

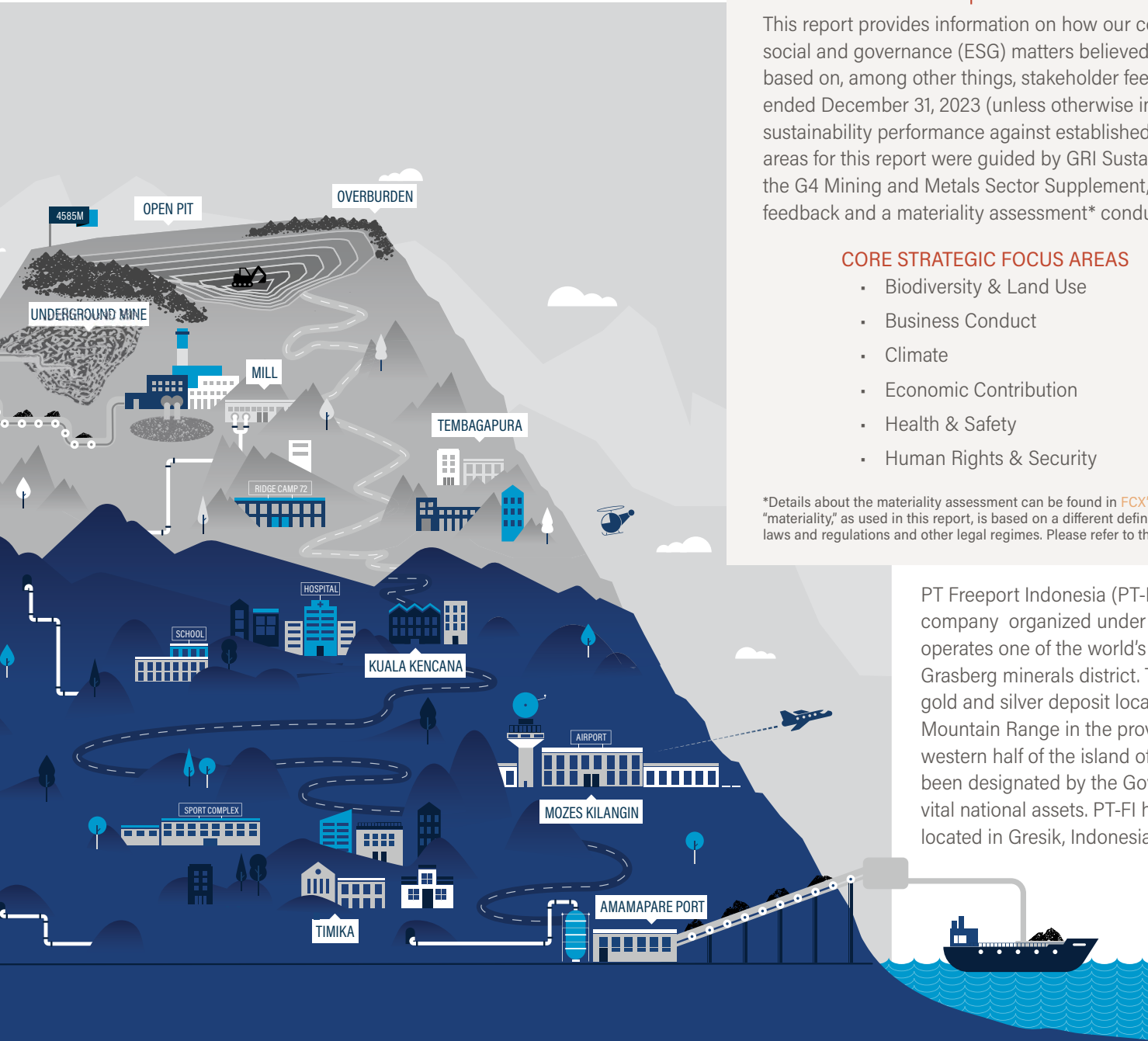


**PT FREEPORT INDONESIA**

# SUSTAINABILITY

AT PT-FI





## About This Report

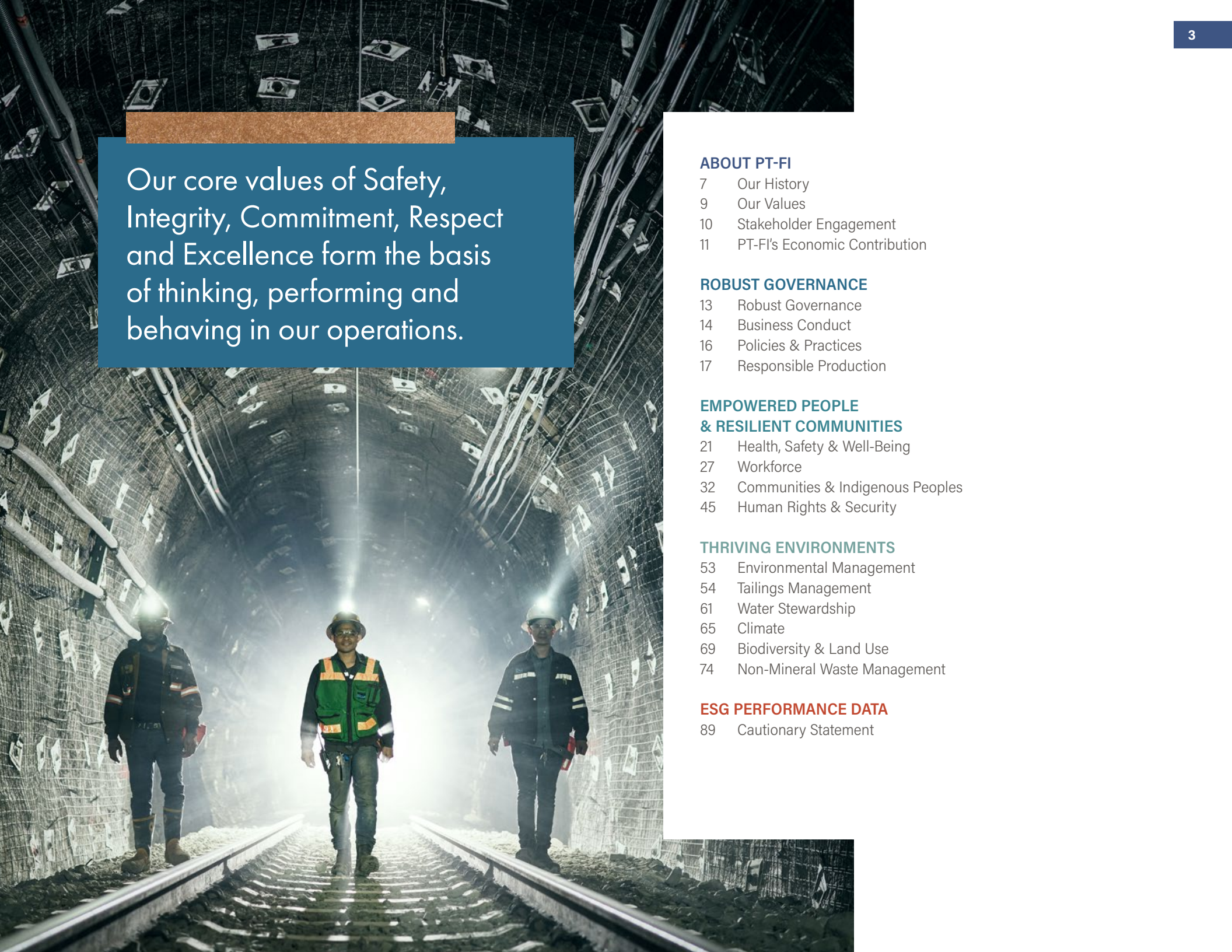
This report provides information on how our company addresses environmental, social and governance (ESG) matters believed to be most important to our business based on, among other things, stakeholder feedback and relates to the year ended December 31, 2023 (unless otherwise indicated). We voluntarily report our sustainability performance against established reporting standards. Strategic focus areas for this report were guided by GRI Sustainability Reporting Standards (2021) and the G4 Mining and Metals Sector Supplement, ICMM, the Copper Mark, stakeholder feedback and a materiality assessment\* conducted by our operating shareholder.

### CORE STRATEGIC FOCUS AREAS

- Biodiversity & Land Use
- Business Conduct
- Climate
- Economic Contribution
- Health & Safety
- Human Rights & Security
- Communities & Indigenous Peoples
- Responsible Production
- Tailings Management
- Water Stewardship
- Workforce

\*Details about the materiality assessment can be found in [FCX's 2023 Annual Report on Sustainability](#). The term "materiality" as used in this report, is based on a different definition of materiality than used in U.S. federal securities laws and regulations and other legal regimes. Please refer to the [Cautionary Statement](#) on the last page of this report.

PT Freeport Indonesia (PT-FI) is a premier copper and gold metals company organized under the laws of the Republic of Indonesia. PT-FI operates one of the world's largest copper and gold deposits in the Grasberg minerals district. The Grasberg minerals district is a copper, gold and silver deposit located in the remote highlands of the Sudirman Mountain Range in the province of Central Papua, Indonesia, on the western half of the island of New Guinea. This world-class complex has been designated by the Government of Indonesia as one of Indonesia's vital national assets. PT-FI has domestic smelting and refining facilities located in Gresik, Indonesia.

A large tunnel under construction, with workers in the foreground. The tunnel walls are lined with a metal mesh and numerous pipes and cables run along the ceiling. The workers are wearing hard hats and safety gear, and the scene is illuminated by bright lights from the tunnel's interior.

Our core values of Safety, Integrity, Commitment, Respect and Excellence form the basis of thinking, performing and behaving in our operations.

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**Tony Wenas**  
President Director

## Remarks: To Our Stakeholders

December 2024

### Dear Stakeholders,

I am proud to share PT-FI's Sustainability Report. The Grasberg minerals district, located in Central Papua, Indonesia, is one of the most unique places on Earth. Some of the characteristics that make it so unique — rugged topography, remoteness and high rainfall — are the same characteristics that create significant logistical challenges and a complex operating environment. Meeting those challenges in a responsible, sustainable and safe manner takes significant ongoing investment supported by ingenuity, creativity, collaboration and a focus on continuous improvement.

Our highest priority is the health, safety and well-being of our workforce. In addition to responsibly operating one of the world's largest copper and gold mining complexes, we recently substantially completed construction of our new smelter and commenced commissioning operations. We celebrated 57 million hours worked consecutively on the smelter construction project without a lost-time incident. We will continue working to execute a safe and efficient ramp-up to full capacity. Despite our robust safety programs, we continue to mourn the loss of one of our contractors who was fatally injured in an industrial accident in early 2023 at our Grasberg operations. Our commitment to providing a safe work environment remains our top priority.

In recognition of our responsible production practices, Grasberg achieved the Copper Mark validation in 2023. Additionally, a third-party completed a human rights impact assessment at Grasberg, which confirmed the overall strength of PT-FI's existing business systems for Grasberg as they relate to human rights. A similar assessment is currently underway at our new smelter.

PT-FI strives to conduct our operations with minimal adverse impacts on the environment, and we support the protection of ecosystems through responsible environmental stewardship. We continue to advance our climate initiatives and have begun to transition our Grasberg operations' existing power supply from coal to natural gas. PT-FI has complied with the Tailings Management Roadmap for the 2019 to 2024 period, and we have committed to the next phase of the roadmap, which extends to 2030. The effective and safe management of tailings continues to be one of PT-FI's most important environmental priorities.

PT-FI proudly provides community program funding and technical assistance aimed at supporting our host communities to thrive during the life of our operations and beyond. We have voluntarily contributed more than US\$2 billion to community development, empowerment and infrastructure programs in the Mimika Regency since 1992. This includes building homes and public infrastructure facilities, schools, public health clinics and hospitals. We partner closely with the Mimika (local) health authority on their work to advance public health initiatives and community well-being, and we seek to support entrepreneurs in achieving their business objectives. The population in the city of Timika has grown exponentially since we began operating in the area, and we continue to support surrounding communities, particularly the *Tujuh Suku*, through community development programs, cultural heritage preservation efforts and workforce training programs, such as the Nemangkawi Mining Institute.

Nearly 30,000 people work together daily at our Grasberg operations to deliver responsibly produced copper and gold. We are proud of our ongoing contributions to Indonesia and our shared history over nearly six decades. Looking to the future, we recognize that copper is essential to global trends in electrification and advanced technologies. PT-FI has a winning combination of valuable assets and talented people, and we remain steadfast in our commitment to supply responsibly produced copper for the people of Indonesia and the world.

Tony Wenas

PT-FI has more than 55 years  
of operating experience.



# About PT-FI

Grasberg has been designated by the Government of Indonesia as one of Indonesia's vital national assets.



## OUR HISTORY

### 1936 ERTSBERG DISCOVERY

The Carstensz Expedition led by A. H. Colijn, F. J. Wissel and geologist Jean-Jacques Dozy was the first expedition by a non-native group to reach the Jayawijaya mountain glacier. On the expedition, Dozy discovered the Ertsberg (Dutch for "Ore Mountain") ore body and later authored a geological report on the discovery.

### 1960 WILSON'S EXPEDITION

Forbes Wilson, head of exploration for Freeport Sulphur, and Del Flint confirmed the presence of vast amounts of copper and gold sulphide minerals in the Ertsberg ore body.

### 1967 FIRST CONTRACT OF WORK AWARDED

Freeport Sulphur Company established Freeport Indonesia (FI) in 1966, and FI signed the first 30-year term Contract of Work with the Government of Indonesia to develop the Ertsberg deposit within 10 square kilometers of land. A massive infrastructure project began, including the development of a seaport, airport, roads, bridges and tunnels to reach the Ertsberg ore body, located deep in the highlands of Central Papua.

### 1973 ERTSBERG MINE

The original Ertsberg copper project became operational. Originally developed as an open pit mine, Ertsberg transitioned to an underground mine in early 1980s.

The population of Mimika was below 1,000 people when PT-FI started operating. Since then, many people have migrated to Mimika for economic opportunities.



Ertsberg deposit prior to development.

## OUR HISTORY (CONTINUED)

### 1988 GRASBERG DISCOVERED

The vast Grasberg deposit was discovered. The size and geology of the ore body allowed for open-pit mining from 1990 to 2019 and subsequent block cave mining beginning in 2019.

### 1991 SECOND CONTRACT OF WORK AWARDED

FI merged into newly established PT-FI in 1991, and PT-FI signed a second 30-year term Contract of Work with the Government of Indonesia. This 30-year term Contract of Work allowed for two successive 10-year extensions of the term of the Contract of Work. The Government of Indonesia provided the legal authority for PT-FI to use the land known as the project area (stretching down a corridor from the existing mine area to the Arafura Sea), which was required for the development of the ore deposits and associated processing and support operations, including the tailings deposition area.



Grasberg exploration office in 1988.

### 1996 PT SMELTING ESTABLISHED

We established PT Smelting in partnership with a Japanese consortium, including Mitsubishi Materials Corporation (MMC), to construct the first copper smelter and refinery facility in Indonesia. The facility, located in Gresik, East Java, commenced commercial operations in 1999.

### 2004 UNDERGROUND DEVELOPMENT

We began to invest in infrastructure in the Grasberg minerals district to enable the future transition from open pit mining to underground mining.

### 2018 SPECIAL MINING OPERATION PERMIT AWARDED, GOVERNMENT INCREASES OWNERSHIP

We were awarded a special mining business license (IUPK) to replace the Contract of Work. The IUPK granted us mining rights through 2031, with the right to extend through 2041 under certain conditions. The Government of Indonesia acquired all shares of PT Rio Tinto Indonesia and PT Indocopper Investama, which increased its share ownership in PT-FI to 51.24%; FCX remained as the operating shareholder. We initiated plans to develop another copper refining facility and a precious metals refinery.

### 2019 TRANSITION TO UNDERGROUND MINING

The Grasberg open-pit operation was completed, we fully transitioned operations to underground, and we began ramping up the underground mines.

### 2023 DIVERSIFIED POWER SOURCES; EXPANDED EXISTING SMELTER

We commissioned a dual-fuel power plant and announced plans to replace our coal-fired power plant in the Grasberg minerals district with a gas-fired combined cycle facility fueled by natural gas. We and our partner, MMC, expanded the processing capacity of PT Smelting.

### 2024 COMMISSIONING OF ADDITIONAL DOWNSTREAM CAPACITY

We commenced commissioning of the world's largest single-line flash copper smelter, which is wholly owned by PT-FI. In addition, we are also commissioning a precious metals refinery to process gold and silver from the new smelter and PT Smelting. These facilities position PT-FI to be a fully integrated metals producer.



# OUR VALUES

Our culture is the bedrock of our sustainability and operational strategy, aligning our core company values to our work. These values direct the decisions we make as a company and as individual employees. They represent who we are and how we work — everyone, everywhere, every day.



## SAFETY

**Safety First—for ourselves, our co-workers and our communities.**

- We promote safety, health and wellness at our operations and in the communities where we live and work.
- No job is so important and no schedule so urgent that time cannot be taken to plan and perform work in a safe manner.
- Safe production requires that:
  - We report to work fit for duty, take responsibility for our own safety and look out for the safety of others.
  - We follow safety standards and controls and identify and eliminate potential hazards.
  - We have the authority and responsibility to stop work if it is not being performed safely.
  - We promptly report safety incidents.

## INTEGRITY

**We are honest, transparent and responsible.**

- We are truthful and sincere.
- We communicate openly and accurately, inside and outside the company.
- We do what we say we will do.
- We take responsibility for our words, actions and decisions.

## COMMITMENT

**We are committed to contributing to the long-term sustainability of the environment and communities where we work.**

- We are accountable for our environmental and social performance.
- We strive to mitigate potential adverse environmental and social impacts throughout each project's life cycle.
- We engage in opportunities to maximize the benefits our operations deliver.
- We partner with our stakeholders to build local capacity and self-sufficiency beyond the presence of our operations.

## RESPECT

**We treat each other and our stakeholders with respect.**

- We are courteous to each other and those with whom we engage.
- We value the diversity, ideas, perspectives and experiences of our employees and our stakeholders.
- We make decisions without favoritism or negative bias.
- We embrace a culture that supports the free flow of information and sharing of ideas.

## EXCELLENCE

**We pursue excellence in our work.**

- We take pride in our work and always do our best.
- We promote change, explore new options and challenge accepted practices.
- We collaborate to create and implement innovative ideas and to develop solutions to issues and concerns.
- We work with purpose to deliver high-quality results.

## STAKEHOLDER ENGAGEMENT

Our approach to stakeholder engagement is characterized by transparency, collaboration and meaningful dialogue, with the primary goal of fostering mutual understanding, trust and cooperation. We recognize the interests and concerns of our various stakeholders can change over time, which underscores the need for ongoing and proactive engagement to learn about these changing needs and expectations. We believe effective stakeholder engagement can help reduce our sustainability-related risks by identifying them early and enabling us to work in partnership to address them, ultimately supporting our efforts to make positive contributions to society. For these reasons, we seek to maintain an ongoing, constructive and proactive stakeholder engagement program throughout the year, every year.

We work closely with our operating shareholder, FCX, to manage engagements with stakeholders, including, but not limited to, local and national government institutions, local community associations, shareholders, our employees, customers, suppliers, industry associations, regulators, policymakers and nongovernmental organizations (NGOs). As a company operating on Indigenous Peoples' land, we are especially sensitive to the needs of our local communities and Indigenous Peoples.

Stakeholder engagement includes formal and informal consultation sessions with local community associations, local tribal councils, community liaison officers, community members and local government institutions in addition to specific formal grievance mechanisms, workshops, and other ongoing participatory activities. Please refer to the [Workforce](#) and [Communities & Indigenous Peoples](#) sections for more information on our engagement activities.

### EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE


The Extractive Industries Transparency Initiative (EITI) is the global standard to promote transparent and accountable governance in the extractives sector. Indonesia became an EITI implementing country in 2010, and we actively support and participate in associated in-country processes as part of EITI. We also aim to support the Government of Indonesia's ambition to achieve contract transparency. In addition to our country-level EITI commitments and regulatory reporting obligations, our practice is to provide transparency by voluntarily reporting cash payments to the Government of Indonesia.

PT-FI collaborates with government agencies, such as the BASARNAS (National Search and Rescue Agency), to support programs that improve the lives of the people of Indonesia.



# PT-FI'S ECONOMIC CONTRIBUTION

We have a long-standing commitment to supporting the well-being of our stakeholders, including our employees, contractors, local communities and Indigenous Peoples. For more than five decades, PT-FI has contributed to national and local economic growth and become a strategic partner to Indonesia. Our Grasberg operations alone have spent more than US\$22 billion on capital expenditures (from 1973 to 2023), including nearly US\$12 billion for underground development. We are dedicated to supporting and contributing positively to our local communities, including contributing significantly to various community development and empowerment programs in Central Papua. We have invested more than US\$2.1 billion (from 1992 to 2023) in community development projects benefitting Central Papua that have been focused on infrastructure development and the economic, health and education sectors.

 More information in our multimedia library




## DIRECT BENEFITS TO GOVERNMENT OF INDONESIA Taxes, royalties, dividends, fees and other payments

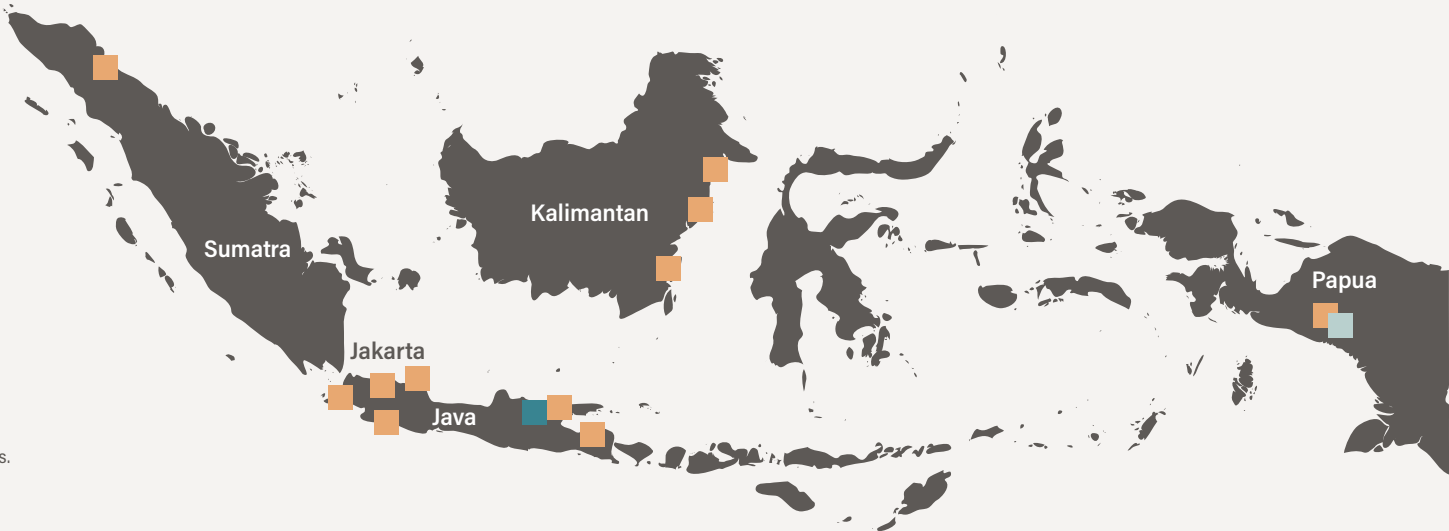


## INDIRECT BENEFITS ACROSS INDONESIA Employee payroll, purchase of domestic goods, community development projects, local development and domestic investments



### ECONOMIC PRESENCE IN INDONESIA

-  Suppliers
-  Grasberg Minerals District
-  Smelters and Precious Metals Refinery



This map does not reflect all in-country suppliers.

# Robust Governance



PT-FI's tailings management team actively manages the integrity of its levees and leverages the expertise of external hydrological and geochemical engineers.

## ROBUST GOVERNANCE

The governance of PT-FI principally resides in four separate bodies: (i) Board of Commissioners, (ii) Board of Directors, (iii) Operating Committee and (iv) Finance Committee. PT-FI's governance structure allows us to deliver long-term stakeholder value and reflect the importance of sustainability to our company and our stakeholders. Actions taken by each of our Board of Commissioners, Board of Directors, Operating Committee and Finance Committee must be approved by a majority vote.

Under Indonesia law, PT-FI is required to have a two-tier management structure, which consists of a Board of Commissioners and a Board of Directors with prescribed roles. Our Board of Commissioners, which FCX and MIND ID are represented equally on, primarily supervises our Board of Directors' activities and management and provides advice. The Board of Directors serves as PT-FI's governing body, with the authority and responsibility to manage PT-FI in accordance with its stated purpose and objectives. The Operating Committee makes decisions relating to PT-FI's operations, day-to-day activities and business strategy. The Finance Committee reviews financial forecasts, operating and maintenance budgets, capital expenditure requirements, and makes recommendations to PT-FI's Board of Directors for the declaration of interim dividends. Both committees are comprised of members appointed by FCX and MIND ID.

The Corporate Responsibility Committee (CRC) of FCX's Board of Directors assists PT-FI's Board of Directors in carrying out its oversight responsibilities with respect to our key environmental and social policies, implementation programs, and related risks and opportunities. The CRC receives reports from management on, among other things, health and safety, tailings management, climate strategy, human health assessments, the Copper Mark assurance process and human rights impact assessments.

FCX and MIND ID have demonstrated alignment on corporate governance matters and provide strong oversight to our management team. We believe robust corporate governance oversight from our shareholders coupled with the operational expertise provided by FCX will continue to strengthen our leadership in the mining industry and our dedication to responsible production that benefits our stakeholders.

### ABOUT OUR SHAREHOLDERS

PT Mineral Industri Indonesia (MIND ID), an Indonesia state-owned enterprise, is Southeast Asia's leading metals and mining entity with world-class assets and diversified, vertically integrated operations. MIND ID oversees Indonesia's high-quality mining assets and centralized trading arm.

Freeport-McMoRan Inc. (FCX) is a leading international metals company with the objective of being foremost in copper. Headquartered in Phoenix, Arizona, FCX operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. FCX is one of the world's largest publicly traded copper producers.



\* Includes PT Mineral Industri Indonesia (Persero) and PT Indonesia Papua Metal Dan Mineral (which is expected to be owned by MIND ID and the provincial/regional government in Central Papua, Indonesia).

\*\* FCX appoints the majority of members to PT-FI's Operating Committee as it is PT-FI's operating shareholder.

## BUSINESS CONDUCT

PT-FI is committed to the highest level of ethical conduct and compliance with the law in all of its business activities. We are guided by our Principles of Business Conduct (PBC). Our PBC defines the expected behavior of all PT-FI employees. It also sets forth the principles PT-FI's workforce must follow in all activities — from complying with laws and avoiding conflicts of interest to treating colleagues and stakeholders with dignity and respect. We conduct comprehensive annual training on the PBC, including certification by management-level employees and induction training for all new employees. PBC training is assigned annually to active and applicable employees. This training consists of in-person or computer-based training, requiring employees to certify both their understanding of, and compliance with, the PBC and to report any known or suspected instances of non-compliance. The training covers health and safety concepts, addressing harassment and discrimination, dealing with inappropriate behavior, preventing conflicts of interest and retaliation from co-workers, and reminding employees how to raise concerns. Managers and supervisors are responsible for ensuring their direct reports understand these principles. Business partners are expected to have read and comply with FCX's Business Partner Code of Conduct and associated policies and procedures, which are incorporated into our contracts. The PT-FI Board of Commissioners and Board of Directors sign an annual statement acknowledging their understanding of the expectations contained in our PBC.

### ANTI-CORRUPTION

We recognize that any violation of the Government of Indonesia's Anti-Bribery Law and Anti-Corruption Law, the U.S. Foreign Corrupt Practices Act (FCPA) or other applicable anti-corruption and anti-bribery laws could result in significant criminal or civil fines and penalties, litigation, or loss of operating licenses or permits, as well as significant reputational damage. We have zero tolerance for corruption of any kind. In addition to our employees, we hold our business partners to this same standard. We do not obtain any business advantage through bribery, improper payments, kickbacks or any other illegal means. No employee or business partner may offer, pay, solicit or accept bribes in any form, including facilitation payments. In 2023, PT-FI had zero legal actions regarding corruption brought against the organization or its employees.

