

# HUMAN RIGHTS IMPACT ASSESSMENT

## *Cerro Verde Operations*

### What is a Human Rights Impact Assessment?

Freeport-McMoRan Inc. (FCX) uses Human Rights Impact Assessments (HRIAs) as its primary method for conducting human rights due diligence at our operations. FCX's HRIAs are conducted by third-party consultants and involve direct input from a broad cross-section of internal and external rights-holders, as well as those with insight into such rights-holders.

HRIAs support continuous improvement of FCX's corporate and site-level 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 align with and support our responsible production commitments, including those associated with Copper Mark and Molybdenum Mark site certifications, International Council on Mining and Metals (ICMM) membership, the Voluntary Principles on Security and Human Rights membership, and the Global Industry Standard on Tailings Management conformance, where applicable. HRIAs are also important in demonstrating our management of human rights risks and impacts to our employees, contractors, business partners, host communities and Indigenous Peoples, customers, local and national governments, nongovernmental organization (NGOs), and shareholders.

### HRIA Methodology

There are a range of different approaches for assessing human rights risks and impacts depending upon the context and broader circumstances of the business and operating environment. Each HRIA is tailored in consideration of the site's operating context and is conducted in alignment with the UN Guiding Principles on Business and Human Rights (UNGPs). HRIAs are conducted by third-party consultants and help evaluate our established programs and practices for effectiveness in identifying, mitigating and remediating human rights risks and impacts and understand 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, stakeholder engagement mechanisms and outcomes, and grievance mechanisms. However, HRIAs help to verify, clarify and/or supplement existing information with unidentified 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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### Operation: Cerro Verde

Cerro Verde is an open-pit copper and molybdenum mining complex located 20 miles southwest of Arequipa, Peru that has been in operation since the 1970s. Cerro Verde’s operations include two concentrating facilities and SX/EW leaching facilities. FCX has a 55.08% ownership interest in Cerro Verde, and FCX manages Cerro Verde’s operations. When Cerro Verde’s HRIA was initiated at the end of 2023, Cerro Verde had approximately 5,100 employees and 4,900 contractors.

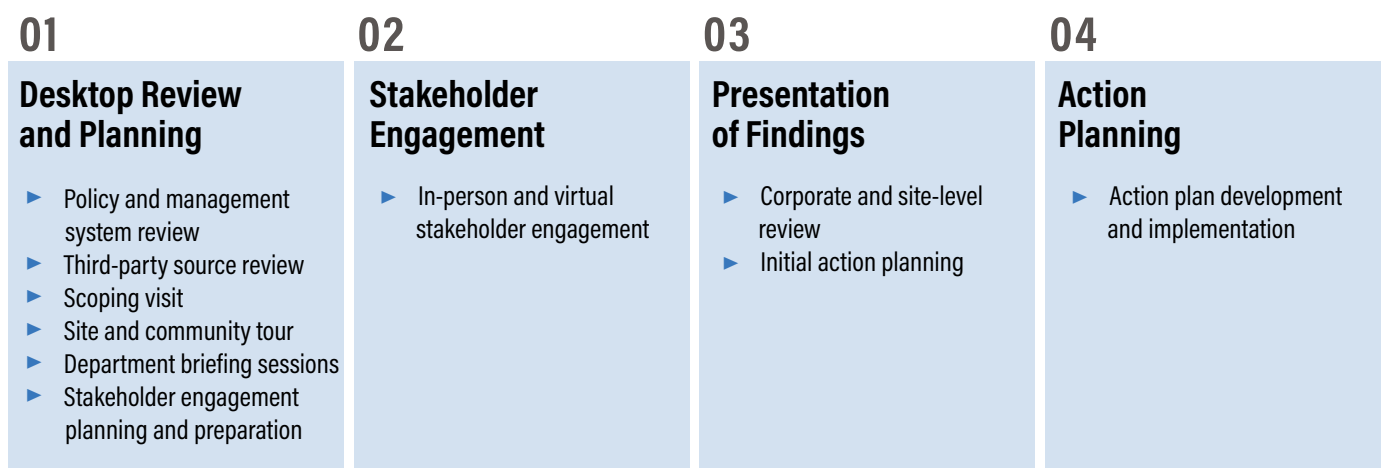
For more information on our Cerro Verde operation, please visit our [website](#).

### HRIA Approach for Cerro Verde

In 2023 and 2024, we engaged a third-party global sustainability consultant, BSR (the consultant), to conduct an HRIA at our Cerro Verde operations. This was the second HRIA completed at Cerro Verde, with the initial HRIA completed in 2017. It was designed to assess progress in managing human rights risks and impacts, gain an updated understanding of potential human rights risks and impacts, and inform the development of action plans aimed at responding to current challenges.

