



The Copper Mark Summary Assessment Report

Copper Producer Information

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| Name of the Copper Producer Site | Morenci Mine |
| Unique identifier provided by the Copper Mark | P0006 |
| Address | 4521 N US Highway 19 Morenci, AZ 85540 |
| Country of Operation | United States of America |
| Metals in scope | Copper, Molybdenum |
| Types of operations included in scope (<i>select all that apply</i>) | |
| Mining | <input checked="" type="checkbox"/> |
| Concentrate blending | <input checked="" type="checkbox"/> |
| Solvent extraction and electrowinning | <input checked="" type="checkbox"/> |
| Smelting | <input type="checkbox"/> |
| Refining | <input type="checkbox"/> |
| Other (<i>please explain</i>) | |

Copper Mark Information

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| Date the Copper Mark is awarded (dd/mm/yyyy) | 08/04/2021 |
| Expiry Date of the Copper Mark (dd/mm/yyyy) | 08/04/2024 |

Assessment Information

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| Name of the Lead Assessor | David Shirley |
| Name of the Assessment Firm (if applicable) | Corporate Integrity Ltd. |

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| Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy) | 26/01/2021 – 28/01/2021 |
| Assessment Period | 01/01/2020 – 31/12/2020 |
| Summary of the Assessment Methodology | The assurance engagement was conducted under the International Standard on Assurance ISEA3000 (revised) – Assurance Engagements other than Audits & Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (IAASB). Due to the international COVID-19 crisis, the review was carried out via live video conferencing. The assessors previously conducted physical site assurance visits for ICMM SD framework scope in 2011, 2013, 2015, 2017 and 2019. |
| Summary of the Assessment Activities | <p>The work was carried out in accordance with Corporate Integrity Ltd’s assurance procedures, which involve:</p> <ol style="list-style-type: none"> 1. Desktop review and scoping for site review including: <ul style="list-style-type: none"> • Review of related corporate policies and their alignment to the scope of the assurance. • Review of site Risk Register • Review of the site self-assessment and supporting evidence submitted. 2. Site Review including: <ul style="list-style-type: none"> • Review of scope related risks at the site, including processes for evaluation and prioritisation. This involves interviews with senior management and all relevant departments. • Review of the systems and approaches that are used to manage scope related risks and issues. This involves interviews with relevant departments and personnel, review of additional documented evidence and physical observations (at operation and in local communities). • Review of procedures for the collection and assimilation of relevant performance information • Close out meeting with management team, which includes presentation of findings and discussion on site’s plans to close gaps to achieve ‘meets’ for all CM requirements and other improvement opportunities. <p>Assurance Outcomes including:</p> <ul style="list-style-type: none"> • Corporate Integrity provides an assurance statement based on the self-assessment. • Corporate Integrity provides a site management report which includes good practices, risks and improvement opportunities. |

Equivalencies and Non-Applicable Criteria

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| The following criteria were confirmed to be not applicable to the Copper Producer: | 25. Artisanal and Small-Scale Mining |
| The following equivalent systems were applied (add more rows as appropriate) | |

| Equivalent System <i>(Name, date of assurance / certification)</i> | Criteria Covered by Equivalency |
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| ICMM PE Assessment 26/01/2021 – 28/01/2021 | All applicable criteria This is inclusive of a "top-up assessment" to review the criteria that are identified as gaps between the ICMM PE and the RRA for criteria 2. Business Integrity, 10. Working Hours, and 11. Remuneration. |

Summary of Findings

| Criterion | Rating <i>Fully meets, partially meets, does not meet, not applicable</i> | Comments |
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| 1. Legal Compliance | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to ensure compliance with all applicable laws.</p> |
| 2. Business Integrity | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a management system that prohibits and effectively prevents bribery, corruption and anti-competitive behavior. The system was confirmed to also prohibit facilitation payments.</p> |
| 3. Stakeholder Engagement | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has an active stakeholder mapping and engagement tool as well as a functioning grievance mechanism.</p> <p>Grievances can be submitted online here or by email to communityaffairs@fmi.com.</p> |
| 4. Business Relationships | Partially Meets (improvements overseen by ICMM) | <p>The Independent Review confirmed that the site meets the requirement</p> |