In addition to our mandatory annual PBC training, we provide annual anti-corruption training for specific groups of employees, based on their roles, using a risk-based approach. Nearly all employees selected in 2023 to participate in the additional anti-corruption training completed the online course.

Given the potential legal and reputational liability that could result from actions of our business partners and contractors under the relevant laws, the company operates an online due diligence platform, the Freeport Compliance eXchange (FCeX). FCeX is a survey-based software platform designed to assess risk of our business partners in the areas of anti-corruption, international trade, human rights and responsible sourcing, and includes a number of sustainability-related questions. FCeX enhances our ability to identify, assess and mitigate these compliance risks. The survey is given to new vendors as an initial step in our responsible sourcing due diligence and existing vendors are reevaluated periodically. We decide whether to enter into or continue contractual relationships based in part on responses to the survey.



### COMPLIANCE LINE & WORKFORCE GRIEVANCE MECHANISMS

The FCX Compliance Line, along with our other reporting mechanisms, provides guidance and assistance to our workforce on any questions or concerns related to the PBC, policies or procedures. To aid our workforce in reporting potential violations of business conduct, the FCX Compliance Line permits anonymous reporting and is compliant with applicable international data privacy regimes. During annual mandatory employee training on the PBC, we remind employees how to raise complaints and concerns through the FCX Compliance Line and reiterate that retaliation by co-workers for raising those complaints and concerns is prohibited. Our business partners are also provided access to the FCX Compliance Line and can report anonymously through our drop boxes, as detailed in FCX's Business Partner Code of Conduct.

We acknowledge FCX Compliance Line reports by sending a confirmation to the reporting party, and, if substantiated after investigation, appropriate action is taken. Our goal is to respond to grievance reports promptly and impartially. We aim to close grievance cases within 30 days of notice. However, the amount of time required to conduct a thorough investigation depends on the context and location of each case. If a grievance related to employee behavior is substantiated, disciplinary action is taken, up to and including termination of employment.

For workplace-related grievances, our workforce can report information to the compliance department either over the phone, email or [web portal](#). Reports are documented, reviewed and assigned for investigation, as appropriate. The FCX global human rights team is engaged for human rights-related complaints. In addition to reporting through the FCX Compliance Line, we encourage our workforce to engage directly with human resources or compliance team members.



In addition to anonymous reporting through the FCX Compliance Line, we encourage our workforce to engage directly with human resources and compliance team members.

## POLICIES & PRACTICES

The FCX policies described below are the foundation of PT-FI's sustainability management and practices. Complete policies are available in Indonesian on [FCX's website](#). In some instances, PT-FI may also maintain local policies which may cover the same topics as those addressed by FCX-level policies.

### Anti-Corruption

Establishes zero-tolerance for any form of corruption, private- or public-sector, and prohibits facilitation payments worldwide. It outlines procedures to comply with the U.S. FCPA and other relevant anti-corruption laws in all countries where FCX operates, including our operations in Indonesia.

### Business Partner Code of Conduct

Outlines expectations for our business partners and supports our commitment to only do business with business partners, including suppliers and contractors, who meet the standards set for ethical business conduct.

### Environmental

Outlines our commitment to minimize the environmental impact of our operations, using risk management strategies based on valid data and sound science and, where practicable, to protect and enhance the quality of the environment in areas where we operate. The policy also outlines our duty to continuously improve the environmental performance of operating sites through ISO 14001 management systems and our commitment not to mine or explore in United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage sites.

### Human Rights

Outlines our commitment to respecting internationally recognized human rights standards, especially with respect to our workforce, local communities and Indigenous Peoples as well as cultural heritage. We are committed to conducting our operations in conformance with the United Nations Universal Declaration of Human Rights, the laws and regulations of Indonesia, and the culture of the communities comprising the Indigenous population in our operations area. The Voluntary Principles on Security and Human Rights (VPs) are the guidelines for our security operations, including our engagement with host government police, military personnel and private security contractors.

### Inclusion & Diversity

Outlines our commitment to fostering a culture that is safety-focused, respectful, inclusive and representative of the communities where we operate. It also describes how we advance our inclusion and diversity principles in the work we do.

### Responsible Sourcing of Minerals

Outlines our commitment to producing and sourcing minerals and metals responsibly, including respecting human rights; preventing bribery, fraud and corruption; and implementing the Organisation of Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Mineral Supply Chains in Conflict-Affected and High-Risk Areas.

### Safety & Health

Establishes our objective of zero workplace fatalities, injuries and occupational illnesses, as well as benchmarks to evaluate performance. The policy also addresses the implementation of safety and industrial health audits at our operations on a regular basis.

### Social Performance

Recognizes the role of stakeholder engagement and Free, Prior and Informed Consent (FPIC) as it applies to Indigenous Papuans. Calls for collaboration with communities, including indigenous and vulnerable populations, to avoid, minimize, mitigate and remedy adverse impacts and pursue opportunities to maximize benefits.

### Tailings Management

Outlines our ongoing commitment to managing tailings responsibly, including protecting the health and safety of our workforce, local communities and the environment. It affirms the goal of zero fatalities, zero catastrophic failures and zero unplanned discharges from our controlled riverine tailings management system.



# RESPONSIBLE PRODUCTION

We are committed to the responsible and safe production of copper and gold at our operations. We drive responsible production practices by identifying commitments that will meaningfully advance our operations and supply chains. Regular measurement, reporting and third-party validation support our understanding of our current performance, including any gaps, and the actions we need to take to improve.

### ICMM PERFORMANCE EXPECTATIONS

Our operating shareholder, FCX, is a founding and active member of the International Council on Mining & Metals (ICMM), an organization dedicated to a safe, fair and sustainable mining and metals industry. ICMM member companies are required to comply with 39 performance expectations and 10 Mining Principles for sustainable development. These expectations, along with topic-specific position statements and assurance and validation requirements, define ICMM's membership commitments. A third-party assurance provider confirms PT-FI's operations are upholding ICMM's performance expectations.


### THE COPPER MARK

The Copper Mark is a comprehensive assurance framework that promotes responsible production practices. It is the first and only framework developed specifically for the copper industry. To achieve the Copper Mark, sites are committed to adhering to internationally recognized responsible operating practices and specifically to a detailed framework based on the Responsible Minerals Initiative's Risk Readiness Assessment. The Copper Mark requires an independent external assurance process, including external stakeholder interviews, to assess conformance. Awarded sites are required to be revalidated by the Copper Mark every three years.

PT-FI was awarded the Copper Mark at its Grasberg operations in February 2023. Our external assurance provider had engaged in a 10-month process, which included two site visits and internal and external stakeholder interviews to conduct the assurance process. Interviews with internal stakeholders included employees and on-site workforce, and external stakeholders included representatives from Indigenous communities and their customary institutions, educators, local Indigenous community leaders, project contractors and other third parties, such as local government representatives. Per Copper Mark guidelines, this assurance process was conducted at a reasonable attestation level using ISAE 3000 (Revised) assurance standards.

Learn more about the Copper Mark and view our assessment report at [coppermark.org](https://coppermark.org).

### COPPER MARK 2.0 CRITERIA CATEGORIES:

GOVERNANCE	SOCIAL	ENVIRONMENT
<sup>1</sup> Management System	<sup>11</sup> No Child Labor	<sup>26</sup> Climate Action
<sup>2</sup> Risk Assessment	<sup>12</sup> No Forced Labor	<sup>27</sup> Greenhouse Gas Emissions' Reductions
<sup>3</sup> Business Integrity	<sup>13</sup> Freedom of Association & Collective Bargaining	<sup>28</sup> Water Stewardship
<sup>4</sup> Revenue Transparency	<sup>14</sup> Non-Discrimination & Harassment	<sup>29</sup> Waste Management
<sup>5</sup> Legal Compliance	<sup>15</sup> Diversity, Equity & Inclusion	<sup>30</sup> Circular Economy
<sup>6</sup> Sustainability Reporting	<sup>16</sup> Employment Terms	<sup>31</sup> Tailings Management
<sup>7</sup> Grievance Mechanism	<sup>17</sup> Occupational Health & Safety	<sup>32</sup> Biodiversity & Productive Land
<sup>8</sup> Stakeholder Engagement	<sup>18</sup> Emergency Preparedness	<sup>33</sup> Pollution
<sup>9</sup> Mine Closure & Reclamation	<sup>19</sup> Community Health & Safety	
<sup>10</sup> Responsible Supply Chains	<sup>20</sup> Community Development	
	<sup>21</sup> Artisanal & Small-Scale Mining	
	<sup>22</sup> Security & Human Rights	
	<sup>23</sup> Indigenous Peoples' Rights	
	<sup>24</sup> Land Acquisition & Resettlement	
	<sup>25</sup> Cultural Heritage	

### RISK REGISTER

We use a sustainability risk register process (risk register) to identify risks and opportunities in relation to the Grasberg minerals district, projects and stakeholders on an ongoing basis. We hold quarterly risk review meetings during which risk owners communicate risks, opportunities and action plan updates to leadership and receive feedback on action plans. During these sessions, we have open discussions to determine if there are any new risks or opportunities to be added to the risk register.

The risk register is a process defined by our operating shareholder, FCX, and it uses a risk assessment matrix to prioritize risks by both their likelihood and consequence, based on customized impact definitions by functional area to drive action. The risks included in the risk register are mapped to FCX's external commitments, including the ICMM performance expectations and the Copper Mark's requirements. The risk register assists PT-FI's teams in identifying, prioritizing, managing and tracking the most significant risks to our business and stakeholders at the FCX and PT-FI levels.

The risk register prioritizes risks that could have negative consequences to our business, our communities and/or other stakeholders in areas such as health and safety, human rights, environmental management, community development and economic impact. It also enables us to identify and prioritize opportunities that could have positive consequences. Detailed action plans are prepared for those risks rated as actionable. The risk register and these action plans are the foundation of our internal and external assurance processes.

### PROJECT DEVELOPMENT SUSTAINABILITY REVIEW

As part of the internal risk review process, the Project Development Sustainability Review considers sustainability issues during the evaluation, and implementation of, potential expansion and development projects. The Project Development Sustainability Review process enables us to identify, prioritize and proactively manage potential risks before a project begins and throughout its development. 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 project development. The process also supports preparation for future closure of operations. We applied this process during the design phase of our new smelter and precious metals refinery and continuing to make regular updates during their construction and commissioning phases. The project and corporate teams are working to address a number of actionable risks and opportunities, including risks to cultural heritage, climate change, water and human rights.

The process complements the risk register process and serves as a key input to the risk register once a project is operational, enhancing the integration of sustainability into decision making across the company.



New smelter project in Gresik.

### CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 and seek to make the world more peaceful and prosperous for both people and planet. By supplying responsibly produced copper, we are proud to be a positive contributor to the world well beyond our operational boundaries. To some degree, we work toward all 17 SDGs through aspects of our day-to-day work, partnership initiatives and social investments. SDG 12 — Responsible Consumption and Production — is central to FCX's strategy of being foremost in the global copper industry.

The Government of Indonesia has committed to achieving the SDGs, integrating them into the National Medium-Term Development Plan, the Work Plan, and the Regional Annual Work Plan. Presidential Decree (Perpres) No. 111 of 2022 mandated the establishment of a National Action Plan and Sub National Action Plans in Indonesia's provinces to advance progress toward the SDGs. PT-FI was actively involved in drafting Papua's Regional Action Plan on SDGs as set out in Papua Governor Regulation No. 49 of 2020. Within the Mimika Regency, since 2019 PT-FI has actively promoted implementing the SDGs. In June 2021, the Regent of Mimika issued Decree of the Regent Mimika No. 205 concerning the Establishment of a Coordination Team for Accelerated Achievement of regency targets associated with the SDGs. PT-FI supported this team through a third party (Partnership ID), actively contributing to the drafting of a Regional Action Plan on SDGs in Mimika Regency for 2020-2024.

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

By supplying responsibly produced copper, we are proud to be a positive contributor to the world well beyond our operational boundaries.



# Empowered People & Resilient Communities



By providing stable employment and offering a variety of benefits and programs, we believe we are improving lives and empowering communities.

## HEALTH, SAFETY & WELL-BEING

The health, safety and well-being of our workers, partners and community stakeholders is our highest priority. Workforce safety is not only essential to the success of our business but also a core company value and foundational to our operational and sustainability approach. Mining involves hazardous work that must be carefully understood and managed. Our workforce is involved with or exposed to hazardous activities every day, such as drilling and blasting rock, operating heavy machinery, using chemicals, working below surface or at heights, working with high-temperature materials, and driving in extreme terrains and weather conditions.

PT-FI's goal is to achieve zero workplace fatalities and reduce serious incidents by creating a safe and healthy workplace. We strive to achieve this goal by fostering a strong safety culture at all levels of our organization and through strengthening preventative measures. Our Mining Safety Program, which includes our Occupational Health and Safety (OH&S) management system and Mining Operation Safety guidelines, aligns with FCX's global "Safe Production Matters" strategy which focuses on fatality prevention and continuous improvement through robust management systems, safe work behaviors and our safety culture, supported by leaders empowering our teams to work safely, including using their stop-work authority in the event of a safety concern. We conduct annual internal audits for all divisions and mining contractors, and we continue to implement programs designed to protect mining workers and sustain safe mining operations.

Our Safety Board, comprised of senior leaders and technical experts, establishes metrics-based performance expectations, including clear expectations for implementing the OH&S management system, for all PT-FI leaders. Executive management teams of both PT-FI and FCX receive safety performance reports regularly, including reviews of high-risk, potential fatal and fatal incidents, and provide input on the overall direction of PT-FI's health and safety programs. PT-FI's Mining Safety Division is responsible for supporting our operational leadership teams to implement and manage our health and safety programs. The Mining Safety Division identifies specific health and safety objectives and targets, which are incorporated into our year-end operating performance review.

In addition to employee safety, we aim to work in partnership with the local government and our communities to support their overall health and well-being by monitoring and addressing regional health challenges such as malaria, tuberculosis, HIV/AIDs, maternal and child health, malnutrition, access to clean water and lack of infrastructure among others. Where appropriate, we seek to collaborate with public health officials to support community-relevant health education and program implementation.



We seek to implement best practices in health and safety procedures, processes and protocols to identify risks and apply effective controls.

## OCCUPATIONAL HEALTH & SAFETY POLICIES AND PROGRAMS

### Mining Safety Policies & Guidelines

Through our integrated data management system, we implement PT-FI's and FCX's mining safety policies and guidelines. Mining contractors working within the PT-FI project area must comply with all our internal health and safety management standards.

### Occupational Health and Safety Management System (OHSMS)

This system provides the framework for risk management and compliance obligations. PT-FI's management system is certified in accordance with the ISO 45001 Health and Safety Management System, which requires third-party verification of requirements, with an overall goal of preventing fatalities and reducing safety incidents.

### Fatal Risk Management (FRM) Program

Through our FRM program, we aim to proactively identify potential fatal risks in the field and implement effective controls to help avoid them. PT-FI provides its FRM program training to all levels of employees on how to manage fatal risks and understand critical controls. In addition, supervisors are able to access critical control checklists in real time via mobile devices when in the field.

### Freeport Safety and Health Management System (FRESH MS)

We use digital platforms to implement the FRESH MS. Through these platforms, we define and monitor corrective action plans related to any non-conformities identified. We then review and update our platforms based on the corrective actions implemented. Our platforms meet the expectations of FCX's health and safety policies and management system and incorporate risk assessments and local regulatory requirements.

### Industrial Hygiene Occupational Health Mitigation Plans

We implement mitigation plans to reduce exposure to occupational health risks. In addition, we implement occupational medical protocols to help verify that our workforce is fit for duty and has not been exposed to harmful conditions in the work environment.

### Contractor Safety Management System (CSMS)

Through our CSMS program, we implement an integrated evaluation system of contractor safety performance. We regularly conduct audits to evaluate and improve our CSMS and help local contractors meet the requirements.

### HIV/AIDS and Tuberculosis Treatment and Prevention Programs

We invest significantly in the education of our workforce on HIV/AIDS and tuberculosis. We screen vulnerable populations and support affected employees in a safe, sensitive manner. PT-FI is committed to assisting with curbing disease transmission in accordance with the Government of Indonesia's regulations and the recommendations of the World Health Organization (WHO), International Labour Organization (ILO), U.S. Centers for Disease Control and Prevention (CDC), as well as other relevant health organizations. See the [Public Health Support](#) section for more information.

### Public Health and Malaria Control Program

We partner with the Mimika (local) health authority (LHA) and other health stakeholders to provide high quality, basic health services to community groups around PT-FI's operations. The goals of the program are to reduce infectious disease cases among the general public, including malaria, tuberculosis, sexually transmitted infections, and HIV/AIDS among others; to promote good hygiene and a healthy lifestyle; and to conduct health research.

## SAFETY PERFORMANCE

We measure safety performance through regularly established global mining industry-wide benchmarks, including our company-wide Total Recordable Incident Rate (TRIR), which reflects incidents of our employees and contractors from Grasberg and our smelter project. In 2023, PT-FI's workforce worked approximately 128 million hours and had 95 recordable injuries, compared with 83 million hours and 65 recordable injuries in 2022. However, TRIR improved year over year to 0.15 from 0.16 per 200,000 hours worked, attributable to an increase in contract workforce related to construction projects.

### Fatal Events

Regrettably, in 2023, one of our contract workers was fatally injured in a vehicle interaction while providing ground support to a telehandler near the mill complex. As with all potential fatal and fatal events, an investigation and root cause analysis was conducted following the incident. The incident investigation identified several critical control failures, including the failure to conduct a fatal risk verification and poor traffic management. Learnings from this incident were shared across all sites operated by FCX.

Other work-related fatalities have occurred at our operations in recent years. In response to these fatalities, broad efforts are underway involving PT-FI senior leadership, including an intense focus on expanding our FRM efforts. PT-FI's Safety Board established new metrics-based performance expectations for all leaders with clear expectations for enhancing the FRM program.

Following the death or serious injury of one of our employees, we initiate multiple steps of care after the initial emergency response and provide assistance for the employee's family. When an employee is seriously injured, the company provides support to the employee and his or her family members during the employee's medical treatment. In the case of a workplace fatality, we assist with funeral arrangements as appropriate. In addition, senior leadership reviews the evaluation of each incident to determine compensation for the family, irrespective of liability and in addition to local requirements.

We encourage our contractors to approach these types of incidents in a similar manner and are committed to working with our business partners to address and cooperate in providing remedy when our actions cause or contribute to adverse impacts.

## HEALTH & SAFETY<sup>1</sup>

	2019	2020	2021	2022	2023
<b>Total Recordable Events</b>	74	60	61	65	95
<b>Total Recordable Incident Rate (TRIR)<sup>2</sup></b>	0.21	0.19	0.18	0.16	0.15
<b>Number of Fatalities</b>	2	5	1	0	1

1. Health and safety performance data include employees (full-time and part-time employees on a full-time equivalent basis) and contractors, and include data related to our new smelter and precious metals refinery projects, which are separate and distinct from our operations in the Grasberg minerals district. The smelter and precious metals refinery projects are located near Surabaya, Indonesia, and are managed by an EPC contractor. Rates are calculated per 200,000 hours worked, except where indicated. Metrics within this table are calculated based on employee and contractor reporting of injuries, illness and near misses.

2. TRIR = ((Fatalities + Lost-time Incidents + Restricted-duty Incidents + Medical Treatment) x 200,000) / Total Hours Worked. TRIR is equivalent to MSHA All-Incidence Rate (AIR).

## SAFETY PERFORMANCE AT SMELTER & REFINERY PROJECTS

We have provided significant support to Chiyoda, our engineering, procurement and construction (EPC) contractor for the smelter and refinery projects in Gresik, to align safety expectations across thousands of temporary workers. Over the course of the construction phase, Chiyoda has trained more than 50,000 people on our joint safe work practices and procedures. Collectively with our contractors and subcontractors, we celebrated 57 million hours of consecutive work through July 2024 without a lost time incident. In 2023, the project achieved a TRIR of 0.13 per 200,000 hours worked, well ahead of our goal of 0.34.

## OPERATING SAFELY UNDERGROUND

We train and educate employees on specific hazards, risk controls and safety procedures related to underground mining to prepare them to perform their work safely and efficiently. Training begins in surface classrooms and progresses to on-the-job training and competency verification in underground work areas. Health and safety training is refreshed annually for all underground employees. Managing potential fatal risks is emphasized at all employee levels. This includes pre-task crew discussions and risk control checklists; line management verification that critical controls are in place and effective; and senior leader verification that the risk management system is working effectively.

PT-FI invests significant effort and resources to manage health and safety risks that exist in underground operations, including:

- **Electric and remote-operated equipment** reduces workforce exposure to ground failure, wet muck spills, vehicle/pedestrian interactions and air contaminants. As part of the underground mine development, PT-FI designed and built an autonomous electric train system to move ore through underground tunnels rather than traditional, diesel-powered trucks. We also deploy load-haul-dump mobile equipment, loaded remotely by employees who work safely from an office building while operating the mobile equipment thousands of meters underground.
- **A comprehensive Ground Control Management Plan** developed by leading geotechnical experts that specifies critical controls and drives continual improvement in ground support designs, practices and monitoring systems. Controls are routinely verified for their effectiveness by PT-FI's underground steering committee comprised of underground mine senior leaders and subject matter experts in geotechnical engineering, mining engineering and safety.
- **The Mobile Equipment Interaction Committee and Vehicle Interaction Control Effectiveness Committee** identify hazards related to interactions between people and equipment. The Committees make recommendations to reduce or eliminate the hazards using controls, technology, procedures, socialization and increased awareness training with the objective of preventing mobile equipment related injuries or fatalities at PT-FI.
- **Underground fire prevention and preparedness plans** overseen by PT-FI's underground fire committee. Plans include control of combustible materials; extensive fire suppression systems on equipment, shops and conveyor systems; emergency warning systems; firefighting teams and equipment; and refuge stations to provide shelter and clean air for workers in the event of an underground fire.



Grasberg underground operations.



## EMERGENCY RESPONSE PLANNING

All FCX-operated sites and facilities have crisis management plans in place to effectively respond to potential emergencies. Our crisis management program is intended to support the safety of all people potentially impacted by a crisis at or near our sites. The program guides our operational approach to preparing for, responding to, and recovering from potential risks.

Grasberg's operations have a mature, robust crisis management program and, for many years, our emergency response team has conducted periodic tests of its crisis management plan and is often recognized nationally. For instance, PT-FI was recognized in 2023 by the National Search and Rescue Agency (BASARNAS) during a ceremony attended by the President of the Republic of Indonesia; PT-FI received this recognition for the support we provide to search and rescue operations throughout Indonesia.

A significant rain event occurred in early 2023 at the Grasberg minerals district. The event was approximately twice the magnitude of the 100-year recurrence interval event for a 60-minute duration at that location, leading to floods and mudslides, damaging infrastructure in the vicinity of the mill and mine road, and impacting the local community. Our emergency response team navigated through the floods and landslides as our mining and processing activities were temporarily halted, and none of our workforce was injured as a result. Restoration and cleanup began immediately, and full operations resumed the following month, demonstrating the benefit of strong resilience planning and quick action.

In an effort to continuously improve our process to address potential future flood incidents at the milling complex, a standard operating procedure for flood and landslide response was developed and a joint exercise was held to test the established protocols. Additionally, the emergency response team at PT-FI's underground mining operations developed simplified underground emergency guidelines, conducted six exercises and provided more than 12,000 hours of employee training.

PT-FI also contributes to rescue missions in the region. Our emergency response team has assisted rescue efforts for helicopter crashes and has helped evacuate victims of natural disasters, including earthquakes, flooding and landslides. PT-FI's emergency preparedness and response team recently participated in the Indonesia Fire and Rescue Competition against 12 other metals companies. The competition grades the teams' work through a simulated accident scenario. The team underwent three months of rigorous training and won the top awards in the team leadership and professionalism category as well as the road accident rescue category in addition to other awards.



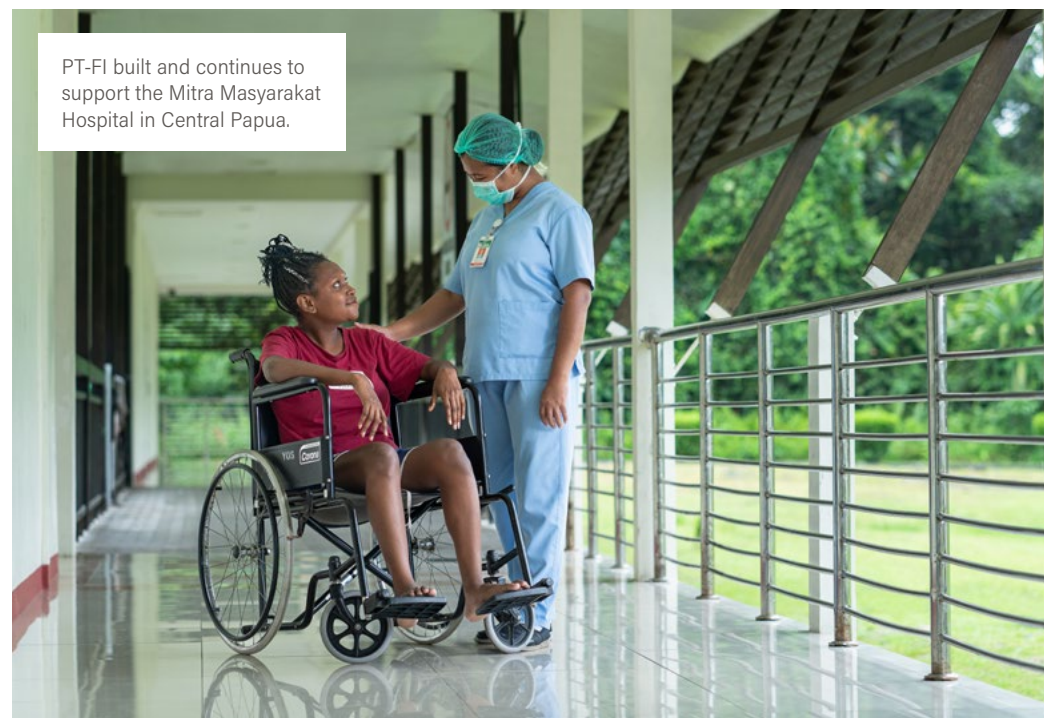
Our crisis management program is intended to support the safety of people potentially impacted by a crisis at or near our operations.

### KNOWN COMMUNITY & INDIRECT FATALITIES

In an effort to develop a more holistic understanding of the health and safety impacts of its activities both within and beyond its boundaries and operational control, FCX discloses known community and indirect fatalities near the sites it operates. Our goal is to positively contribute to the improved health and safety of the people in our local communities by supporting their efforts to avoid reoccurrence of these incidents.

There is no standard definition of known community and indirect fatalities. For purposes of our reporting, we exclude fatalities related to illnesses and natural causes. We include (1) non-occupational fatalities that occurred within our area of operations, (2) fatalities associated with mining activities that occurred off-site and outside of our control (such as transportation of goods and services), (3) fatalities related to security events in our communities, and (4) fatalities associated with illegal artisanal mining.

During 2023, there were five known community and indirect fatalities. All fatalities were associated with illegal artisanal mining panners at PT-FI seeking unrecovered gold in our controlled riverine tailings system. One fatality occurred when a person cut a pipe transporting metal concentrate, and four fatalities were caused by drowning. For information on our cross-functional management plan to mitigate risks associated with illegal artisanal mining, please refer to the [Illegal Artisanal Mining](#) section.



PT-FI built and continues to support the Mitra Masyarakat Hospital in Central Papua.

### OUR COMMITMENT TO COMMUNITY HEALTH

Positively contributing to community health and well-being is an extension of our core value and approach to safety and aligns with our focus on supporting community resilience and economic opportunity. We believe that by cooperating with both public and private health organizations, we are able to help inform greater public health efforts and support long-term health intervention programs that will benefit the region. We have participated in broad-based and comprehensive community health surveys conducted by the LHA.

For information on how we support community health, please refer to the [Public Health Support](#) section.



More information in  
our [multimedia library](#)

## WORKFORCE

As a leading responsible metals company and one of the largest companies in Indonesia, we make positive economic and social contributions in the communities where we operate. By providing stable employment and offering a variety of benefits and programs, we believe we are improving lives and empowering communities.

