

# Voluntary Principles on Security and Human Rights

## 2021 Annual Report to the Plenary

May 2022

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Freeport-McMoRan Inc. (Freeport or the Company) is dedicated to the recognition, respect and promotion of human rights wherever we do business. 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 (PT Freeport Indonesia or PT-FI), one of the world's largest copper and gold deposits and significant mining operations in North and South America (Freeport Minerals Corporation or FMC), including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru.

Under the Voluntary Principles' revised reporting guidelines we are only required to submit an update report to the Plenary for 2021. We have chosen to prepare a full report to reflect our on-going activities and for the benefit of new members of the Voluntary Principles and other stakeholders. This report sets out developments in our human rights programs as well as implementation activities, events and incidents that occurred during 2021 unless otherwise noted. Country-level implementation details are provided for Indonesia and Peru, as these countries represent our higher risk operating environments in terms of security and human rights.

## **Our Approach**

Respect is a core value that guides how we do business at Freeport. We treat each other and our stakeholders with respect and we are committed to respecting the rights of all people, including our employees, contractors and suppliers, community members and others who potentially may be impacted by our business activities. Freeport's Human Rights Policy states our commitments to respecting internationally recognized human rights, including the rights under the International Bill of Human Rights, and to implementing both the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles) and the Voluntary Principles on Security and Human Rights (Voluntary Principles). Our Principles of Business Conduct (PBC) and other core policies — including Anti-Corruption, Social Performance, Environmental, Safety and Health, and Inclusion and Diversity — support the application of the Human Rights Policy. These policies and supporting management systems, along with relevant external standards and initiatives, form the overall framework that guides our sustainability programs and our management of human rights risks.

Freeport is a founding member of the Voluntary Principles Initiative and has been an active participant since it was first established in 2000. The Voluntary Principles are 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 standalone, site-level Human Rights Impact Assessments (HRIAs) at our operations and processing facilities. These assessments, conducted by third-party consultants, use a comprehensive and dedicated HRIA methodology that strive to help identify and prioritize an operation's potential and actual human rights risks and impacts, including those related to security and human rights.

We continue to participate in multi-industry dialogue on respect for human rights through the BSR's 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.

*Responsible Production Frameworks.* Freeport is a founding member of the International Council on Mining & Metals (ICMM), Freeport and our Chairman of the Board and Chief Executive Officer (CEO) currently serves as Chair of ICMM's CEO Council. ICMM sets forth 38 performance expectations along with topic-specific position statements for ICMM members – including a commitment to supporting the implementation of the UN Guiding Principles and to implementing, based on risk, a human rights and security approach consistent with the Voluntary Principles.

In addition to our ICMM commitments, Freeport is implementing the Copper Mark at all of our copper producing operations. The Copper Mark is a comprehensive assurance framework for the copper industry that promotes responsible production practices. Producers participating in the Copper Mark are committed to adhering to internationally recognized responsible operating practices and specifically to a detailed framework covering 32 issues across five Environmental, Social and Governance (ESG) categories developed by the Responsible Minerals Initiative's Risk Readiness Assessment. Requirements of the Copper Mark include third-party assurance of performance at each site and revalidation every three years. 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, 11 of our sites have received the Copper Mark and we plan to commence the process at PT Freeport Indonesia (PT-FI) later this year.

To translate our responsible production commitments (including those related to human rights and security) to our everyday work, Freeport uses its sustainability risk register process (risk register) to identify, prioritize, manage and track sustainability risks and actions at the corporate and site-level. The risks included in the risk register are mapped to our external commitments, including all 38 ICMM performance expectations and the Copper Mark's 32 ESG requirements.

*Ongoing Management of COVID-19.* We are 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. As the pandemic continued throughout 2021, protecting our workforce from the virus remained paramount. We continued to adjust workforce COVID-19 requirements as the circumstances of the pandemic evolved, and we listened to feedback from our workforce and communities. To help contain and mitigate the risk of spread of COVID-19, we continued our COVID-19 protocols at each of our operating sites globally including regular testing, social distancing, masks, temperature checks and contact tracing. As vaccines became available, we worked with partners to spearhead vaccination campaigns. Our global operations continued to develop, refine and implement site-specific COVID-19 mitigation protocols to protect our workforce, our host communities and our business. This included frequent and timely communications designed to educate, equip and protect our workforce and host communities.

During height of the COVID-19 pandemic, many of our community engagement activities have pivoted to virtual formats, which resulted in an increase in overall frequency and stakeholder participation in some communities. However, in some of our more remote communities, effective virtual engagements were challenging due to unreliable internet and limited mobile phone access. We sought to reach stakeholders in these communities by phone, when available, and in some instances, through socially distanced meetings. While in person engagement was still largely limited in 2021, we held more than 4,500 formal community engagement meetings through our various models in some type of virtual or distanced format.

