

# Sustainability Report 2022



Cerro Verde



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Message  
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President  
General  
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## GRI 2-22

It is with great satisfaction that we present our ninth Sustainability Report, in which we inform about our economic, social and environmental performance, using the Global Reporting Initiative (GRI) Standards as a reference. Through this exercise we reaffirm our commitment to conduct transparent operations and provide the world with responsibly produced copper.

**In 2022, we ranked second in the mining production of copper and molybdenum at the national level, with a contribution of 18.8% and 33.8%, respectively.**

Our production contributes to the objective of our parent company, Freeport-McMoRan Inc. (FCX), to meet the growing demand for copper, based on a sustainability strategy that recognizes the vital role we play in global progress and in the path to decarbonization, whose design aims to achieve lasting progress and consists of four components: beliefs, sustainability pillars, facilitators, and values.

At Cerro Verde we implement this corporate strategy through the Sustainable Development Committee, made up of senior management

and various operating management offices. Our operations are aligned with international standards such as the Sustainable Development Framework of the International Council on Mining and Metals (ICMM) and the responsible production requirements of **The Copper Mark**, whose initial certification we obtained in 2020 and maintain to date.



Our safe production philosophy, central to our vision as a company, aims to ensure that our workers and contractors return home safely every day. At the core of our safety approach is risk management, through which we strive to systematically identify, assess and manage health and safety hazards and eliminate the root causes of incidents. We promote a culture that empowers people to take responsibility for their own safety and the safety of their colleagues. Our safety performance in 2022 was a Total Recordable Incident Rate (TRIR ) of 0.67, an average that integrates the performance of Cerro Verde and contractor companies. This result is higher than that obtained in 2021, which was 0.45. Despite these numbers, we highlight the work and effort of our contractor companies who by themselves recorded a lower rate than in 2021 (0.54 vs. 0.63).

Following the outbreak of COVID-19 in 2020 and the consequent adaptation of our operations to the regulations dictated by the government at that time, in 2022 we progressively approached pre-pandemic production levels and maintained our operational protocols vigilant in order to contain and mitigate the risk of the spread of the virus. Our production made a total of 1,760,578 MT of copper concentrate (396,464

MT recoverable of Cu concentrate), 20,883 MT of Molybdenum concentrate (10,558 MT recoverable of Mo concentrate) and 45,089 MT of 100% Grade AA LME copper cathodes (99.999% purity).

**Annual sales totaled US\$3,975.3 million, achieving a net income of US\$925.4 million.**

The main destination of our copper concentrate sales was China, 62% of the total, and Peru was the main destination of our copper cathodes, 46% of the total.

The development of our operations allows us to generate value for the benefit of our shareholders, workers, contractors, neighboring populations and the country. In 2022, the transfers for mining concepts, mining fees, mining royalties and operational rights to the country's regions reached a historic annual maximum for the second consecutive year. Arequipa ranked second among the regions that received the largest amounts of resources generated by the mining activity.

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1 Total Recordable Incident Rate "TRIR" = ((Fatalities + Lost Time Incidents + Medical Treatments) x 200 000) / Total hours worked.

The execution of our Social Management Plan (SMP) in 2022 totaled US\$5'789,966, while the financing of other social support initiatives, not foreseen in the SMP, totaled US\$866,930.

This amount includes our contribution to continue addressing the effects of the pandemic, improving protocols and health hygiene and safety measures for vendors, students, and residents of our direct and indirect areas of influence.

We thank our workers for their dedication and commitment to our High Performance culture, our contractors for their valuable contribution, the national, regional and local authorities for the constructive relationships we maintain for the benefit of the community, all public officials who, with their rigorous evaluation, supervision and observations have enriched our processes and permits, our shareholders for the trust placed in Cerro Verde's management team, as well as the Board of Directors for their knowledge, judgment and advice that enriches the work we do focused on Sustainable Development.

We invite you to review the chapters and contents of our report, where we detail the important facts mentioned and the achievements reached during the year 2022.





Who are  
we and  
what do  
we do?




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**We are Cerro Verde, a member of the Freeport-McMoRan Inc. (FCX) economic group<sup>2</sup>.**



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**We operate a low grade copper mine in the Cerro Verde Production Unit (CVPU) in Arequipa, in southern Peru.**



<sup>2</sup> FCX is a leading international mining company with headquarters in Phoenix, Arizona. FCX operates large, long-lived, geographically diverse assets with significant proven and probable mineral reserves of copper, gold and molybdenum. FCX is one of the world's largest publicly traded copper producers. FCX's portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits; and significant mining operations in North America and South America, including the large-scale Morenci minerals district in Arizona and Cerro Verde in Peru. By providing responsibly produced copper, FCX is proud to contribute positively to the world far beyond its operational limits. Additional information about FCX is available on its website at [www.fcx.com](http://www.fcx.com).



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The CVPU includes, among others, the **Cerro Verde 1, 2 and 3 mining concession** and the beneficiation concession **“Cerro Verde**

**Beneficiation Plant”**, where mining and beneficiation or ore processing activities are mainly carried out.

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We exploit our reserves through **open-pit mining** and process or beneficiate them through **leaching technology** (high grade and low grade - ROM) and **concentration** (flotation) of minerals in the **C1 and C2 concentrators**.

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We are authorized to treat **548,500 MT/day** of installed capacity through both processes.

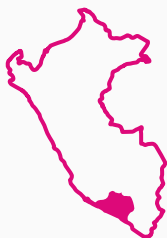
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The area of our beneficiation concession is **7,640.97 hectares** contained in pre-existing mining concessions and within surface lands with rights of use in our favor.



GRI 2-1

GRI 2-2



#### Name of the Organization

SOCIEDAD MINERA CERRO VERDE S.A.A.

#### Company form

Cerro Verde was incorporated as a Stock Corporation (*Sociedad Anónima*) in August 1993. By agreement of the 1999 General Shareholders' Meeting, Cerro Verde was adapted to the special form of an Open Stock Corporation and its shares are listed on the Lima Stock Exchange.

#### Unit

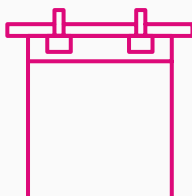
Cerro Verde Production Unit (CVPU)

#### Countries where it operates

Peru

#### Headquarters

Arequipa



#### Production 2022

##### Copper concentrate:

396,464

TM recoverable

##### Molybdenum concentrate:

10,558

TM recoverable

##### Copper cathodes:

45,089

MT, 100% Grade AA LME (99.999% purity)

#### Main products

Copper concentrates  
Molybdenum concentrates  
Copper cathodes



#### Ventas Netas 2022

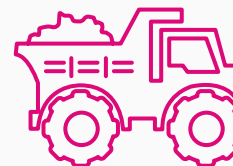
US\$3,975.3  
million

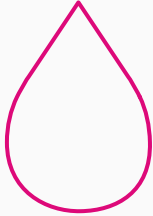
#### Investment in Social Management Plan

US\$5,789,966

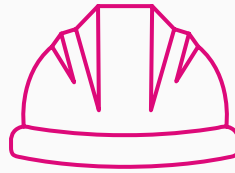
#### Donations Committee

US\$866,930

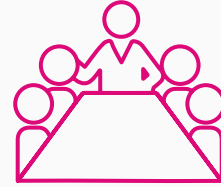




● **Re-used water**  
89.8%



● **TRIR (Total Recordable Incident Rate)**  
0.67  
(vs. 0.45 in 2021)



● **Workers**  
4,893

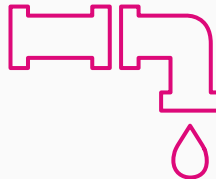
● **Women**  
5.8%

● **Contractors**  
12,395



● **Procurement of goods and services**  
US\$2,499  
million

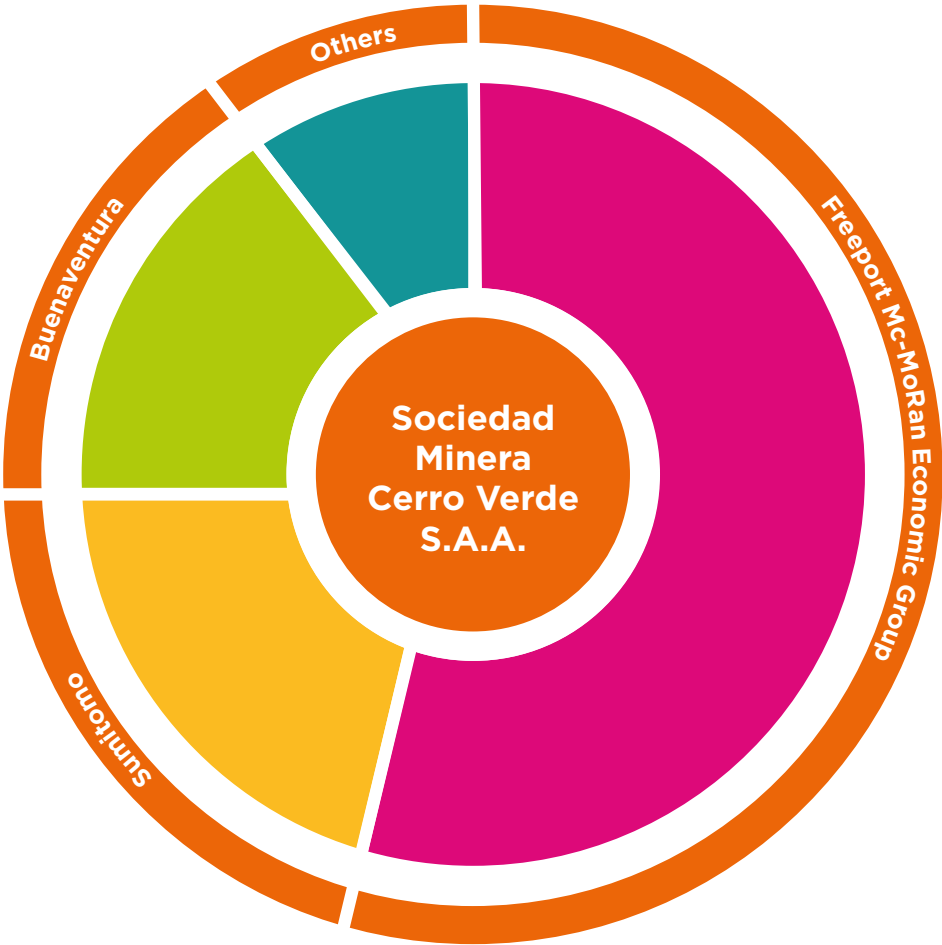
● **Transactions with local suppliers**  
36.60%



● **Investment in water projects (Virtuous circle of water)**  
Approximately  
US\$700  
million