### Cerro Verde HRIA Process

Cerro Verde’s HRIA approach included the following phases:



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### **1) Desktop Review and Planning**

Phase one of the Cerro Verde HRIA began with a desktop review of the site’s actual and potential human rights risks based on:

- ▶ Third-party sources, including the media and civil society organizations;
- ▶ Peru’s legal and regulatory frameworks related to mining operations;
- ▶ Mining industry best practices;
- ▶ Peru’s overall enforcement of human rights protections;
- ▶ Site-specific documentation, including the Cerro Verde site-level sustainability risk register, policies and management systems, grievance reports, health and safety reports, environmental reports and Social Performance Plans, among other sources;
- ▶ Briefing sessions with Cerro Verde teams (human resources, community relations, security, supply chain, environment, tailings, legal compliance, properties and water, health and safety, projects, and social planning) to build background knowledge about Cerro Verde and its management systems during an on-site scoping visit in late 2023 and early 2024; and
- ▶ A site and community tour.

The desktop review and scoping visit informed field assessment planning and the identification of stakeholders to be engaged during the second phase of the HRIA process (as shown in the table below). In line with the UNGPs, specific focus was paid to those who may be more vulnerable to impact across stakeholder categories, including women, youth and seniors.

<b>CERRO VERDE STAKEHOLDERS</b>		
<b>EMPLOYEES</b>	<b>CONTRACTORS AND LOCAL SUPPLIERS</b>	<b>COMMUNITY MEMBERS AND THIRD PARTIES</b>
Employees (including female employees)	On-site contractors	Community members and representatives
Supervisors and superintendents	Local suppliers of goods	Educational and medical professionals
Union representatives	Workers within the supply chain	Water and farming groups
	Janitorial workers	Non-governmental organizations
	Drivers	Religious leaders and organizations
	Private security	Public officials (including local and national authorities)
		Public security
		Judicial officials



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### 2) Stakeholder Engagement

To initiate phase two of the HRIA, the consultant returned to Cerro Verde’s operations and the surrounding communities for two weeks in early 2024 to conduct targeted interviews with stakeholders identified for engagement in phase one. The Cerro Verde team and the consultant updated the stakeholder list throughout the engagement process. The interviews were conducted on both an individual and group basis and included a range of rightsholders and their representatives. Approximately 170 stakeholders were engaged through interviews, including:

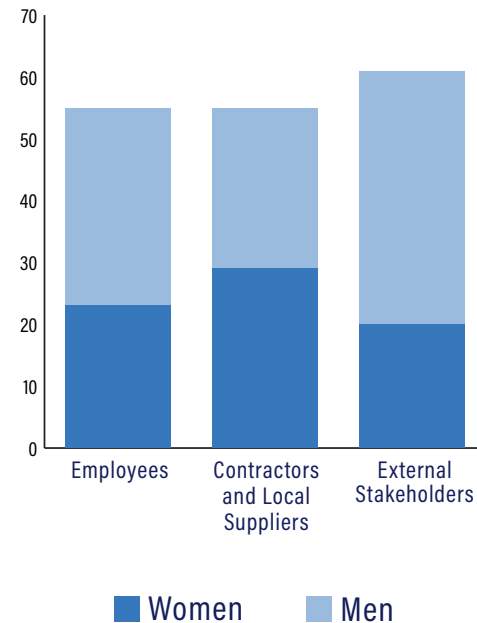
- ▶ 55 employees
- ▶ 55 on-site contractors and local suppliers
- ▶ 61 external stakeholders (including community members and third-party stakeholders)

The consultant made efforts to conduct interviews in locations and formats that encouraged candid, safe, transparent and constructive discussions. The interviews took place at a range of locations, in-person and virtually.

The consultant provided assurances to the interviewees that feedback provided during the interviews would remain confidential and insights garnered from the interviews would be anonymized and summarized to help inform the Cerro Verde HRIA. Further, in order to protect confidentiality and anonymity, Cerro Verde and FCX corporate support teams did not participate in these interviews.

At the end of the two-week engagement period, the consultant provided the Cerro Verde and FCX corporate support teams with preliminary feedback on the results of the engagement.