## **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 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 within our Annual Reports on Sustainability and Annual Reports to the Plenary ([www.fcx.com/sustainability/reports-and-documents](http://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 PBC. Our Human Rights Policy and PBC apply to all of our employees and our Board of Directors (Board). 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 updated Business Partner Code of Conduct (formerly our Supplier Code of Conduct, updated March 2022). These policies and practices can be found at: <https://www.fcx.com/about/our-view-on-governance#businessethicspolicies>.

In 2021, Freeport participated in country-level Voluntary Principles activities in Indonesia and Peru (please see the country-level reports below in Part C). At the Voluntary Principles' Initiative-level, we participated in the virtual 2021 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 our website ([www.fcx.com/sustainability/reports-and-documents](http://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**

Freeport has incorporated standard language on human rights into our corporate contract templates. Suppliers receive, and are expected to perform in accordance with, our Business Partner Code of Conduct. Our Business Partner 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.

We use a combination of tools to help gather critical data on suppliers with regard to compliance, ESG and other related risks, including human rights risks. We operate an online due diligence platform, the Freeport Compliance eXchange (FCeX). This survey-based software platform is designed to assess risk in the areas of anti-corruption, international trade, human rights and responsible sourcing. FCeX enhances our ability to identify, assess, and mitigate these compliance risks. The survey is now being utilized for all new vendors as our first line of due diligence in our responsible sourcing program.

*El Abra.* We have included 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.

In 2019 and mid-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. 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. Elected members of the constitutional convention are working on a new constitution that will be ready in 2022; once ready, the Chilean people will vote on whether to adopt the new constitution or maintain the existing one.

In 2021, the El Abra operation provided training on Human Rights and the Voluntary Principles to all of its security employees and 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 early 2021, we restarted the HRIA at our El Abra operations in Chile that had been deferred since 2019 due to social unrest and COVID-19 challenges. The conduct of both private security forces and government security forces were included in scope. Due to ongoing COVID-19 restrictions, fieldwork was conducted remotely and included in-depth engagement with approximately 85 stakeholders in and around El Abra's operations. The range of stakeholders interviewed included actually and potentially affected rights-holders or those with insight into the same. Stakeholders interviewed ranged from employees, community members, third parties (including police) and individuals from suppliers, contractors and sub-contractors (including security contractors). These assessments help us test the effectiveness of our human rights-related management systems, including the degree to which they are effective in addressing human rights and security issues. No actual or possible negative impacts were identified involving security and human rights. The El Abra HRIA was completed in late 2021 by a third-party consultant, Verisk Maplecroft. In 2022, El Abra will work with the consultant on developing action plans and ensuring findings are reflected in the site's risk register.

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. It also includes continuing to participate in a 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 (<https://www.fcx.com/about/our-view-on-governance#businessethicspolicies>), which incorporates the Voluntary Principles, outlines our dedication to the 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, the Voluntary Principles serve as guidelines for our security and human rights programs, including for interactions with host government police, 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.

At the Board level, the Corporate Responsibility Committee (CRC) provides oversight of our human rights program. The CRC reviews the effectiveness of the company's strategies, programs and policy implementation with respect to human rights and other ESG-related areas. During 2021, the CRC had four meetings and these meetings reviewed our human rights program, including the HRIA progress in Chile and Arizona and the annual adoption of our UK Modern Slavery Act Statement.

Our Chairman and CEO has responsibility for Freeport's sustainability performance, with active oversight from the Board. Our cross-functional Sustainability Leadership Team (SLT) includes members of the management team tasked with defining the sustainability strategy and implementing our sustainability policies, systems and programs across the organization to achieve integrated decision-making for responsible production and performance, including with respect to human rights.

In 2021, the SLT met monthly and members of the SLT regularly reported to executive leadership, including our Chairman and CEO and our President. In addition, members of the SLT regularly report to the Board's CRC on key ESG matters and periodically report to the full Board. The SLT is sponsored by our Senior Vice President and Chief Administrative Officer and is led by our Chief Sustainability Officer, with active participation from other members of the SLT, including our five business unit Presidents. SLT membership also includes senior leadership from functional groups including health and safety, security, supply chain, human resources, sales, legal, compliance, sustainability and finance.

Our corporate 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 Chief Sustainability Officer and is co-led by our Director of Responsible Production Frameworks and 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 below, which summarizes the human rights issues relevant to our mining-related activities and includes security. Our cross-functional human rights working group meetings remained paused in 2021 to enable the team to focus on supporting our sites and adapting programs to the challenges COVID-19 presented. In 2022, we plan to reinstate regular human rights working group meetings, which will be focused on driving our strategy globally.