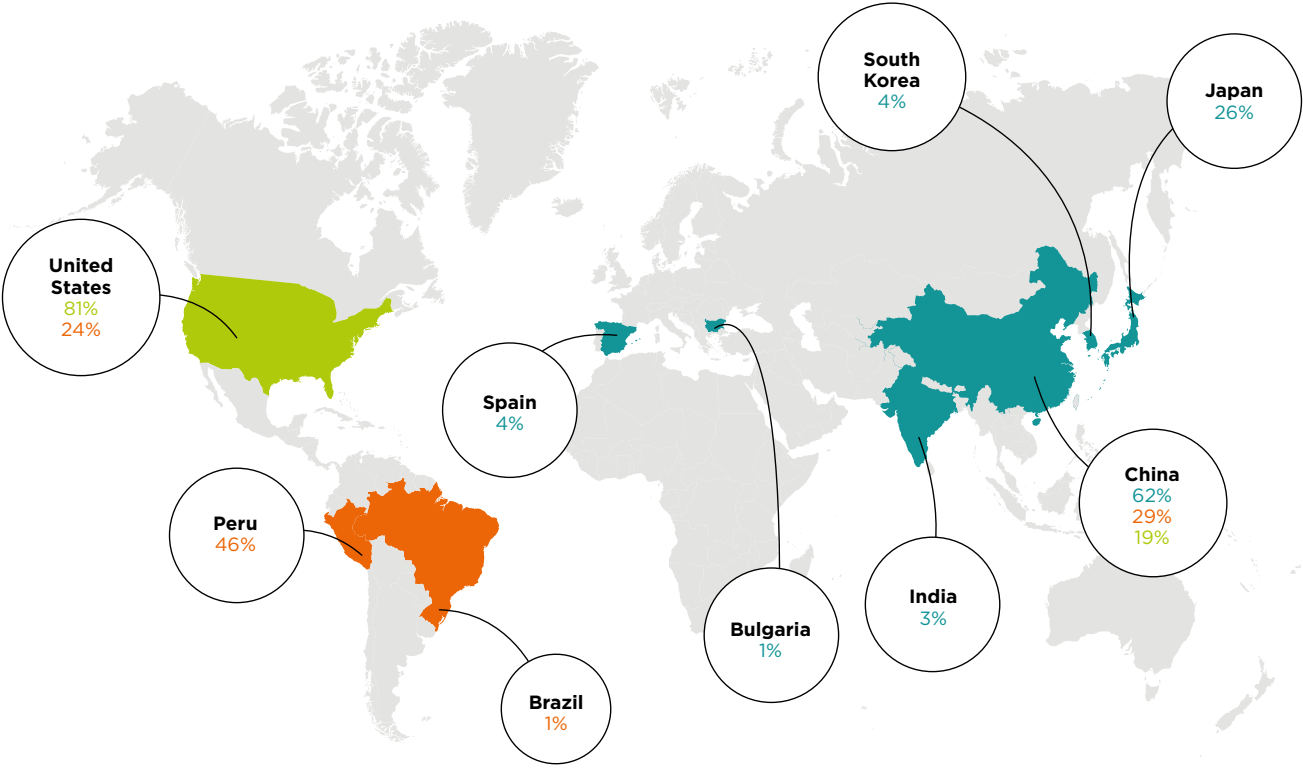
**Shareholders**

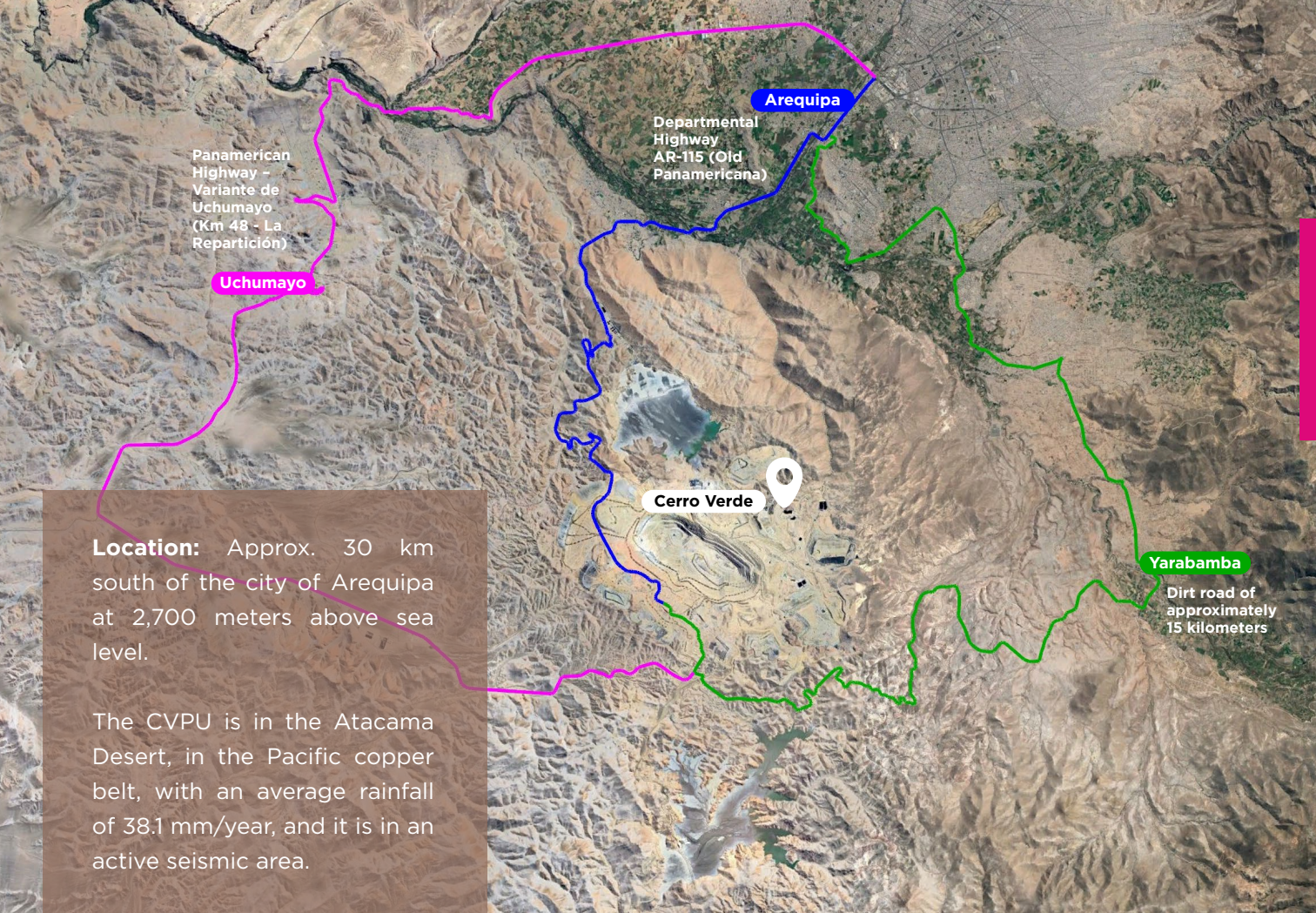
- 53.56% Cyprus Climax Metals Company
- 21% SMM Cerro Verde Netherlands B.V.
- 19.58% Compañía de Minas Buenaventura S.A.A.
- 5.86% Others



### Destinations of our sales

- Molybdenum Concentrate
- Copper Cathodes
- Copper Concentrate





Panamerican Highway - Variante de Uchumayo (Km 48 - La Repartición)

Uchumayo

Arequipa

Departmental Highway AR-115 (Old Panamericana)

Cerro Verde

Yarabamba

Dirt road of approximately 15 kilometers

**Location:** Approx. 30 km south of the city of Arequipa at 2,700 meters above sea level.

The CVPU is in the Atacama Desert, in the Pacific copper belt, with an average rainfall of 38.1 mm/year, and it is in an active seismic area.



For the transport of copper concentrate, we have a private, paved, two-way road, 30.5 km long, from the P.U. to PERURAIL's La Joya Transfer Station.



Railroad until reaching the port of Matarani, Dock F, where the copper concentrate is shipped to international markets.



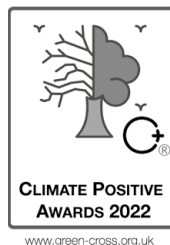
## GRI 2-4

During 2022, there were no significant changes in the Cerro Verde size, structure, ownership or supply chain, nor in the coverage, scope or methods of valuation or expression of content included in this report with respect to the previous year, so that the material topics reported this year are comparable. Neither do we present information updates.

However, we have updated our Labor Category classification from 7 subcategories to 3: Management Staff, Officers and Employees. This new classification adjust to our reality and better reflects the indicators that we present in this Report.

## 1. Awards and recognitions

**2022 Positive Climate Award**, granted by the United Kingdom Green Cross organization, for the Pillones Dam project, the first example of a successful public-private partnership in Peru.



**EMA Award** (Most Admired Companies of Arequipa and in this edition of the southern macro-region) awarded by PricewaterhouseCoopers Peru, PwC, G de Gestión magazine and Universidad Católica San Pablo, in the categories of Business Reputation and Gender Equality.



**EMIN Award** (Mining Excellence of the Southern Macro-Region) awarded by the National Industrial Association and the Arequipa Chamber of Commerce and Industry, for our contribution to the creation of direct and indirect jobs.



Recognition for the support provided to the health sector, districts of Uchumayo and Tiabaya, awarded by the Tiabaya Health Micro Network.



Recognition for the “Best environmental initiative,” in the large mining category, awarded by the Association of Aid to Burned Children, ANIQUEM.



Recognition for the implementation of the integrated management plan for the management of urban green areas in the province of Arequipa, granted by the Provincial Municipality of Arequipa.



Special recognition for good practices in archaeology linked to the archaeological rescue of Subilaca petroglyphs, awarded at the IV International Symposium “The latest results of American Studies”, carried out in Poland.



The Latest Results of American Studies

Recognition for the contribution to ecology and improvement of the environment in the district of Cayma, awarded by the District Municipality of Cayma.



Municipalidad Distrital de Cayma



GRI 2-28

## 2. Associations we belong to and initiatives we support





# How do we do it?



As part of Freeport's economic group, a member of the International Council on Mining and Metals (ICMM), we are committed to implementing the ICMM Sustainability framework mandated by this organization, which is defined by a set of 10 Mining Principles, Performance Expectations, Position Statements, Transparent Reporting Practices and an External Assurance Process.

### What is the Copper Mark?

It is a recognition for responsible production, from its planning to the sale of the products in the market. It includes an assurance framework which has been developed to demonstrate the responsible practices of the copper industry and its contribution to the United Nations Sustainable Development Objectives. This framework includes 32 ESG (Environmental, Social and Governance) items divided into 5 categories.

In 2019 we started the assurance process of **The Copper Mark** and obtained the seal in 2020, after passing an independent assessment and demonstrating compliance with the responsible production practices of this system.

In 2022, we received an assurance assessment.



In Cerro Verde we use an integrated self-evaluation tool from the ICMM and Copper Mark requirements.





## 1. Sustainability as a source of value creation

At Cerro Verde we have a Sustainable Development Committee or Risk Committee, consisting of the President, the Vice-president of Corporate Affairs, General Managers, Operational and Administrative Managers. This committee meets regularly in order to revise and update the **“Risk Registry for the sustainable development of Cerro Verde”**, in which the risks and opportunities for the sustainable development are identified and evaluated, setting an action and monitoring plans. Since 2010, an independent third party performs the annual verification of these processes. In 2022, we underwent this verification process in November.

### Sustainable Development Goals (SDG)

The SDG were adopted by the United Nations in 2015 and seek to make the world more peaceful and prosperous for both people and the planet. To be a responsible copper producer means contributing to the SDGs. At Cerro Verde we work towards the SDGs through the different aspects of our operation and throughout our value chain and we recognize that our contribution is limited to those goals where we believe we can make a more significant contribution.



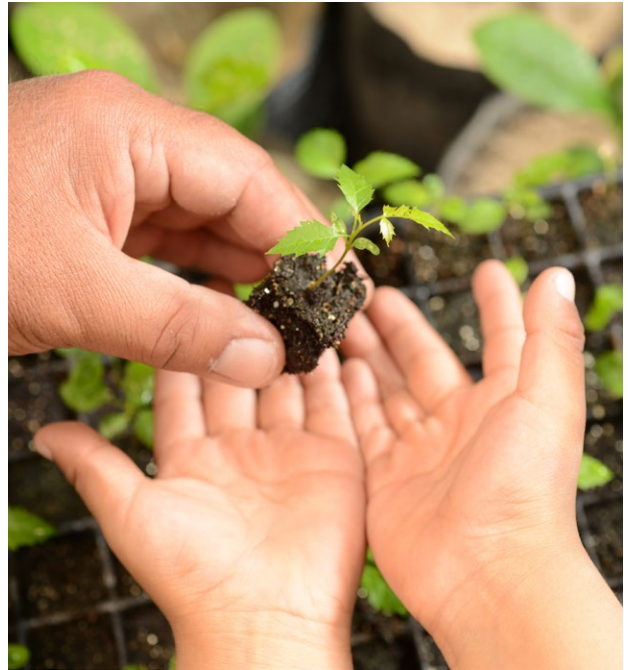


# SUSTAINABLE DEVELOPMENT GOALS



To ensure compliance with our commitments and policies, Freeport has implemented a combination of audit and assessment programs, and our operations are monitored by state regulatory agencies.

Our policies, together with external standards and initiatives, form the overall framework that guides our sustainability programs. Supporting this framework are internal governance and management systems that detail how we operate.



GRI 2-23

GRI 2-24

## 2. Policies<sup>3</sup> and certifications

At Cerro Verde we have adopted as our own the various policies established by Freeport, an adoption that was ratified by our Board of Directors.

The implementation and execution of policies, as well as the integration of these policies into the day-to-day development of our operations, is the responsibility of the various operating and administrative departments, depending on their nature. These management offices report their results to our President General Manager. Some of these policies are subject to independent external audit processes as they are part of our management systems.



- Business Partner Code of Conduct,
- Environmental Policy,
- Anti-corruption Policy,
- Quality Policy of Sociedad Minera Cerro Verde S.A.A.,
- Principles of Business Conduct,
- Human Rights Policy,
- Social Performance Policy,
- Tailings Management Policy (approved by FCX in December 2021),
- Inclusion and Diversity Policy,
- Safety and Health Policy,
- Responsible Sourcing of Minerals Policy.



<sup>3</sup> All policies are available on our web page: [www.cerroverde.pe](http://www.cerroverde.pe)



During the development of our operations throughout our history, we have implemented and keep operational the following management systems:

System	Standard	Validity	Scope
SGC Quality Management System	ISO 9001:2015	Re-certified in November 2021, valid through November 2024	Production of copper cathodes through electrodeposition process
SGA Environmental Management System	ISO 14001:2015	Re-certified in February 2021, valid through February 2024	Activities associated with ore mining, production of copper cathodes and production of copper and molybdenum concentrates
SGSSO Occupational Health & Safety Management System	ISO 45001:2018	We migrated from OHSAS 18001:2017 to ISO 45001:2018 in September 2021, valid through January 2026	

#### Other Certifications:

- AEO (Authorized Economic Operator) importer, granted by SUNAT with SUNAT National Intendance Resolution N° 000320000/2018/000061, effective as of January 2, 2019, and yearly verified.
- In November 2021, the National Quality Institute, INACAL, accredited our chemical and characterization laboratory to issue test reports with accreditation symbol based on the NTP-ISO/IEC 17025:2017 standard, whose last follow-up evaluation was in April 2022. In July, we expanded the accreditation with four tests corresponding to hydrogeology.
- In 2022, we continued the implementation of the Energy Management System, EMS, with the monitoring of energy efficiency projects, the identification of initiatives for the use of renewable energy or initiatives that contribute to the reduction of Greenhouse Gas (GHG) emissions and the approval of the energy efficiency standard for our projects area. We continue working with the Global Supply Chain (or procurement) area to develop plans and actions that can be gradually incorporated into their management processes in order to have an impact on the supply chain.
- Finally, during the reporting year, we consolidated the implementation of the Compliance Management System, whose name changed to “Anti-Corruption Management System”, hereinafter, ACMS and we are very pleased to inform that in April 2023 we received the certification of this system based on the ISO 37001:2016 standard, valid until 2026 and under maintenance yearly evaluation.

GRI 2-9

### 3. Corporate governance

We are an Open Stock Corporation traded in the Lima Stock Exchange. We believe that the adoption of good corporate governance practices is essential in order to strengthen the ties that we have with our shareholders and other stakeholders. These practices promote a climate of respect for shareholders' rights, while contributing to the generation of value, soundness and efficiency in the stock market, mitigating the failures that exist due to information asymmetry.

**At Cerro Verde we have included these practices in our “Good Corporate Governance Procedures Manual of Sociedad Minera Cerro Verde S.A.A.”.**

The level of compliance with these principles can be found in the appendix to our Annual Report “Report on compliance with the code of good corporate governance for Peruvian



companies (10150)”, available on the websites of the Superintendence of Securities Market and Cerro Verde<sup>4</sup>.