We recognize that our workforce and our local communities are key drivers of our success. As of year-end 2023, PT-FI had approximately 6,400 employees and 56,000 contract personnel, consisting of approximately 24,000 at the Grasberg operations and 32,000 during the construction phase of the new smelter and precious metals refinery projects. Certain of these contractors work on projects that are temporary in nature and fluctuate from year to year. During the year, we hired approximately 850 employees, the majority of whom support the new smelter and refinery in Gresik. We aim to attract, retain and engage our workforce and community members in keeping with our goal to generate value for PT-FI, local communities and our country.

We do not tolerate any form of harassment, discrimination, and/or bullying against individuals based on race, color, sex, religion, national origin, sexual orientation, gender identity or expression, disability, age, veteran's status or any other characteristic protected by applicable law. We also prohibit forced, compulsory and child labor and human trafficking.

### LABOR RELATIONS

PT-FI recognizes and respects the rights of our employees, including the right to freedom of association and collective bargaining, without interference or fear of retaliation. We maintain positive and collaborative relationships with unions representing our employees. Our human resources team has strengthened relations with our employees and contractors over the years, which has increased engagement on both sides. PT-FI had no strikes or lockouts at our operations in 2023, and nearly half our employees were covered by collective labor agreements. We work cooperatively with three association labor unions, which are Serikat Pekerja Seluruh Indonesia, Serikat Buruh Sejahtera Indonesia and Serikat Pekerja Mandiri Papua. The new Collective Labor Agreement (CLA) XXIII took effect on April 1, 2024, and expires on March 31, 2026.

As a market leader in Indonesia's mining industry, PT-FI strives for our employees' total compensation to be within the top 25% of the mining market in the country. We conduct annual benchmarking and analysis to maintain our competitive edge. Additionally, we require that our contractors, suppliers and business partners comply with government regulations and participate in mandatory programs, such as the Social Security Agency on Health (BPJS Kesehatan) and Employment Social Security Administration (BPJS Ketenagakerjaan).

PT-FI's remuneration philosophy is centered on providing equal pay for equal work, regardless of gender, race, ethnicity or any other characteristic protected by law. Since 2021, PT-FI has participated in FCX's global pay equity study conducted by a third-party compensation consultant, Mercer, to evaluate our gender pay equity practices. We plan to continue conducting this analysis regularly to provide our employees with fair and equal wages for equal work.

Recognizing the high-risk nature of the mining industry, the safety and health of our employees are our top priorities. PT-FI offers competitive medical benefit coverage, extending to employees and their beneficiaries. We provide comprehensive health management programs, mental health assistance and mandatory annual health check-ups. Additional benefits include education assistance, scholarships, overseas exchange programs, paid maternity and paternity leave, transportation services, housing accommodations at jobsites and a housing loan program offered to employees. We also promote financial health through financial literacy programs and a savings plan program, where the company matches contributions to employees' savings plans, which is in addition to our pension program benefit.

PT-FI works diligently to create a culture that is safety-focused, respectful and inclusive of the different cultural and ethnic backgrounds of our community.

## TRAINING AND DEVELOPMENT

Both globally and locally within Indonesia, there is a shortage of skilled employees to support the mining industry. We are committed to the ongoing training and development of our workforce. To support the advancement of our employees, we offer training and development programs to encourage advancement from within and continue to promote strong and experienced employee talent. Annual training is provided to employees both at an operational and supervisory level and is focused on both hard and soft skills development, including mobile equipment training and licensing, organizing continuing education programs and leadership programs.

To improve training quality, PT-FI has received grade A accreditation for education and training providers from KA-LDP ESDM (Accreditation Commission for Energy and Mineral Resources Education and Training Organizations) for 20 training programs. In addition to accreditation from KA-LDP ESDM, the PT-FI Training Department (LPK) also received accreditation from the LA-LPK (LPK Accreditation Body) of Ministry of Manpower for 17 training programs.

The training and licensing programs follow the Government of Indonesia's regulations. The main purpose of these programs is to ensure employees (and contract personnel) are competent in doing their tasks and prioritize safety first all the time. These programs focus on assessment, technical training and refresher courses for operators of mobile equipment, light vehicles, scaffolding, electrical, welding and crane operators. In addition to internal training programs, several employee certification training programs are offered by third parties, such as water sampler, blaster II, mine surveyor and basic safety training for boat operators, as well as other certifications.

Many of our training programs for the local population are designed to teach the technical skills required to succeed in specialized operational areas, such as remote-control operations. These initiatives specifically focus on improving skills and expertise to increase the overall number of qualified workers and advance opportunities for Indigenous Papuans. Our training programs also promote workforce diversity and cultural awareness. For example, we train our supervisors on the Papuan culture to teach an appreciation and understanding of cultural differences within our workforce and local community. These trainings aim to improve cross-cultural communication skills and empathy across our workforce.

PT-FI's longstanding internship program provides a diverse talent pool for our Grasberg operations while simultaneously developing the skills of young professionals through hands on experience in the mining industry. We seek to include minority groups in these programs and include outreach initiatives to attract Amungme and Kamoro students as well as Indigenous Papuan. In 2023, a total of 177 interns participated in the PT-FI internship program, of which 29% were Indigenous Papuan and 44% were female.

We also have a program for recent graduates from accredited domestic and overseas universities to garner work experience across several areas of the business. Candidates are selected based on competencies, attitude and skills measured by academic and extracurricular performance. This program has been successful in recruiting top talent and retaining young professionals in operations and administrative support roles. Additionally, our mentorship initiative for Papuan undergraduate and graduate students keeps PT-FI and FCX connected with Papuan students who may be interested in working at the company in the future. For more information, see the [Education and Skill Building](#) section.



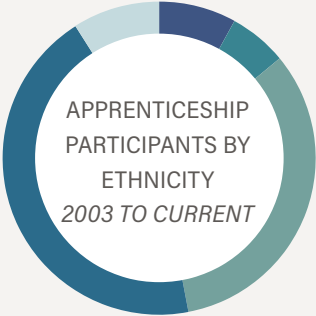
**NEMANGKAWI MINING INSTITUTE**

The Nemangkawi Mining Institute (NMI) is an educational institution founded by PT-FI in 2003. NMI has dynamic training programs, both technical and non-technical, especially for the local Papuan community. The aim is to provide apprenticeship training, further career development opportunities and prepare Papuans for employment in their field of interest supporting mining.

NMI offers non-degree apprenticeship programs in various areas such as equipment maintenance, operations, welding, general mining and electrical to meet the skill demands of PT-FI and our contractor companies. Since its inception, NMI has trained more than 4,000 apprentice graduates and placed more than 2,800 graduate apprentices into full-time employee and contractor positions at PT-FI, 90% of whom are Papuans.

NMI also offers a non-technical Masters of Business Administration program with the Institute of Technology Bandung to provide professional development opportunities for PT-FI employees.

In 2012, PT-FI introduced the Papuan bridge program, which assists recent Papuan graduates from universities inside and outside Papua to transition from university life to the professional workforce. After being temporarily halted due to COVID-19, the Papuan bridge program reopened with an added focus on entrepreneurship training. All program offerings at NMI are embedded with soft skills training to assist the local people with work readiness and personal development skills, such as time management, personal finance management, communication and team work. NMI plans to introduce training in the hospitality sector in 2024.



Papuan: Amungme	8%
Papuan: Kamoro	6%
Papuan: Other Tujuh Suku	33%
Papuan: Other	44%
Non-Papuan	9%



### LOCAL HIRING AND DIVERSITY

One of our greatest opportunities to contribute to our local communities is through local employment and capacity building. Hiring local people directly contributes to the economic and social development of these communities. It also allows us to incorporate local cultural knowledge into our company, thereby enhancing our broader stakeholder engagement and communication efforts.

Hiring locally is a commitment we make to our local communities and the Government of Indonesia. In line with FCX's goal to have its global workforce reflect the diversity of the local communities where we operate, we are proud that as of year-end 2023, 97% of PT-FI's employees are Indonesian, including approximately 40% who are Indigenous Papuan.

As a testament to the importance PT-FI places on creating job opportunities and a safe work environment for Papuans, the human resources team has a Papuan Affairs Division. This division works to address community and workforce-related issues to foster development and opportunities for Papuans. It has established and maintained strong, effective relations with government officials at both the local and national levels, and it has been integral in the success of our Nemangkawi Mining Institute since its inception in 2003. Additionally, the Papuan Affairs Division coordinates cultural awareness training for expatriates, contractors and certain divisions within the national employee base. Our goal is to maintain a working environment of acceptance and understanding of the culture where we operate.

We work to support education and skill development across the local community. While expatriates hold some technical and managerial roles within PT-FI, we aim to only retain expatriate expertise when skills are not available locally. Because of this commitment, expatriates currently represent approximately 3% of PT-FI employees.

We have initiatives to recruit more women to our workforce. Women comprise a quarter of our trained MineGem workforce, running some of the most advanced robotic haulage technology in our underground mining operations. Recruiting women into these roles has provided additional opportunities to work with our underground operations. With the use of this technology, our employees safely operate equipment hundreds of feet underground while working from an office building on the surface level.



### Local Hiring for Smelter & Refinery Operational Phase

We believe our new smelter and precious metals refinery will deliver numerous economic and social benefits to the Gresik Regency and Indonesia as a whole by creating employment opportunities at PT-FI and supplier companies and increasing government tax revenue.

Early in the planning stages, PT-FI worked with our contractors, subcontractors, community representatives and local government officials to identify many of the skills needed for the project. In 2021, our EPC contractor created MSPedia, a local talent pool platform for matching labor demand with the local workforce, giving priority to the nine villages surrounding our project area — Manyarejo, Manyar Sidomukti, Manyar Sidorukun, Banyuwangi, Karangrejo, Bedanten, Kramat, Watu Agung and Tajung Widoro.

We have partnered with Airlangga University to provide recruitment support in preparation for operational readiness and language training for our operations team prior to training overseas. Additionally, the university continues to provide interpreters and certain training support for our workforce.

In 2023, we launched a vocational school pre-employment training program in partnership with two local vocational schools. The program created career opportunities for local youth by training nearly 300 residents for high-demand positions at our new smelter. As we transition from construction to operation, MSPedia is evolving to support contractors in identifying potential candidates for the operations phase of the smelter. Approximately 32,000 employees and contract personnel worked on-site in 2023 during the end of the construction phase, and we anticipate the smelter and precious metals refinery will employ approximately 1,000 people in the operational phase.

### SUPPORTING WOMEN IN CONSTRUCTION

To support our female workers during the construction of our new smelter and precious metals refinery, we formed a women's diversity focus group to provide a safe forum for women to discuss their experiences and explore ways to improve the workplace. In 2022, small focus groups identified opportunities to improve the working environment for women and action plans were developed. PT-FI has since added dedicated bathrooms and prayer rooms for women at the site; distributed dri-fit, flame-resistant hijabs so women could maintain their cultural norms and work safely; and provided reserved seating for women in commuter vehicles. PT-FI also began holding regular meetings between management and women from the field to discuss working conditions.

During 2023, a celebration for women in construction was held to demonstrate our continued commitment to supporting women in the construction field. FCX and PT-FI senior management attended the celebration as well as the Vice Regent of the Gresik Regency, showcasing our commitment to gender equity and promoting a culture of inclusiveness. More than 500 women and men attended the event, and women were given an opportunity to provide additional feedback on their working environment, which management continues to put into action.



## COMMUNITIES & INDIGENOUS PEOPLES

PT-FI strives to work in partnership with our local communities and Indigenous Peoples to earn and maintain their trust and deliver shared value. We not only seek to avoid, minimize and mitigate adverse impacts from our operations, but we also aim to help communities thrive over the life of our operations and beyond by providing long-lasting benefits and increasing resilience and well-being.

Proactive, ongoing engagements and constructive dialogue are foundational to our approach. This is how we understand actual, potential and perceived impacts on our local communities, build trust, and mutually identify the most relevant social investments and development priorities to address our impacts and support enhanced resilience. We also work actively through engagement and capacity-building activities to support local communities in maximizing their social and economic benefits from our operations.

We acknowledge and respect the ancestral, spiritual, economic and socio-cultural connections of the Amungme, Kamoro and the five other neighboring Indigenous ethnic groups (commonly referred to as the *Tujuh Suku*) near our operations. While we have been legally entitled to operate in the area through our IUPK (and previous Contracts of Work) with the Government of Indonesia since the beginning of our operations in 1967, we are committed to respecting the customary land rights of Indigenous Peoples and to contributing to the well-being of our communities by building strong, meaningful, long-lasting relationships with them. We do this by maintaining Implementation Agreements with Indigenous Councils; employing Indigenous contractors whenever possible for projects on their ancestral land; supporting the safety of those practicing Indigenous rituals within and surrounding the concession area; supporting community access to livelihood resources within our concession; monitoring cultural heritage and resources together with the Indigenous communities.

### SOCIAL PERFORMANCE POLICY

PT-FI implements FCX's Social Performance Policy, which outlines the company's commitment to engage and collaborate with local communities to avoid, minimize, mitigate and remedy adverse impacts while maximizing opportunities to deliver value from our presence. The policy also includes our commitment to work towards achieving FPIC of affected Indigenous communities. We are committed to adhering to the ICMM Position Statement on Indigenous Peoples and Mining, and we are dedicated to pursuing FPIC for new projects and material expansions of existing projects where significant impacts are likely to occur.

Starting in 2020, we went through an extensive FPIC process as part of our mine extension permitting, in which impacted Indigenous ethnic groups and organizations were engaged in line with FPIC principles through activities in the villages. Furthermore, PT-FI has also implemented FCX's Social Performance Management System, which provides a roadmap for operationalizing the Social Performance Policy and institutionalizes the actions, behaviors and expectations for how we interact with our communities. Additionally, PT-FI's community affairs plan adopts international best practices and voluntary commitments, including the United Nations SDGs, ICMM's performance expectations and Copper Mark's criteria.

### COMMUNITY ENGAGEMENT

Our sustainable development and community relations team is involved in daily and ongoing meetings with representatives of the local Indigenous Peoples to promote meaningful engagement. We believe long-term community-level resilience requires establishing, promoting and maintaining partnerships with local organizations and institutions. We aim to leverage the expertise of various stakeholders, including the local and national governments, academic institutions, NGOs and religious organizations, and representatives of the Indigenous Peoples. Prior to proceeding with projects, we meet with local communities to discuss proposed activities.



More information in our **multimedia library**





### Sustainable Development & Community Relations Team

Our sustainable development and community relations team — comprised of approximately 600 people, 53% of whom are Indigenous Papuan — is responsible for coordinating and managing community-related programs and projects in close coordination with other departments. Beyond advancing our strategy and programs in alignment with our commitments as stipulated in PT-FI's IUPK, the main objectives of the team are to:

- Engage in ongoing constructive dialogue with our community stakeholders;
- Optimize benefits for communities through education, health, and economic programmatic consolidation;
- Strengthen partnerships and cooperation with the Government of Indonesia and other stakeholders for sustainable development in Mimika Regency and Central Papua Province;
- Host cross-functional internal and external taskforces to proactively avoid, minimize and mitigate impacts and risks;
- Ensure transparency and accountability through coordinating operational and sustainability activities; and
- Pro-actively address community grievances.

### SMELTER PROJECT PUBLIC CONSULTATION

We identified key stakeholder groups of our new smelter and refinery and implemented an engagement strategy for dialogue and collaboration. In partnership with the Gresik Regency Planning Office, PT-FI launched a public consultation process (*Rembuk Akur*). The *Rembuk Akur* provides key stakeholders with regular updates about the project, helps PT-FI understand local expectations and provides an opportunity to address concerns within the community. Thus far, the *Rembuk Akur* process has included 8 meetings among nearby villages and 6 meetings across the Regency. A video of the *Rembuk Akur* process can be viewed [here](#).



*Rembuk Akur* at our new smelter project in Gresik.

### COMMUNITY PARTNERSHIPS

Although PT-FI has secured rights with the Government of Indonesia to develop the mining operation within clearly defined land areas, we maintain Implementation Agreements with the Amungme and Kamoro Indigenous Councils, which represent the two main Indigenous ethnic groups in and around the Grasberg operating area. These agreements demonstrate our commitment to jointly monitor and evaluate PT-FI's positive and negative impacts on the Indigenous communities. The Implementation Agreements are evaluated annually to allow for our partnerships with the Amungme and Kamoro groups to adapt and evolve. We have retained records on our significant engagements with the Amungme and Kamoro Indigenous Councils to maintain continuity of knowledge within our workforce of the history and development of our commitments to these communities.

PT-FI and a diverse group of local, provincial and national government stakeholders have together entered into numerous formalized commitments, cooperative agreements, cooperation letters and memoranda of understanding (MOUs) with local Indigenous stakeholders associated with the Indigenous communities' release of **customary land rights** (*hak tanah ulayat*) over specific areas of land to the Government of Indonesia and PT-FI, and PT-FI's funding and implementation of numerous community development and support programs in recognition of Indigenous communities' customary rights.

PT-FI provides funding and technical assistance to support various community development and empowerment programs, including community-initiated projects identified by elected village councils, in areas such as health, education, economic development and local infrastructure. In 1996, PT-FI established a locally-led social investment fund with the aim of contributing to social and economic development in the Mimika Regency. In 2019, the organization, which manages a significant portion of PT-FI's social investments, transformed its legal basis into a foundation (Yayasan) and changed its name to the Amungme and Kamoro Community Empowerment Foundation (Yayasan Pemberdayaan Masyarakat Amungme and Kamoro, or YPMAK). This transformation has allowed YPMAK to shift from implementing community programs to distributing a significant portion of PT-FI's social investment funds to programs for the development and empowerment of Indigenous Papuans. YPMAK is governed by a Board of Governors consisting of seven representatives of Indigenous Kamoro-Amungme, PT-FI and Mind ID. PT-FI also supports YPMAK in the accountability and transparency of its program implementation.

In addition, since 2001, PT-FI has voluntarily established and contributed to land rights trust funds administered by Amungme and Kamoro representatives that focus on socioeconomic initiatives, human rights and environmental issues.



Taruna Papua School is one of four schools built by PT-FI for local communities in Central Papua.

One of the primary goals of our community partnerships is to enable communities to thrive during the life of our mines and beyond. We want our communities to better anticipate, navigate and successfully adapt to unforeseeable or disruptive events or conditions, such as impacts from climate change, changes in employment types and opportunities, or eventual post-mining transitions. Our work centers on increasing resilience and community-level capacity to maximize the economic opportunities created by mining.

We believe we can best support community and Indigenous Peoples' resilience by focusing our efforts on three main areas:

### COMMUNITY RESILIENCE FOCUS AREAS

1 ————— 2 ————— 3

COMMUNITY-LEVEL  
LEADERSHIP &  
CAPACITY BUILDING

ECONOMIC  
OPPORTUNITY

EDUCATION &  
SKILL-BUILDING

IN 2023, PT-FI VOLUNTARILY INVESTED\*

**US\$122  
MILLION**

TO COMMUNITY EMPOWERMENT  
& DEVELOPMENT PROGRAMS  
NEAR OUR GRASBERG OPERATIONS

\*Includes investments in YPMAC Partnership Fund and their Endowment Fund, national youth and sports development programs, university research, land rights trust funds, and US\$40 million in amounts accrued and reserved for future projects and programs.



PT-FI has funded the construction and operations of two community hospitals with complete healthcare services and six public health clinics focused on treatment and prevention of public health issues in Central Papua.

## 1

### Community-Level Leadership and Capacity Building

By investing in capacity building and leadership development, we aim to better enable community-level institutions and their leaders, including local governments and nonprofits, to develop, improve or retain knowledge and skills that can help them become more effective, stable and empowered in stewarding the community's well-being and resilience over time. We view capacity building as a continuous and critical effort to empower citizens to chart their own paths to resilience and ensure their communities can thrive beyond the life of our mines.

We partnered with the Papuan University of Cenderawasih in 2023 to provide capacity building training to the Amungme and Kamoro Indigenous Councils on management and monitoring of social investments and community programs. Training was conducted in a participatory manner using a PT-FI social investment program case study. The long-term goal is for the Indigenous Councils to help evaluate the effectiveness of PT-FI's social investments and impact mitigation programs.

As part of our commitment to continuous improvement, we plan to begin involving community stakeholders in the evaluation and subsequent updates of our community grievance mechanism, which will also be evaluated against the UNGPs' Effectiveness Criteria. Community involvement will give us real-time feedback on the mechanism and encourage an open dialogue about problem solving.

By partnering with government agencies, we are working to build resiliency for public health facilities and school programming to continue serving our communities after PT-FI's IUPK expires.



### ENDOWMENT FUND FOR FUTURE PROGRAMMING

We are committed to funding YPMAK programs, land rights trust funds and other local community development initiatives through the end of PT-FI's IUPK in support of public health, education, local economic development and empowerment. Beyond then, YPMAK has an endowment fund to support future programming. The establishment of an endowment fund and funding responsibilities were stipulated in PT-FI's donor agreements with the Amungme and Kamoro Community Development Institute (LPMK) and YPMAK. YPMAK and PT-FI have conducted several training courses for YPMAK board members and key community stakeholders on managing and protecting investments in the endowment fund.

## 2

## Economic Opportunity

By strengthening various local community support services and resources that are critical to enabling economic opportunity, we aim to contribute to overall community resilience and well-being. Our work includes enhancing basic infrastructure and supporting broad access to health and wellness services, as well as supporting electricity and clean water facilities needed for homes and hospitals.

### Public Health Support

We partner with the Mimika (local) health authority (LHA) and other stakeholders, including YPMAK, to provide high quality, basic health services to community groups around PT-FI's Grasberg operations.

Over time, we have funded the construction and operations of two hospitals with complete healthcare services, and six public health clinics focused on treatment and prevention of local public health issues, such as tuberculosis, malaria and sexually transmitted infections. The clinics and the Waa Banti Hospital are now managed by the LHA while the Caritas Timika Papua Foundation continues to manage the Mitra Masyarakat Hospital. Transfer of the management of these healthcare facilities is an important step in building community-level resilience and empowering the government to deliver high quality healthcare services. Through its funding of YPMAK for these healthcare facilities, PT-FI provides complete health services, including preventive, curative and rehabilitative care in surgery, internal medicine, obstetrics and pediatrics, along with opportunities for regular visits from an ophthalmologist to over 100,000 patients per year.

Through YPMAK, PT-FI has been working with the Mimika Regency government to register people of the *Tujuh Suku* in the National Health Insurance system (BPJS Kesehatan). Prior to the availability of the BPJS to the Papuan people, PT-FI funded the medical insurance premiums for the *Tujuh Suku* to receive free medical care and educational awareness training on disease prevention. In 2023, more than 77,000 people were registered with BPJS. Although YPMAK currently funds insurance premiums for approximately 14,000 people, the national, Central Papua provincial and Mimika Regency governments are expected to eventually take over the funding of premiums for Papuan patients.

Through PT-FI's support of YPMAK's Healthy Village Program, PT-FI provides comprehensive health programs (promotive, preventive and curative) to community members living in the Mimika Regency. In 2023, the Healthy Village Program benefited 5,500 people across 14 villages, providing maternal and child healthcare, nutritional supplements, HIV/AIDS, tuberculosis and malaria diagnosis, treatment and prevention in addition to clean water and sanitation facilities and multiple public health education sessions. Community members were trained and remain actively involved in all of these activities, including weighing children and building sanitation facilities and wells with assistance from the Healthy Village Program field facilitators.

In 2022, PT-FI and the LHA concluded a series of human health assessments. The surveys covered an extensive range of topics, including environmental health, access to health services, maternal health and nutrition and communicable and non-communicable diseases. The results identified critical short-term public health interventions needed in the Mimika Regency, specifically malaria prevention, clean water, maternal health and nutrition counseling. The LHA has stated that these interventions require strategic and sustained programs to meaningfully improve community health in the region. PT-FI and the LHA have agreed to collaborate on addressing these public health challenges, with the Mimika Regency government leading the efforts.

A summary of PT-FI's recent public health efforts in collaboration with the LHA is presented on the next page.





More information in  
our [multimedia library](#)

## PARTNERING WITH MIMIKA HEALTH AUTHORITY ON PUBLIC HEALTH INITIATIVES

LHA Public Health Focus Areas	Program Objectives	PT-FI Supporting Actions
<b>Malaria Control and Prevention Program</b>	Malaria is a major health challenge in Mimika and efforts will support Indonesia in achieving malaria elimination by 2030	Through the Timika Malaria Control Center (TMC), PT-FI continues to work with YPMK and the LHA to reduce the number of malaria cases through preventive measures. These activities include the distribution of mosquito nets, spraying residential houses, initiating educational campaigns, and working with the LHA to create a strategic plan to expand and improve the malaria control program offered by the TMC. During 2023, we engaged approximately 14,000 community members in malaria prevention education activities. PT-FI also conducted mosquito larvae monitoring and supplied clinics with malaria medication, as well as other medical and nonmedical supplies to several community health centers in remote areas in Mimika Regency.
<b>Clean Water and Sanitation Facilities</b>	Activities focus on the infrastructure needed to provide access to clean water and improved sanitation	PT-FI works with the Mimika Regency government on various projects to repair and improve existing infrastructure. These projects include repairing roads damaged by landslides and maintaining bridges, but also installing groundwater wells, rainwater collection systems, surface water, spring water and desalination processes in coastal villages. For more information on our efforts to provide safe drinking water, please refer to the <a href="#">Water Stewardship</a> section.
<b>Maternal Health</b>	Focused on improving nutrition and health access for pregnant women	PT-FI supports maternal health through collaborative efforts with community-based organizations and investments in integrated healthcare centers ( <i>Posyandu</i> ). In addition to providing medical care, integrated healthcare centers provide nutrition counseling to expecting mothers and children. Pregnant women are also provided with insect repellent to help protect against mosquito-borne diseases.
<b>Malnutrition Interventions</b>	Focused on addressing stunting and improving nutrition among children	PT-FI partners with the United States Agency for International Development (USAID) and World Vision Indonesia ( <i>Wahana Visi Indonesia WVI</i> ) in their Partnership to Accelerate Stunting Reduction in Indonesia (PASTI) Program to address stunting and improve nutrition among children in Indonesia. PT-FI plans to contribute US\$3.53 million from 2024 to 2026 to support efforts, particularly on Papua. PT-FI has actively supported efforts to reduce stunted growth in children by providing nutrition, such as baby formula, mung bean porridge and baby biscuits to children through the integrated healthcare centers. Additionally, PT-FI partnered with the Cadres from Integrated Service Post ( <i>Kader Posyandu</i> ), the Kuala Kencana Women's Union (PWKK), and LHA on an educational program focus on processing locally-sourced complementary food. The stunting care program ran for 6 months from October 2023 to March 2024. During this time, the team provided instruction on preparing nutritious local food for children, and the LHA offered health education, including dental health.

## Economic Opportunity *(continued)*

### *Micro-, Small- and Medium-sized Enterprises Development Programs*

PT-FI provided nearly US\$180,000 to 233 micro-, small- and medium-business owners to create new or expand existing Papuan businesses and open new employment opportunities in retail, services, construction, manufacturing, agricultural and livestock businesses. The majority of these businesses were owned by Indigenous Amungme and Kamoro people, and they employed more than 1,300 people in the Mimika Regency during the year.

We support several revolving fund programs, which provide loans to local entrepreneurs not eligible for funding from banks. These non-profit programs partner with Bank Rakyat Indonesia (BRI), a local financial institution, and teach procedures and requirements for applying for credit from banks and are part of each program's objectives. During 2023, YPMAC's program assisted approximately 50 entrepreneurs.

Also in 2023, PT-FI's communications team organized an event for young entrepreneurs in Timika to teach them how to monetize social media. Additionally, PT-FI collaborated on a young entrepreneurs' event in Jayapura with the University of Cenderawasih and trainers from Keralaogi. Both events aimed to create opportunities for young Papuans to become economically independent by maximizing their creativity.

### *Agricultural Development Programs*

PT-FI works together with the regional government to promote projects under the government's Local Commodity/Agriculture Development Program. As of 2023, approximately 1,500 people participated in this economic program in trades such as fisheries, livestock breeding, farming (coffee, cacao, coconut) and food security (bananas, tubers, vegetables).