**HUMAN RIGHTS DASHBOARD**  
 Topics reflected in the dashboard are mapped to recognized international human rights

EMPLOYEES	SUPPLY CHAIN	COMMUNITY	ENVIRONMENT	THIRD PARTIES
Working conditions	Working conditions	Standards of living / quality of life	Pollution	Conduct of private security forces
Safe and healthy working conditions	Safe and healthy working conditions	Community health and safety	Water security	Conduct of government security forces
Discrimination	Discrimination	Economic activity / livelihoods	Waste and hazardous materials management	Contribution to conflict
Freedom of association and collective bargaining	Freedom of association and collective bargaining	Minorities and indigenous peoples	Increased exposure to natural hazards	Presence of artisanal / small-scale miners
Forced and compulsory labor	Forced and compulsory labor	Displacement / resettlement		Corruption
Child labor	Child labor	Cultural heritage		NGOs and civil society groups
Privacy	Privacy	Children's rights, including access to education		Judicial system (access to remedy)

Our human rights team continues to collaborate across our operations on an ongoing basis. During 2021, we enhanced our global human rights team with the addition of three new dedicated human rights positions at the corporate level to support our sites and supply chain processes. The team held regular meetings with high-risk sites to discuss and address complex issues specifically brought on by the pandemic, enabling our operations to adapt quickly and keep respect for human rights at the forefront.

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 Freeport’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. All new employees receive training as part of the new-hire process, and refresher training on the PBC is provided annually.

The Voluntary Principles (VPs) 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 voluntarily report our ESG performance, including on human rights, against widely known and reputable reporting standards. This report to the VPs, together with the sustainability section of our website ([www.fcx.com/sustainability](http://www.fcx.com/sustainability)), including our ESG Performance data, have been prepared in accordance with the GRI Standards Core option and the G4 Mining and Metals Sector Supplement as well as in alignment with the Value Reporting Foundation's SASB Standards for the Metals & Mining industry.

We report on our human rights performance in our annual sustainability reporting ([www.fcx.com/sustainability](http://www.fcx.com/sustainability)). We have published a sustainability report annually since 2001, reporting under GRI guidelines and standards since 2005 and in alignment with the Value Reporting Foundation's SASB Standards for the Metals & Mining industry since 2020. Our GRI Index and SASB Index are available on our website at ([www.fcx.com/sites/fcx/files/documents/sustainability/FCX2021\\_ESG\\_Trend\\_Data.xlsm](http://www.fcx.com/sites/fcx/files/documents/sustainability/FCX2021_ESG_Trend_Data.xlsm)). Guided by these reporting frameworks, we conduct prioritization assessments to delineate the core sustainability-related strategic focus areas important to our business and our stakeholders.

Our annual reports on sustainability have been independently verified since 2005. Third-party assurance of our 2021 Annual Report on Sustainability was conducted to a limited level of assurance per the applicable ISAE3000 standard by Corporate Integrity Ltd. in accordance with the ICMM Mining Principles Assurance and Validation Procedure and the applicable requirements of the Copper Mark assurance process. Since 2009, site-level, third-party assurance reviews have been conducted at each of our active mining and metals processing operations. These site-level external assurance reviews occur at least once every three years and annually at PT-FI and Cerro Verde and include both ICMM and Copper Mark requirements. In 2021, these site level reviews transitioned to a reasonable level of assurance for purposes of meeting Copper Mark site level assurance requirements. Due to COVID-19 travel restrictions, certain on-site assessments could not be conducted in 2021 and were conducted virtually using a combination of video and online document sharing platforms ([fcx.com/sustainability/external-assurance](http://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 Voluntary Principles Initiative 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 2021 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](http://www.fcx.com/sustainability/reports-and-documents)).

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

As we seek to further embed respect for human rights across our organizational activities, we use our risk register process to identify risks to people at our existing operations. We also have a risk identification process for our new or growth projects to address potential and actual impacts on rights-holders. We implement and refine our approach to human rights through ongoing stakeholder engagement, grievance management and the findings from our HRIAs.

Standalone HRIAs, conducted by third-party consultants, are our primary method for conducting specific human rights due diligence at our operations, including a sampling of our onsite contractors and local suppliers. These assessments involve direct input from a broad cross-section of internal and external rights-holders, and they support continuous improvement of our management systems by testing their effectiveness in identifying and addressing potential, actual and perceived human rights risks and impacts – including those related to security.

