



## The Copper Mark Summary Assessment Report

### Copper Producer Information

Name of the Copper Producer Site	Morenci
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

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

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)	26/01/2021 – 28/01/2021 Follow up assessment: July 2022
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"> <li>1. Desktop review and scoping for site review including: <ul style="list-style-type: none"> <li>• Review of related corporate policies and their alignment to the scope of the assurance.</li> <li>• Review of site Risk Register</li> <li>• Review of the site self-assessment and supporting evidence submitted.</li> </ul> </li> <li>2. Site Review including: <ul style="list-style-type: none"> <li>• Review of scope related risks at the site, including processes for evaluation and prioritisation. This involves interviews with senior management and all relevant departments.</li> <li>• 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).</li> <li>• Review of procedures for the collection and assimilation of relevant performance information</li> <li>• 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.</li> </ul> </li> </ol> <p>Assurance Outcomes including:</p> <ul style="list-style-type: none"> <li>• Corporate Integrity provides an assurance statement based on the self-assessment.</li> <li>• Corporate Integrity provides a site management report which includes good practices, risks and improvement opportunities.</li> </ul>

### Equivalencies and Non-Applicable Criteria

The following criteria were confirmed to be not applicable to the Copper Producer:	25. Artisanal and Small-Scale Mining
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The following equivalent systems were applied (add more rows as appropriate)	
Equivalent System <i>(Name, date of assurance / certification)</i>	Criteria Covered by Equivalency
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
1. Legal Compliance	Fully Meets	The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.  Morenci has systems in place to ensure compliance with all applicable laws.
2. Business Integrity	Fully Meets	The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.  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.
3. Stakeholder Engagement	Fully Meets	The Independent Review confirmed that the site meets the requirement as validated through the ICMM PE Assessment.  Morenci has an active stakeholder mapping and engagement tool as well as a functioning grievance mechanism.  Grievances can be submitted online <a href="#">here</a> or by email to <a href="mailto:communityaffairs@fmi.com">communityaffairs@fmi.com</a> .

4. Business Relationships	Fully meets	<p>The follow up assessment in July 2022 confirms this is fully meets.</p> <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 promote responsible business conduct with significant business partners.</p> <p>The follow up assessment in July 2022 confirms that additional elements of due diligence, specifically related to social issues has been incorporated into the corporate supplier policies, code of conduct, and supplier platform. Record review from Morenci confirms this system is fully implemented for both legacy and new suppliers at the site level.</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 for 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 bargaining processes in good faith and not obstruct alternative means of association where there are legal restrictions.</p>
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</p>

		voluntary, provide for one rest day in seven, and provide for annual leave.
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>
12. Occupational Health and Safety	Fully meets	<p>The follow up assessment in July 2022 confirms this is fully meets.</p> <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 45001.</p> <p>The issues related to tailings are being addressed with the implementation of the GISTM and under criterion 19. Tailings Management.</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	Fully meets	<p>The follow up assessment in July 2022 confirms this is fully meets.</p> <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.</p> <p>During the follow up assessment in July 2022, it was confirmed that climate risk evaluations have taken place at Morenci and are being incorporated into the broader company-level targets to reduce GHG emissions.</p> <p>More information available <a href="#">here</a>.</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>
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 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	<p>The Independent Review confirmed that the site meets the requirement 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,</p>

		livelihoods, resources, and cultural heritage; and develop and implement an Indigenous Peoples' engagement plan.
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 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 establish a process based on consultation with stakeholders to avoid, minimize, reduce and compensate for adverse impacts on cultural heritage..</p>
31. Due Diligence in Mineral Supply Chains	Fully meets	<p>The follow up assessment in July 2022 confirmed this is fully meets.</p> <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.</p> <p>As of July 2022, it was confirmed that the updated risk-based Responsible Sourcing of Minerals SOP has been implemented, including training to relevant personnel on the OECD and the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc. According to the system, Morenci is considered low risk.</p>

		Step 5 report available <a href="#">here</a> .
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.</p> <p>The annual report is available <a href="#">here</a>.</p>

### Assessment Conclusions

Statement of conformance	
The site is found to fully meet all applicable requirements of the Risk Readiness Assessment.	<input checked="" 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 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 Risk Readiness Assessment and has not committed to continuous improvement.	<input type="checkbox"/>
Limitations:	<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>

	<p>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:  (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.</p> <p>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:  (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.</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>
Additional comments:	None