



The Copper Mark Summary Report

Participant Information

Name of the Site	Sierrita
Unique identifier provided by the Copper Mark	P0021
Address	6200 W Duval Mine Rd. Green Valley, AZ 85622
Country of Operation	United States of America
Products produced on site (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Copper Cathode and Copper Concentrate
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)	Copper
Types of operations included in scope	
Mining	<input checked="" type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Solvent extraction and electrowinning	<input checked="" type="checkbox"/>
Smelting	<input type="checkbox"/>
Refining	<input type="checkbox"/>
Other (<i>please explain</i>)	
Infrastructure owned or controlled by the site and included in scope	
Roads	<input type="checkbox"/>
Rails	<input type="checkbox"/>
Ports	<input type="checkbox"/>
Other (<i>please explain</i>)	

Independent Review

<p>During this step, the Independent Reviewer examined the Copper Producer’s self-assessment, supporting documentation, independent third-party assurance reports, and publicly available information.</p> <p>The activities included review for completeness, verifying equivalence, and conducting desk-based due diligence.</p> <p>As a result, the Independent Reviewer recommended the scope of the site assessment to the Copper Mark.</p> <p>The Independent Review took place on these dates:</p>	<p>17 March – 19 April 2022</p>	
<p>The Independent Reviewer confirmed completeness, indicating available evidence for the assessor to review for all applicable criteria:</p>	<p>All criteria</p>	
<p>The Independent Reviewer recommended the following criteria be included in the scope of the independent site assessment:</p>	<p>None. All were met through equivalency and top-off requirements with an assessment against the ICMM Performance Expectations</p>	
<p>The following equivalent systems were applied:</p> <p><i>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 <u>Copper Mark Recognition Process</u>.</i></p>		
<p>Equivalent System <i>(Name, date of assurance / certification)</i></p>	<p>Review Process</p>	<p>Criteria Covered by Equivalency</p>
<p>ICMM PE Assessment 19-21 October 2021, December 2021, and January 2022</p>	<p>The Independent Reviewer confirmed the assurance / certification was:</p> <ul style="list-style-type: none"> 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 	<p>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.</p>

	<ul style="list-style-type: none"> 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:		<ul style="list-style-type: none"> 17. Freshwater Management and Conservation 19. Tailings Management 20. Pollution 23. Community Health and Safety
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, Ltd.
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	September-October 2021: Document review 19-21 October 2022: Management interviews December 2021 and January 2022: Stakeholder interviews
Assessment Period	1 January 2021 – 31 December 2021
Summary of the Assessment Methodology	<p>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:</p> <ol style="list-style-type: none"> processes in place to identify and prioritise SD risks and opportunities during the reporting period; the policies, systems and approaches that Freeport-McMoRan is using to manage these risks and opportunities; the collection and assimilation of GRI reported performance information; and For the PE and CM validation, specific evidence to support Sierrita's self-assessment claims. In some cases, the assessors were able to rely on other third-party audits such as ISO14001,

	<p>OSHAS18001 and financial audits, to avoid duplication of assurance effort.</p> <p>Corporate Integrity applied the following principles to provide COVID-19 constrained assurance remotely:</p> <p>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:</p> <p>a) A physical site visit by at least one currently accredited Copper Mark assessor has been made in previous three years; and</p> <p>b) The site has been operating to ICMM Sustainable Development principles for the last three years or more.</p> <p>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.</p> <p>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.</p> <p>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).</p>
<p>Summary of the Assessment Activities</p>	<p>The work was carried out in accordance with Corporate Integrity Ltd.'s assurance procedures, which involve:</p> <p>1. Desktop review and scoping for site review including:</p> <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. <p>2. Site Review including:</p> <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

	<ul style="list-style-type: none"> Internal and external stakeholder interviews <p>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:</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
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Summary of Findings

Criterion	Rating <i>Fully meets, partially meets, does not meet, not applicable</i>	Comments <i>Includes link to publicly available documents or supporting evidence where possible and at a minimum for those criteria with an *</i>
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>Sierrita has formal systems in place for ISO 14001 and OSHAS 18001. Oversight on legal compliance is provided by the corporate legal affairs team.</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>Sierrita is governed by group-wide policies and compliance systems. All relevant personnel are subject to Principles of Business Conduct training in 2021.</p> <p>Stakeholder interviews confirmed awareness of the Principles of Business Conduct and evidence of ongoing compliance training.</p> <p>Sierrita prohibits facilitation payments, and none were reported in 2020 or 2021.</p>
3. Stakeholder Engagement*	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as</p>