Our governance system is entrusted to the General Shareholders Meeting, the Board of Directors and Management, who perform their duties in accordance with our by-laws and the General Law of Corporations. In turn, their actions are guided by Good Corporate Governance Practices and our “Principles of Business Conduct”.

<sup>4</sup> [www.smv.gob.pe](http://www.smv.gob.pe) and [www.cerroverde.pe](http://www.cerroverde.pe)

**GRI 2-10****General Shareholders' Meeting**

This is the highest governing body. It is required to meet at least once a year to discuss the agenda proposed by the Board of Directors, which includes the approval of the corporate management during the year preceding the meeting. It may also meet during the course of the year, as often as called in accordance with the By-laws and the General Law of Corporations. In 2022, only one meeting was held in March.

**The Board of Directors**

The next governing body is the Board of Directors. According to the By-laws, it is composed of 11 members, 5 regular directors and 6 alternate directors. Each regular director has a first and second alternate director. The composition of the Board of Directors does not provide for the participation of independent directors. Directors are elected for a 3-year term and remain in office if there is no new election. They meet at least quarterly, in face-to-face and non-face-to-face meetings. The procedure for the election of new directors is regulated by the By-laws and the Shareholders' Agreement.

**Management**

Management is composed of more than one manager and is the governing body in charge of executing the resolutions of the General Shareholders' Meeting and the Board of Directors, and notwithstanding the powers granted to it by law, both the General Shareholders' Meeting and the Board of Directors delegate various powers to them through resolutions adopted at Shareholders' Meetings or Board of Directors' Meetings.

### Tax Committee

#### Main duties

- Report about the situation of the tax proceedings and processes.
- Assess the tax effects of the operations carried out by Cerro Verde.

#### Frequency of meetings

Monthly.

### Risk Committee / Sustainable Development Committee

#### Main duties

- Identify risks and manage their registration, as well as the opportunities of the operation.
- Establish action plans for risk management.
- Define action plans to enhance opportunities for sustainable development.

#### Frequency of meetings

Yearly for updates and quarterly for revision of action and monitoring plans.

### Management Committee

#### Main duties

- Report about operations and performance of the members of the Board of Directors.
- Update information and receive input and suggestions, where applicable.

#### Frequency of meetings

Quarterly.

### Corporate Committee of Social Management

#### Main duties

- Review and evaluate requests for support, donations and sponsorships from various organizations and/or public or private institutions, leaders and/or residents.
- Review the projects of the Social Management Plan.
- Review other voluntary initiatives of Cerro Verde.

#### Frequency of meetings

Weekly.

GRI 2-11

**Grievance System Committee****Main duties**

- Address and manage stakeholder complaints in the best possible way and in the shortest possible time.

**Frequency of meetings**

According to criticality, at least monthly.

**Regular Directors**

Joshua F. Olmsted – President of the Board of Directors (\*)  
 Derek J. Cooke (\*\*)  
 Rohn M. Householder (\*\*)  
 Eiichi Fukuda  
 Roque E. Benavides Ganoza

**Alternate Directors**

Julia J. Torreblanca Marmanillo  
 Steven I. Tanner  
 Ryota Shoji  
 Koji Ueda  
 Raul Benavides Ganoza  
 Leandro L. Garcia Raggio

(\*) Mr. Olmsted is not part of Cerro Verde's payroll; he is part of FCX's.

(\*\*) Mr. Cooke and Mr. Householder also serve as President General Manager and General Manager of Administration, respectively. For further information about the members of the Board of Directors, please refer to our Annual Report in [www.cerroverde.pe](http://www.cerroverde.pe)

GRI 2-15

## 4. Ethics and integrity

The Principles of Business Conduct, or PBC, established by our parent company, Freeport, highlight our core values of **Safety, Respect, Integrity, Excellence and Commitment** and define the way in which we work and the conduct expected of all of us. The PBC set out a wide range of business situations, from promoting a safe workplace, to complying with the law and avoiding conflicts of interest, in order to develop positive relationships with local communities and other stakeholders.

On the other hand, the Code of Conduct for Business Partners sets out the expectations we have of our suppliers of goods and services. These expectations focus on areas such as safety, respect for human rights, the fight against corruption, community and the environment.



### Grievance mechanisms

Our Compliance Line, along with our other grievance mechanisms, guide our staff on any concerns related to our PBC, policies or procedures.

To encourage our workforce to report potential violations of our PBC, our Compliance Line allows for anonymous reporting.

We also encourage our business partners to use the Compliance Line, as explained in our Code of Conduct for Business Partners.



## GRI 413-1



### Communities

Our community grievance mechanism serves as an early warning system and allows the tracking of trends and patterns in types of complaints, in order to address them in their early stages, ideally before further escalation.

### Compliance line

Freeport has established multiple mechanisms for employees and third parties to report potential violations of the PBC. One of the primary ones is the Freeport-McMoRan Compliance Line, a telephone system managed by an independent third party that allows for anonymous reporting. There is also a similar web-based reporting system, also operated by a third party, along with the option of sending an email directly to the Corporate Compliance Department and subsequent referral to the local Compliance Department.

These channels complement our community and human rights grievance system.



## GRI 2-25

Our new digital platform improves the community grievance escalation process by simplifying internal communication and facilitating trend identification. Recorded complaints are synchronized with environmental incidents, if related, within the broader stakeholder management system.

In 2022, we implemented the community grievance management standard operating procedure, which incorporates the effectiveness criteria outlined in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and formalized a process of quarterly reviews by the corporate team.

A “community claim” is any issue/concern (perceived or actual) that a member or group of our direct or indirect area of influence and other stakeholders would like FCX or its business partners to address and resolve.

### Anti-corruption

In 2022, we continued with the implementation of the Compliance Management System, CMS, whose objective is to help prevent, detect,



address and mitigate corruption risks and comply with applicable laws. We changed the name of this system to “Anti-Corruption Management System”, hereinafter ACMS, and updated its Manual.

The compliance program is subject to a limited annual internal review by FCX, as well as an annual external review. We have focused our efforts on risk analysis, training and dissemination of the System among all our workers and contractors, making available to them the Compliance Line and different grievance mechanisms.



## GRI 205-1

The ACMS is structured based on the ISO 19600 and 37001 international standards with a process orientation and a global risk-based thinking approach, using the Plan, Do, Check and Act (PDCA) cycle, aimed at preventing, identifying, and mitigating the associated risks.

In April 2023, during the preparation of this report, we obtained the certification of our system under ISO 37001:2016.



Ley The ACMS integrates and takes as a reference Law No. 27693 “Law that creates the Financial Intelligence Unit - FIU”, Law No. 30424 “Law that regulates the administrative liability of legal entities” and its amendments and its regulations.

We have included in the ACMS the prevention of private corruption, fraudulent administration and parallel accounting offenses. We constantly monitor the issuance of new regulations and amendments to already incorporated regulations.

The ACMS also integrates and takes as a reference the U.S. Foreign Corrupt Practices Act (FCPA) and associated guidance issued by the United States Department of Justice.





GRI 205-2

## Anti-corruption communication and training - 2022

Total number and percentage of board members, employees (workers) and business partners (contractors) to whom the organization's anti-corruption policies and procedures have been communicated

Category		Total No.	% that received communication
Directors	Regular	5	100%
	Alternate	6	100%
Workers		4,893	100%
Business partners (contractors)		11,685	3%

Total number and percentage of board members, employees (workers) and business partners (contractors) who have received anti-corruption training

Category		Total No.	% that received training
Directors	Regular	5	60%
	Alternate	6	33%
Workers		4,893	91%

GRI 2-23

## 5. Human Rights

We are committed to respecting and promoting respect for the Human Rights (HR). Therefore we comply with:



Our Human Rights Policy



Local laws and regulations



The United Nations Guiding Principles on Business and Human Rights (UNGPs or Guiding Principles)



International Bill of Human Rights



The Voluntary Principles on Security and Human Rights

We maintain grievance mechanisms for workers, community members, members of our supply chain and others to report potential human rights concerns. These mechanisms allow us to address concerns early. We work to promote awareness of these mechanisms through a variety of means, including posters, website and training.

## GRI 410-1

**Security**

We have our own internal security department, Industrial Protection, and we have the services of a private security and surveillance contractor. Both perform functions of protecting the company's facilities, monitoring shipments of supplies and products, assisting in traffic control, and supporting emergency response operations. The contract with the security and private security provider includes specific language related to Cerro Verde's Human Rights Policy and Voluntary Principles by extension.

**Security staff trained in human rights policies or procedures - 2022**

**Percentage of security staff of the organization that has received formal training in human rights specific policies or procedures and its application to security**

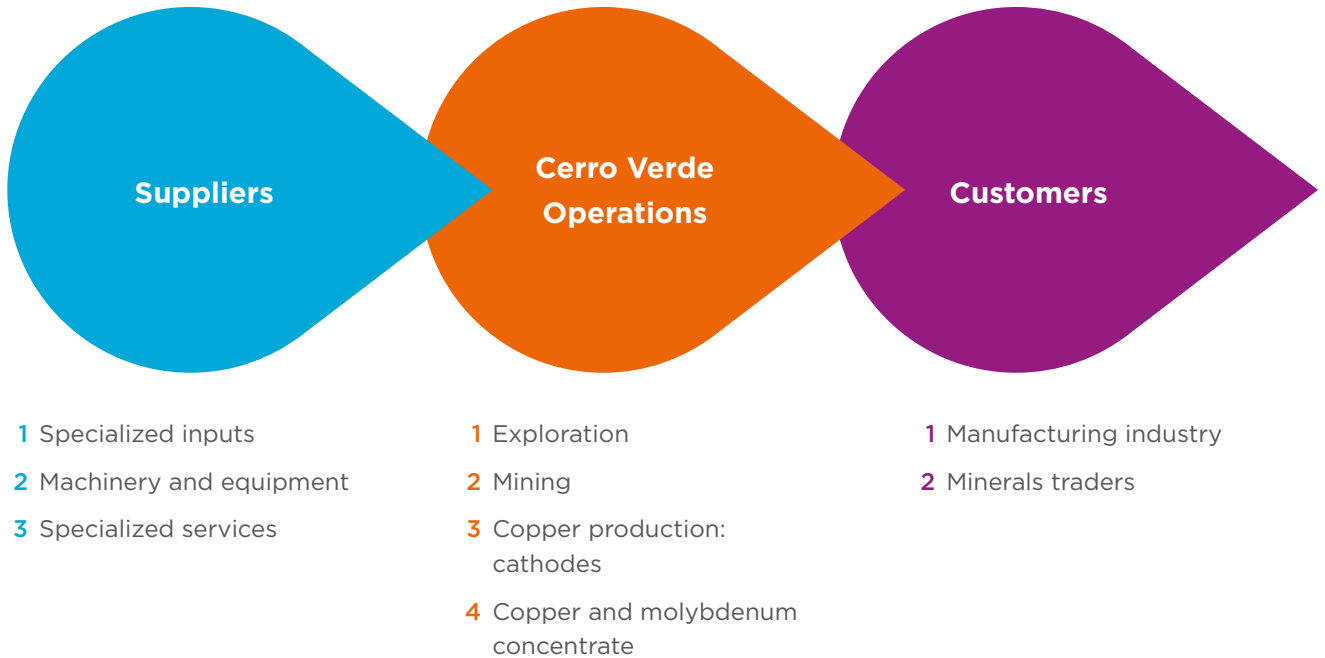
Category	Total No.	% that received training
Workers of the Industrial Protection area (Security)	10	100%
Private security officers (contractors)	288	93%
Police officers (PNP)	665	100%

Likewise, our operations have limited support from public security forces under the terms of the agreement signed with the Peruvian National Police, PNP. According to our legislation, PNP officers may volunteer to be placed in different operations during their leave of absence. The aforementioned agreement was renewed in December 2021, for a two-year term and details the relationship between Cerro Verde and the PNP, including the areas of support and coordination. The agreement also includes a commitment of the parties to the United Nations Code of Conduct and the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, Peruvian laws related to human rights and other national or international standards related to human rights and international humanitarian law.