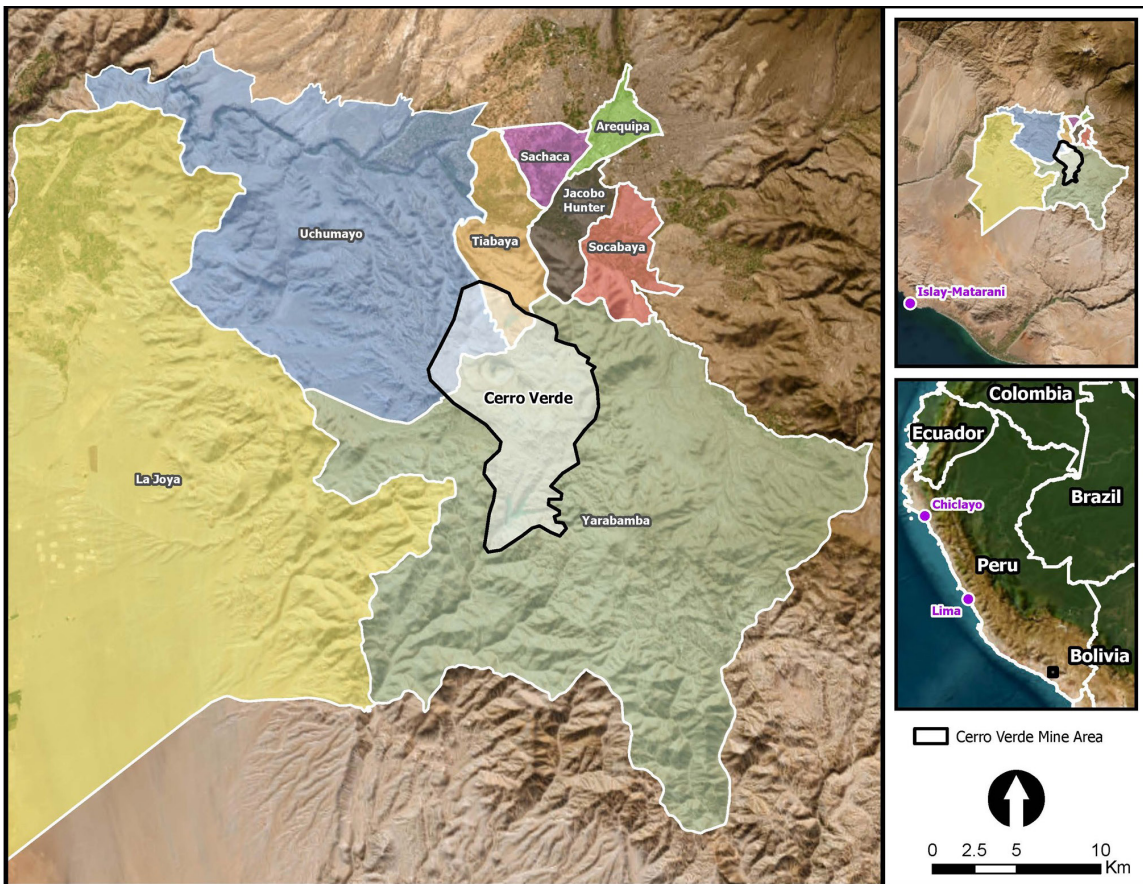
**STAKEHOLDERS ENGAGED VIA INTERVIEWS**



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*The following map shows the geographic scope of the stakeholder engagement overlaid with Cerro Verde's operational footprint, with interviews conducted across all cities and communities shown.*



### 3) Presentation of Findings

In February 2024, the consultant briefed Cerro Verde site leaders and FCX corporate support teams on salient feedback from the stakeholder engagement phase prior to full report finalization. The Cerro Verde and FCX corporate teams began developing and implementing applicable action plans based on this initial feedback.

Later in 2024, the consultant provided Cerro Verde site leaders and FCX corporate support teams (including members of FCX's Corporate Human Rights Working Group) with department specific presentations on key findings and priority areas for action. These sessions allowed leaders to engage directly with the consultant on questions or feedback.

Both the FCX Sustainability Leadership Team and the Corporate Responsibility Committee of FCX's Board of Directors were also briefed.

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### **4) Action Planning**

Where the assessment identified actual or potential gaps in Cerro Verde's established human rights-related management systems, site and corporate subject matter experts developed tailored action plans to further investigate, mitigate and/or remedy actual and potential human rights risks and impacts to drive continuous improvement, leveraging existing systems, processes and initiatives.

### **Key Findings & Priority Areas for Action**

The assessment indicated that overall, Cerro Verde demonstrated a solid commitment to human rights, with well-established policies and procedures, active management of human rights risks and continued efforts to embed human rights principles into company practices.