### HUMAN RIGHTS IMPACT ASSESSMENT STATUS

YEAR CONDUCTED	2013	2017	2018	2021	2021-22	2022-23	TBD
Site / Region	Corporate	Cerro Verde	New Mexico	El Abra	Arizona	PT-FI	Europe
Status	Complete	Complete	Complete	Complete	In Progress	Initiated	Targeted

In 2021, we engaged a third-party consultant, Verisk Maplecroft, to initiate a HRIA across our five active Arizona operations — Bagdad, Miami, Morenci, Safford and Sierrita. This HRIA considers the unique stakeholder connections across the five sites, including relations with neighboring federally recognized Native American Tribes. The third-party consultant carried out stakeholder engagement through structured face-to-face and remote interviews at all five Arizona sites. Over 420 stakeholders were engaged during the interview phase of the process which was completed in early 2022. The review and analysis phase of the process is currently underway. We expect to publish a summary of the findings and recommendations later in 2022.

In addition to HRIAs, our responsible sourcing programs require human rights due diligence on suppliers of both goods and services, and minerals and metals for further processing. In 2021, we continued refining our approach to assess supplier human rights and other sustainability-related risks.

Freeport uses its risk register to identify, prioritize, manage and track sustainability risks and actions at the corporate- and site-level. Defined in a global standard operating procedure, the process uses a 4 x 4 assessment matrix to classify risks by both their likelihood and consequence, based on customized impact definitions by functional area to drive appropriate action. All risks require annual monitoring, and detailed action plans are prepared for those rated as critical. Sites use the risk register to identify risks and opportunities related to our commitments in relation to their operation and stakeholders. The

risk register then prioritizes the most significant risks that could have negative consequences to our business and our stakeholders, including human rights and security risks. Once prioritized, action plans are developed for risk management. The register and these plans serve as the focal point of internal and external assurance at both the corporate level and operating sites.

Similar to our risk register process for our operating sites, our project development sustainability review process integrates sustainability into project planning by helping teams identify risks and opportunities associated with expansions or development projects, including those relating to human rights and security. The process enables us to identify, prioritize and proactively manage potential risks before a project has begun and continuously throughout its development. It also incorporates identification and prioritization opportunities — for example to partner with communities to create shared value by protecting cultural heritage from the earliest stages. The process is applied during the early stages of mine expansion and project development, particularly during scoping, prefeasibility and feasibility stages so that risks may be adequately addressed early and continuously throughout. The process also supports preparation for future closure of operations. Five reviews were conducted in 2021.

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

Freeport has established Human Rights Compliance Officer positions at PT-FI and Cerro Verde 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 to 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 Business Partner Code of Conduct (refer to Business Partner 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 Business Partner Code of Conduct can be found at: <https://www.fcx.com/about/our-view-on-governance#businessethicspolicies>. 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, Freeport 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 2021, 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 2021, 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 Sustainability 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 Freeport 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 Freeport's actions.

For examples of how we addressed security-related incidents in Indonesia and Peru in 2021, please see the country-level reports below in Part C.

## **C. Country Implementation**

### **Indonesia**

#### ***Overview of Country Operations***

PT-FI operates one of the world's largest copper and gold mines at the Grasberg minerals district in the remote highlands of the Sudirman Mountain Range of Papua, Indonesia, which is on the western half of the island of New Guinea. PT-FI produces copper concentrate that contains significant quantities of gold

and silver. Freeport has a 48.76 percent ownership interest in PT-FI and manages its mining operations. The remaining 51.24 percent share ownership is held by PT Inalum, also known as MIND ID. PT-FI has been implementing the Voluntary Principles since Freeport 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. 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. In addition, illegal miners have periodically clashed with police who have attempted for years to move them away from our facilities.

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 PT-FI 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 lowland community of Kuala Kencana, resulting in the death of one PT-FI employee and serious injuries to two other workers. Also, in March 2020, community members voluntarily evacuated three 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.

The PT-FI operating area has remained free of violent separatist incidents since January of 2021. Separatist violence, however, continues to occur across the central highlands area in Papua, with significant numbers of armed conflicts between separatist actors and government security forces reported. The Government of Indonesia reported 92 acts of separatist violence, with attacks on schools, residential areas, hospitals, and civil aviation targeted. Separately, there are allegations of human rights abuses committed by government security forces.

*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 1,060 public security personnel from the police and military were assigned directly to the PT-FI project area in 2021. In addition, the PT-FI Security and Risk Management Department employed approximately 525 unarmed security personnel and approximately 580 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.

*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. Since 2009, there have been 22 fatalities and more than 75 injuries to our employees, contractor employees, government security personnel and civilians. There were several shooting incidents in the first half of 2020, including an incident near a PT-FI administrative office building in the lowland community of Kuala Kencana where one employee was killed and two others injured. Shooting incidents in PT-FI's project area continued on a sporadic basis through January 2021, when a helicopter contracted to PT-FI was fired upon and struck by a single gunshot in an area adjacent to the project area. No one was injured in the January 2021 shooting incident.

