The Copper Mark Summary Report

Participant Information

Name of the Site	Bagdad
Unique identifier provided by the Copper Mark	P0018
Address	P.O. Box 245 104 Main Street Bagdad, AZ 86321
Country of Operation	United States of America
Products produced on site (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Copper Cathode
Metals produced on site (e.g., copper, gold, nickel, silver, molybdenum)	Copper, molybdenum
Metals included in scope of Criterion 31 (this must be all, or a sub-set of the metals produced on site)	N/A
Types of operations included in scope	
Mining	☒
Concentrate blending	☒ internal feedstock only
Solvent extraction and electrowinning	☒
Smelting	☐
Refining	☐
Other (*please explain*)	
Infrastructure owned or controlled by the site and included in scope	
Roads	☐
Rails	☐
Ports	☐
Other (*please explain*)	

Independent Review

During this step, the Independent Reviewer examined the Copper Producer's self-assessment, supporting documentation, independent third-party assurance reports, and publicly available information.	
The activities included review for completeness, verifying equivalence, and conducting desk-based due diligence.	16 August 2021 – 12 October 2021
As a result, the Independent Reviewer recommended the scope of the site assessment to the Copper Mark.	Iterative process required additional time.
The Independent Review took place on these dates:	
The Independent Reviewer confirmed completeness, indicating available evidence for the assessor to review for all applicable criteria:	All 32 criteria
The Independent Reviewer recommended the following criteria be included in the scope of the independent site assessment:	None. All were met through equivalency and top-off requirements with an assessment against the ICMM Performance Expectations

The following equivalent systems were applied:

Equivalent systems are determined by the Copper Mark to have standards and assurance requirements that are materially comparable in scope and intent to those of the Copper Mark, in accordance with the Copper Mark Recognition Process.

Equivalent System (Name, date of assurance / certification)	Review Process	Criteria Covered by Equivalency
ICMM Performance Expectations 11-13 May 2021	The Independent Reviewer confirmed the assurance / certification was: • Valid at the time of the review • No more than 24 months old and / or plans for reassessment are underway • In effect for an additional 12 months and / or plans for reassessment are underway	All

	• Covering the same scope as the Copper Mark Responsible Production Criteria, including operations, locations, and materials • Accompanied by improvement plans where applicable	
The Independent Reviewer recommended the following criteria be considered focus areas for the independent site assessment:	17. Freshwater Management and Conservation 21. Biodiversity and Protected Areas	
The Independent Reviewer recommended the following criteria be considered not applicable to the Site:	25. Artisanal and Small-Scale Mining	

Independent Site Assessment Information

Name of the Lead Assessor	David Shirley
Name of the Assessment Firm (if applicable)	Corporate Integrity, Inc.
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	11-13 May 2021
Assessment Period	1 January 2020 – 31 December 2020
Summary of the Assessment Methodology	The work was carried out in accordance with Corporate Integrity Ltd.'s assurance procedures. Assurance activities were risk based with focus on material issues and included the review of: 1. processes in place to identify and prioritise SD risks and opportunities during the reporting period; 2. the policies, systems and approaches that Freeport-McMoRan is using to manage these risks and opportunities; 3. the collection and assimilation of GRI reported performance information; and 4. For the PE and CM validation, specific evidence to support Bagdad's self-assessment claims. In some cases, the assessors were able to rely on other third-party audits such as ISO14001, OSHAS18001 and financial audits, to avoid duplication of assurance effort. Corporate Integrity applied the following principles to provide COVID-19 constrained assurance remotely:

	1) Where the following conditions are all met Corporate Integrity considers that we have detailed knowledge of the site and operations sufficient to provide remote assurance:
	a) A physical site visit by at least one currently accredited Copper Mark 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, they 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.
	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.
	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).
Summary of the Assessment Activities	The work was carried out in accordance with Corporate Integrity Ltd.'s assurance procedures, which involve:
	1. Desktop review and scoping for site review including:
	• 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:
	• 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. Assurance Outcomes including:
	• 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