GRI 2-6

## 6. Responsible value chain

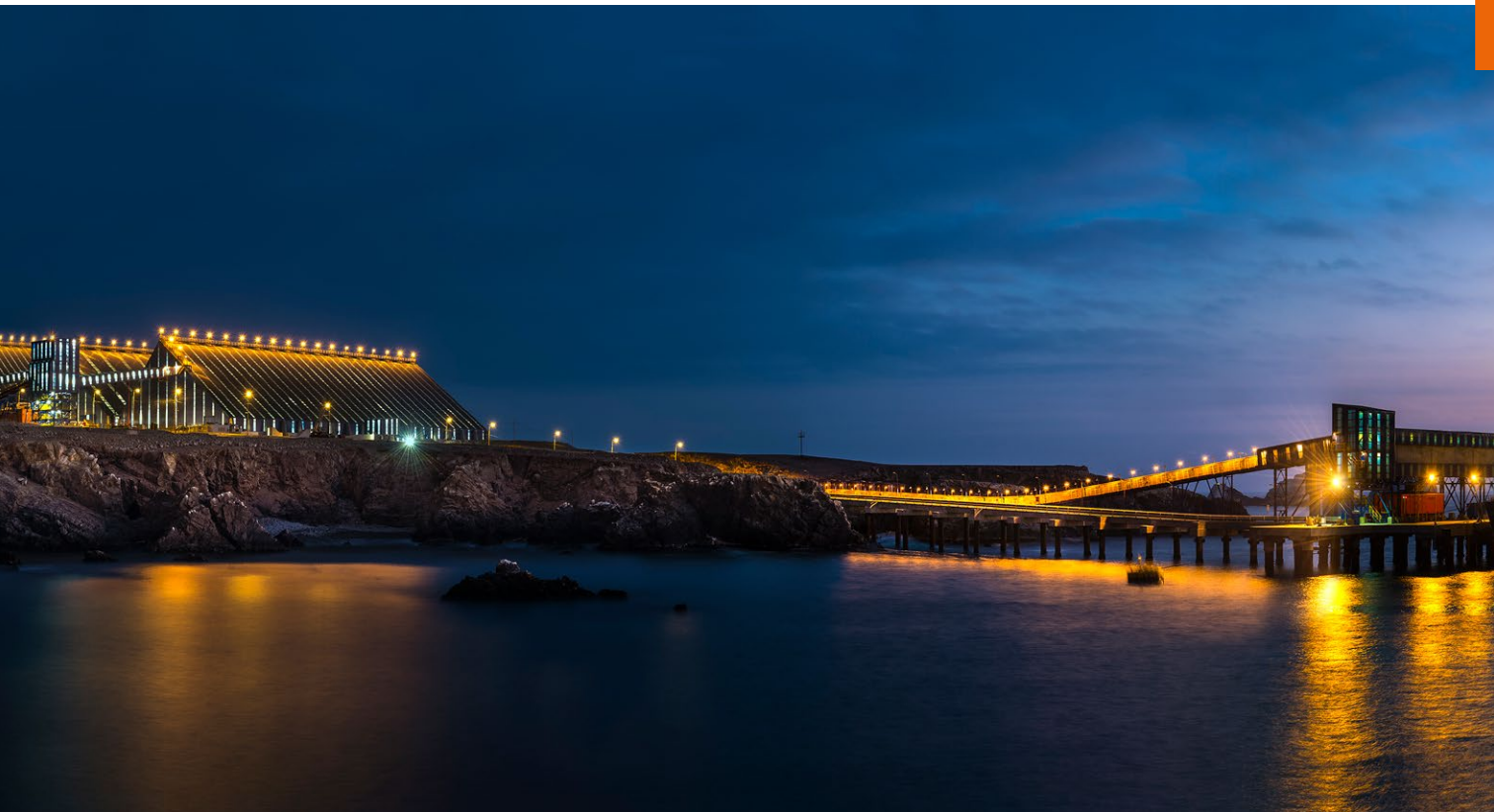


### Responsible supply of goods and services

The way a company sources goods and services can have a significant impact on the Environmental, Social and Governance (ESG) issues in its value chain.

Globally, environmental and human rights issues in supply chains have been receiving increasing scrutiny from various stakeholders. As a result, users of minerals and metals have taken steps to improve due diligence in their own supply chains, which has generated increased attention within the mining industry.

At Cerro Verde, we recognize our suppliers and contractors as strategic allies for the timely and responsible development of our operations, because they are the ones who supply us with a wide range of goods and services. We expect the process of procurement of goods and services to reflect our corporate values, so we have a Code of Conduct for Business Partners, which includes our suppliers, contractors, customers, and recipients of charitable donations. Our code covers a variety of ESG issues by aligning it with our policies on responsible mineral sourcing, social performance and human rights.



GRI 204-1

GRI 308-1

Cerro Verde includes as an activity the prioritization of local purchases (supplier that provides goods/services located within the Arequipa Region) under competitive conditions, both in terms of price and quality of the product or service they provide.



During 2022

### Suppliers

**1,361**

local, national, and international suppliers

**58**

new suppliers, 45% of which met the environmental criteria

### Transactions

**US\$2,499**

million with suppliers

**36.60%**

of them were carried out with local suppliers

**59.44%**

goods

**40.56%**

services

## Due diligence tools

In recent years we have improved our systems and processes related to due diligence, risk control and assessments to enable faster access to supplier data and information, as well as more efficient risk identification.

These measures included improving the responsible procurement section of the FCeX survey and implementing SAP Ariba Supplier Risk Management and Supplier Lifecycle and Performance software.



We have a due diligence tool called Freeport-McMoRan Compliance Exchange, FCeX, a survey-based software platform that has enhanced our ability to identify, assess and mitigate compliance risks in the areas of anti-corruption, international trade and human rights.

Likewise, in 2022, our parent company completed the integration of Verisk Maplecroft<sup>5</sup> relevant country- and industry-level ESG risk indices into the SAP Ariba platform, based on our supply chain potential risks and selected supplier metrics.

**In 2023, we start with the integration of on-site contractor safety data into the SAP Ariba platform.**

With these assessment tools in place and those yet to be implemented, we are working to complete a risk-based decision-making tool to identify higher risk suppliers that will motivate closer verification as with field audits, for example.

<sup>5</sup> Verisk Maplecroft is a global risk intelligence company that provides data and information on sustainability, resilience and ESG issues.





### Responsible procurement of minerals and metals

FCX's Responsible Minerals Procurement Policy commits us to identify and mitigate human rights violations in our supply chains for minerals and metals used in its downstream processing facilities. The policy also describes how we implement the OECD Guidelines<sup>6</sup>.

This policy and the implementation of the OECD Guidelines is a key component in addressing the London Metal Exchange (LME)<sup>7</sup> requirements on responsible procurement necessary to maintain LME mark approval. This work is also a requirement of both the ICMM mining principles framework and the Copper Mark.



6 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected and High-Risk Areas.

7 LME is the main international exchange of basic metals.



# **IV.** **Dimensions of our Sustainability Approach**

GRI 201-1

GRI 203-2

## 1. Economic performance and contributions

Mining contributes to national and local economic development through the direct and indirect employment it generates, the production chains it creates, the taxes and royalties it pays to the State, the social investment it makes, the specialized services it contracts and the goods it purchases. According to the Peruvian Institute of Economics, in the last decade, the GDP generated by mining accounted for 10% of the total national economy.

According to the Mining Statistical Bulletin prepared by the Ministry of Energy and Mines, in 2022 Cerro Verde ranked as the second largest copper producer at the national level, with 18.8% of the total.

According to the study “Analysis of the impact of Sociedad Minera Cerro Verde on the economy of Arequipa and Peru (2005 - 2022)”, prepared by APOYO CONSULTORIA, Cerro Verde’s activities in 2022 represented 2.6% of the GDP

at the national level and 34% of the GDP at the regional level.

Chart 1 shows the distribution of the economic value that we generate directly. Our audited annual financial statements, available at [www.smv.gov.pe](http://www.smv.gov.pe) and on our website [www.cerroverde.pe](http://www.cerroverde.pe), have been considered for the preparation of this report.

**Chart 1 - Distribution of the 2022 Economic Value Generated**  
Expressed in millions of dollars of the United States of America

<b>Income</b>	
Net sales, income from financial Investments, asset sales and others (*)	3,993
<b>Economic value generated</b>	<b>3,993</b>
<b>Expenses</b>	
Operational Costs	1,269
Salaries and Social Benefits	344
Payments to Capital Suppliers (**)	406
Payments to the Government (***)	978
Investment in the Community	7
<b>Distributed economic value</b>	<b>3,004</b>
<b>Retained economic value</b>	<b>989</b>

(\*) In accordance with GRI Standards, in addition to net sales, as shown in Chart 1, the INCOME item includes other income, such as financial investments.

(\*\*) In Payments to Capital Suppliers, interest paid and payments of dividends to shareholders have been included.

(\*\*\*) Payments to the Government include: Income Tax, Special Tax on Mining, Royalties, Import Duties, Municipal Taxes, and Validity Rights. Withholdings paid on behalf of workers and amounts compensated for General Sales Tax are not included. In the case of annual taxes, those paid in the year reported, 2022, are considered. Deferred taxes are not considered.

GRI 207-1

GRI 207-4

## Taxes

Our activities are regulated by the General Mining Law and include the mining, production and commercialization of copper cathodes, copper concentrates and molybdenum concentrates. We focus on having a fiscal strategy oriented to the compliance with legal regulations and the area responsible for this strategy is the Comptroller's Office.

The information below has been prepared following the guidelines of the Tax Standard and based on Cerro Verde's 2022 annual audited Financial Statements:



**Chart 2**

Expressed in millions of dollars of the United States of America

1	Income from sales to third parties	820
2	Income from intra-group transactions (*) with other tax jurisdictions	3,155
3	Profit or loss before taxes	1,434
4	Tangible assets other than cash and cash equivalents	6,325
5	Corporate income tax paid (b)	675
6	Corporate income tax accrued on profits or losses (a)	445
7	Reasons for the difference between the corporate income tax accrued on the profit or loss and the taxes calculated if the statutory tax rate is applied to the profit or loss before tax.	N/A

(\*) The transactions only take sales into account.

(a) Includes income tax and mining taxes; does not include deferred taxes.

(b) Includes income tax and mining taxes actually paid.

For further information, you may consult our 2022 Annual Report and our Annual and Interim Financial Statements, available through the web page of the Superintendence of the Stock Market: [www.smv.gob.pe](http://www.smv.gob.pe) and our web page: [www.cerroverde.pe](http://www.cerroverde.pe).

**Mining Royalties:** SUNAT assessed mining royalties for the minerals that Cerro Verde processed at its first concentrator (CV1), which began operating at the end of 2006. The royalty assessments cover the period from December 2006 to December 2013. Cerro Verde disputed each of these assessments because it believes that its 1998 Stability Contract exempted it from paying royalties on all minerals it extracted and sold, regardless of the method used to process such minerals, until December 31, 2013 (the date on which the 1998 Stability Contract expired). No assessment is required for the years after 2013, as Cerro Verde began paying royalties on all of its production in January 2014 under its new 15-year stability contract.

In 2014, Cerro Verde began paying under protest the disputed royalty assessments, mostly through deferral and installment plans in accordance with the monthly payment schedule provided in each plan. In August 2021, Cerro Verde decided to prepay the entire outstanding installments of the debt under protest. As of December 31, 2021, Cerro Verde had made royalty payments totaling S/2,408 million (equivalent to US\$677.5 million at the exchange rate at the date of payment).

In February 2020, Freeport-McMoRan, on behalf of itself and Cerro Verde, initiated international arbitration proceedings against the Republic of Peru before the International Centre for Settlement of Investment Disputes under the United States-Peru Trade Promotion Agreement. The hearing in this arbitration was held in May 2023.

GRI 2-7

GRI 401-1

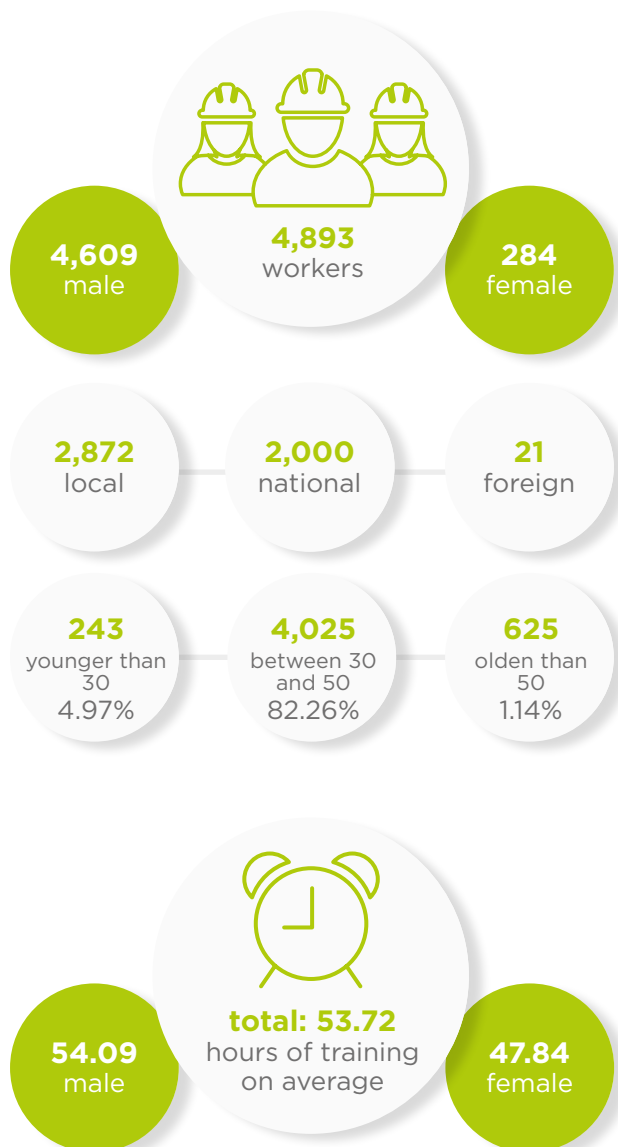
GRI 404-1

## 2. Social performance

The well-being of people, whether our workforce, business partners or community members, is essential to the success of our operation and is at the center of everything we do. We are committed to building trusting and ongoing relationships with our stakeholders. The programs described in this section reflect our approach to empowering our workforce and the people in our surrounding communities in order to thrive today and in the future.

### 2.1. Our workforce

At Cerro Verde we are proud of the commitment and effort of each and every one of our workers, a key part of our success. Our direct workforce at the end of 2022 was 4,893 full-time employees. In 2022, we recorded 262 new hires. All calculations in this section are based on the payroll at the end of the year reported.



(\*) These categories have been updated with respect to those used in previous reports.

## GRI 2-30

**Labor relations:** At Cerro Verde we strive every day to maintain a good working environment, we carry out periodic measurements with surveys directed to all our workers and we establish action plans. The last survey was carried out in the first quarter of 2020 and the action plans were carried out in 2021 and 2022.

In 2021, after a successful negotiation process, we signed two collective bargaining agreements, one with each of the two existing unions at Cerro Verde, which will have a duration of 4 and 3 years starting September 1, 2021.

At year-end 2022, 39.67% of our workers belong to a union and are covered by collective bargaining agreements. In turn, Cerro Verde determines the working conditions of non-unionized workers, taking as a reference the collective bargaining agreements and our wage policy.

**Diversity at the workplace:** We are a company with an active equal opportunity policy; we always seek to do the right thing based on respect for everyone.

Applications for open positions are considered without discrimination on the basis of race, color, religion, national origin, citizenship, sex, age or disability. All hiring decisions are based solely on the applicant's suitability for the desired position. Likewise, we seek to provide opportunities to people from the Arequipa region who have the skills to perform in the open positions. Also, in our effort to maintain equitable working conditions, we have an **Equal Pay Policy**.