The assessment identified positive perceptions held by Cerro Verde stakeholders, including:

- ▶ Cerro Verde has a strong presence in Peru and Arequipa and is perceived as a key player in the local economy by its workforce, contractors, surrounding communities, and local and national authorities;
- ▶ Cerro Verde is recognized for operating in accordance with applicable legal requirements and positively contributing to key community investments, including through its Virtuous Circle of Water initiatives and community infrastructure programs;
- ▶ Cerro Verde is perceived by external stakeholders as reliable and trustworthy, being easily accessible for discussing concerns, acting diligently to address the communities' needs and directly engaging with communities to conduct participatory environmental monitoring;
- ▶ Cerro Verde is perceived by internal stakeholders as one of the best places to work in Arequipa and recognized for the emphasis that it places on health and safety.

The assessment also identified potential and actual human rights risks and recommended actions to drive continuous improvement and further elevate Cerro Verde's performance in respecting human rights. The assessment prioritized recommended actions based on how serious the impact could be (scope), how many people could be impacted (scale), how hard it would be to correct the harm (irremediability) and the likelihood of the impact occurring, as well as their connection to Cerro Verde (cause, contribute or directly linked) and the extent of Cerro Verde's leverage, with consideration for its existing management systems.

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The following table summarizes key HRIA findings and provides examples of action plans, organized by [FCX's salient human rights risk categories](#).

FCX'S SALIENT HUMAN RIGHTS RISK CATEGORY	CONTEXT AND HIGH-LEVEL HRIA FINDINGS	EXAMPLES OF ACTION PLANS
<p><b>Discrimination and Harassment</b></p>	<p>Cerro Verde promotes a respectful workplace, does not tolerate any form of harassment or discrimination in the workplace and conducts training for employees and contractors. Cerro Verde also has a robust strategy to promote inclusion of women in the workforce and has a Sexual Harassment Response Committee and associated guidelines in compliance with applicable Peruvian law. Allegations of harassment and discrimination, including with respect to gender, were reported by employees and contractors during interviews, indicating a need for continued focus.</p>	<ul style="list-style-type: none"> <li>▶ Conducting targeted anti-harassment training for all employees in 2024.</li> <li>▶ Strengthening Cerro Verde's internal anti-sexual harassment guidance.</li> <li>▶ Refreshing anti-harassment training materials to enhance transparency of the sexual harassment grievance procedure and reemphasize Cerro Verde's commitment to non-retaliation.</li> <li>▶ Updating and delivering human rights training for leaders of companies contracted to work on site to set clear expectations around discrimination, harassment and employee grievance mechanisms.</li> <li>▶ Leveraging on-site contractor audits to raise awareness of harassment and discrimination expectations among contractor companies.</li> </ul>

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<p><b>Healthy Environment and Water</b></p>	<p>Access to water is essential for local community members and, as a shared resource, is subject to cumulative impacts from other industries. Cerro Verde manages its water use in accordance with its active permits and actively participates in local efforts to identify new sources of water for community use. Since 2015, Cerro Verde has operated the Enlozada wastewater treatment plant (WWTP), providing free wastewater treatment to the people of Arequipa in support of public health, environmental protection, agricultural competitiveness and tourism. The Cerro Verde HRIA reinforced the importance of Cerro Verde's continued efforts to strengthen engagement with local community members and water experts to monitor community needs and potential impacts.</p>	<ul style="list-style-type: none"> <li>▶ Continuing to operate, maintain and expand the Enlozada WWTP through 2060 or life of mine closure, whichever happens later, under an agreement with SEDAPAR (the municipal water and sanitation services provider in the Arequipa region) entered in 2025.</li> <li>▶ Committing to fund infrastructure projects through Peru's Works for Taxes program, including water and sanitation facility projects and an additional WWTP if the existing WWTP reaches its expanded capacity by 2060.</li> <li>▶ Continuing to focus on water efficiency, including periodic reviews of water licenses, dam system strengthening, contingency plans, authorization for reuse of treated water and operational improvements, subject to applicable approvals.</li> <li>▶ Continuing to engage in the multi-stakeholder Water Basin Council, which includes representatives from the local communities.</li> <li>▶ Continuing to participate in the Water Committee of the National Society of Mining, Petroleum and Energy.</li> </ul>