Separatist groups have claimed responsibility for many of these shootings, including releasing videos on social media of the incidents. Separatist security incidents, including shootings, continue to occur regionally. PT-FI continues to actively monitor security conditions and 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.

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.

*Illegal Artisanal Mining.* At our Grasberg operations in Indonesia, illegal artisanal miners seek unrecovered gold from our milling operations by panning in our controlled riverine tailings system. Approximately 4,000 artisanal miners plus an additional 800 people (including woman and children associated with the artisanal miners) are in the Lowlands and approximately 850 artisanal miners are currently in the Highlands. About 65 percent of artisanal miners in the Lowlands come from outside Papua and represent over 45 different ethnic groups, while all artisanal miners in the Highlands are from Papua.

Artisanal mining within PT-FI's concession area is illegal. However, artisanal miners set up camps at various points along the controlled riverine tailings system. Many do not have expertise operating in hazardous conditions, including remote terrain and varied climatic conditions. Additional safety challenges exist, related to PT-FI's ongoing levee maintenance and earthworks, which are needed to responsibly manage the controlled riverine system. The potential use of mercury for gold extraction by illegal artisanal miners remains a concern, and PT-FI conducts regular monitoring for mercury use through its routine environmental monitoring programs in and around its concession area.

PT-FI cannot address illegal artisanal mining on its own. A multi-faceted approach – including government cooperation, security risk management, stakeholder engagement and socioeconomic development for alternative livelihoods – is essential. PT-FI's community liaison officers and third-party contractors in the field proactively and continuously engage the artisanal mining communities on operational changes in an effort to manage their expectations, encourage them to seek alternative livelihoods, and to minimize risks to the operations and to the artisanal miners and their families. PT-FI

also seeks to inform the artisanal miners in advance of planned levee maintenance work and equipment movements to minimize safety risks.

In 2021, as part of PT-FI's ongoing engagement with the illegal artisanal mining community, we began human rights education, with a focus on the rights of children living in the artisanal mining camps on our site. This includes human rights awareness training and ongoing monitoring with a focus on preventing child labor. The training is carried out in a partnership between PT-FI's human rights and community liaison officers and a third-party contractor involved in managing illegal artisanal mining activities.

On October 16, 2021, an incident occurred within PT-FI's project area and involved members of the Indonesian government's public security and illegal artisanal miners (refer to **Appendix 1** for an incident report).

*Grievances.* In 2021, a total of 19 grievances were reported to the PT-FI Human Rights Compliance Office by employees, contractors and community members related to domestic issues, human resources, intimidation, 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 and the UN Guiding Principles, and respect for human rights. While in-person engagements were limited due to COVID-19 mitigation protocols during 2021, PT-FI's engagement continued. The PT-FI Human Rights team continued its participation 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 the Indonesia Business Council for Sustainable Development and the Indonesian Human Rights Commission. 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 2021, 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 2021, 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's online due diligence system (FCeX) and are required to comply with Freeport's Business Partner Code of Conduct.

PT-FI, like all businesses and residents of Indonesia, relies on the Government of Indonesia 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 Government of Indonesia has looked to PT-FI to provide logistical and infrastructure support and assistance for these necessary services because of the limited resources of the Government of Indonesia, and the remote location of and lack of development in Papua. PT-FI's financial support of the Government of Indonesia 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 Indonesia National Police was last revised in October 2019. PT-FI also executed a revised MOU with the Indonesia Military in December 2019. Both MOUs cover a five-year term and detail the working relationship between Freeport 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 Freeport Human Rights Policy are incorporated as an attachment to the MOU. Under the terms of our MOUs, PT-FI neither provides lethal or non-lethal munitions nor exercises any command and control of the military or police.

In 2021, the majority of PT-FI's security budget (67 percent) was directed to PT-FI's own industrial security requirements (including employee and contractor direct costs and associated overhead) and totaled approximately \$50 million. The remainder of the budget (33 percent) represented PT-FI's support costs for government-provided security and totaled approximately \$25 million.

Police provide the majority of security and have overall responsibility for the security of the vital national asset; 73 percent of the Government support costs were directed to police units. The remainder was directed to military units who provide specialized security skill sets such as Navy and Air Force personnel for port and airport security, respectively.

Under the terms of the MOU, approximately 71 percent of overall Government of Indonesia support was provided in-kind such as food, housing, fuel, travel and vehicle repairs. Provision of food represents

the single largest category. The remaining Government of Indonesia 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 by the central government in Jakarta. 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 Government of Indonesia are subject to internal controls, including annual review by outside counsel and auditors.

