opportunity to engage directly with the consultants on any questions or feedback. Members of FCX's executive leadership, Sustainability Leadership Team, Human Rights Working Group and others received a summary presentation on key findings and priority areas for action across all five Arizona operations. The Corporate Responsibility Committee of the Board of Directors was also briefed on key findings and priority areas for action.

Action Planning

Many of the human rights risks and impacts identified were already subject to established human rights-related management systems at our five Arizona operations. Where the findings identified actual or potential gaps in this regard, cross-functional corporate- and site-level teams are developing and implementing action plans to further investigate, prevent and/or remedy human rights risks and impacts. This includes the leveraging of existing systems, processes and initiatives, where possible.

Actions were prioritized on the basis of whether there was an actual or potential impact, the severity of impact, the time sensitivity of remediation (e.g., the likelihood of continued harm and the potential for impacts to become irremediable) and company influence/leverage. Where common themes were identified across multiple sites, we are leveraging corporate-level resources and processes to drive action.

Our action plans support the continuous improvement of our existing systems and processes, and where necessary, establish new measures to further investigate, prevent, mitigate and/or remedy human rights risks and impacts. Since many of the prioritized risks and impacts are interdependent and interrelated, the associated action plans are as well. Due to uncertainty around the supporting facts behind certain allegations and/or the causal relationship to our Arizona operations, further investigation was required in certain instances. Insights into stakeholder perceptions and misperceptions are also informing our communication strategies.

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Key Findings & Priority Areas for Action

The Arizona operations HRIA found that the overall impact profile for our Arizona operations was relatively low. This reflects the U.S. and Arizona regulatory environments, as well as the application of effective site-level management systems, audits and responsible production assurance processes (e.g., the Copper Mark), which help to prevent risks from manifesting. However, some potential and actual impacts were identified via the Arizona operations HRIA and are outlined in the table on pages 10-13.

Examples of effective corporate- and site-level management systems, approaches, and actions included:

- ▶ A strong health and safety culture (including a focus on providing a safe workplace), which extends to business partners working at or visiting the sites;
- ▶ A rapid initial response to COVID-19 to protect workers' health and encourage responsible behaviors, which extended to the provision of assistance and supplies to surrounding communities and Native American Tribes;
- ▶ Application of first-class environmental controls and management systems certified to the ISO 14001 standard at the Arizona operations, including with respect to water stewardship and tailings management;
- ▶ A formal system for reporting and monitoring community grievances to help ensure the Arizona operations respond to and address complaints and alleged impacts;
- ▶ Site-level initiatives to develop local supply chains and provide support and opportunities for local businesses to work with the Arizona operations, in accordance with FCX's North America local procurement strategy;
- ▶ Proactive work with local government authorities, including ad hoc assistance with respect to the maintenance of infrastructure (e.g., clearing rockfalls on roads and repairing bridges) and community responses to natural hazard events (e.g., wildfire at Bagdad and floods and wildfire at Miami);
- ▶ Engagement with Native American Tribes via dedicated teams and strategies (e.g., Building Trust with Tribes), the provision of education and skills training support (e.g., the Native American Scholarship Program) and funding for community development and the preservation of cultural heritage;
- ▶ Facilitation of access for Native American stakeholders to culturally and spiritually significant land owned by FCX for harvests, traditional ceremonies, and grave site visits;
- ▶ A partnership with the pecan farm at Sierrita to build a water line from the Colorado River for irrigation, to relieve pressure on local groundwater resources and support a diversified economy; and
- ▶ Remediation of legacy contamination issues, such as aquifer pollution at Miami.

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The Arizona operations HRIA provided useful insight into broader human rights dynamics, as well as stakeholder perceptions. For example, many Native American stakeholders spoke about mining in general without making a distinction between FCX's activities and others in the area, and many also spoke in the context of generational, historical experience. Although their opinion of mining was generally negative, the stakeholders expressed a positive impression of FCX as a company and of dealing with FCX's teams (who were perceived as being easy to engage with if needed). Native American stakeholders generally expressed satisfaction with Freeport's efforts to preserve cultural heritage.

Overall, the Arizona operations' social investment activities (which include a focus on supporting local economies, business development, and community infrastructure) are viewed positively by stakeholders, including interviewees from Native American Tribes, as well as residents and officials from nearby towns. In particular, efforts to enhance educational opportunities for children and young adults were praised by a wide range of interviewees. In conjunction with community engagement mechanisms like the Community Partnership Panels (CPPs), the benefits and opportunities the Arizona operations bring to surrounding communities appear to be appreciated by stakeholders.