PT-FI also partners with the Mimika Catholic Diocese cooperative, Maria Bintang Laut, to build skills among Indigenous women, men and youth in the eight impacted villages in the lowlands. The programs are based on the local Indigenous Kamoro wisdom called 3S — *sampan* (boat), *sagu* (sago), *sungai* (river). The programs assist with training based on primary local socioeconomic drivers such as outboard motor repair, fiber boat construction, as well as development of the supply line, value chain, downstream production and marketing of fresh, frozen and dried fish, and sago flour.

We have also worked with the local community to provide training and support to farmer groups, cooperatives and entrepreneurs to establish a sustainable and transparent supply and value chain and transparent trade practices for specialty coffees, including sustainable growing, processing quality control and marketing to help them enter national and international specialty coffee markets. The highlands agriculture program focuses on Arabica coffee production in six villages: Tsinga, Aroanop, Hoeya, Banti-Opitawak, Jila and Bela-Alama. The program includes mentoring for coffee farmers, supporting agricultural tools and facilities, technical and market access assistance, and mentoring for the Amungme Gold coffee cooperative. The lowlands agriculture program is focused on Robusta coffee production in six districts: Jita, Wania, Kuala Kencana, Agimuga, Iwaka and Kiyura. PT-FI received the "Indonesia Coffee Heroes Award 2023" in the category of corporate responsibility for coffee farmers at the 2023 Indonesia Coffee Summit.



## 3

**Education & Skill-Building**

A goal of our community development programs is to increase the quality and availability of education and skills training for our communities. By providing these opportunities, we aim to improve employability and socio-economic mobility to build long-term community resilience.

In 2023, YPMAK funded over 1,200 scholarships for students to attend secondary and tertiary level schools and paid the tuition and housing expenses of more than 1,700 students living in dormitories/boarding schools built by PT-FI. YPMAK also assists teachers assigned to remote areas by providing logistics and transportation support. A total of 85 teachers who teach in 7 districts and 28 villages were supported during the year.

PT-FI has a history of supporting the infrastructure of school facilities. We have built 4 schools and renovated school facilities and infrastructure in collaboration with local government. In 2023, we committed to fund the construction of the science, technology, engineering and math (STEM) building on the University of Cenderawasih campus in Jayapura. The STEM building is expected to benefit approximately 2,200 students majoring in STEM on an annual basis. Through its Tomawin program, which seeks to provide support to top talent from impacted Amungme villages in the highlands, in 2023, PT-FI provided 104 scholarships to elementary, high school, secondary and tertiary level students.

FCX and PT-FI have a joint mentorship initiative for Papuan undergraduate and graduate students studying at universities in the U.S. and Australia. Company mentors engage with participating mentees offering guidance, advice and specialized training sessions as they pursue their academic and post-academic careers. The goal of the program is to provide a channel for students to be supported on questions they may have about day-to-day challenges of living in another culture and managing their finances along with their educational workload.

PT-FI also promotes job opportunities for people in Indigenous communities and other underrepresented groups. Through **NMI**, we offer technical training programs in heavy equipment maintenance and operations, welding and electrical fields — helping local people build the necessary skills for job opportunities at PT-FI and elsewhere. For more information, please refer to the **Training and Development** section.



More information in  
our **multimedia library**

The Papua Football Academy, headquartered in the PT-FI-built Mimika Sports Center in Timika, was developed by PT-FI at the request of the government to provide the opportunity for Papuan youth to receive a formal education and comprehensive sports training during their 2-year boarding program.

More information can be found at [papuafootballacademy.com](http://papuafootballacademy.com).



We aim to improve employability  
and socio-economic mobility to build  
long-term community resilience.



PT-FI has voluntarily contributed US\$2 billion to **community development and empowerment programs** since 1992.



Over the last 30 years, PT-FI has built basic infrastructure, including homes, hospitals, electricity and clean water facilities in local communities.

- **3,200 homes and public infrastructure facilities**
- **4 schools**
- **A mine training institute**
- **An airport and two airstrips**
- **6 public health clinics**
- **2 hospitals**
- **Community access to clean drinking water**
- **Electricity infrastructure for communities**
- **A world-class sports complex**

PT-FI has also supported broad access to health and wellness services by funding medical insurance premiums for the seven local Indigenous groups, the Tujuh Suku, until Papuan people were registered in the government's National Health Insurance system in the last few years.

### RESPECTING CUSTOMARY RIGHTS AND LOCAL CULTURE

Cultural heritage can be defined as Indigenous Peoples' or any other population's unique assets and resources, including, but not limited to tangible assets such as places, buildings, and artifacts; or intangible assets such as practices, customs, religious/spiritual sites and shrines. We recognize that respecting and supporting the cultural heritage of our local communities, including our Indigenous neighbors, is critical to our ongoing social license to operate. While cultural resources linked to the heritage and history of an area are associated with a wide variety of people and places, within the context of mining we recognize it is critically important for Indigenous Peoples.

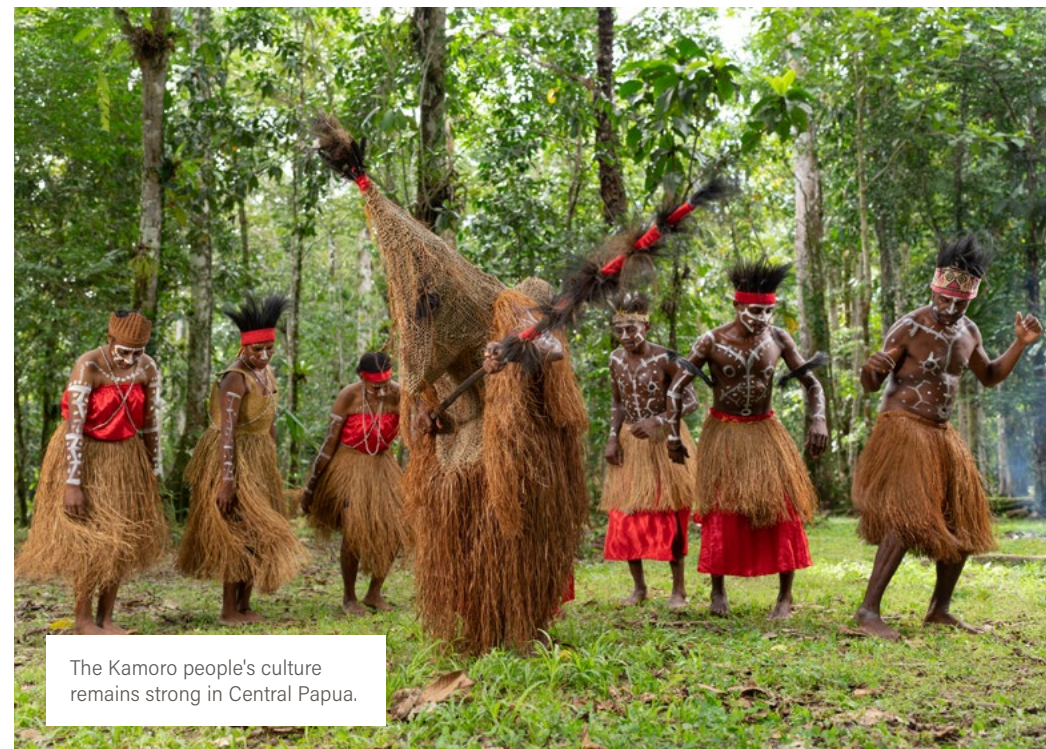
We acknowledge that the nature and location of PT-FI's mining and processing activities means we have the potential to impact cultural heritage and resources. We seek to avoid, minimize, and mitigate negative impacts to cultural heritage through studies and surveys, planning and ongoing engagement with Indigenous Peoples, such as providing opportunities for stakeholders to identify any resources that are culturally or traditionally significant and participate and proactively include these communities in decisions regarding their protection and management.

In alignment with this commitment, at our Grasberg operations, PT-FI conducted extensive participatory cultural heritage mapping with Indigenous Kamoro communities adjacent to PT-FI's lowlands operations. More than 100 Indigenous women, men and youth participated in this exercise. Culturally significant locations, such as ancestral sites and historical settlements, were integrated into several PT-FI management systems, including its tailings management geographic information system (GIS) database, the annual Modified Ajkwa Deposition Area (ModADA) Management Board review and the sustainable development risk register, with the goal of incorporating cultural heritage awareness and resources into PT-FI's governance structure and decision making. The Amungme cultural heritage mapping started with a desktop study in 2023 and is being followed by a participatory mapping activity in 2024.

Throughout 2022 and 2023, two Kamoro villages adjacent to PT-FI's operations conducted a rite-of-passage ritual called *Karapao* in which boys are initiated into manhood. The ritual includes an eight-month-long process of reinforcing the connection of the boys to land, rivers, kinship and ancestors. PT-FI supported the Kamoro villagers throughout the preparation and implementation of the ritual by preparing the ritual pads and providing transport of goods, extended family members and guests.

PT-FI partners with the *Maramowe Weaiku Kamorowe* Foundation to help preserve and promote the Kamoro carving culture by buying Kamoro carvings, establishing exhibitions across Indonesia, and participating in cultural events. The *Maramowe Weaiku Kamorowe* Foundation was awarded the Indonesia Cultural Award in 2021 from Indonesia's Ministry of Education and Culture in recognition of its efforts to preserve and promote the culture of the Kamoro Indigenous Group.

Through 2023, PT-FI has supported more than 550 Kamoro carvers from 33 villages. PT-FI also partnered with the *Maramowe Weaiku Kamorowe* Foundation by preparing and transporting two 8-meter-high Kamoro totems carved by the Mioko Village artists from Central Papua. The Kamoro totems were shipped from the Amamapare Port to the Waterfront Cultural Park in Pangururan (Lake Toba, North Sumatra), where they were presented by the Kamoro people to the Batak people as a sign of friendship.



The Kamoro people's culture remains strong in Central Papua.

### Recognition of Customary Land Rights

The Grasberg operating area is located where Indigenous Peoples of Central Papua Province hold customary land rights (referred to as *hak tanah ulayat*). Specifically, the Amungme people living in the highlands and the Kamoro people living in the lowlands are considered traditional landowners of the area. Nearby Damal people have certain customary rights through kinship relations with the Amungme and four other neighboring Indigenous ethnic groups — the Dani, Moni, Mee and Nduga people — have their own customary land rights to regions adjacent to the Grasberg operating area. Since PT-FI operations and other government-driven development began, some people from these five groups have migrated to the Mimika Regency from other neighboring regencies such as Dogiyai, Deiyai, Paniai, Intan Jaya, Puncak, Lani Jaya and Nduga to seek economic opportunities in the region. Collectively, these groups, including the Amungme and Kamoro, are known as the *Tujuh Suku* or seven local Indigenous groups.

### Notable Cooperative Agreements

The "1974 January Agreement" was the first formal jointly negotiated act of customary land rights recognition and release between PT-FI and the Amungme people (with local and provincial government participation) for the lands on which PT-FI's mining and support operations were based. With this agreement, which was also witnessed and signed by a provincial government representative, PT-FI provided recognition (*rekognisi*) for the Amungme people's release of their *hak tanah ulayat* in the form of village infrastructure projects in the Waa and Tsinga communities, and a commitment to provide greater employment opportunities to the Amungme people. Since the implementation of the 1974 January Agreement, and as PT-FI's mining operations have grown, PT-FI has continued to provide recognition of the Amungme and Kamoro Indigenous Peoples' *hak tanah ulayat* through additional negotiated agreements, an MOU and through the delivery of extensive, ongoing community programs that have been selected or developed in consultation with the Amungme, Kamoro and the other five Indigenous ethnic groups now residing in the area, as well as the local and provincial governments.

In 1997, PT-FI, with the participation and assistance of the local government and a community consultation specialist, collaborated with the Kamoro in a transparent and participatory manner to secure *hak tanah ulayat* recognition and release agreements for the lowland and coastal areas to be impacted by the expanding tailings deposition area and the electricity transmission line corridor. With these agreements (signed with the Tipuka and the Nawaripi-Koperapoka-Nayaro Kamoro sub-groups, respectively), PT-FI committed to implement a recognition program

for the five Kamoro villages — Nayaro, Koperapoka, Nawaripi, Ayuka and Tipuka — directly impacted by PT-FI's lowland activities. Under the *Lima Desa* Recognition Program, PT-FI has constructed more than 400 houses, as well as roads, bridges, churches, schools, health clinics, government buildings, clean water facilities, power installations and drainage systems. Some of the originally planned infrastructure developments were reviewed and renegotiated in 2002 to better address the needs of the five villages at the time. By 2009, PT-FI had fulfilled its commitments under the *Lima Desa* agreements, and the management of most infrastructure has been transferred to the Kamoro communities, the Mimika Regency government and local churches. PT-FI continues to support the five communities through ongoing initiatives, such as free daily bus transportation, electricity subsidies, fisheries, agricultural development and capacity building programs.

In July 2000, PT-FI further acknowledged the customary land rights of the Amungme and Kamoro peoples through the signing of the MOU 2000, which provides for joint cooperation in the development of socioeconomic and human resources, and the monitoring of human rights, land rights and environmental issues. Following the signing of the MOU 2000, PT-FI voluntarily proposed and created land rights trust funds for the Amungme and Kamoro peoples to provide them special recognition as the holders of the *hak tanah ulayat* of PT-FI's operating areas. These trust funds are managed by Indigenous foundations, Waartsing (for the Amungme people) and Yu-amako (for the Kamoro people), and PT-FI contributes a total of US\$1 million annually to these funds.

Additionally, PT-FI recognized the Amungme's *hak tanah ulayat* through a Mutual Agreement established in December 2000 (detailed in the "Agreement of the Program 3 Desa" also known as MOU *Tiga Desa*) to provide the Amungme of the three highland valleys of Waa, Aroanop and Tsinga (which surround PT-FI's highland operations) with tangible responses to the Wanagon overburden stockpile failure of May 2000. The infrastructure, health, education and economic development projects outlined in the agreement formed the Program *Tiga Desa*, or Three Villages Program. In 2023, PT-FI contributed US\$3.3 million to the Program *Tiga Desa* focusing on road renovations, electricity and clean water operations and maintenance, support to the construction of the new hospital, renovations/repairs to community houses and food stalls, and materials for repairs of suspension bridges in the Tsinga and Aroanop valleys.

### PROACTIVE APPROACH TO SEDIMENTATION IMPACTS

During seasonal periods of high waves in the Arafura Sea, the Kamoro people have traditionally navigated through mangrove channels in the Ajkwa Estuary using boats suited to those conditions. As anticipated and described in PT-FI's 1997 AMDAL, tailings sediment deposits in the estuary have caused many of the mangrove channels to become unnavigable due to shallow water depth.

For over a decade, PT-FI has been addressing anticipated sedimentation impacts, and since 2017, a multi-year sedimentation mitigation plan was implemented through PT-FI's cross-divisional Sedimentation Taskforce. PT-FI works with local Kamoro communities, the Mimika Regency government and other stakeholders to maintain traditional transport routes through the Ajkwa Estuary, to provide transportation alternatives and to initiate coastal development programs to reduce the need for travel to Timika. PT-FI has also facilitated the development of Kamoro-led small business enterprises involved in construction and reclamation activities in the tailings deposition area and the Ajkwa Estuary. PT-FI is actively dredging sediment out of the channel and plans to maintain a channel in the inner mangrove forest to connect the estuary route. Through these efforts and ongoing engagement with community members about how we are addressing sedimentation impacts, we remain responsive to community needs and address inquiries about our sedimentation mitigation plan.

During 2023, additional measures were added to PT-FI's sedimentation mitigation plan following a meeting organized by the Regional Representative Council (DPD RI) with PT-FI, the Ministry of Energy and Mineral Resources (MEMR), the Ministry of Environment and Forestry (MoEF), the acting governor of Central Papua province, People Representative Council of Papua, Ministry of State-Owned Enterprises and community stakeholders. These measures, summarized below, aim to strengthen PT-FI's impact mitigation efforts:

- 1) Prioritize the management of river siltation affected by tailings disposal
- 2) Seek additional feedback from community members
- 3) Build public facilities for community use that is dependent on and aligned with a local government program
- 4) Assist the Government of Indonesia with its project to build a new port in Otakwa
- 5) Establish a joint team with the Regional Representative Council to monitor PT-FI's tailings management

To learn more about the Kamoro people and their trades, a video is available [here](#).

### COMMUNITY RESETTLEMENT

PT-FI is committed to respecting the human rights of community members. We seek to avoid involuntary displacement, whether physical or economic. When unavoidable, we are committed to complying with community resettlement procedures aligned with international best practices. This requires careful planning and implementation, including information disclosure, consultation and informed participation of affected people to minimize impacts through appropriate mitigation measures. This commitment is reflected in our [Social Performance and Human Rights Policies](#). There has not been involuntary physical or economic displacement of families or communities in the last 20 years. In the past, PT-FI conducted resettlement activities based on community consultation and negotiation processes that resulted in cooperatively-agreed *hak tanah ulayat* release and community development programs, such as the previously described Kamoro *Lima Desa* Recognition Program.

### COMMUNITY GRIEVANCES

To support constructive, meaningful engagement and resolution of potential issues and adverse impacts, we maintain a site-level grievance mechanism where community members, including Indigenous Peoples, can register and seek resolution to their complaints. Our community grievance mechanism serves to provide an accessible way for community members to raise concerns on the nature of our business activities and its impact on them. We continue to work towards improving broader community awareness and understanding of our grievance process, as well as to periodically seek stakeholder feedback on its accessibility and adequacy.

Grievances are typically received by community engagement team members through in-person engagements, in writing, via local telephone hotlines or by email. In addition, the grievance team regularly joins the community liaison officers in the field to enable a proactive approach to grievance management. All grievances are routed to PT-FI's community grievance officers, who are expected to contact the complainant within two business days to confirm receipt. The community grievance officer works with relevant departments to investigate, and where appropriate, provide remedy. We aim to respond to grievances within 30 days of receipt. Over the years, we have recorded, addressed and resolved grievances relating to customary rights, community benefits, environmental concerns and land rights, among others. The majority of grievances received each year relate to community investments and local sourcing, and most are requests for financial or material contributions of personal benefit rather than community interests.

## HUMAN RIGHTS & SECURITY

PT-FI is dedicated to the recognition, respect and promotion of human rights wherever we do business. We are committed to respecting the rights of all people, including our employees, business partners, community members and others who may be impacted by our business activities. We also recognize that human rights are overarching and connect to every aspect of our business. We aim to promote human rights through proactive engagement with host governments and communities and by educating stakeholders, including training our employees and contractors.

### HUMAN RIGHTS POLICY AND PROGRAM

PT-FI implements FCX's global [Human Rights Policy](#), which states our commitment to the International Bill of Human Rights and to implementing both the United Nations' Guiding Principles on Business and Human Rights (UNGPs) and the [Voluntary Principles on Security and Human Rights \(VPs\)](#). The Policy includes expectations for suppliers and other stakeholders across our value chain. FCX's global [Business Partner Code of Conduct](#) sets forth conditions for business partners, including suppliers, contractors, customers and recipients of charitable giving in areas such as safety, human rights, anti-corruption, community and environment. We mandate human rights standards through our contracts with business partners.

### Human Rights Team

PT-FI has a dedicated Human Rights Compliance Office (HRCO) comprised of employees from the company's sustainable development and community relations divisions, who are responsible for managing and implementing our human rights program. This includes coordination with the security risk management team on matters related to illegal artisanal mining. The HRCO works in partnership with other departments, such as the environmental and industrial relations departments, to address safety-related concerns regarding our tailings management activities and grievances from union-represented employees. The HRCO also helps other PT-FI teams manage human rights issues associated with our operations.

Much of HRCO's time is spent training incoming public and private security officers on human rights. HRCO continues to work towards strengthening these trainings to support better knowledge and understanding of responsible security management and compliance with human rights. HRCO has launched human rights-focused campaigns in collaboration with our government relations department and with the support of Mimika Regency. A recent campaign promoted the health and safety of women and children living in the lowlands.

We monitor human rights issues through our grievance management system, both for our workforce and local communities. HRCO helps address human rights grievances, specifically related to domestic violence, harassment and industrial relations. Dependents of employees can also use the grievance mechanism. To assist in resolving human rights-related grievances, we collaborate with the local government, YPMAK, local NGOs and other organizations.

In the last few years, our human rights team has participated in several multi-stakeholder forums, including sessions on the UNGPs and the SDGs facilitated by The Institute for Policy Research and Advocacy (ELSAM) in Jakarta. The team also participated in a seminar on business and human rights risk assessments with the Indonesia Business Council for Sustainable Development (IBCSD) and the Indonesia Human Rights Commission (KOMNAS HAM).

We are committed to respecting the rights of all people, including our employees, business partners, community members and others who may be impacted by our business activities.

### Human Rights Education

Training embeds respect for human rights across our business and is mandatory for all employees and contractors every two years; security professionals must undergo mandatory refresher training annually. Human rights are part of our comprehensive annual PBC training, for our workforce, and we plan to adopt FCX's new online human rights training module in late 2024. FCX designed this module to drive a consistent training approach across operations and create greater awareness and understanding of human rights considerations, such as modern slavery, within the context of our operations. Communications and training courses on our human rights policies and the VPs are delivered to employees, contractors, and members of host government security to support consistent, informed implementation by all parties.

In 2023, we conducted approximately 16,900 hours of training at our Grasberg operations. Training included induction or refresher training for new and current workforce members and pre-deployment training for approximately 1,600 police and military personnel. As part of our training program, PT-FI maintains a Human Rights Ambassador program designed to extend education and awareness of human rights to on-site contractors. This program has also been implemented at our smelter project.

PT-FI seeks to continuously improve human rights trainings so that relevant areas of the business are strengthened in their capacity to recognize, mitigate and manage potential human rights risks. In 2023, members of PT-FI's community relations team and the sustainability team for the new smelter participated in a six-month Business and Human Rights Accelerator program offered by the Indonesia network of the UN Global Compact. The program was designed to assist companies in Indonesia to understand and implement international human rights reflected in increasing legislation and regulatory requirements.

### Grievance Management

The HRCO receives, documents and follows up on reported human rights incidents, grievances or allegations, including those related to the conduct of public and private security. The HRCO team issues a monthly report to site-level management and FCX corporate management on human rights training, engagement activities and the status of any reported human rights grievances. Allegations related to public security providers are reported to government institutions for investigation, and, when appropriate, to urge action to prevent recurrence. No grievances related to security were received by our internal and external grievance mechanisms in 2023. During the year, our human rights grievance mechanism was integrated into our community grievance mechanism, allowing for a singular approach for the receipt and management of grievances from community stakeholders, while still coordinating with human resources to help address human rights-related matters in the workplace such as health and safety, and industrial relations. PT-FI's process for reporting community grievances is described in the [Community Grievances](#) section.

Employee grievances are directed to human resources/industrial relations or Papuan affairs teams as appropriate. Employees can also submit grievances in writing and seek settlement in compliance with the Worker's Grievance Procedure contained in the PT-FI Industrial Relations Guidebook (IRG). We socialize this grievance mechanism by disseminating the collective labor agreement at the completion of negotiations and by providing the IRG to all workers during face-to-face classes facilitated by management and union representatives.

Contractor grievances are either addressed by their employers or directed to human resources/industrial relations, Papuan affairs or contract compliance teams, as appropriate. HRCOs provide coaching to human rights ambassadors from contractor companies on grievance handling, as requested.

In addition to the grievance reporting methods described above, members of our workforce and supply chain have access to a telephone- and email-based hotline as described in the [Compliance Line & Workforce Grievance Mechanisms](#) section.

## HUMAN RIGHTS DUE DILIGENCE

As we seek to further embed respect for human rights across our organizational activities, we have various due diligence processes that help us to identify and assess which human rights topics are most salient at the site-level so that we can manage and integrate these risks into our ongoing operational work. We use our risk register process to identify risks to people at our existing operations. We also have a risk identification process for our greenfield projects and brownfield expansions 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.

### Human Rights Impact Assessments

Human Rights Impact Assessments (HRIAs) are conducted by third-party consultants using methodologies aligned with the UNGPS and are FCX's primary method for conducting human rights due diligence. These assessments involve direct input from a broad cross-section of internal and external rights-holders as well as those with insight into such rights-holders. 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. These types of third-party assessments are central to fulfilling our responsible production commitments, including those associated with ICMM membership, Copper Mark validations and the VPs membership. HRIAs are also important in demonstrating our management of human rights risks and impacts to our customers and value chain partners.

In 2023, together with the third-party consultant, Acorn International, we completed the first HRIA at our Grasberg operations. Taking into consideration the unique and complex nature of the site, the HRIA was designed to focus on our business processes and systems, with the aim of improving our ability to effectively identify and address human rights risks and impacts across 18 priority areas.

The consultant assessed the priority areas of our Grasberg operations against international best practices. This included analyzing key areas of risk exposure, such as supply chain management, labor relations, contractor management, security, artisanal mining and Indigenous Peoples. To assess performance, the consultant conducted in-depth desktop research, including reviewing previous assessments such as the Copper Mark, and held numerous discussions with our employees and contractors to enable robust examination of our existing risk management processes and systems.

Interviews were conducted by the consultant with the assistance of three Papuan researchers, including a senior researcher from the State University of Papua. The interview team conducted group and individual interview sessions, which included interviews with 101 internal and 64 external stakeholders across the workforce, Indigenous groups, illegal artisanal miners, civil society organizations, government and security agencies, and religious institutions.

Information gathered through desktop research and stakeholder engagement informed the ratings of the HRIA's 18 priority areas on the maturity matrix from ICMM's Human Rights Due Diligence Guidance (2023). The results confirm the overall strength of PT-FI's existing business systems as they relate to human rights.

As part of the outcome of the assessment, the consultant provided various recommendations, including priority recommendations related to training and knowledge management, stakeholder engagement and gender. PT-FI and the corporate human rights team have developed action plans to address and integrate the various recommendations into standard day-to-day practices by 2027. For additional information about the HRIA's findings and recommendations, please see the [PT-FI Grasberg HRIA Summary](#) on fcx.com.

Following the commissioning of our new smelter in 2024, a third-party HRIA was initiated to support the human rights due diligence program for the operation.



### MANAGING HUMAN RIGHTS PRACTICES OF TEMPORARY WORKFORCE

The large, temporary workforce during the construction phase of our new smelter presented a variety of potential human rights-related risks. Through regular reviews of our EPC contractor and subcontractor performance, and specific programs aimed at advancing human rights, PT-FI developed this project to meet our commitments defined in FCX's Human Rights Policy.

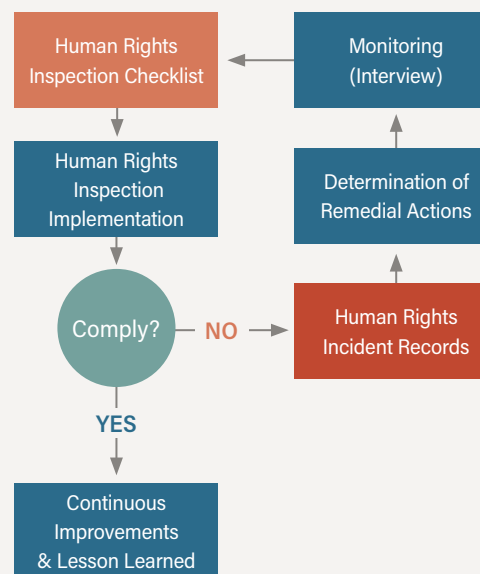
We expect every on-site worker to receive human rights awareness training. Through our Human Rights Ambassador program, a team of human rights ambassadors employed by various contractors and subcontractors has been trained to provide culturally sensitive human rights induction training for the project's workforce.

Since our smelter project was initiated, more than 50,000 employees, contractors and security personnel received training on what human rights are, FCX's Human Rights Policy, compliance, worker welfare principles, gender equality, cultural considerations and how to access available grievance mechanisms. For example, our Compliance Line is available 24 hours a day, 7 days a week and affords individuals the opportunity to report anonymous grievances should they prefer to do so.

In late 2022, during an internal review of the smelter project's subcontractor records, it was identified that three underage workers (all aged 17) had been voluntarily employed at the project. FCX and PT-FI strictly prohibit child labor in our Human Rights Policy. As a result, the EPC contractor implemented both corrective and preventative measures, including enhanced worker screening and bi-weekly meetings with PT-FI where expectations are communicated and potential issues are reviewed. Since implementing these measures, we are not aware of another such occurrence and these measures have also enhanced communication between PT-FI and the EPC contractor and other contractors.