### ***Examples of Supporting Outreach, Education and Training***

While the COVID-19 pandemic continued to present operational challenges which impacted training in 2021, PT-FI still conducted approximately 7,500 hours of training on our Human Rights Policy and the Voluntary Principles either directly by the PT-FI Human Rights Office or indirectly through its Human Rights Ambassador program. This included:

- Induction or refresher training for approximately 900 PT-FI employees and 500 PT-FI security employees,
- Induction or refresher training for approximately 4815, contractor employees and 220 private security contractor employees, and
- Pre-deployment training for approximately 1,060 police and military personnel under PT-FI's MOUs.<sup>1</sup>

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

As part of its Human Rights Ambassador program, the PT-FI Human Rights Office provides representatives from contractor companies with train-the-trainer instruction on human rights and the Voluntary Principles. After training, Human Rights Ambassadors serve within their respective contractor companies and promote awareness of PT-FI's Human Rights Policy, emphasize our shared responsibility for respecting human rights, provide human rights induction training for new employees and annual refresher training for the existing company's workforce. PT-FI continued to expand this concept to the Manyar Smelter Project (MSP) site in Gresik, East Java, Indonesia. In collaboration with staff from PT-FI's Human Rights Office, a team of Human Rights Ambassadors from project contractors and subcontractors is being trained as trainers, who will provide culturally sensitive human rights induction training for the large project workforce at the MSP.

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<sup>1</sup> Military and police contingents directly assigned to the PT-FI project area receive a presentation on human rights before beginning their assignment, either at their home base or upon arrival at the site. Host government security not directly assigned to the PT-FI project area may also be accommodated in PT-FI's approximately 2900 square kilometer project area. When possible, PT-FI works to promote human rights and Voluntary Principles awareness among these individuals, including via posters, distribution of Voluntary Principles pocketbooks and awareness training.

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 Human Rights Compliance team created posters and banners to raise workforce awareness and conducted a number of human rights promotional activities, including human rights awareness presentations for students in Papua, as well as families of employees, community leaders, illegal panners and their families and the general population. In addition, the Human Rights Compliance team coordinated with numerous stakeholders to commemorate, raise awareness and socialize Human Rights Day through a series of activities and events.

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

Freeport 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. We continued to hold weekly meetings to collaborate and share on the challenges the pandemic presented.

PT-FI underwent an external assurance review by Corporate Integrity in February 2022 as part of Freeport'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).

In late 2021, we also initiated planning for an HRIA at PT-FI in Indonesia and hired a third-party consultant, Acorn International. Due to the size and complexity of the site, we currently expect the assessment will extend through the end of 2023. This will help to inform us on the effectiveness of PT-FI's human rights management systems, including the degree to which they are addressing human rights and security issues.

## **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, 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. Since 2019, Peru has experienced significant civil unrest unrelated to our operations. For example, in fourth-quarter 2021, an unaffiliated copper producer in southern Peru announced the suspension of its operations after repeated and sustained community protests on the government-designated concentrate transport route along public roads, which constrained the operation from shipping its product. Community protests at unaffiliated copper producers continued into the first half of 2022; Cerro Verde has remained unaffected.

*Public and Private Security.* As of the end of 2021, Cerro Verde employed 10 unarmed security employees and 312 private security contractors. Some private security contractors assigned to the protection of expatriate personnel 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 512 members of the PNP rotated through the site during 2021.

*Grievances.* In 2021, 83 grievances were reported to the Cerro Verde Human Rights Compliance Office and Legal team. Of these, 59 were related to labor compliance, 21 were related to contracts, one was related to sexual harassment and two were related to noise and vibrations. None were security related. The majority of grievances received in 2021 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 Business Partner 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; monthly meetings were paused in 2021 but are expected to resume in 2022. Cerro Verde also continues to participate in discussions on human rights issues and implementation with the National Society of Mining, Oil and Energy on the interface between social and security issues. In 2021 this included good practice sharing on human rights training for contractors. 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 2021. 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 Business Partner Code of Conduct. Furthermore, new suppliers (including contractors) are subject to Freeport's online due diligence system (FCeX) and required to comply with our Business Partner 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 2021 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 2021. 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 Freeport. 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 2021, Cerro Verde still provided over 3200, hours of training on human rights and the Voluntary Principles. 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 1515, Cerro Verde employees on our human rights policy with a focus on labor rights, sexual harassment, forced labor, child labor, decent work, wage discrimination by gender and how to report issues and concerns,

- Training on Human Rights and the Voluntary Principles for 304 of Cerro Verde's 312 security contractors,<sup>2</sup>
- Pre-deployment training on Human Rights and the Voluntary Principles for 512 members of the PNP who rotated through the site, and
- Training for approximately 3,580 contractors on our human rights policy.