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| | | <p>as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to promote responsible business conduct with significant business partners. Opportunity for improvement to provide for additional due diligence requirements for suppliers and contractors off-site is currently under development.</p> |
| 5. Child Labor | Fully Meets | <p>The Independent Review confirmed that the site meets the requirements as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to manage a range of worker rights issues, including preventing employing children under the age of 15, the worst forms of child labor, and the exposure of employees under the age of 18 to hazardous work, complemented by the Supplier Code of Conduct and business relationships practices.</p> |
| 6. Forced Labor | Fully Meets | <p>The Independent Review confirmed that the site meets the requirements as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to manage a range of worker rights issues, including preventing any form of forced labor or human trafficking, complemented by the Supplier Code of Conduct and business relationships practices.</p> |
| 7. Freedom of Association and Collective Bargaining | Fully Meets | <p>The Independent Review confirmed that the site meets the requirements as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to manage a range of worker rights issues, including respecting employee's rights to freedom of association and collective bargaining in line with ILO Conventions No. 87 and No. 98, participate in collective</p> |

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| | | bargaining processes in good faith and not obstruct alternative means of association where there are legal restrictions. |
| 8. Discrimination | Fully Meets | <p>The Independent Review confirmed that the site meets the requirements as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to manage a range of worker rights issues, including preventing and addressing all forms of harassment and discrimination.</p> |
| 9. Gender Equality | Fully Meets | <p>The Independent Review confirmed that the site meets the requirements as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to manage a range of worker rights issues, including continual assessment and monitoring to ensure gender equality in the workplace.</p> |
| 10. Working Hours | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to keep employees' total regular and overtime working hours to 60 hour a week. The system was confirmed to be in compliance with applicable law and collective bargaining agreements, to ensure overtime is voluntary, provide for one rest day in seven, and provide for annual leave.</p> |
| 11. Remuneration | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has systems in place to ensure wage equity and external salary competitiveness that equal or exceed the national minimum wage, appropriate industry wage (if higher), or a living wage.</p> |

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| 12. Occupational Health and Safety | Partially Meets (improvements overseen by ICMM) | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci is certified against OHSAS 18001. Opportunity for improvement as the site updates and tests emergency response plans with regards to tailings.</p> |
| 13. Grievance Mechanism | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a grievance mechanism available to all employees.</p> |
| 14. Environmental Risk Management | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci is certified against ISO 14001.</p> |
| 15. Greenhouse Gas (GHG) Emissions | Partially Meets (improvements overseen by ICMM) | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a process to quantify, establish reduction targets for and disclose CO2 equivalent emissions in line with established international reporting standards. Opportunity for improvement to evaluate additional climate-related risks and targets as to align with corporate updates underway.</p> <p>More information available here.</p> |
| 16. Energy Consumption | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a process to implement and quantify energy efficiency improvements and increased use of renewable energy to reduce total energy consumption and / or energy intensity.</p> |

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| 17. Freshwater Management and Conservation | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a comprehensive multi-stakeholder water stewardship program in place that assesses water-use impacts and risks and implements measures to ensure that water consumption does not restrict availability / access for other water users or reduce the range and populations of fauna and flora in the catchment area of the site / facility.</p> |
| 18. Waste Management | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci implements a risk-based waste management system that includes a commitment to the "waste hierarchy" and is applicable for all waste types.</p> |
| 19. Tailings Management | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a system in place to monitor and close tailings impoundments while minimizing adverse impacts to the human health and the environment in line with internationally recognized standards.</p> |
| 20. Pollution | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a system in place to implement the mitigation hierarchy to avoid, minimize, reduce and compensate for the adverse impacts of pollution on human health and the environment.</p> |
| 21. Biodiversity and Protected Areas | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement</p> |

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| | | <p>as validated through the ICMM PE Assessment.</p> <p>Morenci has a system in place to implement the mitigation hierarchy to avoid, minimize, reduce and compensate for adverse impacts on biodiversity; to avoid adverse impacts to Critical Habitats or Endangered Species; and to prevent operational activities in World Heritage sites or in designated protected areas unless specifically and legally permitted.</p> |
| 22. Mine Closure and Reclamation | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a documented plan with stakeholder inputs that addresses environmental and social aspects and makes financial provisions for closure and reclamation of the site / facility.</p> |
| 23. Community Health and Safety | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a system in place to monitor, avoid, minimize, reduce and compensate for adverse impacts on community health and safety.</p> |
| 24. Community Development | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a system in place to identify community needs in consultation with affected communities, develop a plan, and commit resources to support community development.</p> |
| 25. Artisanal and Small Scale Mining | Not Applicable | |
| 26. Human Rights | Fully Meets | The Independent Review confirmed that the site meets the requirement |