PT-FI also strengthened its monthly social and human rights inspection process that provides further safeguards for protecting human rights. The inspection program is based on the human rights-related contractual obligations documented in the EPC contract, including the prohibition of recruitment fee payments by workers, conditions of employment, minimum wage, overtime hours, number of working days, insurance, worker age requirements, anti-harassment, safety and living conditions, among others. The inspection involves a review of various documents, including worker contracts and pay slips, as well as informal interviews and formal interviews with randomly selected employees across a range of categories, including gender, job position (skilled/unskilled labor), contract status and accommodation arrangements. Findings are documented and tracked through to closure. This inspection program is also implemented with the contractors and subcontractors associated with the precious metals refinery, located adjacent to the smelter.

### HUMAN RIGHTS INSPECTION PROCESS FOR SMELTER AND PRECIOUS METALS REFINERY CONSTRUCTION PROJECTS





### VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

The security of our workforce is paramount and foundational to our success. PT-FI works closely with the government to enhance security and address security issues within the PT-FI project area and in nearby areas. PT-FI has been implementing the VPs since FCX became a signatory in 2000. The principles serve as guidelines for our security and human rights programs, including for interactions with host government police, military personnel and private security contractors. Beyond guiding our operations, they provide a mechanism to promote engagement, awareness and respect for human rights with our workforce and our government and community partners.

We review implementation of the VPs at PT-FI through site visits and meetings with the FCX human rights team and the FCX security team. Our implementation and annual reporting to the Voluntary Principles Plenary are subject to a yearly assurance review.



Read our Reports  
to the Plenary

Grasberg's designation as a vital national asset by the Government of Indonesia results in the police and military being legally mandated to protect the area surrounding our operations.

### UNDERSTANDING OUR OPERATING CONTEXT AND AGREEMENTS WITH PUBLIC SECURITY FORCES

The Central Papua province has a significant and historically complex socio-economic and cultural context. Indonesia has long faced separatist movements and civil and religious strife in several provinces. Several separatist groups have sought increased political independence, driving sporadic attacks on civilians by separatists and highly publicized conflicts between separatists and the Indonesia police and military.

The Grasberg minerals district has been designated by the Government of Indonesia as one of Indonesia's vital national assets. This designation results in the police and military being legally mandated to protect the area surrounding our operations. The government is responsible for employing police and military personnel and directing their operations. Approximately 1,600 public security personnel from the police and military have been assigned to the PT-FI operational and support area, and PT-FI is expected to provide assistance for their services due to the government's limited resources and Grasberg's remote location. PT-FI signs MOUs with the police and military to detail our working relationships, including areas of support, coordination and commitment to our policies and procedures, such as our procedures related to business ethics and human rights. Each MOU includes the VPs and our Human Rights Policy and stipulates PT-FI will not provide lethal or non-lethal munitions or exercise any command or control of the military or police. Additionally, due to the government's limited resources and our remote location, the MOUs stipulate that PT-FI provide assistance, such as food, housing and monetary allowances to public security personnel for their services. Costs associated with this assistance are subject to FCX's internal controls, including annual review by outside counsel and auditors. PT-FI's financial support represents a prudent response to our requirement and commitment to protect our workforce and property. Providing this support is consistent with our approach to responsible corporate citizenship and our commitment to protect and respect human rights.

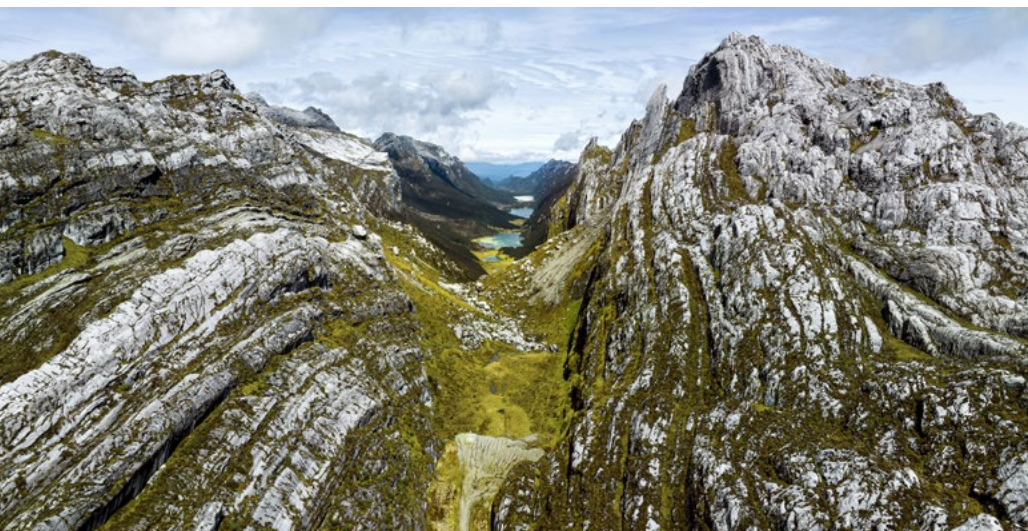
In addition to separatists, illegal artisanal miners who enter our area of work have at times clashed with police who have attempted to peacefully relocate them from our operations. Separately there have been a number of serious incidents throughout Central Papua over the years related to political and social challenges. 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.

### Selection of Private Security Providers

While PT-FI relies on the Government of Indonesia to ensure public order, uphold the rule of law and protect personnel and property, we employ private security personnel to provide additional protection to our workforce and property. Our security and risk management team employs approximately 440 unarmed security personnel and about 980 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 given the nature of the security challenges and the remote and challenging terrain.

Private security contractor companies employ unarmed personnel to assist with the protection of company assets, and transportation/logistics contractor companies provide unarmed personnel to assist with airport security screenings, 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 our Human Rights Policy and the VPs. They are also required to participate in human rights training, which we continue to tailor to support a better understanding of human rights and human rights compliance. They are also subject to FCX's due diligence system and are required to comply with its Business Partner Code of Conduct.

To learn more about our approach to security and human rights, please refer to FCX's latest annual report to the Voluntary Principles Plenary available at [www.fcx.com/sustainability](http://www.fcx.com/sustainability).



### Security Incidents

Shooting incidents directed at our personnel and resources have occurred within Grasberg's operational and support area throughout the years. In some instances, these have involved fatalities or injuries to our employees, contract personnel, government security personnel and civilians. Such incidents have most frequently targeted vehicles on the road connecting lowland logistical support activities with highlands operational areas. During the first half of 2020, there were several shooting incidents, including an incident near one of our administrative office buildings in the lowland community of Kuala Kencana, where one employee was killed and two others injured. No fatalities or injuries relating to shootings have occurred within our operational and support area since April 2020.

Over the years, separatist groups have claimed responsibility for many shootings in the Regency, and they have released videos on social media of the incidents. In 2023, outside of our operations and support area but within the province of Central Papua, police reported at least 40 incidents of separatist violence and 20 fatalities. Separatist security incidents, including shootings, attacks on civil infrastructure and arson, continue to occur in Central Papua and other areas near Grasberg's operations and support area and regionally.

Police have apprehended and arrested several individuals involved in these shootings, and prosecutions are underway in Indonesia's court system. We actively monitor security conditions and increase security personnel during seasons when separatist groups typically threaten the area. We experienced no serious security incidents during the year.

Attacks on our critical infrastructure have increased in recent years. Pipeline attacks more than doubled year-over-year, rising to 448 attacks, 7% of which resulted in successful cuts of active pipelines.

The safety of our workforce is a critical concern, and PT-FI continues to work with the government to enhance security and address security-related issues. We limit the use of the road leading to our mining and milling operations to secured convoys, including transport of personnel by armoured vehicles in designated areas. We continuously work to improve how we conduct security functions, including through risk assessment, collaboration with community functions, securing physical access to controlled areas, use of unmanned aircraft systems to monitor key areas, and strengthening coordination with government security forces.

### Illegal Artisanal Mining

At our Grasberg operations, illegal artisanal miners seek economic opportunity by panning for unrecovered gold from our milling operations in our controlled riverine tailings system. While artisanal mining within PT-FI's area of work is illegal under Indonesian law, on average, approximately 5,400 artisanal miners (including family members associated with the artisanal miners) have established camps at various points within the lowlands and highlands as of December 2023. About 75% of artisanal miners in the lowlands come from outside Central Papua and represent over 45 different Indonesian ethnic groups, while artisanal miners in the highlands are 95% ethnic Papuans. Many of the illegal artisanal miners do not have expertise operating in hazardous conditions, including the remote terrain and varied climatic conditions experienced at Grasberg. Additional safety challenges exist as illegal artisanal mining activity occurs alongside ongoing levee maintenance and earthworks, which are needed to responsibly manage the controlled riverine tailings system.

PT-FI utilizes a cross-functional management plan to help mitigate the potential social, security, safety, environmental and operational risks associated with illegal artisanal mining. The aim of the plan is to reduce the number of illegal artisanal mining panners within the Grasberg operating area and related disruptions to operations. Continued efforts include educational campaigns, monitoring the environment for mercury use, strengthening check points, increasing unmanned aerial systems patrols and focusing on joint patrols with third-party security personnel. Joint patrols, which include representatives from our workforce, local police and private security personnel, monitor the area occupied by panners and when issues are identified, such as social, environmental, safety or security issues, the patrols inform the cross-functional team. The cross functional team reviews drone surveillance filmed by PT-FI's aviation group and coordinates with the joint patrols, which play a key role in socialization of educational campaigns and problem solving within the illegally occupied area. To integrate illegal artisanal mining issues into PT-FI's planning and decision making, the cross-functional team meets regularly to update leadership.

PT-FI's community liaison officers and third-party contractors seek to proactively and continuously engage the illegal 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. We also seek to inform the artisanal miners in advance of planned levee maintenance work and equipment movements to minimize safety risks.

We cannot address illegal artisanal mining on our own. A multi-faceted approach including government cooperation, security risk management, stakeholder engagement and socioeconomic development for alternative livelihoods is essential. To that end, our artisanal mining management plan includes regional and national objectives to help build strategic partnerships for a multi-stakeholder artisanal mining strategy. For more information about our controlled riverine tailings system and the dangers associated with illegal artisanal mining, please refer to the [Tailings Management](#) section and the [Health, Safety & Well-Being](#) section.



PT-FI's human rights team holds educational campaigns for illegal artisanal miners.

# Thriving Environments



## ENVIRONMENTAL MANAGEMENT

PT-FI is committed to conducting our mining and processing operations in a manner that minimizes adverse impacts on the environment and supports protection of the natural environment and ecosystems through stewardship, strong management systems and continuous improvement. Effective environmental protection is essential to the long-term viability of our business, including maintaining the necessary support from our local communities and governments.

PT-FI adheres to strict compliance with applicable laws and regulations and implements risk management strategies based on verifiable data and sound science. PT-FI also seeks to plan and conduct operations in a manner that prioritizes restoration and reversibility of adverse impacts, with a particular focus on tailings, water, climate, biodiversity and waste management. We review and account for the environmental impacts of our activities throughout the entire mining life cycle, from early-stage studies through mine closure.

PT-FI has a dedicated environmental management team tasked with identifying, managing and mitigating environmental risks through our risk register process and our environmental critical control systems, which are designed to prevent environmental incidents at our operations. Critical controls are focused on eliminating unplanned releases and preventing or minimizing impacts to water and other natural resources. Our workforce is trained on site-specific subject areas, maintains and develops work programs based on audit results and other key objectives, and seeks to incorporate environmental awareness into daily activities.

PT-FI's environmental efforts are guided by our [Environmental Policy](#), which articulates our commitments to environmental protection in all aspects of our work, as well as by our various environmental and regulatory permits, approved by the Government of Indonesia. We recently completed requirements of the extensive environmental impact analysis (Analisis Mengenai Dampak Lingkungan or AMDAL) to receive permitting related to certain facilities to expand underground mining production operations as well as for additional structures that may increase retention of tailings within the approved lowlands tailings management areas. We continue to move forward with plans and regulatory approvals for the combined cycle gas turbine facility.

As part of our environmental management commitments, external audits have taken place on a routine basis, approximately every three years, at our Grasberg operations since 1996. These audits include site visits to evaluate PT-FI's compliance

with national environmental laws, environmental-related government regulations, environmental standards and a review of tailings management, and the Grasberg open pit closure, among other key environmental topics. An executive summary of our audits and responses to recommendations are posted on [FCX's website](#).

We internally audit our Environmental Management System (EMS) annually, and the Ministry of Energy and Mineral Resources for Environmental Evaluation and Reclamation, the MoEF, and the Mimika Regency Environmental Department also perform annual audits or inspections.

Additionally, our EMS is certified to the ISO 14001:2015 standard by independent auditors who review our processes and confirm compliance with the standard and applicable law.



## TAILINGS MANAGEMENT

The effective and safe management of tailings continues to be one of PT-FI's most important environmental priorities. PT-FI operates a controlled riverine tailings management system, which was implemented based on methods approved and permitted by the Government of Indonesia.

PT-FI's controlled riverine tailings management system uses the Aghawagon/Otomona River to transport tailings from the concentrator in the highlands along with natural sediments to a large engineered and managed deposition area in the lowlands. This river was chosen because that part of the river is unnavigable and not used for potable water, agriculture, fishing or other domestic or commercial uses.

Situated in the lowlands, the Modified Ajkwa Deposition Area (ModADA) is the containment and retention system for tailings produced at the concentrator, as well as other sediments transported down the river. The ModADA is the terrestrial portion of the tailings management deposition area covering an area of approximately 230 square kilometers. Below the ModADA to the south is the estuary area encompassing approximately 220 square kilometers. Quantities of finer tailings and other sediments deposit in the estuary and the sea to the south. PT-FI continues to employ tailings management techniques that are aimed at enhancing the deposition of tailings onshore within the ModADA.

PT-FI has designed and constructed approximately 120 kilometers of levees on both sides of the ModADA to laterally contain the depositional footprint of the tailings and natural sediment within the approved boundary. Sedimentation within the ModADA is regularly evaluated using advanced modeling software, which reproduces historical sedimentation accumulation and provides forecasts of future sedimentation based on mining plans. PT-FI continues to assess and evaluate additional ways to manage and further reduce the potential impacts of its controlled riverine tailings management system on the environment and our local communities, with a view toward continuous improvement.



More information in  
our **multimedia library**

### TAILINGS GOVERNANCE

PT-FI implements comprehensive and robust governance and oversight processes for its tailings management system. In addition to regular internal and external audits and assessments, oversight of the controlled riverine tailings management system is conducted by:

- **FCX Corporate Senior Leadership** — Participates in key decisions and provides resources to site management.
- **FCX Corporate Tailings and Water Team** — Technical resources that provide support and assist with guidance and direction for our site tailings team and associated program initiatives.
- **Site Tailings Management, Engineers and Operators** — Internal team that implements the program and regularly monitors, identifies and addresses potential risks associated with the ModADA and coastal zone.
- **External Design Engineer** — External resource that provides design and engineering support, periodic inspections and levee construction quality review.
- **ModADA Management Board** — Multi-disciplinary expert panel that convenes yearly to provide oversight and recommendations to PT-FI leadership and engineering teams on priority activities including safety, risks associated with the ModADA and coastal zone, the structural integrity of the levees, geochemical stability of the deposited sediments, environmental considerations and stakeholder engagement.



## OUR MINING PROCESS AT GRASBERG



### 1 EXTRACTION ▶

The process of removing a mineral resource from the ground is currently done through underground mining methods, primarily block caving, in the Grasberg Minerals District.



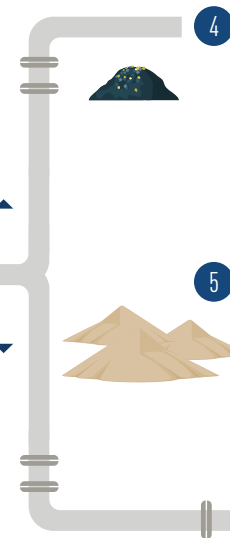
### 2 MILLING ▶

The ore containing copper and gold is sent to the mill, where it is crushed and ground to the size of fine sand through the milling process and mixed with water to produce a slurry.



### 3 CONCENTRATING ▶

The process in our concentrators for separating copper and gold minerals from the mined ore is flotation. With flotation, air is used to collect valuable minerals. Air bubbles with the attached minerals float, allowing them to be separated from non-valuable minerals, which sink and settle to the bottom and are called tailings.



### 4 CONCENTRATE

The copper concentrate, which contains gold, is transported via pipeline to our Amamapare Port near the Arafura Sea, where it is dewatered and prepared for shipment to smelters.

### 5 TAILINGS

Tailings are the finely ground natural rock particles, or by-products, that remain after economically valuable minerals have been processed and extracted. Tailings from Grasberg are managed to be non-acid forming, making them safe for storage in the ModADA. Tailings are safely transported down to the ModADA via the Aghawagon River using our controlled riverine tailings management system.



More information in our **multimedia library**

### EFFECTIVELY MANAGING TAILINGS GEOCHEMISTRY

Tailings from Grasberg are specifically managed to be non-acid forming, making them safe to be deposited into the controlled tailings system. We manage the geochemistry of the tailings based on our understanding of the characteristics of the geology and mineralogy of the Grasberg minerals district orebody and through effective mine plan sequencing. Further, we analyze geochemistry through the extensive monitoring and sampling programs at both the mill and within the controlled tailings system.

The mine plans for the Grasberg minerals district have been developed, and are continually re-evaluated, to achieve our targeted geochemical balance. We achieve this by developing mine plans that either avoid higher-pyrite zones (zones with more acid producing potential) or allow for blending of higher pyrite-zones with higher carbonate zones (zones with acid neutralizing potential) when the ore is delivered to the mill.

Before the tailings enter the controlled riverine tailings management system, the tailings are sampled several times daily at the mill to determine whether the desired geochemical balance has been achieved to avoid generation of acid-forming tailings. PT-FI analyzes the tailings samples to understand their acid production and neutralization potential in addition to their metal content and particle size. The information from this sampling program informs the mill operators about the expected behavior of the tailings with respect to potential acid generation, and if any adjustments to mill feed should be made, such as the addition of limestone. This process forms the basis of the mill's ability to confirm and maintain production of non-acid forming tailings.

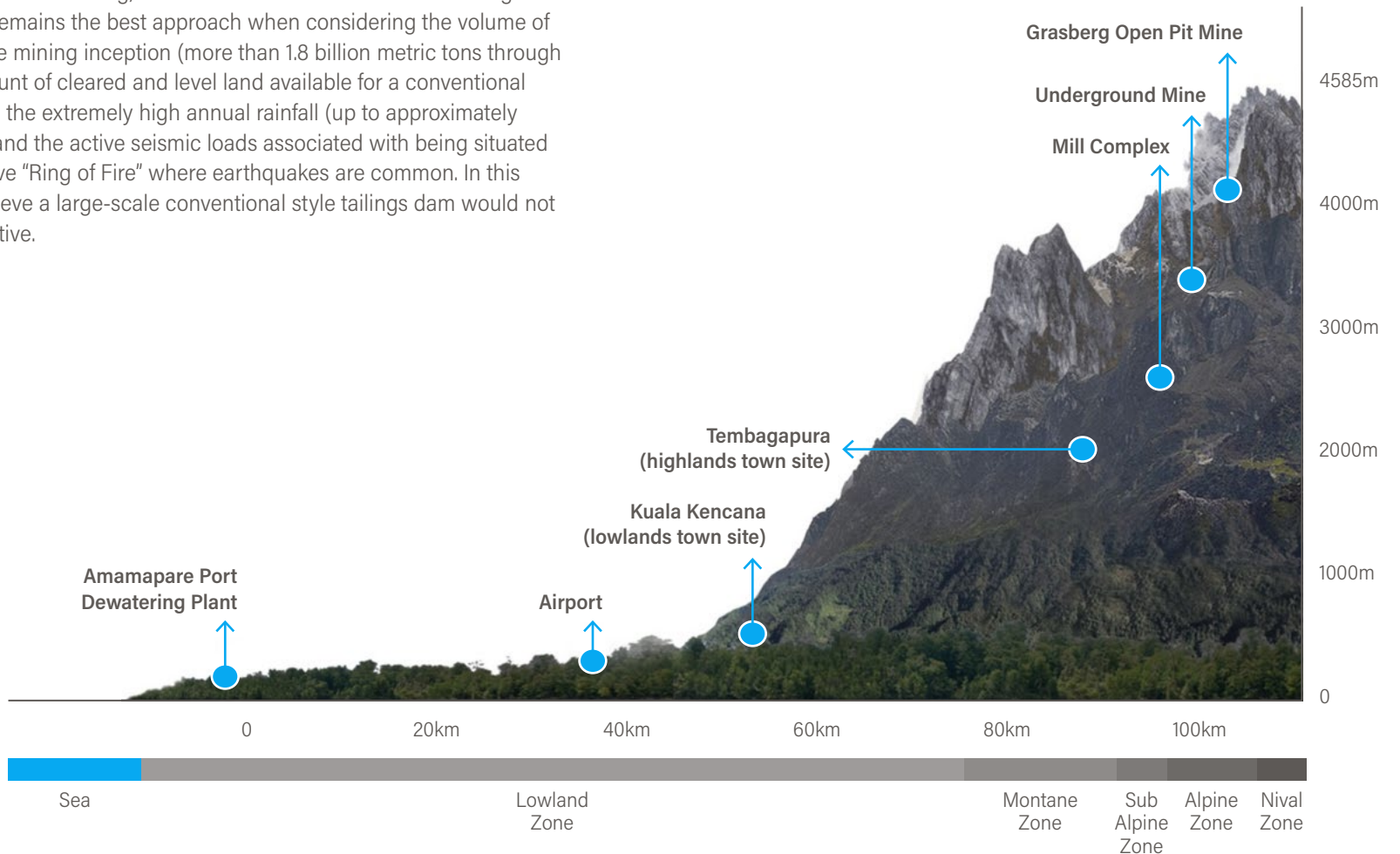
In addition to monitoring and managing the tailings at the mill, we also regularly test the deposited sediments within the ModADA. If the geochemical balance is not at the desired level, we may blend the material with higher neutralizing material until it reaches the desired level.

**BEST SITE-SPECIFIC TAILINGS MANAGEMENT SYSTEM**

PT-FI’s mines and concentrator complex are located in the mountainous area of the highlands at an elevation of more than 2,700 meters above sea level, which presents limited options for using traditional tailings management. Various tailings management options were studied in detail during the early phase of the Grasberg operations, in particular, when PT-FI developed plans to increase its ore production and processing capacity in the 1990s. PT-FI continues to study various tailings management options today, in part through our Tailings Management Roadmap commitment, discussed in the [Tailings Management Roadmap Update](#) section.

Given the unique and challenging site-specific topographical, hydrological and geotechnical conditions at Grasberg, we believe the controlled riverine tailings management system remains the best approach when considering the volume of tailings produced since mining inception (more than 1.8 billion metric tons through 2023), the limited amount of cleared and level land available for a conventional tailings storage facility, the extremely high annual rainfall (up to approximately 500 inches per year), and the active seismic loads associated with being situated in the tectonically active “Ring of Fire” where earthquakes are common. In this unique setting, we believe a large-scale conventional style tailings dam would not be safe, stable or effective.

Independent environmental management expert audits have reaffirmed conclusions from previous studies that this system represents the best management alternative given the site-specific conditions of the area. The system has been in service supporting Grasberg’s operations for nearly 30 years and has performed reliably, safely and in line with initial design plans. Nearly three decades of engineering analyses, extensive monitoring and data collection, and computer modeling indicate that the current tailings management system poses the lowest risk to our local communities and the environment.





### PT-FI ENVIRONMENTAL AND TAILINGS MONITORING PROGRAM

PT-FI commits significant resources to safely manage its tailings. On average, PT-FI spends approximately \$100 million annually to manage and monitor its controlled tailings system. In addition to the extensive work conducted at the mine planning and milling stage to produce safe tailings, PT-FI's tailings management team is dedicated to daily active management of the integrity of the levees and river system. PT-FI also leverages substantial external engineering, hydrological and geochemical expertise, incorporates the latest technological advances, and benefits from FCX corporate and independent third-party oversight.

In addition, a multi-disciplinary, multi-department team collects approximately 16,000 samples annually across 78 comprehensive programs designed to monitor various indicators such as surface and groundwater quality, water effluents, air quality, hydrological characteristics, sediment quality, meteorological patterns and ecological characteristics. We use the results from analyzed data to make informed management decisions about the tailings system performance with a focus on eliminating, minimizing, or mitigating environmental impacts.

Please refer to the [Timika Environmental Laboratory](#) section for more information.



More information in  
our **multimedia library**

PT-FI has received several awards from the Ministry of Energy and Mineral Resources for our environmental management performance at Grasberg.

### PT-FI COMMITMENT TO HUMAN & ENVIRONMENTAL HEALTH

PT-FI recognizes environmental and community health as an operational imperative and is dedicated to monitoring, managing and mitigating potential impacts. In addition to its ongoing comprehensive environmental monitoring and analysis program, PT-FI has previously conducted human health risk assessments to evaluate potential health risks associated with possible exposure to tailings constituents and other mining waste around our Grasberg operations. Risk assessments are designed to identify potential exposure pathways that should be further evaluated with research and data collection. The risk assessments help ensure that PT-FI's management programs are effective and its monitoring efforts are robust, as well as identify areas for potential improvement.

PT-FI recently undertook a multi-year human health assessment with support from various third parties. The human health assessment commenced with a comprehensive risk assessment conducted an international third-party environmental and risk sciences firm. No significant elevated human health risks were calculated from exposure to tailings system constituents across the exposure pathways examined, with the exception of a clam species, if frequently consumed in high amounts. Following completion of the risk assessment, the human health assessment continued with broad-based community health surveys conducted by the Mimika (local) health authority (LHA) with PT-FI's assistance. There were no negative impacts attributable to PT-FI's operations (inclusive of tailings and overburden erosion) that were determined to be a priority focus of the LHA following the results of these assessments. However, the surveys did identify critical public health interventions needed in the short-term in Mimika, specifically identifying malaria prevention, clean water, maternal health and nutrition. To learn more about how PT-FI is contributing to the LHA's priority areas, please refer to the [Public Health Support](#) section of this report. To learn more about PT-FI's human health assessment, please see [PT-FI's Commitment to Community Health](#) section of FCX's 2022 Sustainability Report.

PT-FI is conducting an ecological risk assessment at its Grasberg operations to evaluate potential risks to aquatic and terrestrial wildlife that may be associated with our mining operations. The assessment builds upon a similar ecological risk assessment conducted in 2002 and now benefits from over 20 years of comprehensive monitoring data from the PT-FI environmental monitoring programs. The assessment is currently in process and is scheduled to be completed in 2025.

### NATURAL SEDIMENTATION IMPACTS ON ISLAND OF NEW GUINEA

The rivers located on the island of New Guinea are exceptional in their naturally occurring sediment loads. New Guinea is situated in an environment with extremely high rainfall and was formed through tectonic activity resulting in steep, mountainous terrain. The combination of steep mountains and high rainfall results in large amounts of erosion feeding into the rivers, producing natural sediment concentrations in rivers throughout the region ranking among the highest in the world. Independent studies by academics and researchers have estimated that New Guinea and five of its island neighbors (Java, Sumatra, Borneo, Sulawesi and Timor) naturally produce roughly 20% to 25% of all sediments transported to Earth's oceans despite only accounting for 2% of global land area draining to the ocean.