Summary of Findings

Criterion	Rating *Fully meets, partially meets, does not meet, not applicable*	Comments *Includes link to publicly available documents or supporting evidence where possible and at a minimum for those criteria with an **
1. Legal Compliance	Fully meets	Bagdad has formal systems in place for ISO 14001 and OSHAS 18001. Oversight on legal compliance is provided by the corporate legal affairs team.
2. Business Integrity	Fully meets	Bagdad is governed by group-wide policies and compliance systems. All relevant personnel are subject to Principles of Business Conduct (PBC) training in 2021. Bagdad prohibits facilitation payments, and none were reported in 2020.
3. Stakeholder Engagement*	Fully meets	Bagdad has and actively uses a stakeholder engagement tool that links engagements with general categories of risk. There is evidence of strong community stakeholder engagement program in place, including a Community Partnership Panel. Bagdad has a working grievance mechanism in place, available **here**.
4. Business Relationships	Partially meets	Bagdad has a process to manage risks associated with suppliers. The corporate team is responsible for onboarding suppliers to the company requirements under the code of conduct and human rights policy., Opportunities for improvement are underway through the development of increased due diligence requirements on suppliers and contractors and their activities.

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5. Child Labor	Fully meets	Bagdad is subject to corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct.
6. Forced Labor	Fully meets	Bagdad is subject to corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct. Company policies have a zero tolerance for human trafficking and forced labor. At the corporate level, the company will develop awareness training to assist personnel in detecting warning signs.
7. Freedom of Association and Collective Bargaining	Fully meets	Bagdad is subject to corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct.
8. Discrimination	Fully meets	Bagdad is subject to corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct.
9. Gender Equality	Fully meets	Bagdad is subject to corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct. On an annual basis, Bagdad reviews the breakdown of women and minority groups at different management levels and functions.
10. Working Hours	Fully meets	Operating staff work in shifts and are paid overtime for more than 40 hours per week. Salaried workers are paid for voluntary overtime for more than 40 hours per week. Guidance on

		working hours is under development at the corporate level.
11. Remuneration	Fully meets	At the company level, compensation and benefits is market-based and competitive and informed by annual benchmarking and analysis.
12. Occupational Health and Safety	Partially meets	Bagdad is certified for OSHAS 18001. Bagdad has in place an Emergency Response and Contingency Plan. Emergency response procedures for a tailings emergency require collaboration with potentially affected community stakeholders.
13. Grievance Mechanism	Fully meets	Bagdad is subject to corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct. Bagdad has a grievance process in place covering employees and contractors.
14. Environmental Risk Management	Fully meets	Bagdad is certified for ISO 14001. Environmental risks are included in the site's risk register. Action plans for risk reduction and ongoing monitoring are in place.
15. Greenhouse Gas (GHG) Emissions*	Partially meets	Scope 1 and Scope 2 emissions for Bagdad are reported in the Annual Report on Sustainability, available **here**. The company has a public reduction target by 15% per ton of copper cathode in the Americas by 2030 from a 2018 baseline. Carbon reduction programs at Bagdad will be aligned with this commitment. Opportunity for improvement by completing a risk evaluation on carbon reduction programs.
16. Energy Consumption	Fully meets	Bagdad energy data is available in the Climate report **here.**
17. Freshwater Management and Conservation	Fully meets	There is stakeholder engagement with local communities and indigenous peoples as part of the risk

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		identification and evaluation process. There is evidence of programs to address identified risks.
18. Waste Management	Fully meets	Waste is managed as part of Bagdad's environmental management system.
19. Tailings Management	Partially meets	Bagdad has a comprehensive tailings management program. Bagdad has undertaken a preliminary semi quantitative risk evaluation as part of a corporate-wide move to implement the Global Industry Standard on Tailings Management (GISTM). Bagdad is implementing but has not fully implemented the GISTM as required by ICMM member companies.
20. Pollution	Fully meets	Pollution is managed as part of Bagdad's environmental management system.
21. Biodiversity and Protected Areas	Fully meets	Bagdad regularly evaluates biodiversity as part of the risk register process. As part of the process, the site engages with local stakeholders to identify risks.
22. Mine Closure and Reclamation	Fully meets	Bagdad has closure planning activities and regulatory requirements for reclamation closure plans. The corporate commitment to addressing social aspects of closure is in the Social Performance Policy. Closure at the site is not expected for a significant period of time.
23. Community Health and Safety	Fully meets	Bagdad's Project Review includes coverage of impacts on community health and safety.
24. Community Development	Partially meets	Bagdad's 5-year community plan aligns with the current risk profile. Bagdad has engagement initiatives to support community programs including through the Community Partnership Panel. Opportunity for improvement to implement corporate strategies to