## GRI 405-1

**Inclusion and Diversity Policy:** We have an Inclusion and Diversity Policy Statement, whose frame of reference is comprised of the corporate Inclusion and Diversity policy, Principles of Business Conduct, Human Rights policy and current legislation.

**Our priority is to ensure a safe and healthy workplace where everyone is treated fairly and with respect.**

Diversity and different points of view also make us stronger. In addition to ensuring this safe, harassment-free environment, we promote a work-life balance for our teams.



### Harassment Intervention Committee

In 2019, we established a provisional Sexual Harassment Intervention Committee, which remained in place until the definitive Committee was installed for the period 2020 - 2021, in place still due to the limitations that COVID originated. This committee is composed of 4 members, 2 representatives of the workers (regular and alternate) and 2 representatives of the employer, ensuring gender parity in both cases.



GRI 404-1

GRI 404-3

**Training and education:** At Cerro Verde we contribute to the development of our workers through training activities that improve and enhance their skills for the position in which they are working or are able to assume leadership roles. We carry out these activities based on training plans prepared by the Human Resources Management, through its Personnel Development Department, and the specific area where they are working.

The work of the staff development department includes complying with and enforcing our strategic policies and applicable legislation on safety training, for example, or the requirements of our various certifications.

**At Cerro Verde we carry out an annual performance evaluation, applicable to workers in the position of Officers. During the year reported, we were able to evaluate 100% of our Officers.**

## 2.2. Health and safety, our priority

Mining, by its very nature, is associated with hazardous work which should be understood and managed carefully.

Safety is a core value at Cerro Verde and is fundamental to our approach to sustainability. Our top priority is the health, safety, and well-being of our employees, contractors, suppliers, and the communities surrounding our operation.



GRI 403-1

GRI 403-7

We strive to achieve zero workplace fatalities, high-risk incidents, injuries, and occupational illnesses by creating a safe and healthy workplace. This includes providing the training, tools and resources necessary for our workforce to consistently identify risks and apply effective controls.

Cerro Verde has an Occupational Health and Safety Policy and an Occupational Health and Safety Management System, SGSSO, under the requirements of ISO 45001:2018 and legal requirements applicable to our operation, as well as corporate requirements of our parent company.

Our Safe Production strategy focuses on fatality prevention and continuous improvement through strong management systems, safe work behaviors and our safety culture, supported by our leaders. Other focus areas include eliminating systemic root causes of incidents, especially those that could lead to recurrence, increasing verification of corrective actions over time, applying lessons across the company, and reducing the occurrence of low-risk incidents.



Our production goals, as well as our growth objectives, are met by a highly motivated workforce committed to health, safety and environmentally responsible operations.

## GRI 403-2

Since our objective is that we all return home healthy, Cerro Verde demands the same health and safety performance from the contractors that provide services to us; to this end, we have developed a Health and Safety Management Manual for Contractors that requires the identification, evaluation and control of risks prior to the start of the contract work.

**Hazard identification, risk assessment and incident investigation:** We have a procedure for Hazard Identification, Risk Assessment and Control, whose objective is to establish the methodology for the ongoing identification of hazards, evaluation of safety risks and implementation of control actions in the tasks related to our processes. This procedure applies to each task related to an operational or support process carried out by our workers or contractor personnel.

## Hazard identification, assessment and control of safety risks





### Hazard identification, assessment, and control of occupational health risks



### Notification of hazards or situations of occupational danger:

Our workers identify hazards and risks to their health and physical integrity and determine the most appropriate control actions, through the “Continuous IPERC” format. The execution of tasks cannot begin until the correct implementation of controls is ensured. Controls must be ratified or modified by the supervisor in charge of the task.

Furthermore, we have a Safety Report, so that our workers can have access to a simple report of substandard acts and conditions, which helps supervisors to manage preventive actions according to the nature of each situation reported.

Workers must not start work if they identify a hazard that represents a risk to their physical integrity and health and is not controlled and have to communicate it to their supervisor. This responsibility is stated in the internal safety regulations, procedures and safety standards, and is not subject to retaliation.

GRI 403-3

### Process for investigating labor incidents



If it doesn't smell good, doesn't look good, doesn't sound good, doesn't seem good, doesn't feel good; then it's not good. **Stop and communicate!**

### Health services at the workplace

Cerro Verde performs medical monitoring activities, and they are as follows:

<b>Occupational medical check-ups</b>	Occupational medical tests
	Return to work check-ups
	Check-ups due to change of position
	Check-ups of pregnant workers
<b>Medical monitoring</b>	Hearing conservation program
	Respiratory protection program
	Medical monitoring of dust-exposed persons
	Medical monitoring: arsenic control program
	Medical monitoring: lead control
	Medical monitoring: ionizing radiation program
	Immunization program

GRI 403-4

**Worker participation, queries and communication on occupational health and safety:** At Cerro Verde we have an *Occupational health and safety committee*, formed on a parity basis by 12 regular members (6 representing Cerro Verde and 6 representing our workers). The workers' representatives are elected through an election process and represent 100% of the workers. The latest election process was held in 2023.

This committee meets once a month on a regular basis, and on an extraordinary basis at the call of the Chairman. Agreements are adopted by consensus and minutes are taken at the end of each meeting. The Committee is chaired by a representative of Cerro Verde and the Secretary is a representative of the workers. Workers who are members of the Committee are entitled to thirty (30) calendar days of paid leave per calendar year to perform their duties. In case the activities have a duration of less than one year, the number of days of leave is counted on a proportional basis. The days of leave or fraction thereof are considered to have been effectively worked for all legal purposes.



GRI 403-6

**Promotion of worker health:** Our Family Medical Care Program, PAMF, administered by a Health Care Provider (EPS), has a wide network of health facilities nationwide in different specialties. The telephone numbers and addresses of all facilities are accessible through a corporate application, easy to download and use on your cell phone. We also have EPS advisors and an emergency line.

Our employees also have access to Oncology Insurance, administered by Oncosalud, which includes preventive care, unlimited treatment and follow-up for employees and their direct family members enrolled in the PAMF,

We also have the **SanaMente** programs, a support hotline that provides counseling and emotional and psychological support, **Cerro Verde te cuida**, which includes talks on various topics related to physical and mental health care, and we implement an annual influenza vaccination campaign at our facilities.



## GRI 403-5

**Worker training on health and safety at the workplace:** The occupational health and safety training program is aimed at our direct personnel and contractor personnel. This program has been developed according to the particular needs of each activity. The technical terminology and duration are governed according to what is described in current legislation, regulations and corporate requirements. At Cerro Verde we provide general and specific education and training to all workers according to the specific needs of each activity, in order to guarantee the quality of its processes, operational efficiency, Safe Production and Environmental Excellence. To this end, we comply with the training requirements established in the applicable laws and regulations in terms of technical terminology, duration and corporate requirements. We have 2 modes of instruction: face-to-face and virtual. The training sessions are free of charge and within working hours. In case there is the need to schedule a training session outside working hours, it is compensated.





GRI 403-8

GRI 403-9

## Work-related injuries

	Our own workers	Contractors
Number of hours worked during the reported year	10,365,707	16,651,498
Total number of injuries (first aid, medical care, disabling)	68	82
Recordable injuries (severe consequence)*	45	45
Fatalities	0	0

\*Medical care and disabling

**SGSSO coverage:** At year-end 2022, there were a total of 4,966 Cerro Verde workers (according to the SAP report) and 12,395 workers from contractor companies. We have no exclusions within the SGSSO. Our statistics are estimated on the basis of 200,000 hours worked.



**Occupational hazards that pose a risk of injury from work-related accidents with severe consequences:** At Cerro Verde we have a Critical Risk Management program. The objective is to ensure that workers are aware of, identify and maintain the implementation of Critical Controls through audits and on-site reinforcement. Critical Controls are those that, if not applied efficiently, have sufficient potential and energy level to cause fatalities. We have a list of “Rules for Living” whose application is transversal in our different operational departments; if not strictly complied with, they can cause serious injuries or death.



The hazard (critical risk) that contributed to causing injuries with severe consequences in 2022 (potentially fatal and high potential recordable, respectively) was work on energized circuits and work with HDPE piping. We took several actions to minimize these risks, such as having competent and accredited personnel, implementing controls in accordance with the result from a study of the electric arc of the circuit to be intervened, using insulated tools, as well as ensuring that personnel remain outside the line of fire, implementing a substantial barrier for handling and verifying the maximum stacking height of HDPE pipes.



GRI 413-1

GRI 203-1

GRI 403-10

**Occupational illnesses and diseases:** In 2022, we did not record any occupational illnesses or deaths resulting from occupational illnesses for our own personnel or those of contractors.

Occupational hazards that pose a risk of illness or disease are determined in accordance with the Occupational Health Hazard Identification, Evaluation and Risk Control procedure. Controls are implemented according to risk level. These actions include medical monitoring measures, training, education, and allocation of PPE (personal protection equipment).

### 2.3. Community Relationships

The relationship between a mining company and its neighboring communities is dynamic. Mining is an inherently cyclical business with production levels fluctuating over time. Even though copper and molybdenum mines tend to have a long-life span, mining resources are ultimately finite. Increased automation, technical innovation and changes in the global economy are modifying mining processes and labor requirements.

Mining companies must work together with host communities to build and maintain trust and support them in developing the skills and capacities needed to adapt, navigate transitions and be successful over the long term.

**At Cerro Verde we are committed to environmentally and socially responsible mining, because we want all Peruvians to feel proud to be a mining country.**

Proud to have a mining industry that is an ally of agriculture, environmentally committed and moving towards development hand in hand with all its neighboring communities.



In 2022, we worked on various initiatives within the framework of our Social Management Plan (SMP). These projects totaled US\$5,789,966.00; likewise, through the Donations Committee we channeled US\$866,930.00 into various social support projects, not contemplated in the lines of action of our SMP, and which comprise our contribution to continuing to address the effects of the pandemic.

We know that the only way to achieve this objective is by working as a team with the authorities, the leaders of civil society and the population. Our community relations are framed within the commitments assumed in our Social Management Plan, as well as in our Social Performance Policy and our Human Rights Policy. We have a grievance mechanism in place, which is described in detail in the Ethics and Integrity section, as well as various means of communication that bring us closer to the communities surrounding our operation.

### **Sustainable planning**

We plan our actions based on social demands that we identify in situational studies of our areas of direct influence, ADI.



In 2022, we carried out diagnostic studies in the main Health Centers of our ADIs, as well as research studies on the education sector, the business sector, and technical labor and labor market impact studies, which enable us to accurately understand the conditions and characteristics of these areas and allow us to determine their needs, so that we can better focus our programs and projects. We also conducted other studies on public safety and the agricultural sector in support of local governments. Below, we present the projects carried out in 2022 in different sectors:

## Health



### Infrastructure

- We equipped the waiting areas and toilets at the San Isidro Health Center in La Joya, the Uchumayo Health Post and the Yarabamba Health Post.
- We implemented the Telehealth Room in the Cerro Verde Health Center, located in the district of Uchumayo.
- We repaired the electrical system of the Yarabamba Health Post.
- We renovated the triage area of 9 health centers. This renovation included equipping them with new medical instruments.

### Training

- We provided training on patient care, biosafety, the role of health promoters and information and communication technologies. We reached 475 participants, including health promoters and health personnel.

### Fight against anemia

- Under the “2022 Comprehensive Child Nutrition Program” we trained 519 teachers and 10,011 students and parents and delivered guidelines to 483 teachers.

- As support for the “Fight against Anemia Plan”, we carried out food demonstration sessions in the districts of Uchumayo, Tiabaya, La Joya and Yarabamba, with the participation of 230 residents.

### Other

- We carried out 13 health campaigns and provided more than 1,200 free medical treatments and medication to the inhabitants of the districts of the ADIs.
- We conducted 5 health fairs.
- We supported the strengthening of the Vaccination Process of the EsSalud Arequipa Health Care Network - Stage III.
- We supported the transfer of the auto-vaccination module from the San Jose school to CERP Cerro Colorado.



## Education



### Training

- We trained 325 teachers on new teaching tools.
- 1,405 students from 19 schools participated in the program for the promotion of higher technical-productive education.
- We provided 3,220 psychological services in 12 educational institutions as part of our Psychology Program, which seeks to prevent and identify psychological problems through medical consultations, counseling and intervention.

### Equipment

- We equipped 130 schools with bio-security elements for the safe return to the classroom.

- We provided school furniture and maintained computer equipment and multimedia projectors.
- We implemented information and communication technologies in 11 schools.
- We delivered laptops to 24 outstanding students within our direct social influence area.

### Infrastructure

- We improved the educational infrastructure of 10 schools through maintenance and classroom construction work.

### Other

- We provided Internet and landline telephone service to three schools in the district of Uchumayo.





## Public Administration

We promoted the strengthening and development of the institutional framework in the local governments of Islay, La Joya, Yarabamba, Uchumayo and Tiabaya, through training and assistance activities. In 2022, we focused on the development and strengthening of management capacities in the Multiannual Budget Programming and Incentive Plan:

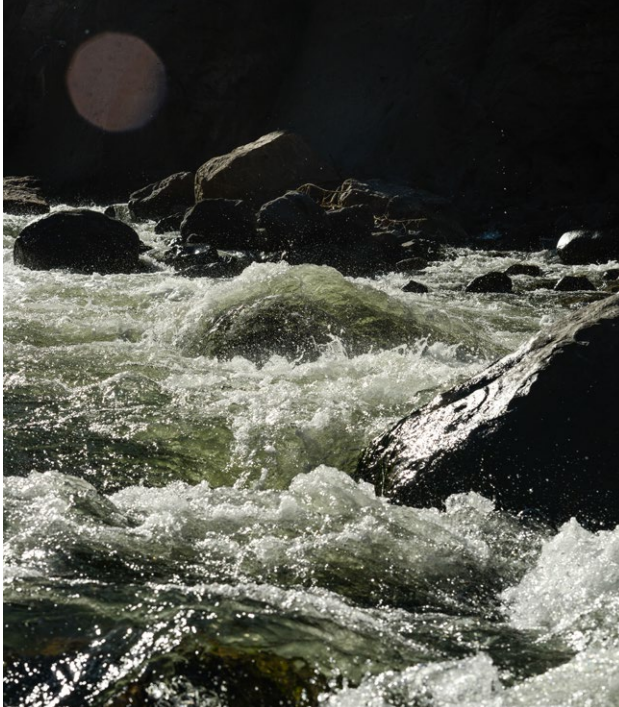
- We conducted 80 technical assistance sessions for the planning and implementation of the 2023-2024 Multiannual Programmatic Budget and for the fulfillment of the significant steps for the liquidation process of investment projects executed during 2022.
- We conducted 40 assistance and motivation sessions for the implementation of formats for the fulfillment of goals according to the category of each municipality.