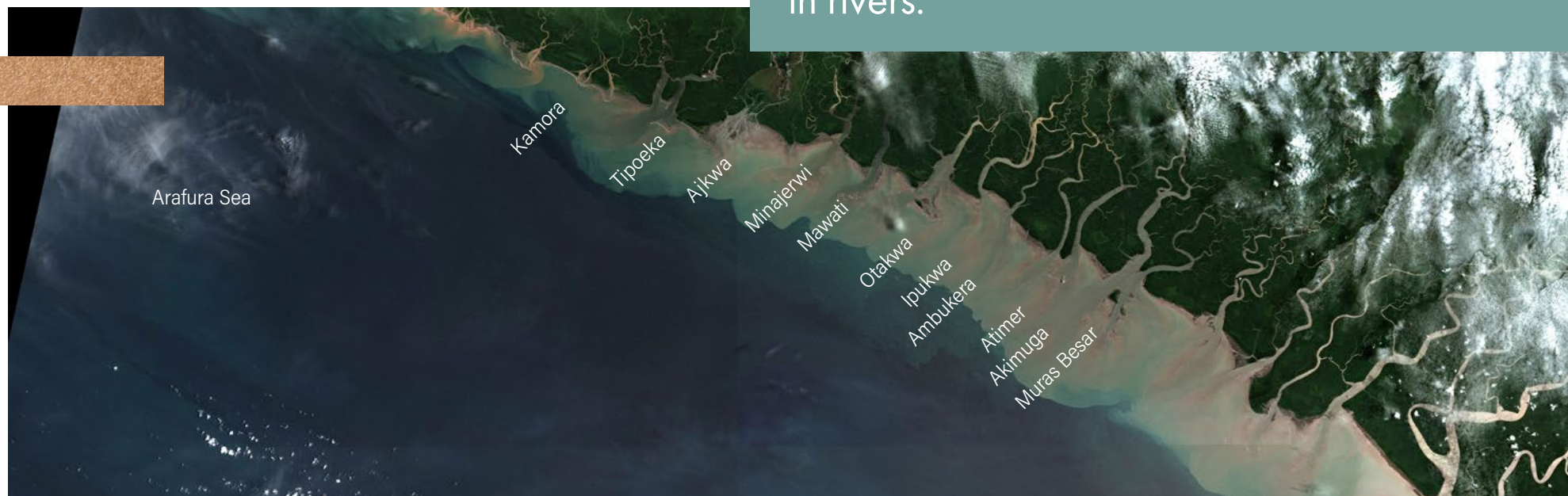
New Guinean rivers, in particular, are estimated to deliver 1.7 billion metric tons of sediment to the ocean every year. This phenomenon is part of a continuous process of erosion from the mountainous elevations resulting in high levels of sediments being transported to the sea which can be observed through aerial and satellite images all along the coastline of the Arafura Sea. This process of natural sediment erosion creates new land along the island's coastline. Natural growth of the island and associated growth of mangrove forests has been observed through a series of satellite images.

While the sedimentation within the coastal areas of PT-FI's tailings management system occurs at a faster rate than naturally occurring sedimentation, these impacts were predicted in numerous studies and are consistent with the controlled riverine system design and operation approved and permitted by the Government of Indonesia. Importantly, the sediments within PT-FI's area of operations have proven to be very suitable for colonization of indigenous plant communities, including mangrove forests. PT-FI's large-scale demonstration reclamation projects show several possible land use options after final closure of the deposition area.



More information in  
our **multimedia library**

The island of New Guinea ranks among the highest in the world for its concentration of natural sediments in rivers.



## TAILINGS RECOVERY, RECLAMATION AND IMPACTS REVERSIBILITY

PT-FI conducts on-going reclamation research and demonstrations to understand the range of viable options for revegetating tailings land to benefit the local community during and after the life of the mine, by reestablishing the natural ecosystems or developing the area for other productive use.

**Milepost 21** is a 100-hectare area of previously deposited tailings sedimentation we use to conduct research and demonstration projects focused on post-mining reclamation and productive land use options. Milepost 21 allows for real-time test cases to monitor the reversibility of impacts caused by tailings and has demonstrated the natural revegetation occurs in areas previously impacted by tailings.

The landscape and topography of the deposition area used to support the controlled riverine tailings management system have been altered by the volume of tailings deposited; however, monitoring programs continue to indicate that the habitat will recover when tailings are no longer deposited once mining is complete. Tailings soils can be naturally colonized or planted with pioneer species. In just 10 years, more than 500 plant species managed to naturally recolonize and thrive on the terrestrial portion of the tailings deposition area through natural revegetation or succession. After 25 years, more than 1,000 plant species were found in the natural succession area. Positive trends in natural succession have been observed in the Ajkwa Estuary and the Ajkwa Island (an island created by increased sedimentation from both natural sediments and tailings), where the number of plant species have continued to increase with time. For more information see the [Biodiversity & Land Use](#) section.



## NATURALLY OCCURRING REVEGETATION OF TAILINGS DEPOSITION AREA



### TAILINGS MANAGEMENT ROADMAP UPDATE

During 2023, we continued working with Indonesia's MoEF on the Tailings Management Roadmap, a process that was agreed to and established with the MoEF in December 2018 to support continuous improvement of our environmental and tailings management practices.

The main objectives of the Tailings Management Roadmap are to: (1) reduce the amount of non-tailings sediments flowing into the ModADA, (2) consider additional methods to further control the retention and distribution of tailings within the ModADA and downstream area, and (3) examine the potential for the re-use of the tailings in infrastructure projects (such as for road construction and as building materials) and other beneficial uses.

PT-FI complied with the Tailings Management Roadmap for the 2019 to 2024 period and has committed to the next phase of the roadmap, which extends to 2030. During 2023, we continued to work with MoEF on developing projects that represent incremental improvements to the performance of the tailings management system, in both the terrestrial and estuary portions of the tailings management area. This includes methods to enhance sediment retention within the ModADA and accelerate the growth of mangrove forests on deposited sediments containing tailings in the estuary environment. These initiatives not only align with the aspirations of the government to increase mangrove forest areas in Indonesia, but also to illustrate the capacity of deposited tailings to support diverse ecosystem services.

### LOCAL OPPORTUNITIES TO REUSE TAILINGS

Because tailings are simply finely ground rock particles, there is potential for tailings to be utilized in construction materials and infrastructure development projects. The team has completed several projects using tailings as a primary component of concrete. These include roads, buildings and drainage improvements within the PT-FI project area, as well as public roads, government offices, a sports complex and bridges in the Mimika, Sorong and Merauke Regencies. While PT-FI encourages third-party use of tailings for infrastructure, logistics are not economically viable if long distance transport of tailings is required; local uses of tailings concrete could be possible if market demand exists. We are collaborating with scientists from leading Indonesia research universities on using tailings in the manufacture of concrete, bricks and other infrastructure materials. We are also working with the Indonesia Ministry of Public Work and Housing to publish technical specifications for tailings used in road construction and civil infrastructure.



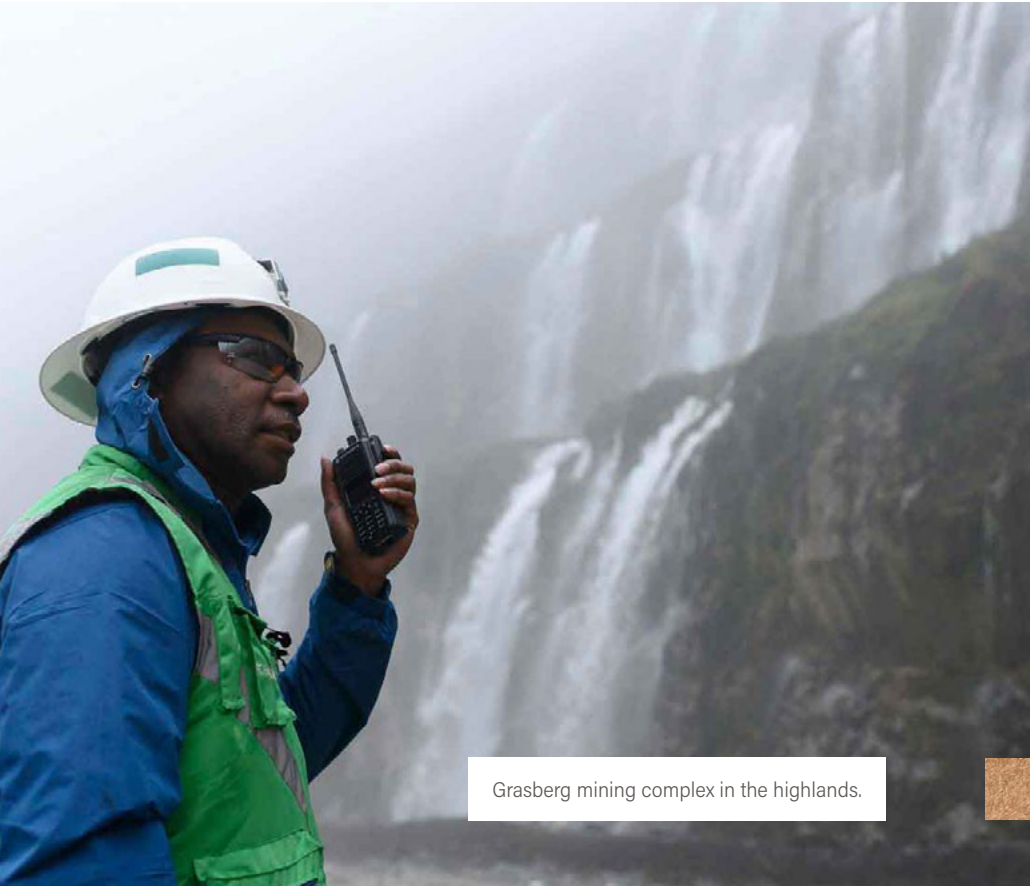
# WATER STEWARDSHIP

PT-FI recognizes that water is essential to the long-term sustainability of the company, and access to clean water and sanitation is a fundamental human right in support of the well-being of communities and the environment. We evaluate various water quality parameters for different purposes, such as determining if tailings geochemistry in the ModADA and estuary is correct and evaluating drinking water and groundwater around our operations. With operations in one of the wettest places on earth, Grasberg is a particularly unique operating environment, and we manage our business to withstand having excess water from rainfall and water shortages from droughts.

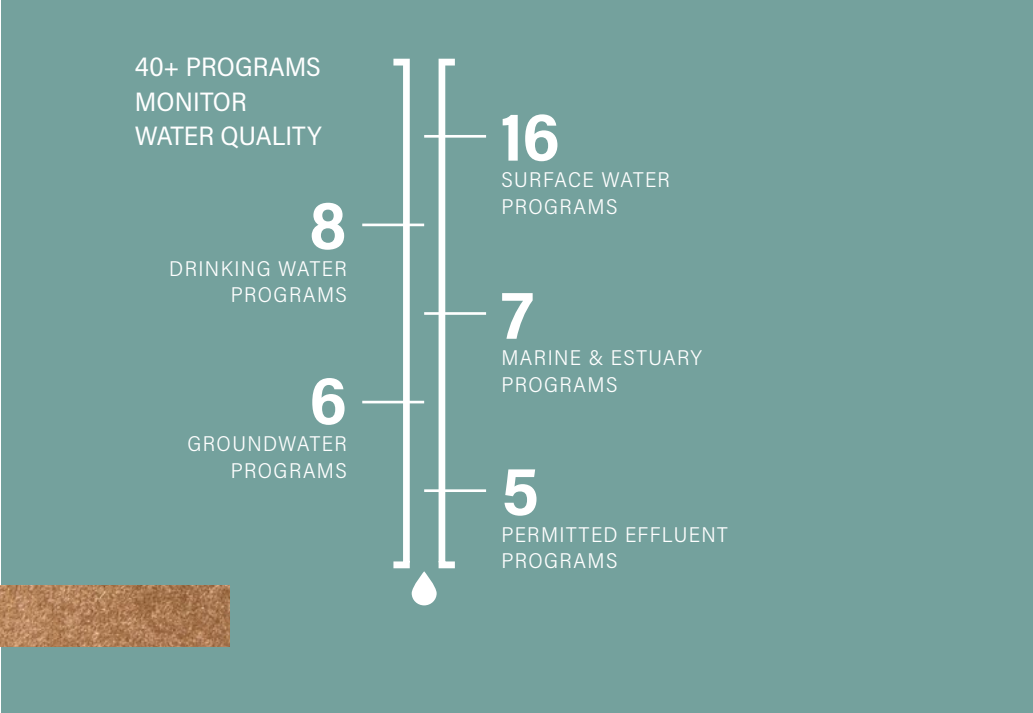
## WATER QUALITY MONITORING

PT-FI's Grasberg operations have an extremely high water use efficiency rate, averaging 96% in recent years. That means that PT-FI has returned to the environment more than 90% of the water originally withdrawn from surface and groundwater sources for our use in processing. We primarily discharge water in the form of tailings slurry to our controlled riverine tailings management system. For more information refer to the [Tailings Management](#) section.

We understand the critical importance of managing the impacts of our operations on both water availability and quality along with respecting the rights of our local communities and Indigenous neighbors. To address this, we have more than 40 water quality monitoring programs for surface water, groundwater, drinking water and permitted effluents among others. Our programs are designed to meet water quality standards in line with how water would be used (potable, non-potable, ecological, etc.) and evaluate various parameters including: pH, sulfate, heavy metals including copper, zinc and iron, suspended solids and turbidity, as well as coliform bacteria. Samples are documented and analyzed by the [Timika Environmental Laboratory](#).



Grasberg mining complex in the highlands.





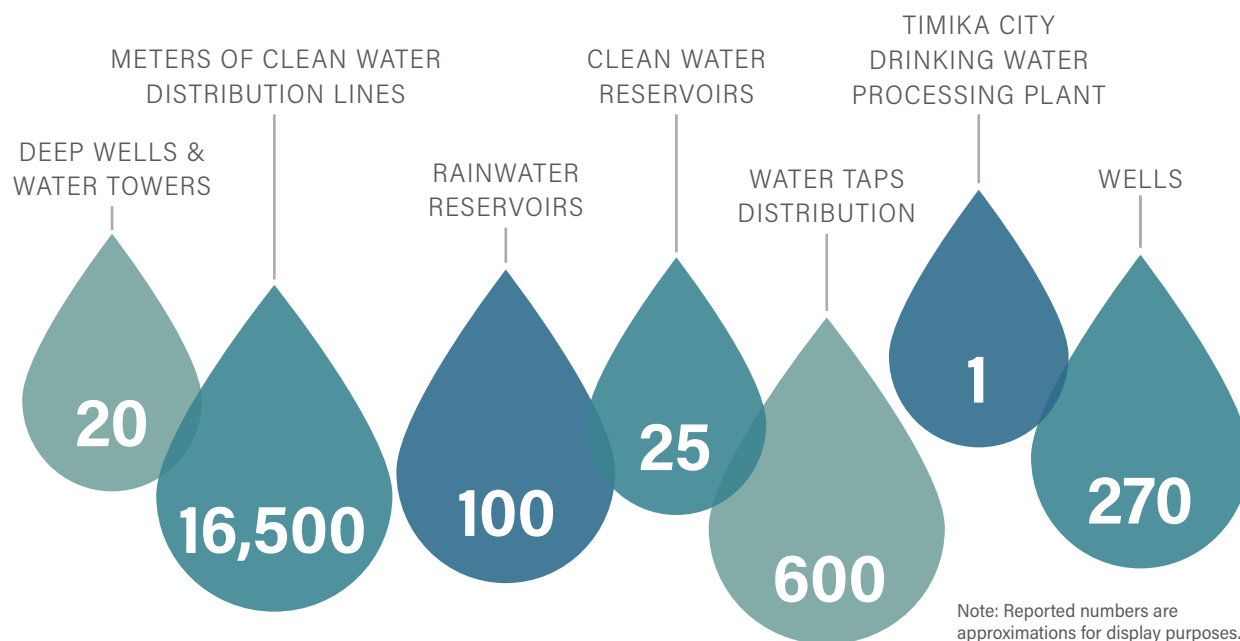
### TIMIKA ENVIRONMENTAL LABORATORY

PT-FI maintains an extensive environmental monitoring program to assess potential environmental impacts of its operations, including its tailings system. In the mid-1990s, to support its extensive monitoring and sampling program, PT-FI established the Timika Environmental Laboratory located within our operational area in the lowlands town of Timika. The lab is certified to ISO 17025 quality standards by the Indonesia National Accreditation Committee and is registered with the MoEF as a Referenced Environmental Laboratory. It serves as the main analytical lab for sample analyses used in PT-FI's environmental monitoring programs.

PT-FI monitors:

- **Sedimentation impacts**, including bathymetry, sediment quality, sedimentation rate and oceanography, to assess how tailings potentially affects the coastal environment
- **Surface water** and **groundwater** to determine if changes in water quality are occurring due to PT-FI's operations
- **Water effluents** from sewage treatment plants, a **greywater** treatment plant, **oil water separators**, a **leachate treatment** plant and **settling ponds** to confirm control systems are operating properly
- **Aquatic communities** and **mangrove flora and fauna** populations to determine the ability of mangroves to colonize tailings sediment and tolerate added sediment
- **Aquatic animal tissue** from tailings impacted areas and non-impacted reference locations to evaluate potential metal content in the aquatic fauna as well as various **plant species** grown on soils containing tailings

Over the last 30 years, we have constructed infrastructure to **provide clean water to more than 27,000 people** around our Grasberg operations.



### SUPPORTING CLEAN WATER FOR COMMUNITIES

We have been collaborating with the city of Timika and 14 villages to extend clean water facilities to over 200,000 more people. As with the other clean water infrastructure we built, we recently transitioned the management of a PT-FI-constructed water treatment plant in Kuala Kencana to the Mimika Regency government, who is in the process of developing pipelines from the water treatment plant to around 50,000 houses in Timika City and its surrounding areas. The Mimika Regency government has connected the distribution system to around 8,000 houses and plans to take over operating responsibility of the water treatment plant in 2024.

We plan to work with the Mimika Regency government on various projects to repair and improve existing infrastructure as well as develop additional clean water facilities. We anticipate these facilities may include deep groundwater wells, rainwater collection systems, surface water, spring water and desalination processes in coastal villages.

Additionally, we worked with the Airlangga University and impacted stakeholders to identify priority areas of the Gresik Regency near our smelter operations. We conducted needs assessments to align our social investments strategy, including partnerships, to meet community needs and government priorities to improve resiliency. Areas assessed included: 1) basic infrastructure needs, such as clean water and sanitation, 2) rivers, oceans and coastal health, 3) small, medium enterprise support, 4) community waste management, and 5) workforce development. Areas we plan to assess include: 1) public health, and 2) cultural heritage. One of the baseline assessments found that approximately 85% of families in the 9 villages closest to the smelter project currently use unsafe water, resulting in potential health impacts and financial burdens, and 79% of families have basic and unimproved sanitation facilities. Going forward, we plan to collaborate with the local government and nonprofits to identify opportunities to improve access to clean water infrastructure, including piping, toilets and sanitation.

### RESILIENT TO EXTREME WEATHER

PT-FI is adept at managing two opposing extremes: excess water and water shortages.

For excess water, we have complex stormwater management systems in place to monitor and collect water as it comes into contact with our processing facilities and waste rock stockpiles. This water is then routed back to processing facilities where it can be incorporated into our operations. Additionally, the underground water from various underground mining operations is collected and pumped for use in the mill.

While Grasberg is not a site typically correlated with water shortages, at times, there have been extended periods without rainfall. This can impact water availability at the mill in the highlands (one of the largest copper concentrators in the world), which is dependent on water to operate. At most mine sites, water is stored on-site in tanks or ponds, however, Grasberg's unique location has limited space available for backup water storage.

PT-FI has developed trigger action response plans (TARP) used to mitigate and manage critical operational risks, including for periods of extreme weather events or rainfall shortages. For example, PT-FI has developed a specific TARP to proactively address when water availability starts to decline. The TARP has trigger levels with specific actions and accountabilities, which might range from smaller fixes to address maintenance issues, to use of water stored underground through to decreasing throughput in extreme situations.

### Improving Resilience

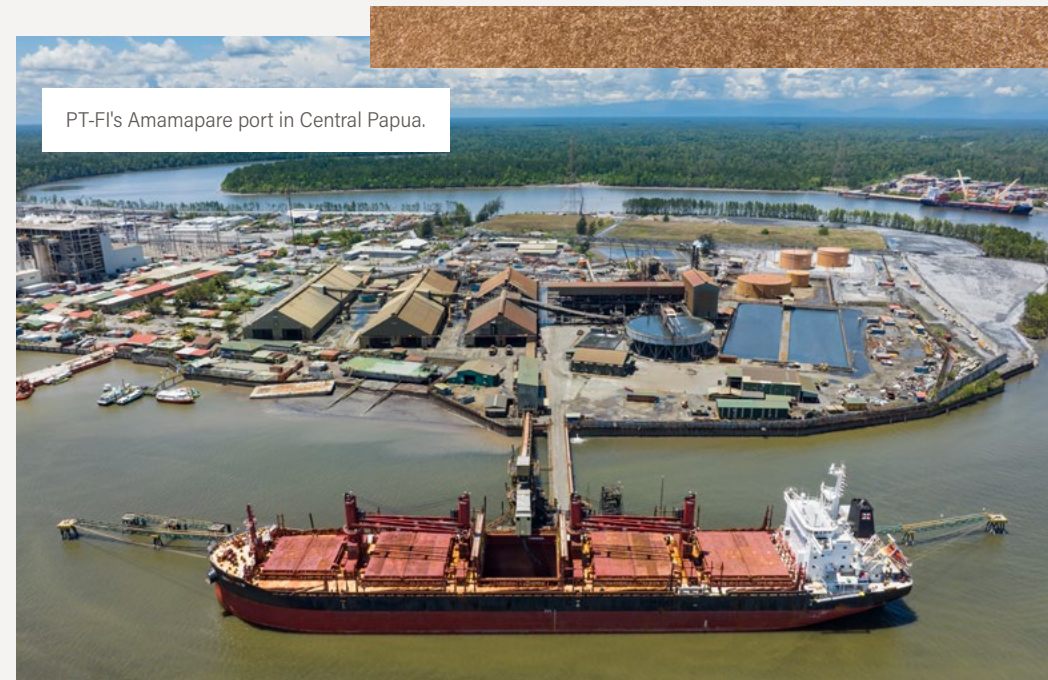
In connection with its global climate strategy, FCX completed a comprehensive climate scenario analysis in 2021. The primary risks identified at Grasberg from this study were related to sea level rise and wet extremes. Increased rainfall, and potential flooding events linked to sea level rise at our Amamapare port could disrupt delivery of essential materials to PT-FI and exports of commodities to markets. It could also expose PT-FI's coastal power plant that supplies Grasberg's energy to risks of damage and shutdown, increasing the likelihood of power outages at our operations.

Given the complex nature of coastal flooding, as well as the inherent uncertainty in global climate models, FCX on behalf of PT-FI, engaged DHI Group (DHI) — a global water management consultancy firm — to conduct an in-depth analysis in order to estimate the potential coastal flood impacts to our facilities as a result of climate change.

In 2022 and early 2023, DHI undertook a detailed evaluation of the potential for coastal flooding at our Amamapare port. To evaluate coastal flooding potential, the assessment considered how multiple variables, including tides, mean sea level, storm surge, sea level rise, and settlement or subsidence, may change over the design life of the facility. The study concluded that some infrastructure at the port needs to be further analyzed to develop appropriate mitigation measures to reduce the risk of flooding in the coming decades.

A port flooding evaluation conducted by PT-FI in 2022 identified temporary mitigation measures to reduce the impact of high tides, and recommendations have been integrated into the site's long-term master plan. FCX and PT-FI continue to evaluate variables and make infrastructure improvements to reduce the potential for flooding from high tides. Likewise, because subsidence (the settling and sinking of the Earth's surface) could be a factor in future coastal flooding at our port, we actively monitor port locations and conduct routine surveys to assess the facility's current state against benchmarks.

DHI also analyzed coastal flooding risk at the port where our downstream processing facilities are located in Gresik, and they concluded that an exceedance of anticipated flooding elevations remains highly improbable. Even if flooding occurs, critical infrastructure is adequately raised above credible coastal flood levels through 2050.





## CLIMATE

In Indonesia, a country of approximately 18,100 islands and islets, the potential impacts of climate change could be significant. Rising sea levels, temperatures, rainfall and other climatic changes could impact Indonesia's vast coastal population and primary economic activities, such as agriculture and fishing. According to a 2021 study conducted by the World Bank, Indonesia was ranked in the top third of countries in terms of climate risk, with high exposure to flooding and extreme heat.

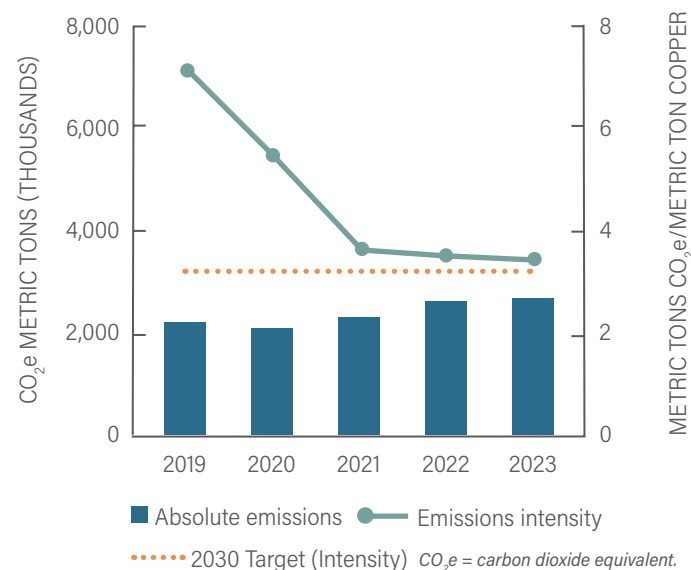
We are dedicated to supplying the global economy with responsibly produced copper, which includes operating in a manner that manages and mitigates our greenhouse gas (GHG) emissions and other climate-related risks and impacts. PT-FI proactively contributes to the broader goals and objectives of FCX's climate strategy, including FCX's 2050 net zero aspiration, and has established a commitment to reduce Grasberg's GHG emissions intensity by 30% per metric ton of payable copper by 2030, from a 2018 baseline.

### GHG REDUCTION PERFORMANCE

In 2023, our Grasberg operations emitted approximately 2.5 million metric tons of greenhouse gases. Because we generate our own electricity, there currently are no Scope 2 emissions associated with Grasberg's operations. In 2023, we continued to reduce Grasberg's GHG emissions intensity with a 4% improvement over 2022 and a 29% improvement since our 2018 baseline year. The commissioning of the dual-fuel power plant (DFPP) helped to reduce the carbon intensity of the electricity produced at the site while production remained strong. While efforts to date have brought us very close to achieving the 30% intensity reduction target, looking ahead, we expect this performance to vary due to changes in ore composition and related processing requirements, which can impact emissions intensity performance.

In 2023, Grasberg's Scope 3 emissions totaled 1,723,648 CO<sub>2</sub>e metric tons. An additional 334,827 metric tons were generated by the construction of our new smelter and precious metals refinery and the expansion of PT Smelting's processing facility. As these construction projects are successfully completed, we expect to see a reduction in construction-related Scope 3 emissions in 2024 and 2025.

### PT-FI GRASBERG GHG EMISSIONS PERFORMANCE<sup>1</sup>



1. PT-FI does not currently generate Scope 2 emissions. As such, the PT-FI intensity reduction target includes total Scope 1 emissions only. The target excludes Scope 3 and does not include by-products in the denominator. Baseline and target are calculated and therefore may differ due to rounding. This target is based on payable copper produced in concentrate.

### DECARBONIZING OUR ELECTRICITY SUPPLY

The high elevation and remote location of our Grasberg operations create a challenging environment for the delivery of reliable power. Our principal source of power for our Grasberg operations is a coal-fired power plant that we built in 1998. Diesel generators supply peaking and backup electrical power generating capacity. In 2023, PT-FI commissioned its dual-fuel power plant (DFPP) to support increased power requirements and diversify its energy sources. The DFPP was designed to use high-efficiency dual-fuel reciprocating engines on a flexible platform that can operate on either biodiesel or natural gas; currently, the plant is fueled by biodiesel. PT-FI is planning to add four more units to the DFPP which will allow the older diesel generation equipment at the mill to be transitioned to backup status.

We are advancing plans to transition our existing energy source from coal to natural gas, which is expected to meaningfully reduce PT-FI's Scope 1 GHG emissions. The project includes investments in a new gas-fired combined cycle facility. Once complete, the DFPP and the new gas-fired combined cycle facility will be fueled by natural gas. Ships will deliver LNG to a floating LNG storage and regasification unit that is permanently moored offshore, and after the LNG is regasified, natural gas will be delivered to the plant facilities through a subsea pipeline.

Capital expenditures for the new power generation facilities, to be incurred over the next four years, currently approximate US\$1 billion representing an incremental cost of US\$0.4 billion compared to previously planned investments to refurbish the existing coal units. Key near-term activities include engineering, procurement and construction activities, obtaining definitive estimates and securing fuel supply.