		increase local and regional procurement.
25. Artisanal and Small-Scale Mining	Not applicable	Previous site visits confirm there is no ASM in the area of influence.
26. Human Rights	Fully meets	Bagdad is subject to corporate policies, processes and compliance requirements relating to human rights, including risk evaluation and stakeholder mapping and engagement. There are established grievance processes in place for both the workforce and community.
27. Security and Human Rights	Fully meets	Bagdad is subject to corporate policies and compliance requirements relating to security and human rights. Security personnel at the site are all company employees.
28. Indigenous Peoples' Rights	Partially meets	Bagdad has a management system to articulate potential issues with local indigenous tribes and to build trust between the company and the tribes. Risks are identified in the risk register and the project risk review. In relation to the expansion project, work with Indigenous Peoples is ongoing, making this criterion partially meets.
29. Land Acquisition and Resettlement	Partially meets	Bagdad is subject to the company Social Performance Policy, which addresses land acquisition and resettlement. Bagdad has concluded this criterion has been meet in Q4 2021 through implementation of Building Trust SOP for over 12 months and continuing/ongoing meetings with Tribal Council and other Tribal representatives. Confirmation pending in next review by external assurance provider.
30. Cultural Heritage	Fully meets	Bagdad addresses cultural heritage in the risk register. Bagdad has a plan in place to inform engagement with local tribes on this topic through the expansion project.

31. Due Diligence in Mineral Supply Chains		Partially meets	Bagdad does not have external suppliers but continues to develop a management system
	31.a. Management System	Partially meets	Bagdad is implementing training on due diligence to relevant staff.
	31.b. Red Flag Identification Process	Fully meets	Bagdad is identified by the company risk assessment as "level 1" not operating in a CAHRA nor having external inputs.
	31.c. Risk Assessment Process	Not applicable	Bagdad has not identified red flags.
	31.d. Risk Management Process	Not applicable	Bagdad has not confirmed red flags.
	31.e. Public Reporting*	Fully meets	Bagdad's Step 5 report is available **here**.
32. Transparency and Disclosure*		Fully meets	Bagdad is covered in the company's annual reporting available **here**.

Conclusions

Statement of conformance	
The site is found to fully meet all applicable criteria of the Risk Readiness Assessment and, for Criterion 31, all applicable conformance criteria of the Joint Due Diligence Standard.	☐
The site is found to fully meet or partially meet all applicable criteria of the Risk Readiness Assessment and, for Criterion 31, all applicable conformance criteria of the Joint Due Diligence Standard. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 6 June 2023.	☒
The site is found to miss some or all of the applicable criteria of the Risk Readiness Assessment and / or for Criterion 31, some or all of the applicable conformance criteria of the Joint Due Diligence Standard. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 6 June 2023.	☐
The site misses some or all of the applicable requirements of the Risk Readiness Assessment and / or for	☐

Criterion 31, the applicable criteria of the Joint Due Diligence Standard. The Site has not committed to continuous improvement.	
Limitations:	Assessment was conducted remotely due to Covid-19 travel restrictions.
Additional comments:	

Copper Mark Award

This Summary Report is prepared using data from the independent review report and the independent assessment report. The Copper Mark confirms the assessors' conclusion and awards the Copper Mark as follows

Date the Copper Mark is awarded (dd/mm/yyyy)	10/11/2021
Expiry Date of the Copper Mark (dd/mm/yyyy)	9/11/2024