## Public Safety

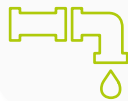
- We developed awareness workshops on first aid, public safety, and rescue techniques in order to strengthen the capacities of 316 residents and public safety agents.
- We strengthened 12 public safety units through the provision of uniforms and office equipment.
- We also equipped the citizen and family participation offices of the Congata police station, the School Self-Protection Brigades in the educational institutions of the Uchumayo district, the Yarabamba police station and neighborhood councils, the decentralized rapid intervention unit of Arequipa (UNIDIR AQP) and the high-tech unit of the Peruvian National Police.





## Risk and Emergency Management

- We carried out cleaning works in 100 meters of the Pan de Azúcar dry riverbed, located in the District of Uchumayo.
- We equipped the Civil Defense Platforms with different materials.
- We cleaned up the Chili riverbed.
- We conducted awareness talks on natural disaster and risk management for students and teachers at schools in the 5 districts of our direct area of influence.
- We trained officials of the municipalities in our direct area of influence in disaster management tools.
- We drew up a baseline of the progress of the implementation of the risk plan in 15 schools in our direct area of influence in order to plan the implementation of their risk management platforms.



## Public Services

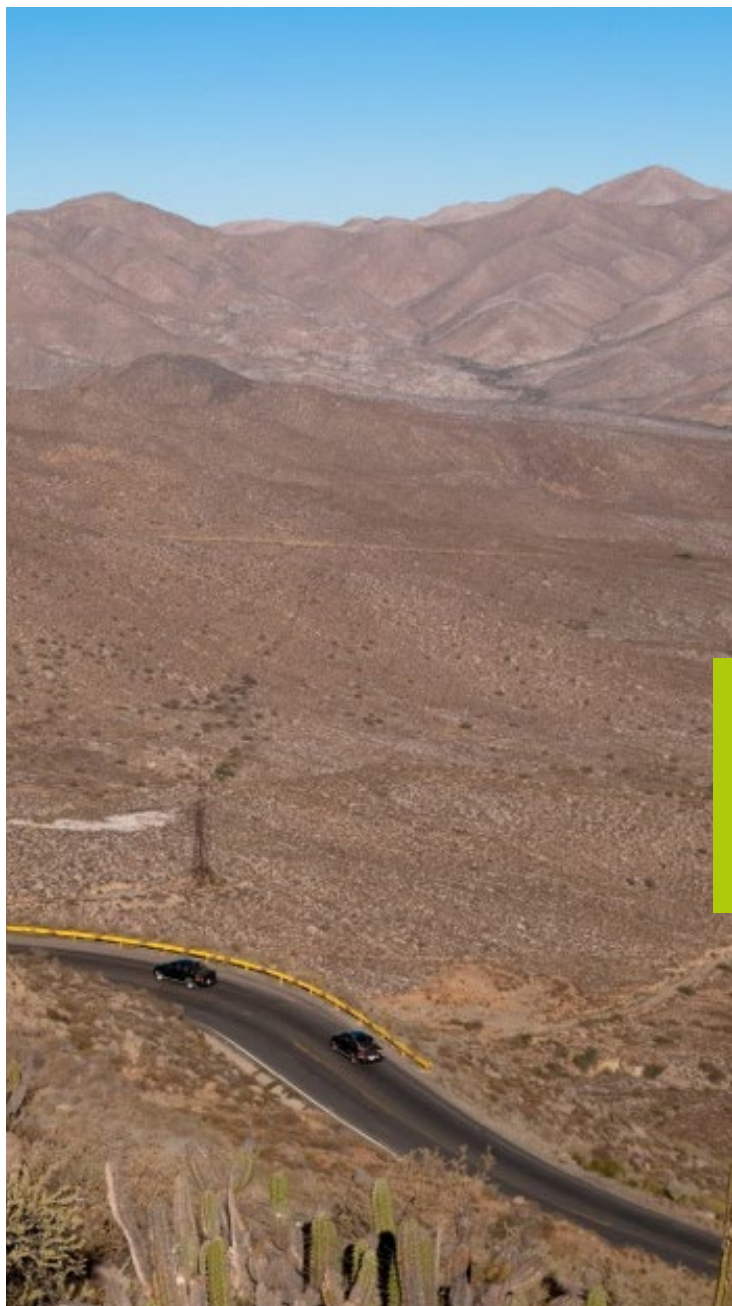
- We provided drinking water to the district of Yarabamba and its annexes by means of 56 water tank-truck loads.
- We provided maintenance to the Drinking Water Treatment Plant PTAP El Cruce La Joya.
- We delivered a new chlorination system to SPAEMIN (Islay Matarani Fishermen and Seafood Extractors' Trade Union).
- We cleaned the septic tanks in the district of Uchumayo.
- We operate and maintain the La Enlozada WWTP at no cost to the population of Arequipa.





## Sustainable road communication

- We have carried out maintenance and improvement work on highway AR-115, a regional road that connects Metropolitan Arequipa with our Production Unit and with other districts and provinces in the region.
- We performed maintenance work on the main roads in the districts of Uchumayo, Tiabaya, Sachaca and Cercado by patching the asphalt surface, providing vertical and horizontal signaling, earth moving, placement of bischofite, construction of sidewalks, installation of guardrails and pedestrian and vehicular traffic lights, and bicycle lane signaling.
- We maintained the seven road gantries that we implemented in the past, which have lighting devices, traffic signs, speed regulators, and a panel that displays messages to raise driver awareness, in addition to keeping track of Cerro Verde's vehicular traffic.





## Productive Development

### Agriculture and livestock

**Agricultural development program:** We seek to improve the income of producer families in the intervened areas by improving the agricultural production process. This program is composed of several lines of action that include training, advisory services, technical accompaniment and assistance, training of agricultural experts, livestock dosage and implementation of plots and farms.

In the district of La Joya, our program served 645 farmers, with a surface area of 1,586.18 hectares. We carried out 10,309 personalized technical assistances; 1 dosing campaign that served 2,272 heads of cattle; 338 trainings on agricultural and livestock issues, training of agricultural experts, composting, technology transfer and organizational strengthening, and we installed 7 demonstration plots that we will use as training centers.

In the districts of Uchumayo, Yarabamba, Tiabaya and Hunter, we served 603 farmers. We provided 8,410 personalized technical assistance services; 1 dosing campaign that served 1,404 head of cattle; 212 training sessions on agricultural and livestock issues and training of agricultural experts; we processed and delivered 132 tons of compost; we implemented 2 production chains for growing curly squash in the district of Yarabamba, and INIA variety quinoa in the district of Hunter, with an area of 8 and 9 topos, respectively.

**Solar milking systems:** We installed 12 milking systems, including metal structures and solar milking machines, for livestock producers in the districts of La Joya, Uchumayo, Yarabamba and Tiabaya.



**Improvement of livestock stables:** We delivered materials for the installation of shade and a tool kit to 7 livestock farmers in the La Estación sector in the district of Uchumayo.

**Agricultural campaign:** In 2022, we successfully carried out our agricultural campaign on our own land, outside our Production Unit. We were able to harvest 10 tons of fodder oats, which we have destined for composting.

**Improvement of irrigation infrastructure:** We carried out works to improve the slab of tunnel 2 of the La Joya main canal, in coordination with the Old and New La Joya users' associations. We improved a total of 1,330 meters and, given the difficult accessibility for the execution of the project, we built an access ramp and a chimney that will allow us to carry out future maintenance work quickly and safely. In this way, we optimized water availability for the users of La Joya.

**Technical assistance:** We provide specialized technical advice on the implementation and certification of Packing La Joya with good fair-trade practices; GLOBAL GAP for the chain of custody and BRC and food safety, which provides transparency throughout the production chain. We carried out this project in coordination with the *Corporación Asociativa La Joya*, made up of seven agro-export associations in the district that work on production and marketing processes for crops destined for the export market.

As a result, we have implemented and audited 3 certification processes and delivered 2 certificates, with 1 in process.

**Transportation of alternative fertilizers:** We financed the transportation of 511 tons of Island Guano from Pisco (central warehouse in La Puntilla) to different points in the Arequipa Region. The transportation was carried out in three stages and allowed us to mitigate the shortage of other fertilizers and their high prices during the second half of 2022, in coordination with the Regional Government of Arequipa, the Regional Agricultural Management and the region's User Associations.



## Artisanal fishing

We supported the development of artisanal fishing activities through training, equipment and infrastructure improvement. In 2022, we trained fishermen in the preparation and maintenance of selective fishing gear, equipped the conference room of the Mollendo Port Authority with furniture and equipment, financed material to raise fishermen's awareness of maritime safety, equipped ship owners and artisanal fishermen with life jackets and rings, work clothes and stainless-steel carts, and improved the pedestrian area of the El Faro artisanal fishing landing site.

## Environmental Management

**Nurseries:** At Cerro Verde we have 2 nurseries located outside our Production Unit, in the districts of Uchumayo and Yarabamba, which we keep and manage for production and scientific research purposes.

In 2022 we managed to produce 150,000 trees of various forest and fruit species, which we allocated to afforestation campaigns in the city.

Within the framework of our research projects, we carried out the in vitro production of pears in order to recover the tradition of growing this fruit in the district of Tiabaya; the morphological

characterization of figs to determine the existing varieties in the valley of Uchumayo; we were able to establish the protocol for the production and propagation in vitro of the Queñua, a relevant species in the assurance of water resources in the southern zone of Arequipa, and we initiated research work on the capture of CO2 from the forest species present in our city, Arequipa.



**Afforestation:** Our Participative Afforestation project, which we carry out in coordination with various district municipalities in the province, has allowed us to plant 128,825 seedlings of forest and fruit species.

**Education:** In 2022, we implemented 5 bio-gardens in different schools, with the support and supervision of the UGEL Norte. 164 students and 6 teachers participated in this initiative, and we trained them in the implementation of bio-gardens, from land preparation to pest management, including the installation of a technified irrigation system, composting and seedbed production.

We also held the first compost production contest, aimed at early childhood education students in our direct area of influence. A total of 142 children under 6 years of age, 12 teachers and 48 parents from 9 schools in the districts of Uchumayo, Yarabamba, Tiabaya, La Joya and Islay participated. As part of the contest, we trained the participants on the importance of recycling, the composting process and the use of compost as fertilizer in the gardens of the schools, through games and the creation of songs.

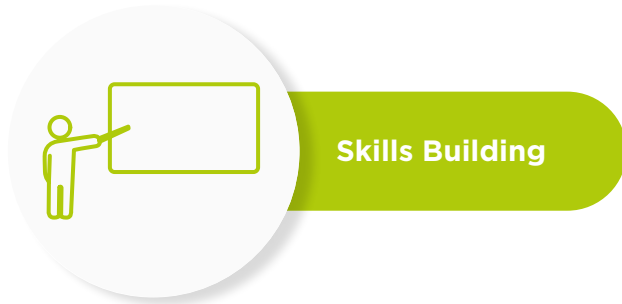
**Solid waste:** We have developed 6 support programs for local governments to improve solid waste management through the implementation

of collectors, biodegradable bags and sacks in the districts of Uchumayo, Tiabaya, Yarabamba, La Joya and Vitor, thus contributing to the development and strengthening of environmentally responsible local governments.

## Tourism

We focused on promoting tourism in the districts of Uchumayo, Tiabaya, Yarabamba and La Joya through various actions aimed at improving the services provided by local entrepreneurs and micro-entrepreneurs. In 2022, we trained 70 travel agents in good practices for the provision of services, supported the promotion of tourist attractions through the updating of the web site [www.vivearequipa.com](http://www.vivearequipa.com) and delivery of printed materials, equipped 04 tourism offices and improved the tourism infrastructure in the aforementioned districts for the benefit of visitors to these areas.





## Skills Building

### Skills development, PYMES promotion and employment opportunities

#### Technical Labor Training Programs

**Short programs:** We trained 742 young people from our direct area of influence in short courses, lasting 3 to 6 months, in 12 different areas, such as welding, masonry finishing, sanitary installations, basic and intermediate office automation, digital marketing and others. We recorded a total of 98,890 hours of training.

**Technical programs:** We also provided scholarships to 33 young people from the districts of Tiabaya, Uchumayo and Yarabamba for three-year technical programs.

**Planting the seeds of my future:** Additionally, in partnership with the company UNIMAQ, we awarded scholarships to 30 young people from the districts of Uchumayo and Tiabaya to study at SENATI in the technical programs of

Automotive Mechanics, Industrial Administration and Automotive Mechatronics, with 40% of the participants being women.



#### Technical Productive Training Programs

In 2022, we offered courses in Gastronomy, Marketing and Customer Service, in order to improve the skills of the participants, who were entrepreneurs in the gastronomy sector, and increase their sales volumes. We had 60 participants, 94% of whom were women, and recorded 7,440 hours of training.

On the other hand, we trained 57 entrepreneurs in good eco-efficiency practices and proper solid waste management, in source segregation and selective solid waste collection programs,

promoted by the local governments of the districts of Uchumayo, Tiabaya, Yarabamba and La Joya, in order to improve environmental management.

## Business Advisory

**Emprende:** A business advisory program which includes the delivery of seed capital, in assets, to outstanding entrepreneurs.