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

Freeport 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. In 2021, we continued collaborating and sharing on the challenges the pandemic presented on an as needed basis.

Cerro Verde underwent an external assurance review by Corporate Integrity in December 2021 as part of Freeport's ICMC assurance commitment (see Section B.4. above), Copper Mark requirements, and participation in the Corporate Pillar Verification Framework. The review was undertaken on-site at Cerro Verde. The review included an evaluation of its security and human rights risk management systems (see Sections B.4. and B.5. above).

In December 2020, Cerro Verde was awarded the Copper Mark, a 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. In 2021, Cerro Verde completed its scheduled assurance review in person. During this review Corporate Integrity assessed implementation of Cerro Verde's improvement plans for Copper Mark criteria previously assessed as Partially Meets – none of which relate to security.

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

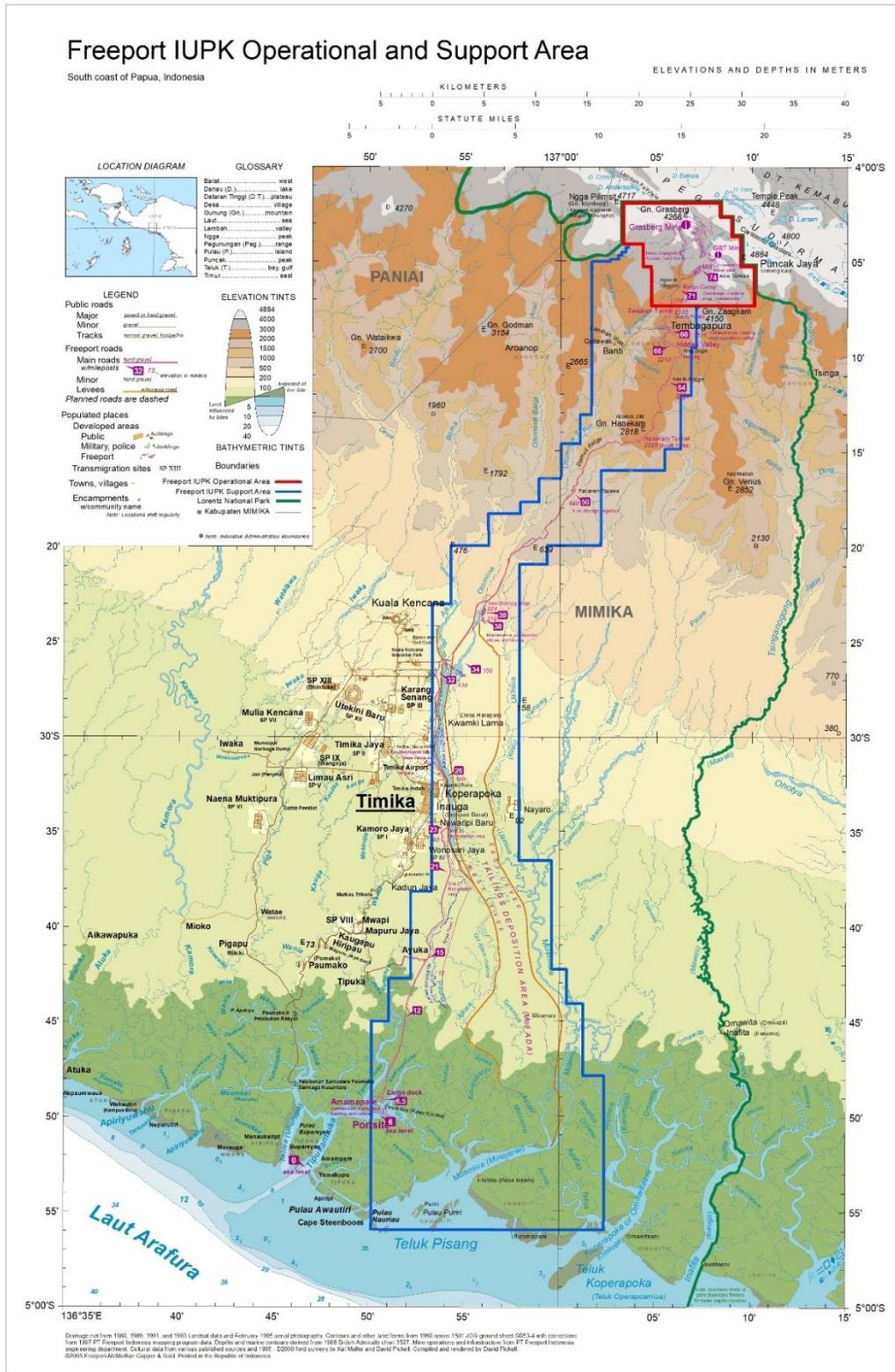
We continue to identify opportunities for continuous improvement in our implementation of the Voluntary Principles. Within the constraints associated with COVID-19, plans for 2022 include continuing our participation in Voluntary Principles Initiative and Corporate Pillar meetings, attending annual Plenary meetings, continuing our participation in the implementation of the Voluntary Principles at the country-level in Indonesia and Peru, and reviewing the final Voluntary Principles Initiative model training materials to identify opportunities to enhance our training on human rights and the Voluntary Principles.