		<p>validated through the ICMM PE Assessment.</p> <p>Sierrita 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. Site-level initiatives include targeted engagement with affected stakeholders, community forums for specific topics, and making monitoring records available to interested stakeholders.</p> <p>Interviewed stakeholders indicated proactive engagement with community groups on a range of issues, generally perceived as open.</p> <p>Sierrita has a grievance mechanism in place, available here.</p>
4. Business Relationships	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Sierrita 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. The site level teams are aware of and manage risks with associated suppliers.</p> <p>At the corporate level, the company is developing increased due diligence requirements on suppliers and contractors and their activities.</p>
5. Child Labor	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Sierrita is subject to corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business</p>

		<p>Conduct, and Supplier Code of Conduct. While child labor is considered a low risk, there are functioning compliance policies and processes which include age verification of personnel on site by Corporate through review of government regulated identity documentation.</p>
6. Forced Labor	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Sierrita implements corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct.</p> <p>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.</p>
7. Freedom of Association and Collective Bargaining	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Sierrita implements corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct.</p> <p>This was confirmed through a review of the human rights policy and procedures, onboarding process, grievance records, and training records, interviews with human resources and employees.</p>
8. Discrimination	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p>

		<p>Sierrita implements corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct.</p> <p>This was confirmed through a review of the human rights policy and procedures, onboarding process, grievance records, and training records, interviews with human resources and employees.</p>
9. Gender Equality	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Sierrita implements corporate policies covering a range of worker rights issues including the Human Rights Policy, Principles of Business Conduct, and Supplier Code of Conduct.</p> <p>Interviews with workers confirmed that opportunities and support for career advancement and leadership among women is high. A feeling of safety to raise issues around gender awareness as grievances was also reported as high.</p>
10. Working Hours	Partially meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Operating staff work in shifts and are paid overtime for more than 40 hours per week.</p> <p>Workers are given at least 1 day off in 7 as well as annual leave.</p> <p>Sierrita's shift rosters are designed to average approximately 40 hours per week over the shift cycle. At times, business needs result in some employees working overtime. This does not exceed 60 hours per week when averaged over the shift cycle. Occasionally, a small proportion</p>

		<p>of employees actively seek to volunteer to work more than 60 hours per week when overtime is available for various business reasons. The site manages fatigue for these individuals to ensure they are fit to do their work safely.</p> <p>The site has a system to manage working hours. Improvements to this system regarding the approval and monitoring of overtime for workers are under development at the corporate level and will be implemented at the site.</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>At the company level, compensation and benefits is market-based and competitive and informed by annual benchmarking and analysis.</p> <p>Employees generally reported rates of pay as being high relative to other nearby industries.</p>
12. Occupational 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>Sierrita is certified for ISO 45001.</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>Sierrita 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.</p> <p>Sierrita has a grievance process in place covering employees and contractors.</p>
14. Environmental Risk Management	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as</p>

		<p>validated through the ICMM PE Assessment.</p> <p>Sierrita is certified for ISO 14001.</p> <p>Environmental risks are included in the site's risk register. Action plans for risk reduction and ongoing monitoring are in place.</p>
15. Greenhouse Gas (GHG) Emissions*	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Scope 1 and Scope 2 emissions for Sierrita are reported in the Annual Report on Sustainability, available here.</p> <p>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 Sierrita are being aligned with this commitment.</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>Sierrita reports on energy consumption as part of GRI reporting, here.</p> <p>Sierrita is also part of the Freeport wide initiatives on improving process efficiencies and considering emissions reduction on heavy mobile equipment.</p>
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>Sierrita has programs in place for water stewardship to identify, mitigate, and monitor impacts to water, including risk of tailings pond overflow and risk of groundwater plume.</p>