In 2022, we served 343 entrepreneurs in the districts of Uchumayo, Tiabaya, Yarabamba and La Joya; we invested a total of S/.5'019,938.00 in their businesses. We generated an average of 319 jobs and provided 5,133 hours of personalized counseling, 16 virtual training sessions on entrepreneurial vocation subjects, sectorial talks, business seminars on proper business management, 05 specialized and administrative technical assistance certified by accredited continuing education institutions, 252 business diagnoses and the development of 105 strategic plans for the identification of business improvement mechanisms.

**Equipment of PyMEs (Small and Medium-Sized Businesses) and MyPES (Micro and Small Businesses):** We distributed 239 kits to micro-entrepreneurs in the districts of Uchumayo, Tiabaya, Yarabamba and La Joya to help reactivate their businesses, as part of the

Emprende project. Eighty-two percent of these businesses are led by women. The kits consisted of cleaning and bio-safety supplies, solid waste garbage cans and clothing.



**Emprende seedbed:** We trained 268 4th grade high school students from 05 educational institutions in the districts of Uchumayo, Tiabaya and Yarabamba. We conducted 161 training workshops on business education and 60 workshops on job projection in order to equip students with the tools to develop a business and life projection plan. We recorded 35 winning students in the contest for the best business initiatives.

## Hiring of labor

In collaboration with 07 contractor companies, we generated 90 job opportunities for the benefit of the population of the districts in our direct area of influence.



competencies and skills, focused on women with family responsibilities, with the participation of 109 women.



## Strengthening women's work

### **DreamBuilder - Business creator for women:**

This program's objective is the online training of women entrepreneurs in business management. The results reflect an increase in participation, with 6,550 participants enrolled in the project platform, and an annual graduation rate of 33%. In 2022, we entered into 11 agreements with public and private institutions for the implementation of the program's platform in the Arequipa region, so that we can extend its reach. Furthermore, we held 31 workshops on labor







## Citizen Participation Mechanisms

### Permanent Information Offices

We have three Permanent Information Offices, located in the districts of Arequipa, Uchumayo and Yarabamba. In 2022, we recorded 2,019 face-to-face and remote services and responded to various requests for donations, as well as inquiries about job openings and training programs. These offices also have Suggestion Boxes, where we received 42 queries and/or comments related to the aforementioned topics.



### Vive Cerro Verde Program

It consists of virtual visits to our Production Unit and nurseries. In 2022, we recorded 15,784 participants, all of them high school students from the city of Arequipa, to whom we presented our operating processes and sustainable environmental and social management.



### Participative Environmental Monitoring

It promotes citizen participation in our environmental surveillance and monitoring program, the purpose of which is to determine technically whether the environmental conditions prior to the development of our operations undergo variation with the development of these operations.



At Cerro Verde, we conducted 2 participative environmental monitoring programs, a regular one in the districts of Uchumayo, Yarabamba, Tiabaya, Jacobo Hunter and Quequeña; and another voluntary in the district of Socabaya.

In 2022, the regular monitoring had 1,033 participants and the voluntary monitoring in Socabaya had 243 participants.

Air quality monitoring is conducted in all of the aforementioned districts; additionally, groundwater monitoring is conducted in the districts of Uchumayo and Yarabamba, and surface water in the case of Uchumayo. The districts of Hunter, Quequeña and Socabaya are not part of the direct area of influence of Cerro Verde's operations.

## Somos Newsletters

Our distribution of these Newsletters aims at keeping the population informed about our activities and projects. We distributed a total of 87,500 of Somos Uchumayo, Somos Yarabamba y Somos Tiabaya editions.

## Website

We are constantly updating our web site ([www.cerroverde.pe](http://www.cerroverde.pe)), as it is through this site that we inform the public about our activities. We recorded 190,000 visitors during the reported period.

**Landing Page:** We conducted two communication campaigns about our most outstanding projects through our landing page (<https://juntoshacemosladiferencia.pe/>), on the environment, bio-diversity care and the virtuous circle of water.



### 3. Environmental performance

At Cerro Verde we have an Environmental Management System, EMS, based on ISO Standard 14001:2015, certified since 2002, in which we have adopted the Environmental Policy of our parent company.

This policy, updated in December 2021, represents the statement of our intentions and guidelines related to our environmental performance, through 14 commitments.

**It reflects our commitment to prevent pollution and minimize the environmental impact of our operations through risk management strategies based on valid data and sound science and, where feasible, to protect and improve the quality of the environment in the areas where we operate.**

This policy also outlines our duty to continually improve our environmental performance through the EMS, the commitment to operate in accordance with all laws and recognized practices and our commitment not to mine or explore at UNESCO World Heritage Sites. We expect compliance and adherence to the policy

from every employee and contractor, as well as the reporting of any concerns through the various communication mechanisms, including those published in the Principles of Business Conduct and the Code of Conduct for Business Partners.

Our environmental management is also aligned with the Principles of the International Council on Mining and Metals (ICMM) and the criteria of The Copper Mark.

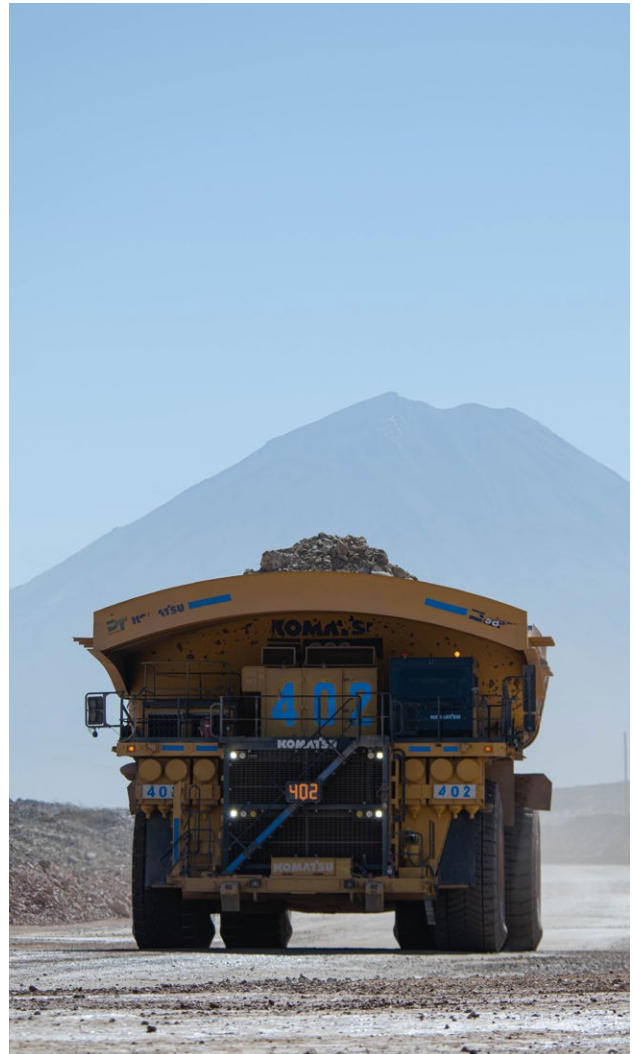
**Climate change:** Freeport, our parent company, has established a global climate strategy based on three pillars:

- Reduction: Reducing the emissions of Greenhouse Gases (GHG).
- Resilience: Improving our resilience to the risks of climate change.
- Contribution: Contributing to the global energy transition with responsibly produced copper.

Cerro Verde is immersed within this strategy, in which Freeport has set a target for its Americas copper operations of a 15% per ton of copper cathodes GHG emissions intensity reduction by 2030, using 2008 as a baseline. Freeport has also announced its aspiration for the company globally to participate in and positively contribute to a net zero economy by 2050. Freeport is committed to aligning its climate disclosures with the Task Force on Climate-related Financial Disclosures (TCFD).

Freeport, together with Cerro Verde, are working on several initiatives to help achieve the climate strategy, one of which is the implementation of the Energy Management System. More information on Freeport's global climate strategy, progress and initiatives, as well as progress on alignment to the TCFD, is available in Freeport's latest climate report available at [www.fcx.com](http://www.fcx.com).

**Energy:** Energy supply is basic to the development of our operations. We receive energy from the National Interconnected Electric System (SEIN), through two power supply contracts with the generating companies Engie Energía Perú S.A and Electroperú S.A.



**Fossil Fuels:** We use two types of fossil fuels, Diesel B5 S-5, mainly for heavy and medium-heavy equipment, such as haul trucks, excavators, tractors and drills; and 90-octane Gasohol, mainly for light vehicles.

## GRI 303-1

**Water:** Water has always represented a challenge for us. We were privatized in order to promote the development of a mineral deposit contained in our mining concession. Several feasibility studies concluded that water scarcity constituted one of the major obstacles to allowing the continuity and expansion of our operations and make them economically viable.



The solution proposed to make our expansion viable was to regulate the water lost in the Pacific Ocean through the construction of dams: Pillones and Bamputañe, co-financed with EGASA, that are part of the Regulated Chili System, and San José de Uzuña, co-financed with the Regional Government of Arequipa. This is how we started our Virtuous Circle of Water, which also includes the Drinking Water Treatment Plant, PTAP Miguel de la Cuba Ibarra or La Tomilla II, the drinking water pipelines, the Wastewater Treatment

Plant (WWTP) La Escalerilla y La Enlozada, as well as construction and maintenance works of hydraulic infrastructure in favor of the farmers of our direct area of influence, and training.

FCX's water management program focuses on maximizing water use efficiency within our operations so that we can minimize our use of fresh water taken from the natural environment. It also focuses on shifting to more sustainable supply sources in order to minimize the negative impacts of our operations on water quality and availability in local watersheds, supporting the development of access to previously unknown, unavailable or underdeveloped sources.

Cerro Verde is part of the Technical Group in charge of preparing the Water Availability Management Plan (PADH, by its acronym in Spanish), which carries out its functions under the guidance and in coordination with the Technical Secretariat of the Water Resources Council of the Quilca-Chili Basin. The PADH is prepared annually and allows for adequate planning of the use of the volumes of water stored in the Regulated Chili System to cover the formally recognized consumptive demands.

**GRI 303-2**

Within the framework of its water rights, Cerro Verde formally submits its demands for surface water considering different volumes and average flows for each month based on operational requirements, which are approved together with the demands of other users.

We have sources of surface, underground and reuse water, likewise, our internal processes implement water recirculation, so our water consumption corresponds to replacement water, recovered from the different stages of the copper production process. Fresh water for our operations is obtained mainly from the Chili River (Chili Regulated Class A Major Hydraulic Sector, hereinafter Regulated Chili System) and is complemented by treated water at the La Enlozada WWTP and by groundwater from the Cerro Verde pits. and Santa Rosa, which, in varying amounts, are also dedicated to controlling dust emissions from internal roads.

**Discharges:** Cerro Verde has no discharges to receiving bodies (the amount of water extracted from our water sources is equal to the amount of water consumed), so we do not generate negative impacts on water quality.

However, we do affect the amount of water in the Chili River downstream of our catchment due to the extraction of fresh water, which is carried out in accordance with our water use rights (licenses) and in coordination with the Quilca-Chili Basin Water Resources Council.

Cerro Verde has co-financed the construction of the Pillones dams, with which it obtained part of its current water use rights and benefited third parties (population, agricultural and energy use); and Bamputañe, with which the Regulated Chili System was strengthened, increasing water availability for all users. Finally, we have also contributed financially to the construction of the San José de Uzuña Dam, which improves the regulation and use of water in the Eastern Basin of the Chili River.



GRI 304-1

GRI 304-2

**Bio-diversity:** We have a “Biodiversity Management Plan” (BMP) that includes several management programs based on information from our different Cerro Verde Environmental Management Instruments, papers published in research journals and meetings with bio-diversity and conservation specialists, as well as additional criteria from our ongoing work. Under an adaptive management and ecosystem approach, the information gathered is constantly reviewed in order to implement improvements or complement mitigation and control measures.



The BMP includes action plans for the “guanaco” (*Lama guanicoe*) and its habitat, the “Peruvian long-faced bat” (*Platalina genovensium*) and its habitat, herpetofauna, avifauna, arthropod fauna and wild flora species; furthermore, it is part of our Environmental Management System, consistent with the International Finance Corporation (IFC) Bio-diversity Performance Standard 6, reviewed by multiple lending institutions and aligned with the International Council on Mining and Metals (ICMM) Sustainable Development Principle 7, which is verified on an annual basis.

Cerro Verde has not owned, leased, or managed operating facilities that are adjacent to, contain, or are located in protected areas and non-protected areas of high bio-diversity value. The expected impacts on bio-diversity due to Cerro Verde's operation during 2022 have been classified of very low, low or moderate significance, mainly related to transportation infrastructure and habitat loss. No positive or negative impacts of high or very high significance have been determined.

Likewise, we actively participate in supporting SERNANP, through the Head of the Salinas Aguada Blanca National Reserve and SERFOR, in their actions aimed at recovering the ecosystem of the Queñua forest in the province of Arequipa.

The housing associations near the forest are participating in this protection effort.

**Waste:** Mining and metallurgical activities and ancillary processes generate a variety of waste. This is managed in a manner that meets high standards of regulatory compliance and environmental management practices. All our





GRI 306-1

GRI 306-2

employees and contractors are responsible for the proper management of the waste generated in their work areas.

All the waste we generate is in Lima, given that Arequipa or another the southern region of the country does not have landfills approved by the competent authority. In compliance with the Article 48 (I) of the Supreme Decree No. 014-2017-MINAM, Regulations of the Integrated Solid Waste Management (Decree Legislative Law No. 1278), we have implemented waste management alternatives in our facilities that seek to ensure an adequate handling and disposition of these.

These measures are outlined in our Plan Solid Waste Minimization and Management of the U.P. Cerro Verde (PMMRS), whose objective is to manage and control waste from generation to final disposal, optimizing their handling.