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| | | <p>as validated through the ICMM PE Assessment.</p> <p>Morenci implements the UN Guiding Principles on Business and Human Rights including human rights due diligence.</p> |
| 27. Security and Human Rights | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci implements the Voluntary Principles on Security and Human Rights when engaging with private or public security forces.</p> |
| 28. Indigenous Peoples' Rights | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a management system in place to respect the rights of Indigenous Peoples, including FPIC; avoid adverse impacts on Indigenous Peoples' lands, livelihoods, resources, and cultural heritage; and develop and implement an Indigenous Peoples' engagement plan.</p> |
| 29. Land Acquisition and Resettlement | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a policy to explore all viable alternative project designs to avoid and/or minimize land acquisition and physical or economic displacement and to implement a resettlement action plan to fairly address and compensate for residual adverse impacts in case of land acquisition and resettlement.</p> |
| 30. Cultural Heritage | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has a system to identify cultural heritage sites and to</p> |

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| | | establish a process based on consultation with stakeholders to avoid, minimize, reduce and compensate for adverse impacts on cultural heritage.. |
| 31. Due Diligence in Mineral Supply Chains | Partially Meets (improvements overseen by ICMM) | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci has an OECD-based due diligence management system. Opportunity for improvement to fully implement the system and allow it to adapt if operations change.</p> <p>Step 5 report available here.</p> |
| 32. Transparency and Disclosure | Fully Meets | <p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Morenci's reporting is primarily done through corporate sustainability reporting, which is externally verified. The annual report is available here.</p> |

Assessment Conclusions

| Statement of conformance | |
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| The site is found to fully meet all applicable requirements of the Risk Readiness Assessment. | <input type="checkbox"/> |
| The site is found to fully meet or partially meet all applicable requirements of the Risk Readiness Assessment and has committed to continuous improvement at the site to fully meet all applicable Copper Mark Criteria by 18/09/2022. | <input checked="" type="checkbox"/> |
| The site is found to miss some or all of the applicable requirements of the Risk Readiness Assessment, and has committed to continuous improvement at the site to fully meet all applicable Copper Mark Criteria by 18/09/2022. | <input type="checkbox"/> |
| The site misses some or all of the applicable requirements of the | <input type="checkbox"/> |

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| <p>Risk Readiness Assessment and has not committed to continuous improvement.</p> | |
| <p>Limitations:</p> | <p>The Copper Mark does not accept remote assessments. However, in light of the Covid19 pandemic, the Copper Mark reviewed the assessment in the context of the Covid-19 Policy. The Copper Mark determined there were sufficient onsite engagements within a reasonable period of time conducted at the site combined with the adjustments of the process allowing for a single-time acceptance of this remote assessment. The next assessment to be used for purposes of the Copper Mark must be conducted on-site. Process adjustments:</p> <ol style="list-style-type: none"> 1) Where the following conditions are all met the assessor considered that we have detailed knowledge of the site and operations sufficient to provide remote assurance: <ol style="list-style-type: none"> (a) A physical site visit by at least one currently-accredited CopperMark assessor has been made in previous three years; and (b) The site has been operating to ICMM Sustainable Development principles for the last three years or more. 2) During the course of the remote assurance review, the assessors may identify specific areas which will need to be covered at site during the next physical site visit, which should be conducted within an 18-month period. For example, if: <ol style="list-style-type: none"> (a) There have been material changes to the operation, management or risk profile (as defined by the site Risk Register); and (b) There have been incidents having a material adverse effect on performance such as safety and environmental, business integrity, human rights related incidents; and (c) There have been material external factors (such as substantial new regulations or significant reputational decline) directly related to the operation. 3) In the event that a follow up visit is not possible because of ongoing COVID-19 travel restrictions or because a site visit could not otherwise be achieved, the assurance status will need to be reviewed and a reassessment may be required. |

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| | 4) On a site by site basis the assessor will require that all equivalent third party assurance remains valid during this period (e.g. ISO14001, OSHAS18001). |
| Additional comments: | None |