		Interviews with stakeholders confirmed this is a topic on which the site engages with the community.
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>Waste is managed as part of Sierrita’s environmental management system, based on recovery, re-use, and recycling.</p> <p>This is confirmed by review of the ISO14001 certification and reports, internal audit reports, scrap recycled log, and interviews with management.</p>
19. Tailings Management	Partially meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Sierrita has a comprehensive tailings management program. There is a monitoring system that supports Sierrita’s tailings KPIs along with other inspection, monitoring, and oversight activities. The KPIs inform the Early Warning Dashboard reporting process. Through these regular activities, no emergency conditions were triggered. Regular maintenance activities continued with regular and special engineering inspections as appropriate by site tailings engineering and operations team.</p> <p>Sierrita 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).</p> <p>The following was identified as an opportunity for improvement:</p> <ul style="list-style-type: none"> • Sierrita is implementing but has not fully implemented the GISTM as required by ICMM member companies.

20. Pollution	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Pollution is managed as part of Sierrita’s environmental management system. The main pollution risk is dust, which is managed through a system of monitoring and controls.</p> <p>This was confirmed through interviews with management, review of the risk evaluation and risk register entries, review of controls, review of community engagement activities on environmental issues including formal grievances, review of the environmental dashboard, and other document review.</p>
21. Biodiversity and Protected Areas	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Sierrita follows corporate policies and guidelines related to biodiversity. The site regularly evaluates biodiversity as part of the risk register process, which involves identifying, assessing, and mitigating potential adverse impacts to biodiversity and ecosystem services. No World Heritage sites or designated protected areas are impacted by Sierrita operations.</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>Sierrita 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 and includes social aspects of closure.</p>
23. Community Health and Safety	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as</p>

		<p>validated through the ICMM PE Assessment.</p> <p>Sierrita’s risk assessment process and Project Review includes coverage of impacts on community health and safety. There is evidence of significant engagement and control actions in place in relation to these risks. The stakeholder engagement program appears to inform the risk identification and evaluation process.</p> <p>This was confirmed by review of the stakeholder mapping and engagement program, community partnership panel meetings, and grievance process and records.</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>Sierrita has initiatives in place to encourage local and regional sourcing as part of the ongoing engagement process.</p> <p>During stakeholder interviews, examples of multi-stakeholder decision-making forums on areas of community investment were cited to convey Sierrita’s expression of inclusivity in the community.</p>
25. Artisanal and Small-Scale Mining	Not applicable	<p>Previous site visits confirm there is no ASM in the area of influence.</p>
26. Human Rights	Fully meets	<p>The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.</p> <p>Sierrita 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. In 2021 these did not raise any Human Rights related grievances.</p>

		Sierrita is undergoing a human rights impact assessment in the first quarter of 2022.
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>Sierrita is subject to corporate policies and compliance requirements relating to security and human rights. Security personnel at the site are all company employees.</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>Sierrita has an SOP to articulate issues and engage with local Indigenous communities.</p> <p>Sierrita engages in a number of collaborative issues with and significantly engages with local tribes.</p> <p>Responses from representatives of Indigenous interest organisations indicate inclusive and respectful dealings.</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>Sierrita has no current or planned involuntary physical or economic displacement of local communities.</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>Sierrita addresses cultural heritage in the risk register. There is evidence of surveys in relation to a stockpile extension as well as engagement and initiatives with local tribes.</p> <p>Interviews with stakeholders confirmed that Sierrita has a</p>

		structured and diligent processes on engagement for risk areas.
31. Due Diligence in Mineral Supply Chains	Fully meets	The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment. Sierrita has a management system that is reasonable for the type and complexity of its operations.
31.a. Management System	Fully meets	Sierrita has a management system, and it has trained relevant employees.
31.b. Red Flag Identification Process	Fully meets	Sierrita is identified by the company risk assessment as “level 2” not operating in a CAHRA and having low-risk inputs.
31.c. Risk Assessment Process	Not applicable	Sierrita has no identified red flags.
31.d. Risk Management Process	Not applicable	Sierrita has no confirmed red flags.
31.e. Public Reporting*	Fully meets	Sierrita’s Step 5 report is available here .
32. Transparency and Disclosure*	Fully meets	The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment. Sierrita is covered in the company’s annual reporting, done in accordance with the GRI standards, and 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.	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>

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.	<input type="checkbox"/>
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.	<input type="checkbox"/>
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)	17 May 2022
Expiry Date of the Copper Mark (dd/mm/yyyy)	16 May 2025