The following table summarizes the key adverse impacts, risks, allegations and issues identified by the Arizona operations HRIA and provides examples of areas of focus for our action plans.

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SALIENT HUMAN RIGHTS DASHBOARD TOPIC	SUMMARY	EXAMPLES OF ACTION PLANS
Safe and Healthy Working Conditions	Lost time injuries/medical treatment cases, potentially fatal events and a contractor fatality at Morenci in 2021	<ul style="list-style-type: none"> ▶ Continuing to build on management/site focus on safe production efforts for both employees and onsite contractors. ▶ Information on the 2021 contractor fatality at Morenci can be found in the Health & Safety section of our 2021 Annual Report on Sustainability. More information on our Health & Safety program can be found in the Health, Safety & Well-being section of our 2022 Annual Report on Sustainability.
	Road traffic accidents involving contractor vehicles	<ul style="list-style-type: none"> ▶ Retained a road safety consultant to review stakeholder concerns and assess how we can promote safe driving behavior by employees, contractors, and suppliers servicing our operations.
	Claims relating to equipment operator access to hygiene facilities as well as the quality of mine site hygiene facilities	<ul style="list-style-type: none"> ▶ Further investigation to better understand root causes and circumstances of the claims to inform actions. ▶ Use of existing internal engagement tools and facilities checklists to better maintain accessible facilities.
Working Conditions	Concerns related to use of overtime to address labor shortfalls	<ul style="list-style-type: none"> ▶ Dedicated corporate- and site-level efforts are underway to address short-term and long-term labor challenges in the context of a tight labor market and growing competition for talent within the mining sector. ▶ Implementing additional recruiting and retention efforts for both hourly and salaried positions. ▶ Continued implementation of our Working Hours and Fatigue Management Policy, which addresses expectations on maximum working hours, including required time off and information on managing overtime and extended shifts. ▶ More information on our people management process can be found in the Workforce section of our 2022 Annual Report on Sustainability.

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SALIENT HUMAN RIGHTS DASHBOARD TOPIC	SUMMARY	EXAMPLES OF ACTION PLANS
Working Conditions <i>(continued)</i>	<p>Claims of a range of behaviors by supervisors that, although not systemic, could negatively impact workplace relationships and culture</p> <p>Small number of reports of disrespectful and harassing behavior towards onsite contractors by employees</p>	<ul style="list-style-type: none"> ▶ Enhancing leadership and management training for our frontline supervisors, which includes teaching critical leadership and communications skills and challenging participants to view leadership in new ways. ▶ Continuing to use internal engagement tools to collect data on the employee experience to identify actions that can improve workplace culture. ▶ Leveraging a contractor engagement project to enhance contractor-employee relations at our sites and raise awareness of both our Business Partner Code of Conduct and the FCX Compliance Line for onsite contractors.
Discrimination	<p>Few instances of alleged harassment and discrimination, including with respect to gender and race</p>	<ul style="list-style-type: none"> ▶ Continuing targeted inclusion and diversity initiatives to help identify and address local challenges and opportunities unique to each site. ▶ As noted above, improving our talent management and training efforts to build capacity across our workforce and seek employee feedback.
Standards of Living/Quality of Life	<p>Deficit of affordable housing in proximity to the mine sites</p>	<ul style="list-style-type: none"> ▶ Creating a dedicated Townsite Housing Working Group to improve housing situations in our company-owned towns (Bagdad and Morenci), including maximizing use of available property. ▶ Continuing to engage with relevant counties and municipalities on regional housing opportunities and challenges at non-company-owned towns.
Community Health & Safety	<p>Claims of substance abuse in the communities associated with the Arizona operations (excluding Sierrita)</p>	<ul style="list-style-type: none"> ▶ Enhancement of our employee assistance program to provide employees and their families with more options for personalized care and life resources, including expanded mental health care benefits. ▶ Continued funding support for community programs and services, such as after school and substance abuse programs, and the exploration of new program and service opportunities.