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<sup>2</sup> Some security contractors assigned to protection of expatriate personnel are armed. These contractors also receive training on defensive driving and firearms handling.

We also continue to advance our implementation of the UN Guiding Principles. We have a number of projects underway to further embed respect for human rights across our business, including significant ongoing work on our standalone HRIAs. In 2022, this includes acting on recommendations on priority areas for investigation and/or action resulting from the El Abra HRIA, completing the comprehensive HRIA across our five active operations in Arizona and acting on recommendations on priority areas for investigation and/or action, and continuing to advance planning for and implementation of the HRIA at PT-FI. We are also working to improve the knowledge of our workforce and suppliers through training. This includes working towards developing and deploying targeted human rights training for lower risk sites as well as for our global supply chain professionals to aid in identification of issues such as potential modern slavery in our supply chain.

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



**LEGEND**

Public	Public
Military police	Military police
Freeport	Freeport
Transmigration sites	Transmigration sites
Towns, villages	Towns, villages
Encampments	Encampments

**BATHYMETRIC TINTS**

Freeport IUPK Operational Area	Red outline
Freeport IUPK Support Area	Blue outline
Lorena National Park	Green outline
Kabupaten MIMIKA	Black outline

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## Appendix 1. Report to the Voluntary Principles Plenary re: October 16 Incident



### Report to the Membership of the Voluntary Principles on Security and Human Rights

December 3, 2021

Freeport-McMoRan Inc. (FCX) wishes to report on a 16 October 2021 incident at the Company's Indonesian affiliate, PT Freeport Indonesia (PT-FI). The incident occurred within PT-FI's project area and involved members of the Indonesian government's public security.

At our PT-FI operations in Indonesia, illegal miners seek trace unrecovered gold from our milling operations by panning in our controlled riverine tailings system. For several weeks prior to the security incident, illegal miners trespassed and occupied a location within PT-FI's project area that has been used by illegal miners in the past. On multiple occasions, host government police issued verbal and written orders to the illegal miners to depart the area, providing several days' notice prior to a clearly communicated deadline for their expected departure. The illegal miners did not depart the area, and instead expressed intent for continued occupation of the area.

Police conducted an operation on October 16<sup>th</sup> to sweep the area, requesting that the illegal miners collect their belongings and leave. The illegal miners responded by throwing rocks and vandalizing police-operated vehicles. The police then fired several warning shots in an attempt to disperse the illegal miners.

Subsequently, an individual presented with a non-life-threatening chest wound from a metal fragment and was stabilized at the Tembagapura hospital. After being stabilized, the injured individual was airlifted to Jakarta for medical care with representatives of their family, the community and the police accompanying them. The injured individual required surgery to remove the metal fragment from the chest wound. The surgery was successful and the individual has returned from Jakarta to Mimika. Based on PT-FI's internal due diligence, the likely cause of the individual's wound was metal fragment from an object which was struck by one of the warning shots fired by the police. The final investigative report from the police is pending.

Following the incident, and while the injured individual was in the hospital, the group of illegal miners staged a protest, temporarily blocking the route to the mining and processing areas. After speaking with PT-FI's Community Liaison Officer, the illegal miners cleared the area.

After further dialogue with the group of illegal miners, they agreed to voluntarily depart the project area. This departure was conducted without incident on November 24<sup>th</sup>. PT-FI provided transportation support for the individuals and their belongings.

Due to the repeated illegal incursions of the area, PT-FI Security, which is unarmed, is enhancing checkpoint inspections to curb illegal transport of non-employees and prevent trespassing within the operational area. PT-FI Security continues its ongoing coordination with government security agencies to ensure actions are conducted in a manner that is consistent with our commitment to the Voluntary Principles on Security and Human Rights.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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 environmental, social, safety and governance performance, including our continuing commitment to safe and reliable operations; our commitment to human rights; and our commitment to deliver responsibly produced copper, including plans to implement and validate our operating sites under specific frameworks. 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” 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, 2021, 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 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.