While we acknowledge that natural gas is not a renewable energy source, a new power plant fueled by natural gas does have the potential to meaningfully reduce PT-FI's GHG emissions intensity at the Grasberg minerals district and may provide other benefits, including potential energy cost savings and a reduction in NOx emissions at the port. Early scoping study estimates showed a reduction in Grasberg's Scope 1 GHG emissions of approximately 1.1 million metric tons of CO<sub>2</sub> equivalent per year or approximately 60% reduction in PT-FI's Scope 1 carbon emissions intensity versus our 2018 baseline — double the reduction set out by PT-FI's current 2030 target.



The high elevation and remote location of the Grasberg operations create a challenging environment for delivery of reliable power.

We continue to investigate renewable energy generation options to determine viability at both the small and large scale. Over the years, we and our consultants have identified a variety of challenges; wind resources are poor in the region and while solar resources could be economically viable in certain applications, the opportunities are small in scale. Hydroelectric generation resources exist near our operations and other parts of Central Papua; however, high capital costs and long development timelines are significant challenges.

### ALTERNATIVE ENERGY EVALUATION CONSIDERATIONS: GRASBERG

RENEWABLE TYPE	OPPORTUNITIES	CHALLENGES
Hydro Power	<ul style="list-style-type: none"> <li>Large-scale run of river hydro power has potential to provide a significant percentage of PT-FI's energy requirements</li> <li>Could also be potential opportunity to support energy requirements for local communities</li> <li>Higher availability than other renewable resources</li> </ul>	<ul style="list-style-type: none"> <li>Could potentially allow PT-FI to retire some thermal generation, but it would not provide 100% firm capacity and thermal generation could not be fully retired</li> <li>Would require significant deforestation and potential impact to remote communities</li> <li>Presents engineering challenges (e.g., tunneling)</li> <li>High capital costs</li> <li>Extended project development timeline (likely 8+ years)</li> <li>Project size and scale would likely require partner(s)</li> </ul>
Solar Power	<ul style="list-style-type: none"> <li>Smaller-scale utility projects could potentially be economically viable to support incremental power needs</li> <li>Potential to complement existing thermal generation by displacing some energy needs during hours that solar generation is available</li> <li>Potential opportunity to support community power requirements</li> </ul>	<ul style="list-style-type: none"> <li>Photovoltaic power potential is low given significant cloud cover and climate in Central Papua (one of the world's wettest places)</li> <li>Suitable land in our area of operations is extremely limited for meaningful scale</li> <li>Would require significant deforestation to clear land and potential impact to communities</li> <li>Physical security and maintenance of solar installation would need to be carefully managed</li> </ul>
Wind Power	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Wind resources in our operations area are well below the threshold required for viable wind power generation projects</li> <li>Scale and reliability not practical given energy requirements</li> </ul>

Our new downstream processing facilities located in Gresik are connected to the electrical grid. We worked with the local utilities company and recently reached an agreement that will allow the incorporation of certified renewable energy into our existing power purchase agreements on an annual basis as market conditions allow.

### EQUIPMENT ELECTRIFICATION

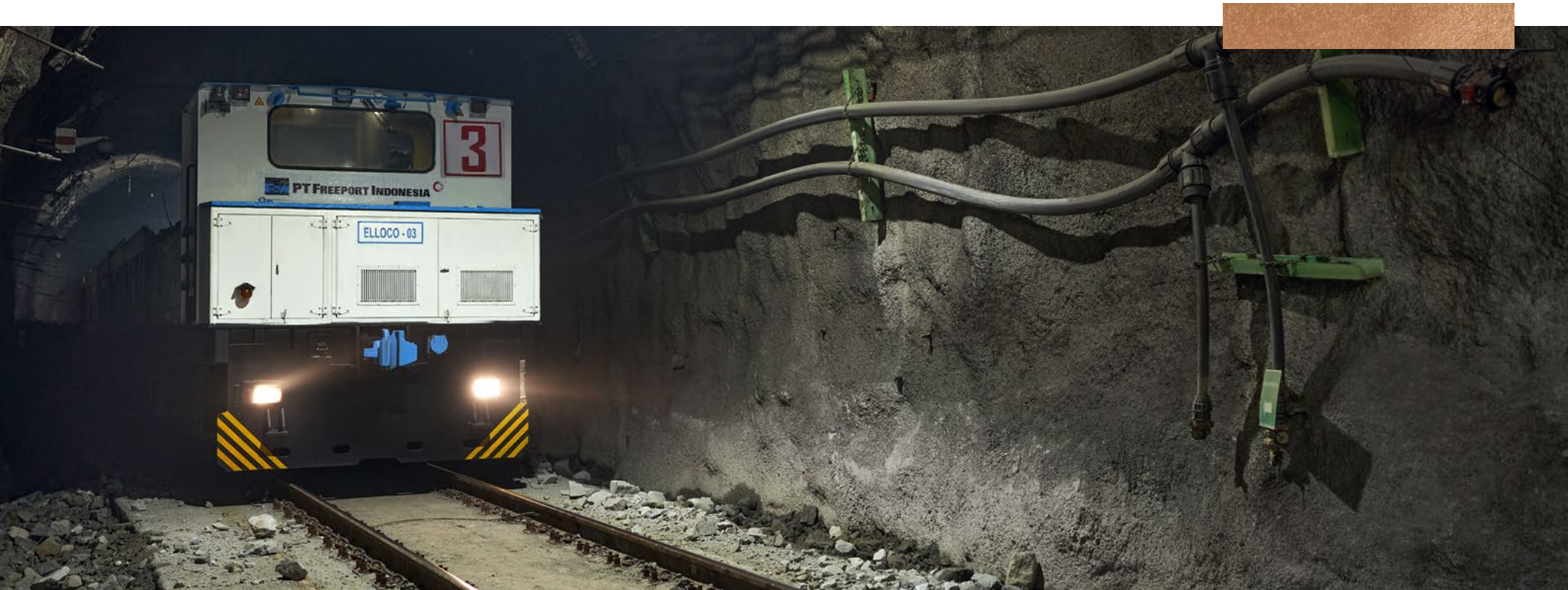
PT-FI's Grasberg block cave mine is the largest block caving operation in the world with a projected peak capacity of approximately 130,000 metric tons per day in 2024. As part of the underground mine development, PT-FI designed and built an **autonomous electric train system** to move ore through underground tunnels rather than traditional, diesel-powered trucks. The fully autonomous trains drive themselves to and from the loading chutes and unloading stations, with ore cars loaded remotely by operators at a surface control room. This highly efficient method of gathering and transporting the mined ore to the crushers not only reduces workforce exposure to ground failure, wet muck spills and air contaminants, but also supports lower emissions by minimizing the ventilation needs associated with diesel trucks. From a carbon perspective, this results in an approximately 80,000 metric ton net reduction in CO<sub>2</sub> equivalent per year (excluding Scope 3 and at full capacity) versus a comparable fleet of diesel trucks designed to do the same task.

In early 2024, we added a Cat 2900XE, a diesel electric loader which can be controlled both manually and remotely. Based on its performance, we plan to add more of these loaders in the coming years as existing units come up for rebuild. In addition, we are evaluating a battery electric loader, to determine its performance in the unique underground conditions at Grasberg.

Electrifying the transport of ore to the crushers minimizes ventilation needs associated with diesel trucks, thereby reducing emissions.



More information in our **multimedia library**



## BIODIVERSITY & LAND USE

Grasberg's operations and support area spans more than 75 miles from the coast to the mountains. There are seven major ecosystems along this geographic span including mangrove, swamp forest, rain forest, heath forest, montane forest, sub-alpine forest and the alpine system in the highlands. Conserving and protecting Papua's biodiversity and ecosystems are a high priority for both PT-FI and FCX. We operate in strict accordance with and in respect of applicable local, regional and national regulations. Biodiversity conservation and land use initiatives are integrated into our broader environmental programs, as defined in PT-FI's environmental management and monitoring plans (RKL/RPL), which are part of PT-FI's Environmental Permit.

Grasberg's operations have been certified gold, the highest tier of recognition, under the Conservation Certification program by the Wildlife Habitat Council.

PT-FI's policies, plans and systems outlined below underpin the responsible management and mitigation of PT-FI's impacts on biodiversity, land and surrounding ecosystems:

- FCX's and PT-FI's Environmental Policies state our commitment to contribute to the conservation of biodiversity, to apply the mitigation hierarchy for all new projects, and to abstain from exploring or mining in any UNESCO World Heritage Site.
- PT-FI's stakeholder-informed Biodiversity Strategic Action Plan acts as the framework guiding biodiversity management and monitoring programs and incorporates requirements of the Indonesia Biodiversity Strategy and Action Plan. Stakeholders involved in the evaluation and development of the five-year plan (2023 through 2027) included research organizations, universities, environmental consultants and government representatives. A summary biodiversity management plan for the Grasberg minerals district is available on [FCX's website](#).
- PT-FI's EMS is the framework for implementing procedures to meet biodiversity requirements and commitments in the AMDAL and those made by FCX.

Located adjacent to the Lorentz National Park, the largest protected area in Southeast Asia and the only protected area in the world that incorporates continuous intact tracts of ecosystems from alpine to tropical marine environments, we are aware of our significant responsibility to steward the land affected by our activities and the biodiversity that depends on it. In 1999, Lorentz National Park was declared a World Heritage Site by the United Nations Educational, Scientific and Cultural Organization (UNESCO). PT-FI has not and will not conduct any mining or exploration activities within the park and has committed to not explore nor mine at any World Heritage Sites and to respect legally designated protected areas.

## RESEARCH & KNOWLEDGE SHARING

Since 1994, we have collaborated with national and international scientists on comprehensive surveys of vegetation, mammals, birds, amphibians, reptiles, freshwater and estuarine fish, and aquatic and terrestrial insects. Using information from the surveys, we develop appropriate biodiversity conservation programs using principles of restoration ecology for rehabilitation and reclamation of disturbed areas. We seek to establish strong partnerships with multiple stakeholder groups involved in conservation and natural resource management, including governments, NGOs, universities, research organizations and citizens. For example, numerous flora and fauna species new to science have been discovered through PT-FI's biodiversity research programs, including 50 insect species, 29 plant species, 21 crab species and 2 fish species. Most of the new species have been formally documented in baseline study reports, PT-FI's biodiversity book series and scientific publications. Most recently, in partnership with The Indonesian Institute of Sciences and the South Australian Museum, PT-FI confirmed the discovery of a new species of large green treefrog in the Mimika Regency of Central Papua, Indonesia. The species (*Litoria lubisi*) is a member of the Pelodyadidae family. The discovery was the outcome of a 15-year study that concluded in 2021.

Research on the New Guinea Highland Wild Dog, known as the "singing dog," continued in 2022 with two Indonesia universities conducting field research. The University of Gadjah Mada Yogyakarta is seeking to understand the species' roaming patterns, range and DNA similarities. A team of researchers installed 23 cameras in the Grasberg operating area and identified 32 Highland Wild Dogs among 8 different packs. The team collected samples from the dogs to analyze their DNA and installed GPS tracking collars on three dogs. Collaboration between University of Cenderawasih and the New Guinea Highland Wild Dog Foundation based in the U.S. conducted research focused on feeding preferences, health conditions and behavior. Their work included collecting samples, understanding how Highland Wild Dogs react with humans and exploring social structure and behavior of Highland Wild Dogs near our operations, compared to dogs from other areas or captivity.



Read our **Biodiversity Publications**



More information in our **multimedia library**

A rare species of wild dog, the New Guinea Highland Wild Dog, inhabits the area near our Grasberg mining complex.



### Milepost 21: Research & Education Center

Milepost 21 (MP 21) is PT-FI's biodiversity conservation, land use and research center located in the lowlands in a former tailings deposition area. MP 21 is the site of pilot plantations, wildlife conservation initiatives, and research and educational programming. PT-FI conducts research and trials at MP 21 to evaluate the growth and viability of various agricultural crops and forest plantation species, assess metal uptake in food crops and document natural succession processes on tailings deposits. See the natural revegetation occurrences around MP 21 in the [Tailings Management](#) section. In 2023, PT-FI planted more than 150 plant species for testing, including legume cover crops for livestock feed; endemic trees such as casuarinas, matoa, ironwoods, callophylums and eucalyptus; plantation trees such as coconut, cacao, coffee and jackfruit; agricultural crops such as pineapples, melons, sugar cane, sago and bananas; and vegetables and grains such as chili peppers, tomatoes, cucumbers, rice, maize, beans and squash.

MP 21 also supports the wildlife repatriation program that PT-FI conducts in collaboration with various governmental agencies. Enclosures at MP 21 are used to temporarily house endemic animals, including endangered pig-nosed turtles, that have been confiscated from the illegal wildlife trade prior to releasing them back into the wild. From the start of the program to the end of 2023, PT-FI has assisted in releasing approximately 55,000 endemic animals, including more than 50,000 pig-nosed turtles. Finally, education and outreach are major focuses of PT-FI's biodiversity efforts. In 2023, PT-FI reached nearly 13,000 students and community members through its environmental events, including events on Earth Day, National Waste Awareness Day, Environmental Day, Ozone Day, and National Flora and Fauna Day.



### REVEGETATION, RECLAMATION & RESTORATION

PT-FI undertakes revegetation, reclamation and restoration work across ecosystems, both in the highlands, where mining and processing operations take place, and in the lowlands, where quantities of finer tailings and other natural sediments deposit in the Ajkwa Estuary.

#### Grasberg Overburden Reclamation in the Highlands

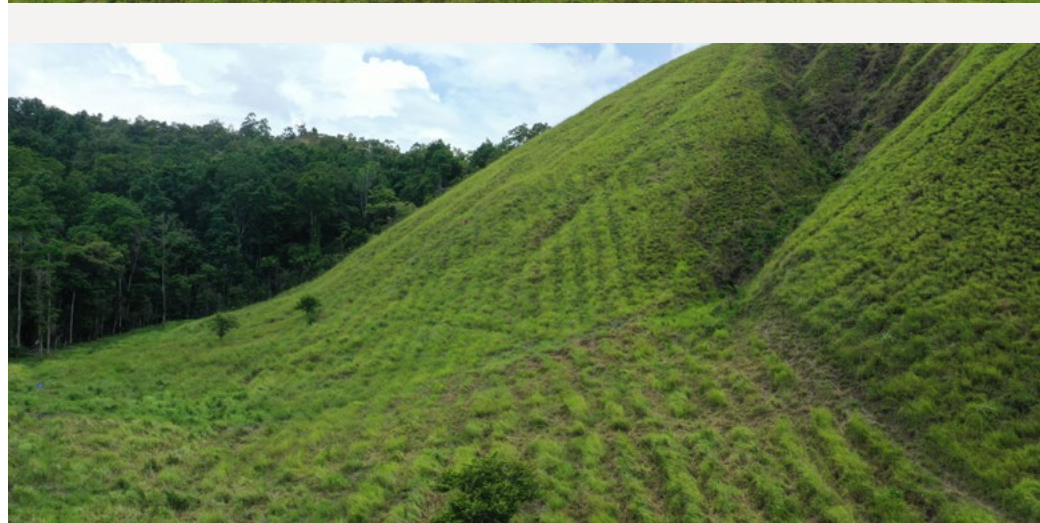
In the highlands, reclamation work is currently focused on the West Wanagon overburden stockpile area of Grasberg. This area was used during the operation of the Grasberg open pit mine between 1989 and 2020 to store overburden, which is rock or soil that lies above an ore body and must be removed to extract the ore beneath. Stockpiles are managed in accordance with our comprehensive procedures, which include three main activities:

- Capping of the overburden stockpile with limestone and building additional drainage channels to manage and control potential erosion and run-off.
- Planting native grasses, shrubs and mosses to encourage revegetation.
- Continuous monitoring to track the survival rate of vegetation and biodiversity as indicators of natural succession.

PT-FI maintains and updates a 5-year bonded reclamation plan with the Government of Indonesia. Progress against the reclamation plan is evaluated annually by mine inspectors of the Minister of Energy and Mineral Resources.

### WATERSHED REHABILITATION PROJECT

As required under our Borrow-to-Use Permit obtained in 2018, PT-FI has been implementing a watershed rehabilitation project in Jayapura, Papua Province. The project's objective is to rehabilitate over 4,200 hectares of degraded forest area, and we are approximately halfway to achieving this goal. We partner with working groups of local communities for the selection of plant species, providing seedlings and composts, planting of the seedlings and maintenance of the land. PT-FI plans to continue to maintain the rehabilitated land for at least two years per the MoEF decree until the land is handed over to the Environmental and Forestry Agency of Papua and local communities to assume responsibility for its long-term maintenance.





### REVEGETATION IN TAILINGS DEPOSITION AREA

A research team from the University of Papua (UNIPA) conducted a vegetation inventory of PT-FI's tailings deposition area, and the team discovered that the number of living plant species had more than doubled in the last 17 years. In 2022, UNIPA researchers identified 1,089 plant species growing naturally on tailings compared to the 504 species identified in the same area in 2005. A baseline study was completed by UNIPA in 2023 to evaluate agricultural productivity and feasibility of cultivating plants for economic benefit on tailings. Results from that study are being incorporated into a long-term comprehensive UNIPA/PT-FI Integrated Land Farming study. The Integrated Land Farm will incorporate agriculture, animal husbandry and a freshwater fishery to create a single farming system on tailings with zero waste. The study is expected to begin in late 2024.

### Natural Succession in the Lowlands

Natural and tailings deposition create new lands in the coastal environment where natural mangrove colonies can thrive. By planting mangroves on new land areas created by sedimentation, PT-FI accelerates the initiation of natural processes. Locally, mangrove forests maintain water quality and prevent soil erosion. Regionally, Central Papua's mangroves serve as important breeding grounds for endangered vertebrates and commercially important marine invertebrates.

PT-FI actively works to establish mangrove habitats on new lands formed from tailings sedimentation. Mature and young mangrove colonies exist, particularly on the Ajkwa and Waii Islands in the Ajkwa Estuary, because of the mangrove rehabilitation program we initiated in 2004. Our objective is to augment the natural initial flora colonization of the new land and enhance the flora and fauna succession process. As part of PT-FI's Tailings Management Roadmap requirements, PT-FI established a target to plant 500 hectares of mangroves in the estuary each year from 2023 to 2032. PT-FI has also been implementing an estuary structure project involving local communities with the objective to increase tailings retention in the estuary to provide more habitats for mangrove planting.



More information in  
our **multimedia library**

A research team from the University of Papua discovered that the number of living plant species in the tailings deposition area had **more than doubled** in the last 17 years.



## NON-MINERAL WASTE MANAGEMENT

We seek to apply the standard protocol of reduce, reuse or recycle wherever possible and implement robust practices to identify, categorize, store and manage non-mineral wastes. Through our asset recovery programs, we divert certain materials from landfills, and we strive to increase recycling and reuse of those materials in our operations. We also evaluate our hazardous waste streams and, when possible, substitute materials with lower toxicity into our processes.

PT-FI's facilities and town management team and solid waste management team dedicate their time to managing waste and related infrastructure. The teams are responsible for advancing our technical expertise and developing leadership skills through multi-site collaboration. The Environmental Division monitors PT-FI's compliance with Government of Indonesia permitting and with FCX's best management practices. Subject matter experts from FCX are informed of PT-FI's waste management practices and provide training to PT-FI personnel on good practices; they also conduct internal audits of our systems and processes.

For information on our approach to mineral waste, please refer to the [Tailings Management](#) section.

We seek to apply the standard protocol of reduce, reuse or recycle wherever possible.

### RECYCLABLE WASTE MANAGEMENT PROGRAM IN GRESIK

To help minimize the amount of waste sent to the landfill during the construction of our new smelter and to support a circular economy, PT-FI partnered with a local community non-profit, Yatamam, and an internationally recognized waste management NGO, Wehasta, to build a recyclable waste processing facility. Through 2023, the facility processed and distributed 8 tons of recyclable waste to qualified community organizations to be upcycled or sold. Profits from sales of these materials are allocated to Yatamam community programs, which include scholarships for orphans and the development of a training facility where locals can practice welding and carpentry skills to create upcycled products. In 2023, approximately 60 people were employed by this program, which supported 475 orphans through scholarship funding and donated approximately 900 pieces of upcycled furniture to local schools.



### WASTE GENERATED

In addition to tailings and mining waste, PT-FI generates non-mineral waste, which can be categorized as:

- Non-hazardous, which includes industrial waste such as tires, obsolete equipment and domestic waste; and
- Hazardous waste, such as water treatment sludge, chemicals, solvents, batteries and reagent packaging.

In 2023, we generated approximately 90.4 thousand metric tons of non-mineral wastes, of which approximately 94% was non-hazardous.

When possible, our materials are evaluated for other end-of-life uses in accordance with applicable regulations and are recycled at our own operations or into the global value chain. For example, coal ash waste generated by our current coal-fired power plant is mixed with cement to make concrete for site construction projects; used tires are used to help stabilize embankments and slopes; used plastic is collected, chopped and recycled into paving blocks; aluminum waste is recycled into souvenirs; and solid organic waste is collected, composted and used for reclamation activities.

Hazardous waste is managed in accordance with applicable Government of Indonesia regulations and PT-FI procedures. Licensed temporary storage facilities are regularly inspected by the Mimika Environmental Agency. These wastes are shipped to approved facilities in Indonesia for treatment and/or disposal.

### PLASTIC WATER BOTTLES ELIMINATED

In 2020, we were recognized for our efforts to eliminate plastic water bottles at Grasberg, achieving nearly zero plastic bottle waste from a previous peak in 2018 of almost 5 million bottles a year. The holistic effort included employee education and infrastructure changes. The employee awareness campaign known as #SaPuAir, which means "My Water," educated employees about water quality and featured a series of informational stories, posters, videos and television programs. The team conducted taste tests, held video competitions and other contests, and posted lab results at water refilling stations. We also installed water tanks, dispensing stations, washing stations for reusable bottles and installed potable water systems in underground work areas where water previously had not been piped.

Please see our video on the employee awareness program [here](#).



# ESG Performance Data



The scope of environmental data is the Grasberg minerals district; the scope of workforce, health and safety, communities and governance data is the Grasberg minerals district and our wholly owned smelter and precious metals refinery projects, which are managed by an Engineering, Procurement and Construction (EPC) contractor.

As a result of methodology changes, corrections, or ongoing improvements to our data collection processes and quality, prior year data may be adjusted in future years. Non-financial data contained in this report have not been prepared in conformity with U.S. generally accepted accounting principles (GAAP) and have not been audited. FCX received reasonable assurance over Scope 1 and 2 GHG emissions and limited assurance over Scope 3 GHG emissions. Refer to the Independent Accountants Assurance Statements in [FCX's 2023 Annual Report on Sustainability](#) for more information. Historical results are not necessarily indicative of future performance. Financial figures are quoted in U.S. dollars, unless otherwise noted. Due to rounding, some figures and percentages may not add up to the total figure or 100%. Unless otherwise stated, data presented cover our performance, excluding any businesses over which we do not have operational control, for the years ending on December 31st, which corresponds to our fiscal year.

For additional information about PT-FI, please visit [PT-FI's website](#) and [FCX's website](#).

HEALTH & SAFETY<sup>1</sup>

<i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Total Number of Recordable Events	74	60	61	65	95
% High-Risk <sup>2</sup>	30%	32%	15%	11%	20%
Number of Workforce Fatalities					
Employees	1	1	0	0	0
Contract Personnel	1	4	1	0	1
<b>Total Workforce Fatalities</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>1</b>
Total Recordable Incident Rate (TRIR) <sup>3</sup>					
Employees	0.06	0.06	0.04	0.04	0.07
Contract Personnel	0.42	0.37	0.37	0.26	0.17
<b>Total Workforce – TRIR</b>	<b>0.21</b>	<b>0.19</b>	<b>0.18</b>	<b>0.16</b>	<b>0.15</b>
Fatality Rate <sup>4</sup>					
Employees	0.005	0.005	0.000	0.000	0.000
Contract Personnel	0.007	0.031	0.007	0.000	0.002
<b>Total Workforce – Fatality Rate</b>	<b>0.006</b>	<b>0.016</b>	<b>0.003</b>	<b>0.000</b>	<b>0.002</b>
Near Miss Frequency Rate (NMFR) <sup>6</sup>					
Employees	0.68	0.44	0.42	0.37	0.00
Contract Personnel	0.84	0.87	0.80	0.47	0.00
<b>Total Workforce – NMFR</b>	<b>0.73</b>	<b>0.67</b>	<b>1.36</b>	<b>0.55</b>	<b>0.51</b>
Lost Time Injury Frequency Rate (LTIR) <sup>6</sup>					
Employees	0.01	0.03	0.01	0.01	0.01
Contract Personnel	0.10	0.06	0.14	0.08	0.03
<b>Total Workforce – LTIR</b>	<b>0.05</b>	<b>0.04</b>	<b>0.07</b>	<b>0.05</b>	<b>0.02</b>

1. Reported health and safety performance is based on Mine Safety and Health Administration (MSHA) reporting criteria. Data include employees (full-time and part-time employees on a full-time equivalent basis) and contractors. Rates are calculated per 200,000 hours worked, except where indicated. Metrics within this table are calculated based on employee and contractor reporting of injuries, illness and near misses.
2. % High-Risk = (High Risk Incidents / Total Recordable Events). Our risk matrix defines "high risk" events as incidents that have the potential to result in permanent disabilities or fatalities. The decline in high risk events in recent years has been influenced by PT-FI's health and safety team's focus on expanding fatal risk management efforts in response to the fatalities that occurred in 2020.
3. TRIR = ((Fatalities + Lost-time Incidents + Restricted-duty Incidents + Medical Treatment) x 200,000) / Total Hours Worked. TRIR is equivalent to MSHA All-Incidence Rate (AIR).
4. Fatality Rate = (Number of Fatalities x 200,000) / Total Hours Worked.
5. NMFR = (Number of Near Miss Events x 200,000) / Total Hours Worked. Anonymously reported near miss events are accounted for in the total rate only.
6. LTIR = (Number of Lost Time Injuries x 200,000) / Total Hours Worked.

## WORKFORCE

<i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Number of Employees	6,877	6,578	6,130	5,897	6,444
Number of Contractors <sup>1</sup>	22,224	20,777	22,113	23,467	55,967 <sup>2</sup>
Employees Covered Under Collective Labor Agreement (CLA) <sup>3</sup>	51%	51%	49%	47%	47%
<b>Employee Demographics</b>					
Employees by Employee Status					
Full Time Employees	6,877	6,578	6,130	5,897	6,444
Part Time Employees	0	0	0	0	0
Employees by Management Level					
Management	380	283	272	298	321
Non-Management	6,496	6,294	5,857	5,598	6,122
Employees by Age Group					
<30 Years	6%	5%	4%	4%	10%
30-50 Years	79%	77%	75%	74%	69%
>50 Years	15%	18%	21%	22%	21%
Demographic Information					
Indigenous Papuan Representation	40%	40%	41%	41%	44%
Indonesian Representation	97%	97%	97%	97%	97%
Expatriates/Third-Country Nationals	3%	3%	3%	3%	3%
Women Representation	7%	7%	8%	8%	9%
<b>Talent Attraction and Retention</b>					
Employee Turnover Rate by Age Group					
<30 Years	2%	1%	3%	4%	4%
30-50 Years	3%	2%	5%	2%	2%
>50 Years	13%	17%	18%	22%	24%
Employee Turnover Rate by Gender					
Employee Turnover Rate of Men	4%	5%	8%	7%	7%
Employee Turnover Rate of Women	2%	4%	4%	4%	5%
<b>Total Employee Turnover Rate</b>	<b>4%</b>	<b>5%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
<b>Voluntary Turnover Rate</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	<b>6%</b>

1. Reflects contracted personnel who are employed at various times throughout the year. Certain contractors work on projects that are temporary in nature and fluctuate from year to year.

2. Includes ~32,000 contracted personnel during the construction and commissioning phase of our smelter and refinery projects; prior year figures do not include the project's contracted personnel.

3. Data include only employees covered under the CLA.

Note: Employee demographics are self-reported. Turnover rates exclude seasonal, temporary hires and interns and represent turnover throughout the year. Reported workforce data are associated with PT-FI's Grasberg minerals district, expatriates/third-country nationals living in Indonesia and employed by FCX, and contracted personnel at our smelter and refinery projects, where indicated.