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SALIENT HUMAN RIGHTS DASHBOARD TOPIC	SUMMARY	EXAMPLES OF ACTION PLANS
Community Health & Safety <i>(continued)</i>	Road safety concerns relating to the volume and speed of mine traffic on local road networks and presence of fatigued commuters	<ul style="list-style-type: none"> ▶ Implementing our Working Hours & Fatigue Management Policy. ▶ Retaining an outside consultant to assess how we can better promote safe driving by our employees, contractors, and suppliers. ▶ Implementing site-specific initiatives, such as ridesharing programs at Morenci, Bagdad, and Miami, and supporting a grant to improve State Route 97, as well as collaborating with local governments.
Minorities & Indigenous Peoples	Cumulative physical impact of mining on culturally and spiritually significant landscapes that Native American Tribes have ancestral connections to as well as comments regarding inadequate workplace understanding of cultures and traditions	<ul style="list-style-type: none"> ▶ Implementing a recently developed Native American Cultural Awareness & Sensitivity Training series designed to help our site and corporate teams better understand the heritage of Indigenous Peoples in North America. ▶ Our Sierrita operation strengthened its process for supporting culturally important vegetation harvests by the Tohono O’odham Nation on company land for subsistence, health, and ceremony purposes. ▶ More information on our approach with Native American Tribes can be found in the Communities and Indigenous Peoples section of our 2022 Annual Report on Sustainability.
Pollution	Small number of claims that the Arizona operations affect the quantity and quality of water available in the region	<ul style="list-style-type: none"> ▶ Continuing to focus on reducing freshwater use at our mining operations as well as maintaining compliance with regulatory requirements for groundwater/surface water quality and maintaining zero discharge status at our facilities. ▶ More information on our water stewardship approach can be found in the Thriving Environments section of our 2022 Annual Report on Sustainability.
	Some instances of excess emissions permit deviations at the Arizona operations and grievances from residents experiencing dust from tailings and mine traffic	<ul style="list-style-type: none"> ▶ Continuing our dust control/air pollution mitigation activities to address emissions and prevent potential permit violations. ▶ Continuously working to improve our dust control measures at tailings facilities.

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<i>Pollution (continued)</i>	Speculation over potential adverse health impacts, including allergies	<ul style="list-style-type: none"> ▶ Based on our current understanding and data, we are not aware of such adverse health impacts to local communities. Nonetheless, we plan to enhance the communication of our existing evidence and data to local communities and will consider carrying out further investigations to deliver higher levels of assurance.
NGOs and Civil Society Groups	Small number of claims of limited information being made available to the public about the Arizona operations' activities and impacts, and of there being limited channels for communication with our Safford mine and in regard to the Sierrita expansion	<ul style="list-style-type: none"> ▶ Enhancing our communication strategy, degree of transparency, engagement tools and delivery mechanisms for a range of topics such as water stewardship, pollution mitigation, expansion plans and mitigation of legacy impacts. ▶ Expanding our existing community engagement mechanisms to include "Freeport Connects" public meetings for interested community members living in proximity to our operations. These started in early 2023 at Morenci with public meetings on the topic of tailings management.

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Next Steps

Bagdad, Miami, Morenci, Safford, and Sierrita continue to engage with community representatives via quarterly CPP meetings. During these meetings, company leaders invite questions and share information to address any stakeholder concerns. In 2023, the sites are leveraging standing CPP meetings to provide an overview of the community-related HRIA findings and associated actions, solicit feedback and input from stakeholders, and to update stakeholders on our progress as we address relevant HRIA findings. To review the minutes from all of our CPP meetings, please refer to freeportinmycommunity.com. Similarly, we will be leveraging existing engagement mechanisms with Native American stakeholders to share HRIA findings and associated actions.

The HRIA findings are being used to update the Arizona operations' sustainability risk registers. In addition, corporate- and site-level action plans are being tracked via the sustainability risk register and other processes. Key findings and related action plans from the Arizona operations HRIA are also helping to guide our global human rights approach and site-level HRIA work at other operations.

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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, targets, objectives, strategies or goals relating to our HRIA methodology and performance, including our commitment to and application of certain policies, practices, and other management systems, approaches and action plans. The words “anticipates,” “may,” “can,” “plans,” “believes,” “estimates,” “expects,” “endeavors,” “seeks,” “goal,” “predicts,” “strategy,” “objective,” “projects,” “targets,” “intends,” “aspires,” “likely,” “will,” “should,” “could,” “to be,” “potential,” “assumptions,” “guidance,” “future,” “forecasts,” “commitments,” “pursues,” “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. The goals and projects described in this report are aspirational; as such, no guarantees or promises are made that these goals and projects will be met or successfully executed.