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<b>Labor and Working Conditions</b>	<p>Cerro Verde maintains facilities (e.g. bathrooms, changerooms, lunchrooms and lactation rooms) for employees and on-site contractors. Interviews highlighted opportunities for facilities improvements.</p>	<ul style="list-style-type: none"> <li>▶ Reviewing and updating the facilities cleaning and maintenance guidelines and carrying out a communication campaign on the proper use of these facilities.</li> <li>▶ Establishing an additional lactation facility for nursing mothers working at the mine.</li> </ul>
	<p>As part of its medical leave management process, Cerro Verde's human resources team conducts home visits to support employees' well-being, provide emotional support and help aid in their recovery. Opportunities were identified to improve this process.</p>	<ul style="list-style-type: none"> <li>▶ Updating Cerro Verde's medical leave management process to enhance alignment with international human rights standards.</li> </ul>
	<p>Cerro Verde expects its contractors to provide their employees with fair treatment and working conditions. Opportunities were identified to increase Cerro Verde's visibility into its contractors' practices to enhance risk mitigation measures.</p>	<ul style="list-style-type: none"> <li>▶ Strengthening Cerro Verde's existing third-party audit protocol for companies contracted to work on site by incorporating verification of contractor adherence to its Working Hours and Fatigue Management policy and anti-harassment expectations.</li> <li>▶ Reviewing and updating the third-party audit schedule.</li> </ul>

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<p><b>Occupational Health and Safety</b></p>	<p>Cerro Verde maintains a strong culture of health and safety among employees and on-site contractors, including a robust occupational health and safety management system. The Cerro Verde HRIA reinforced the importance of Cerro Verde's ongoing efforts to increase awareness of health and safety expectations among on-site contractors and promote equal application.</p>	<ul style="list-style-type: none"> <li>▶ Continuing to build on management and site focus on safe production efforts for both employees and on-site contractors. More information on our health and safety programs can be found in the Health, Safety &amp; Well-Being section of our <a href="#">2025 Annual Report on Sustainability</a>.</li> </ul>

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Other general recommendations for bolstering Cerro Verde’s human rights management included applying a human rights-based approach in the implementation of applicable Peruvian law, enhancing targeted and topic specific human rights training for key departments, further strengthening internal and external grievance mechanisms, continuing collaboration with local authorities and peer companies to address risks related to potential cumulative impacts, and sustaining efforts to deliver shared value and positive contributions to communities within Cerro Verde’s areas of influence.

Cerro Verde continues to increase awareness of and promote respect for human rights by providing training for employees. In addition to site-level human rights training, employees in departments where exposure to human rights risks is higher, as well as people managers and leaders, participated in the company-wide roll-out of a global human rights training module beginning at the end of 2024.

In 2025, Cerro Verde initiated a self-assessment of its internal grievance mechanisms to drive continual improvement in their alignment with the UNGPs Effectiveness Criteria<sup>1</sup>. Cerro Verde also continues to promote awareness of its community grievance mechanism among external stakeholders and plans to leverage a new post grievance survey launched across FCX operations in early 2026 to gauge satisfaction with the process and identify areas for enhancement.

### ***Next Steps***

As of the date of this report, a number of the action plans described on pages 7-10 have been completed, while others are underway or planned. Action plan implementation is tracked, and Cerro Verde’s HRIA findings will inform updates to Cerro Verde’s sustainability risk register. Key findings and related action plans are also helping to guide FCX’s global human rights approach and site-level HRIA work at other operations.

<sup>1</sup> The UNGP Effectiveness Criteria define the core requirements for non-judicial grievance mechanisms. They require such grievance mechanisms to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue.

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### CAUTIONARY STATEMENT

This report contains forward-looking statements. Forward-looking statements are all statements other than statements of historical facts, such as plans, projections, expectations, targets, objectives, strategies, commitments 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; business, environmental, social, safety and governance performance, and the underlying assumptions and estimated impacts on our business and stakeholders related thereto; our operational resiliency; our expectations regarding risks; future risk mitigation; regulatory developments; our other sustainability-related commitments; and our overarching 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 “anticipates,” “may,” “can,” “commitments,” “plans,” “pursues,” “believes,” “efforts,” “estimates,” “expects,” “endeavors,” “seeks,” “goals,” “predicts,” “strategy,” “objectives,” “projects,” “targets,” “intends,” “aspires,” “likely,” “will,” “should,” “could,” “to be,” “potential,” “opportunities,” “assumptions,” “guidance,” “forecasts,” “future,” “initiatives” and any similar expressions are intended to identify those assertions as forward-looking statements. Goals and targets and expected timing to achieve goals and targets are subject to change without notice due to a number of factors. 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, 2025, 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](http://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 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 U.S. federal securities laws and regulations or the disclosure requirements of the SEC. The targets, goals, strategies and projects described in this report are aspirational; as such, no guarantees or promises are made that these targets, goals, strategies and projects will be met or successfully executed.