## BENEFITS OFFERED TO FULL TIME EMPLOYEES

<i>Year Ended December 31, 2023</i>	LIFE INSURANCE	HEALTH CARE	DISABILITY COVERAGE	PARENTAL LEAVE	RETIREMENT PROVISION	STOCK OWNERSHIP
Grasberg	yes	yes	yes	yes	yes	no

Note: Employees may be offered other benefits not listed in this table.

## SOCIAL PERFORMANCE

<i>Years Ended December 31</i>	2019	2020	2021	2022	2023
<b>Community Grievances<sup>1</sup></b>	<b>60</b>	<b>53</b>	<b>60</b>	<b>59</b>	<b>49</b>
Community Grievances by Type (%)					
Community Engagement	2%	6%	2%	2%	8%
Community Investments	23%	30%	27%	25%	37%
Cultural Heritage	0%	0%	2%	0%	0%
Employment	3%	9%	7%	19%	16%
Environment	2%	4%	0%	2%	4%
Health & Safety	2%	4%	0%	0%	0%
Land Access	0%	0%	0%	0%	0%
Land Rights	25%	8%	10%	5%	6%
Livelihoods	5%	2%	2%	3%	0%
Local Sourcing	13%	17%	27%	34%	24%
Odor, Noise, Vibration	0%	0%	0%	2%	0%
Other <sup>2</sup>	25%	13%	18%	5%	0%
Property Damage	0%	4%	5%	3%	4%
Resettlement	0%	2%	0%	0%	0%
Security	0%	2%	2%	0%	0%
Workforce Behavior	0%	0%	0%	0%	0%

1. A "community grievance" is any self-reported issue/concern (perceived or actual) that an affected member or group of the communities within our area of direct or indirect operational impact and other stakeholders want PT-FI or its business partners to address and resolve. Grievances reported here are managed via our community grievance mechanism, tracked within our incident management system and were received either anonymously or with attribution by community engagement team members through in-person engagements, in writing or via local telephone hotlines. Grievances can relate to PT-FI's active mining operations, exploration projects and reclaimed areas.

2. Other includes solicitations for royalty compensation and scrap metal compensation.

Note: PT-FI regularly engages community members about anticipated impacts from tailings sedimentation in the Ajkwa estuary and implements a multi-year sedimentation mitigation plan, as described in the [Proactive Approach to Sedimentation Impacts](#) section.

## SOCIAL INVESTMENTS: GRASBERG

<i>Year Ended December 31, 2023</i>	SOCIAL INVESTMENT FUND <sup>1</sup> (US\$ MILLIONS)
Education & Skill-Building	
Grades Kindergarten - 12 School Support	\$0.6
Higher Education Infrastructure	1.2
Scholarships	1.1
Vocational Education (NMI)	1.5
<b>Total Education &amp; Skill-Building</b>	<b>\$4.3</b>
Economic Opportunity	
Access to Food/Agricultural Efforts	\$0.3
Community Infrastructure	3.3
Cultural Heritage & Arts	0.2
Economic Development	6.1
Health	0.4
Health Care Facility	6.0
Livelihoods	3.8
Small Business Support	< 0.0
<b>Total Economic Opportunity</b>	<b>\$20.1</b>
Community-Level Leadership & Capacity Building	
Citizen Engagement & Participation	\$0.5
Community & Emergency Planning	0.2
Organization Governance & Effectiveness	0.1
<b>Total Community-Level Leadership &amp; Capacity Building</b>	<b>\$0.8</b>
<b>Community Trust Funds<sup>2</sup></b>	<b>\$84.4</b>
<b>Other<sup>3</sup></b>	<b>\$12.3</b>
<b>Total Social Investments</b>	<b>\$121.9</b>

1. Relates to social investments for the communities around our Grasberg operations. During 2023, an additional US\$0.7 million was invested in the communities around our smelter and refinery projects.

2. Includes investments in YPMAC Partnership Fund and their Endowment Fund, national youth and sports development programs, university research, land rights trust funds, and US\$40 million in amounts accrued and reserved for future projects and programs.

3. Includes investments in stakeholder engagement and administrative services.



## ECONOMIC VALUE CONTRIBUTED

(US\$ MILLIONS) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Direct Economic Contributions across Indonesia <sup>1</sup>	\$2,830	\$2,155	\$3,924	\$5,728	\$4,487
Cash Payments to Government of Indonesia <sup>1,2,3</sup>	\$962	\$599	\$2,011	\$3,638	\$2,533
Community Investments in Indonesia <sup>3</sup>	\$63	\$67	\$109	\$123	\$123

- For further information, please see the [PT-FI's Economic Contribution](#) section of this report.
- Amounts presented reflect credits from prior years as applicable and do not reflect payments on assessments under dispute; excludes interest and penalty payments associated with tax assessments, which are included in the direct benefit amounts reported on page 11.
- Includes community investments at Grasberg and our smelter and refinery projects. Cash payments to the Government of Indonesia and community investments are subsets of direct economic contributions.

## KEY ECONOMIC CONTRIBUTIONS

(US\$ MILLIONS) <i>Year Ended December 31, 2023</i>	INDONESIA
Payments to Suppliers	\$1,538
Employee Wages & Benefits	372
Payments to Providers of Capital:	
Dividends & Distributions	277
Interest	255
Payments to Governments <sup>1</sup>	1,922
Community Investments <sup>2</sup>	123
<b>Total Direct Economic Contributions across Indonesia</b>	<b>\$4,487</b>
<b>Total Capital Expenditures<sup>3</sup></b>	<b>\$3,411</b>

- Excludes employee payroll taxes, dividends, property taxes and certain other taxes, which are included in payments to suppliers and dividends. See the Reconciliation of Cash Payments to Government of Indonesia table below for more information.
- Includes community investments at Grasberg and our smelter and refinery projects. Cash payments to the Government of Indonesia and community investments are subsets of direct economic contributions.
- Includes costs for capital projects, which includes additional payments to suppliers, employee wages and benefits, payments to providers of capital and payments to Government of Indonesia, not included elsewhere in the table.

Note: These amounts were derived primarily from FCX's publicly reported segment data. For disclosure of FCX's segment data in accordance with U.S. GAAP, see [FCX's 2023 Form 10-K](#) pages 170-173.

## CASH PAYMENTS TO GOVERNMENT OF INDONESIA<sup>1</sup>

(US\$ MILLIONS) <i>Year Ended December 31, 2023</i>	INDONESIA
Corporate Income Taxes, Net of Refunds	\$940
Withholding Taxes on Foreign Dividends	43
Employee Payroll Taxes <sup>2</sup>	91
Dividends	277
Royalties and Net Severance Taxes	357
Property Taxes	69
Other Taxes & Fees <sup>3</sup>	756
<b>Total Cash Payments to Government of Indonesia<sup>4</sup></b>	<b>\$2,533</b>

- This schedule reflects a voluntary effort by FCX to capture its cash payments to the Government of Indonesia (net of refunds). Amounts presented do not reflect payments on assessment under dispute. Amounts presented reflect credits from prior years, as applicable.
- Includes payroll taxes collected on behalf of employees and paid to the Government of Indonesia.
- Includes customs and export duties, as well as withholding tax on foreign services.
- Excludes interest and penalty payments associated with tax assessments, which are included in the direct benefit amounts reported on page 11.

## RECONCILIATION OF CASH PAYMENTS TO GOVERNMENT OF INDONESIA

(US\$ MILLIONS) <i>Year Ended December 31, 2023</i>	INDONESIA
Cash Payments to Government of Indonesia <sup>1</sup>	\$2,533
Less:	
Employee Payroll Taxes	91
Property Taxes	69
Dividends	277
Other Taxes and Fees <sup>2</sup>	174
<b>Total Payments to Government of Indonesia<sup>3</sup></b>	<b>\$1,922</b>

- Excludes interest and penalty payments associated with tax assessments, which are included in the direct benefit amounts reported on page 11.
- Excludes US\$582 million for export duties and net profit taxes.
- Employee payroll taxes, dividends, property taxes and certain other taxes are included in payments to suppliers, and dividends and distributions in the Key Economic Contributions table as that data is derived primarily from FCX's publicly reported segment data. Therefore, these taxes are excluded from cash payments to the Government of Indonesia for purposes of reporting direct economic contributions on the Key Economic Contributions table in this report.

## HUMAN RIGHTS

(COUNT) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Gross Human Rights Violations <sup>1</sup>	0	0	0	2 <sup>2</sup>	0

1. There is no uniform definition under international law; however, PT-FI and FCX's ongoing data collection and review processes is guided by the United Nations Office of the High Commissioner report, "The Corporate Responsibility to Respect Human Rights - An Interpretive Guide," to identify such types of violations. In addition, PT-FI and FCX use specific interpretation guidance for certain types of violations from various international organizations such as the International Labour Organization.
2. Information on the incidents at our smelter project near Surabaya, Indonesia that were determined by PT-FI and FCX to be gross human rights violations is available on page 48.

## BUSINESS ETHICS

<i>Years Ended December 31</i>	2019	2020	2021	2022	2023
FCX's Principles of Business Conduct (PBC) <sup>1</sup>					
Training Completion Rate	100%	65%	100%	100%	97%
Anti-Corruption Policy and Procedures					
Training Completion Rate <sup>2</sup>	100%	82%	100%	100%	99%
Number of Employees Trained <sup>2</sup>	1,649	1,463	1,648	1,581	1,534
Complaints Received					
Number of FCX Compliance Line Reports	6	9	4	13	15

1. PBC training is assigned to active and applicable employees and covers health & safety concepts, addressing harassment & discrimination, dealing with inappropriate behavior, preventing conflicts of interest and retaliation from co-workers, and reminds employees how to raise concerns.
2. Select employees receive anti-corruption training based on their job category. Anti-corruption policies and procedures are communicated during this training.

Note: Because of operational challenges as a result of the COVID-19 pandemic, our 2020 business ethics and anti-corruption trainings were voluntary for employees.

## PROCUREMENT SPEND

(US\$ MILLIONS) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Local	\$574	\$392	\$415	\$448	\$455
National	1,665	1,417	1,805	2,968	3,701
Outside Home Country	378	350	453	858	1,289
<b>Total Procurement Spend Distribution</b>	<b>\$2,618</b>	<b>\$2,160</b>	<b>\$2,673</b>	<b>\$4,273</b>	<b>\$5,446</b>
% Local	22%	18%	16%	10%	8%
% National	64%	66%	68%	69%	68%
% Outside Home Country	14%	16%	17%	20%	24%
Number of Local Suppliers	277	251	249	289	284

Note: Local suppliers are identified as those in the provinces surrounding our operations. National suppliers are those located in Indonesia, excluding local suppliers. Outside home country suppliers are located in countries other than Indonesia.

## PROCUREMENT SPEND BY GROUP

(US\$ MILLIONS) <i>Year Ended December 31, 2023</i>	SPEND ON GOODS			SPEND ON SERVICES <sup>1</sup>			TOTAL PROCUREMENT SPEND
	LOCAL	% OF TOTAL	TOTAL	LOCAL	% OF TOTAL	TOTAL	
Grasberg	\$212	11%	\$1,909	\$243	13%	\$1,887	\$3,797
Smelter & Precious Metals Refinery Projects	\$0	0%	\$657	\$0	0%	\$970	\$1,628
Support & Administrative	\$0	0%	\$0	\$0	2%	\$22	\$22
<b>Total Procurement Spend</b>	<b>\$212</b>	<b>8%</b>	<b>\$2,567</b>	<b>\$244</b>	<b>8%</b>	<b>\$2,879</b>	<b>\$5,446</b>
Amount Spent Locally Across Specific Groups							
Small Businesses	\$0	0%	\$82	\$0	1%	\$74	\$157
Women and Minority Owned Businesses <sup>2</sup>	\$0	2%	\$3	\$34	71%	\$47	\$50

1. Amounts include items such as software & IT services, construction and engineering services, consulting services, recruiting, utilities and unapplied credits.

2. Demographics are self-reported.

Note: Local suppliers are identified as those in the provinces surrounding our operations. National suppliers are those located in Indonesia, excluding local suppliers. Outside home country suppliers are located in countries other than Indonesia.

## AIR EMISSIONS

(THOUSAND METRIC TONS) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
CO, carbon monoxide <sup>1</sup>	6.2	8.6	9.3	8.1	8.0
NO <sub>x</sub> (excluding N <sub>2</sub> O), oxides of nitrogen <sup>1</sup>	14.9	14.1	18.9	23.8	15.7
SO <sub>x</sub> , oxides of sulfur <sup>1</sup>	3.7	3.9	3.6	4.2	3.7
PM <sub>10</sub> , particulate matter	2.4	3.3	1.9	2.2	2.9
Hg, mercury	0.00003	0.00003	0.00003	0.00003	0.00003
Pb, lead	0.0003	0.0002	0.0004	0.0004	0.0004
VOCs, non-methane volatile organic compounds	0.7	0.9	0.9	0.9	0.9
Ozone Depleting Substances, CFC-11 equivalent	0.00000	0.00000	0.00000	0.00000	0.000000

- Underground mining requires power for ventilation and ore conveyance, and therefore, power demands and coal combustion increased following the transition from open-pit mining to underground mining in 2019. NO<sub>x</sub> and SO<sub>x</sub> emissions have increased as a result of increased underground production.

## GHG EMISSIONS: 2030 REDUCTION TARGET PERFORMANCE

<i>Years Ended December 31</i>	Baseline Year 2018	2019	2020	2021	2022	2023	Target Year 2030
<b>Intensity Reduction Target<sup>1</sup> (CO<sub>2</sub>e metric tons/metric ton copper)</b>							
PT-FI Grasberg <sup>3</sup> - 30% <i>intensity reduction</i>	4.76	7.73	5.40	3.71	3.52	3.38	3.34

- Intensity reduction target (CO<sub>2</sub>e metric tons / metric ton copper) includes total (Scope 1 and 2) emissions and does not include by-products in the denominator.
- PT-FI Grasberg's intensity reduction target is based on payable copper produced in concentrate. In 2023, PT-FI concentrate was smelted and refined by PTS and third-party smelters/refineries whose emissions are currently accounted for as our Scope 3 emissions and therefore not included in this target. Following completion of the PTS expansion in 2023 and construction and ramp-up of PT-FI's new downstream processing facilities through the end of 2024, we plan to review the GHG emissions categorizations for these operations. Certain of these emissions may be reclassified from Scope 3 to Scopes 1 or 2. Following this review, we may adjust our PT-FI target and baseline in line with the GHG Protocol.

## GHG EMISSIONS

(CO <sub>2</sub> e METRIC TONS) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Scope 1 GHG Emissions	2,212,265	2,034,939	2,284,467	2,504,660	2,546,198
Scope 2 GHG Emissions <sup>1</sup>	0	0	0	0	0
<b>Total Scope 1 + 2 - PT-FI</b>	<b>2,212,265</b>	<b>2,034,939</b>	<b>2,284,467</b>	<b>2,504,660</b>	<b>2,546,198</b>

- PT-FI generates its own electricity at the Grasberg operations. As a result, there are no Scope 2 emissions associated with PT-FI's Grasberg operations.

Note: GHG emissions are consolidated (reported on 100% basis) at operations deemed under FCX's operational control per the GHG Protocol. FCX's GHG emissions assurance statement is in its 2023 Annual Report on Sustainability available at [fcx.com/sustainability](https://www.fcx.com/sustainability). Scope 3 GHG emissions are consolidated and reported on an FCX corporate level only in order to avoid double counting, as some FCX sites' Scope 3 emissions are other FCX sites' Scope 1 and 2 emissions.

## GHG EMISSIONS: SCOPE 3 EMISSIONS

(CO <sub>2</sub> e METRIC TONS) <i>Year Ended December 31</i>		
	Downstream Construction Projects <sup>1</sup>	Grasberg Operations
<b>Upstream</b>		
Category 1: Purchased goods and services	334,827	722,000
Category 2: Capital goods	Included above	Included above
Category 3: Fuel and energy-related activities	-	276,324
Category 4: Upstream transportation and distribution	-	44,238
<b>Downstream</b>		
Category 9: Downstream transportation and distribution	-	-
Category 10: Processing of sold products	-	681,087
<b>Total Scope 3 Emissions</b>	<b>334,827</b>	<b>1,723,648</b>

1. Reflects emissions associated with the construction of our new smelter and precious metals refinery and the expansion of PT Smelting's processing facility.

Note: Categories 5-8 and 11-15 have been determined "not relevant" based on the relevance test in accordance with the GHG Protocol. For boundaries, methodologies and emission factors used, please see EY's Limited Assurance Report Management Schedule in FCX's 2023 Annual Report on Sustainability available at [fcx.com/sustainability](https://www.fcx.com/sustainability).

## ENERGY CONSUMPTION

TOTAL ENERGY (TERAJOULES) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Direct Energy <sup>1</sup>	26,066	24,217	26,422	28,854	30,239
Indirect Energy <sup>2</sup>	0	0	0	0	0
<b>Total Energy Consumption - PT-FI</b>	<b>26,066</b>	<b>24,217</b>	<b>26,422</b>	<b>28,854</b>	<b>30,239</b>

1. Main direct energy sources for Grasberg are coal/coke, diesel and B30 biodiesel (59%, 27% and 14% contribution, respectively) and minor sources are gasoline, aviation fuel and used oil (which contribute <0.01%).

2. PT-FI generates its own electricity at Grasberg; as a result, there is no indirect energy associated with Grasberg operations.

## ENVIRONMENTAL COMPLIANCE

<i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Reportable Spills or Releases of Hazardous or Toxic Chemicals <sup>1</sup>	5	3	3	4	10
NOVs <sup>2</sup> (related to permit exceedances, spills, releases or other compliance matters)	0	0	0	0	0
Number of Significant Environmental Events <sup>3</sup>	0	0	0	0	0
Environmental Penalties Paid	\$0	\$0	\$0	\$0	\$0

1. Reported figures are those reported to a national agency. Spills associated with pipeline sabotage at PT-FI's Grasberg operations are not reported in this table.

2. NOV is Notice of Violation. When NOVs are rescinded based on the legal appeals process, prior year data are updated.

3. Our risk assessment uses a likelihood and consequence matrix with a scale on each axis from 1 through 4, with 4 being the highest likelihood or consequence. Significant environmental events are defined as those with a rating of 3 or higher on the consequence scale.

## WATER PERFORMANCE

(THOUSAND CUBIC METERS) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
New Water Withdrawn					
Groundwater	21,123	21,036	31,984	31,526	44,608
Surface Water	6,710	4,734	5,960	6,529	6,896
Sea Water	0	0	0	0	0
Stormwater	17,082	16,348	16,831	16,134	13,789
Third-party Sources	0	0	0	0	0
<b>Total New Water Withdrawn<sup>1</sup></b>	<b>44,915</b>	<b>42,119</b>	<b>54,775</b>	<b>54,188</b>	<b>65,293</b>
<b>Total Water Recycled/Reused</b>	<b>77,986</b>	<b>64,302</b>	<b>101,534</b>	<b>118,651</b>	<b>108,157</b>
Total Utilized Water (Withdrawn + Recycled/Reused)	122,901	106,420	156,309	172,839	173,451
<b>Water Recycle/Reuse Rate<sup>2</sup> (%)</b>	<b>63%</b>	<b>60%</b>	<b>65%</b>	<b>69%</b>	<b>62%</b>
Total Water Discharged <sup>3</sup>	28,089	38,721	51,022	49,966	61,115
Total Water Consumption <sup>4</sup>	4,259	3,339	3,751	4,216	4,186
Change in Water Storage Volume	12,567	59	2	6	-8
<b>Water Use Efficiency Rate<sup>5</sup> (%)</b>	<b>82%</b>	<b>95%</b>	<b>96%</b>	<b>97%</b>	<b>96%</b>

1. New water withdrawal includes new water that is received or extracted by a site and used for the first time. This includes high quality freshwater and lower quality water and are categorized by type: groundwater, surface water, stormwater, sea water or third-party water. Water withdrawals exclude water diverted away from operational areas without use.

2. Water Recycle/Reuse Rate = (Total Water Recycled + Reused) / Total Water Utilized.

3. Water discharged is water removed from an operation and returned to the environment or a third party after meeting required treatment and discharge standards.

4. Consumption is water that is lost in operational activities and cannot be recovered due primarily to losses from evaporation and entrainment (water entrained in product or waste).

5. Water Use Efficiency Rate = (Total Water Recycled + Reused) / (Total Water Utilization - Discharged Water).

Note: Reported surface water differs from ICMM's definition, which considers surface water to be surface water plus stormwater. We do not report water volumes per the ICMM definition of "other managed water" because they are not significant.

### ICMM WATER QUALITY CATEGORIES

High Quality	<b>Category 1</b> High-quality water that may require minimal and inexpensive treatment to raise quality to appropriate drinking water standard (e.g., near potable water quality).
	<b>Category 2</b> Medium-quality water that would require a moderate level of treatment to meet appropriate drinking water standard (e.g., agricultural use).
Low Quality	<b>Category 3</b> Low-quality water that would require significant treatment to raise quality to appropriate drinking water standards (e.g., industrial and wastewater).

## WATER QUALITY

(THOUSAND CUBIC METERS) <i>Year Ended December 31, 2023</i>	HIGH QUALITY <sup>1</sup>	LOW QUALITY <sup>1</sup>	TOTAL
<b>Water Withdrawals</b>			
Groundwater	44,608	0	44,608
Surface Water	6,896	0	6,896
Sea Water	0	0	0
Stormwater	13,789	0	13,789
Third-party Sources	0	0	0
<b>Total New Water Withdrawn<sup>2</sup></b>	<b>65,293</b>	<b>0</b>	<b>65,293</b>
<b>Water Discharged Off-site</b>			
To Surface	0	0	0
To Sea, Ocean, or Estuary <sup>3</sup>	14,911	46,204	61,115
To Third Party	0	0	0
<b>Total Water Discharged Off-site</b>	<b>14,911</b>	<b>46,204</b>	<b>61,115</b>
<b>Water Consumption<sup>4</sup></b>			
<b>Total Water Consumption</b>			<b>4,186</b>
<b>Stored Water</b>			
Change in Water Storage Volume			-8
<b>Total Water Recycled/Reused</b>			<b>108,157</b>
<b>Total Utilized Water (Withdrawn + Recycled/Recycled)</b>			<b>173,451</b>
Water Recycle/Reuse Rate <sup>5</sup> (%)			62%
Water Use Efficiency Rate <sup>6</sup> (%)			96%

1. Per ICMM guidance, we differentiate the quality of water withdrawn and discharged into high quality and low quality. See table below for more information.
2. New water withdrawal includes new water that is received or extracted by a site and used for the first time. This includes high quality freshwater and lower quality water and are categorized by type: groundwater, surface water, stormwater, sea water or third-party water. Water withdrawals exclude water diverted away from operational areas without use.
3. Per ICMM guidelines, low quality discharged water to sea, ocean or estuary is categorized as such due to the discharged water associated with the function of PT-FI Grasberg's controlled riverine tailings system, which contains alkaline pH.
4. Water Consumption = Total Water Withdrawn – Discharged Water – Change in Water Storage Volume. Consumption is water that is lost in operational activities and cannot be recovered due primarily to losses from evaporation and entrainment (water entrained in product or waste).
5. Water Recycle/Reuse Rate = (Total Water Reused + Recycled) / Total Water Utilized.
6. Water Use Efficiency Rate = (Total Water Recycled + Reused) / (Total Water Utilization – Discharged Water).

Note: Reported surface water differs from ICMM's definition, which considers surface water to be surface water plus stormwater. We do not report water volumes per the ICMM definition of "other managed water" because they are not significant.

## MINING & MINERAL PROCESSING WASTE

(MILLION METRIC TONS) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
Tailings Generated <sup>1</sup>	38.8	30.4	52.5	67.3	69.2
Overburden and Waste Rock	0.8	1.0	1.2	1.5	2.0

1. As a result of lower production rates between 2019 and 2021 during the transition from open-pit mining to underground mining at the Grasberg minerals district, fewer tailings were produced.

## NON-MINERAL WASTE & RECYCLABLE MATERIAL

(THOUSAND METRIC TONS) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
<b>Non-Hazardous Waste</b>					
Recycled <sup>1</sup>	7.5	4.3	48.0	51.9	57.6
Disposed - Landfill	29.1	24.4	25.8	26.7	27.1
Disposed - Other	0.0	0.0	0.0	0.0	0.0
Disposed - On-Site	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Hazardous Waste and Recyclable Material</b>	<b>36.6</b>	<b>28.7</b>	<b>73.8</b>	<b>78.5</b>	<b>84.7</b>
<b>Hazardous Waste</b>					
Recycled <sup>1</sup>	44.5	47.0	3.4	3.7	2.6
Disposed - Landfill	1.5	1.6	1.6	1.8	2.2
Stored On-Site	0.0	0.0	0.0	0.0	0.0
Treated	1.4	0.7	0.6	1.1	1.0
<b>Total Hazardous Waste and Recyclable Material</b>	<b>47.4</b>	<b>49.3</b>	<b>5.5</b>	<b>6.6</b>	<b>5.8</b>
<b>Total Non-Mineral Waste Generated</b>	<b>84.1</b>	<b>78.0</b>	<b>79.4</b>	<b>85.1</b>	<b>90.4</b>
% Recycled	62%	66%	65%	65%	67%

1. The Government of Indonesia reevaluated and reclassified fly ash from hazardous to non-hazardous in 2021. Fly ash from PT-FI's coal fired power plant continues to be recycled into concrete for use on-site.

Note: We use national regulations to determine whether a material disposed or recycled is hazardous or non-hazardous waste at its point of generation.

## LAND

(HECTARES) <i>Years Ended December 31</i>	2019	2020	2021	2022	2023
New Land Disturbed	24	43	10	15	35
Land Rehabilitated	41	35	43	100	80
Total Land Disturbed to be Rehabilitated	24,520	24,527	24,495	24,410	24,364

Note: Historical amounts may be adjusted as land surveys are conducted.



## CAUTIONARY STATEMENT

This report contains forward-looking statements. 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 expectations regarding execution of FCX and our energy and climate strategies, and the underlying assumptions and estimated impacts on our business and stakeholders related thereto; FCX and our approach to lower carbon and reduced emissions; FCX and our plans and expectations in relation to our future clean energy transition, including targeted reductions of GHG emissions, implementation of technologies and emissions reduction projects, achievement of our 2030 climate target and FCX's 2050 net zero aspiration; our operational resiliency and FCX's climate scenarios; FCX and our expectations regarding risks; future risk mitigation; regulatory developments; our continuing commitment to safe and reliable operations; our commitment to human rights and creating an inclusive and diverse workplace; our biodiversity and nature-related commitments; our overarching commitment to deliver responsibly produced copper, including plans to implement, validate and maintain validation of our operating sites under specific frameworks. The words "anticipates," "may," "can," "commitments," "plans," "pursues," "believes," "efforts," "estimates," "expects," "endeavors," "seeks," "goals," "predicts," "strategy," "objectives," "projects," "targets," "intends," "aspires," "likely," "will," "should," "could," "to be," "potential," "opportunities," "assumptions," "guidance," "forecasts," "future," "initiatives," 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 FCX's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (SEC), as updated by FCX's subsequent filings with the SEC, and available on FCX's website at [fcx.com](https://www.fcxc.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 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.

This report contains statements based on hypothetical scenarios and assumptions, and these statements should not be viewed as representative of current risks or forecasts of expected risks. Third-party scenarios discussed in this report reflect the modeling assumptions and outputs of their respective authors, and their use or inclusion herein is not an endorsement of their underlying assumptions, likelihood or probability. 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 and regulations 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. Further, some of the data, statistics and metrics included in this report are estimates, are not prepared in accordance with U.S. GAAP, continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees and are subject to future revision.



## WE WELCOME YOUR FEEDBACK

We would love to hear from you. Please contact us at [ir@fmi.com](mailto:ir@fmi.com) or [sustainability@fmi.com](mailto:sustainability@fmi.com) to ask questions and provide input to our company.



Plaza 89, 5th Floor

Jl. HR. Rasuna Said Kav X-7 No 6

Jakarta 12940, Indonesia

T +62.21.2591818

F +62.21.2591945

[www.ptfi.co.id](http://www.ptfi.co.id)