For the implementation of minimization strategies, and in general in each stage of waste management and handling, we apply the Waste Diversion methodology, which consists of giving preference to waste utilization rather than directing waste to sanitary or safety landfills. Waste diversion means reducing, reusing or recycling materials that would otherwise go to a landfill. Our waste management includes the following stages:



01

**Initial or primary storage** - Solid waste from the workplace is temporarily stored and then transferred to intermediate or central storage.

02

**Intermediate storage** - Waste is stored in safe and sanitary containers which are located at strategic points in production units, then transferred to the central storage.

03

**Collection and transport**

04

**Central storage** - There are delimited and properly marked areas for the storage of non-hazardous and hazardous waste. Hazardous waste does not remain stored for more than 12 months, being distributed according to its physical, chemical and biological nature, considering its hazardous characteristics and its compatibility with other waste.

05

**Conditioning** - Physical transformation allows and / or facilitates the recovery of solid waste (segregation, storage, cleaning, crushing or grinding, physical compaction and packaging or packaging, among others).

06

**Waste treatment** - These are processes prior to the recovery of waste, which are carried out in order to reduce or eliminate its hazardousness.

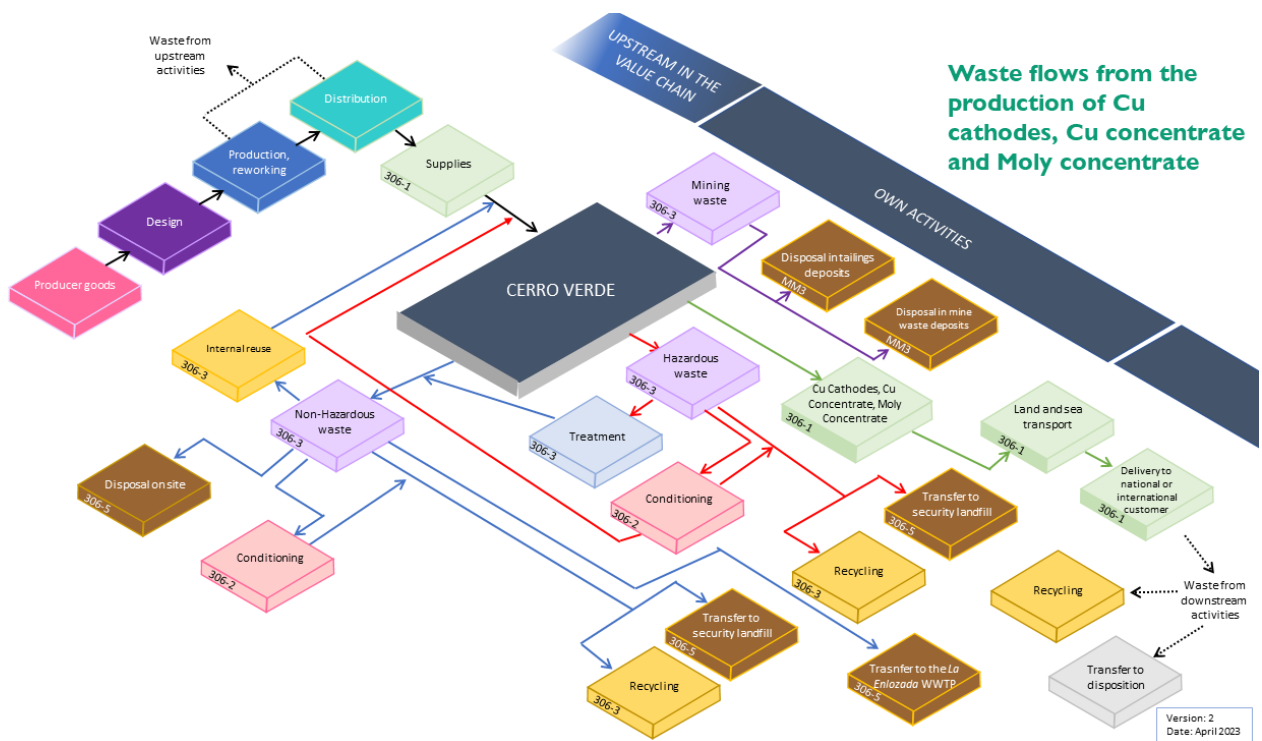
07

**Valorization** - It constitutes an alternative of management and handling that is priority in front of the final disposal. The following are considered recovery operations:

- Internal reuse
- Donation
- Marketing
- Use as discard material

08

**External transport and final disposal in safety landfill**



**Tailings and overburden:** The tailings and overburden (waste rock) that we produce represent our largest volume of waste. Managing these large volumes of waste poses significant environmental, safety and engineering challenges. The main risks associated with tailings and waste rock management relate to structural stability, geochemistry, water quality and dust generation. The management of these wastes is regulated, and we implement programs that have been designed to comply with legal requirements and approved permits.

**Tailings management:** At Cerro Verde we have comprehensive measures in place to ensure that tailings facilities are properly designed, built, operated and monitored in order to minimize risk to workers, surrounding communities and the environment.

We are strongly committed to providing the financial and technical resources necessary to maintain the safety of facilities and the integrity of tailings management systems, with a focus on continuous improvement. Our tailings

management program and that of FCX adhere to applicable regulations and various national and international guidelines. The program also conforms to the tailings governance framework for preventing catastrophic failures at tailings facilities, adopted by ICMM in December 2016.

In 2020, FCX, as a member of ICMM, supported the development and pledged to work towards the implementation of the new Global Industry Standard on Tailings Management (GISTM). The GISTM was developed in an independent multi-stakeholder process, jointly convened by the United Nations Environment Program, Principles for Responsible Investment and ICMM, following the tragic collapse of the tailings facility in Brumadinho, Brazil, in 2019.

Through its membership in ICMM, FCX played an active leadership role and provided constructive input in the development of the GISTM, which was formally launched in August 2020. This document is the first global standard for tailings management that can be applied to existing and future tailings facilities. The GISTM has been integrated into existing ICMM member commitments, and ICMM members have agreed that all tailings facilities that have been rated with “Extreme” or “Very High” consequence potential must demonstrate compliance with the GISTM within three years (by August 2023), and all other tailings facilities within five years (by August 2025). FCX is currently advancing



internal plans to meet this commitment. Also in 2020, FCX chaired a subgroup of the ICMM Tailings Task Force to develop guidance to identify and recommend best practices for practical implementation of the GISTM.

Cerro Verde has two tailings' facilities, which are managed under the scope of the tailings management program described and implemented by our parent company, that is, under international guidelines and in strict compliance with national legislation.

The Cerro Verde team, under the support of the corporate team in charge of Dam Tailings and Water Management (TCLW), has come and has been implementing the Global Standard for the Tailings Management Industry (GISTM) for your tailings deposits. During 2021 and 2022 we have worked on updating the components associated with our own Tailings Management System and its integration with other systems (Safety, Environment, Social, etc.) incorporating the required by the GISTM standard on the basis of the guidance documents issued by the ICMM.



This will allow Cerro Verde to meet each one of the 77 requirements of the Global Standard Tailings Management Industry Advisory Board (GISTM) according to the dates committed by the members of the ICMM in 2020, including is our parent company, FCX.

GRI 302-1

GRI 305-1

GRI 305-2

GRI 305-7

## Performance indicators

Energy consumption within the organization (in TJ)				
		2022	2021	2020
Total consumption of non-renewable fuels	Biodiesel B5 (Non-renewable part)	7,899	7,553	6,675
	Diesel	0	0	32
	Gasoline	25	30	35
Total consumption of renewable fuels	Biodiesel B5 (renewable part)	416	398	351
Electricity consumption		13,111	12,458	11,005
Total consumption		21,450	20,438	18,099

Emissions			
	2022	2021	2020
Direct GHG emissions (scope 1) in metric tons of CO2 equivalent	664,044	644,126	564,127
Indirect GHG emissions when generating energy (scope 2) in metric tons of CO2 equivalent (gross market value)	405,710	315,557	231,339
<b>Other significant emissions in metric tons:</b>			
NOx	9,717	10,321	8,333
SOx	51	47	55
VOC	1,088	2,622	2,336
PM10	3,679	3,435	2,711

G4-MM1

GRI 304-3

GRI 303-3

G4-MM2

Water withdrawal (m <sup>3</sup> )			
	2022	2021	2020
Surface water	31.20	29.28	24.36
Groundwater	0.45	0.04	0.24
Third-party water (PTAR La Enlozada)	28.33	27.24	17.72

Amount of land disturbed or rehabilitated (owned, leased, and managed for production activities or extractive use)			
	2022	2021	2020
Total land disturbed and not yet rehabilitated (A: Initial balance)	3,994.95	3,807.88	3,651.88
Amount of land recently disturbed within the reporting period (B)	428.87	187.07	156.00
Total amount of land recently rehabilitated for the final agreed use within the reporting period (C)	-	-	-
Total disturbed land not yet rehabilitated (D-A+B-C)	4,423.82	3,994.95	3,807.88

\*The data contained in this chart have been corrected, in accordance with what was communicated to MINEM and OEFA.

	Relocation and flora Induction areas up to 2022	Herpetofauna Relocation areas up to 2022	The rescue - areas of Old mine shafts
<b>Surface area (Ha)</b>	44.57	30.82	120
<b>Location</b>	Quebradas Linga, Huayrondo, San José, Siete Vueltas, Querendosa y Quebradita	Quebradas Siete Vueltas y Querendosa	Quebradas Huayrondo, Siete Vueltas, Querendosa y Linga
<b>Specific Management Actions</b>	<ul style="list-style-type: none"> <li>- Propagation of plant species according to the BMP.</li> <li>- Implementation of restrictions and signalization in areas of habitat improvement.</li> <li>- Cactus flowering induction areas.</li> </ul>	Rescue and relocation of herpetofauna (lizards) according to the Biodiversity Management Plan.	<ul style="list-style-type: none"> <li>- Management and protection of foraging habitat of P. genovensium.</li> <li>- Management of P. genovensium refuge habitat.</li> <li>- Implementation of restrictions and signalization in habitat improvement areas.</li> </ul>



GRI 306-3

GRI 306-5

G4-MM3

**Total amount of overburden (waste rock) and tailings (MTM)**

	2022	2021	2020
Overburden	168.98	160.68	132.61
Tailings	147.60	137.22	119.77

**Waste by type and disposal method (metric tons)**

Concept	Method of disposal	2022	2021	2020
Hazardous waste	Sent to landfill	1,011	1,317	990
	Recycled, reused	2,747	2,850	4,812
	Treated	68	69	14
	Store don site	-	-	-
Non-Hazardous waste	Send to landfill	2,509	3,103	2,668
	Recycled, reused	22,431	22,409	16,512
	Disposed on site	11,391	8,942	9,029
	Other disposal method	20,416	18,391	15,022



**V.**

# About this report

GRI 2-3

GRI 2-5

GRI 2-14

GRI 3-1

GRI 3-2

<b>Period reported</b>	2022
<b>Frequency of report</b>	Annual * Similar to our Annual Audited Financial Statements, which are submitted to the Superintendency of the Stock Market and are available to the public.
<b>Pubishing date</b>	September 29, 2023
<b>Contact person</b>	Julia J. Torreblanca Marmanillo Vice-President of Corporate Affairs jtorreb1@fmi.com
<b>External verification</b>	This Report has not undergone external verification.
<b>Declaration of use</b>	Sociedad Minera Cerro Verde S.A.A. has reported the information mentioned in this GRI content index for the period from January 1, 2022, to December 31, 2022 using the GRI Standards as a reference.
<b>Preparation and approval</b>	<p>The Board of Directors is in charge of reviewing and approving the Annual Report, which is the input for the preparation of the Sustainability Report. The Annual Report is prepared in cooperation with various areas of the company. This report is then submitted to the Board of Directors for approval, approved at the General Shareholders' Meeting, and communicated to the market through the Superintendency of the Stock Market.</p> <p>Moreover, the text of the Sustainability Report is reviewed by the Vice-Presidency of Corporate Affairs and the data is corroborated with the different areas involved and with the corporate team of Freeport, our parent company, who in turn compile our indicators for the preparation of their Sustainability Report.</p>
<b>Material topics</b>	<p>To define the sustainability topics to be included in this report, we conducted a desk-based materiality assessment:</p> <ol style="list-style-type: none"> <li>1. We carry out a benchmarking with reports from leading companies and referents of our sector. We also review national and international standards, guidelines and documents in order to identify topics that are relevant for the mining sector.</li> <li>2. We review the materiality analysis and list of material topics of our parent Company, Freeport (available at <a href="http://www.fcx.com">www.fcx.com</a>).</li> <li>3. We Review Cerro Verde's risk matrix, described in Section IV.</li> <li>4. The material topics resulting from the previous stages, as well as the GRI thematic content to be used in the 2022 Sustainability Report, were validated by the Vice Presidency of Corporate Affairs. The list of material topics can be found in our GRI Index.</li> </ol>

<b>Stakeholders</b>	<p>For stakeholder identification and analysis, we used the “Community Development Tool Kit” published by the International Council on Mining and Metals (ICMM), specifically Tool 1: Stakeholder Identification, and Tool 2: Stakeholder Analysis.</p> <p>The combined application of these tools made it possible to identify entities or individuals that the organization’s activities or products may significantly affect, and whose actions may reasonably affect the organization’s ability to successfully develop its strategies and achieve its objectives.</p>
<b>Means of relationship</b>	
<b>Freeport-McMoRan Inc</b>	Meetings at the corporate office (United States - Phoenix), meetings at other branches, visits to Cerro Verde P.U., teleconferences, video calls, electronic mails, internal systems such as SharePoint and Intranet.
<b>Shareholders</b>	Public reports (Significant Events) through publications on the page of the Superintendency of the Stock Market, Financial Statements and Management Report, Annual Report and its appendices, General Shareholders’ Meeting, Board of Directors’ Meetings, Management Committee, direct communications (letters, e-mails, telephone) and web page.
<b>Workers</b>	Internal communications by e-mail, “Cuprito” digital magazine, physical publications in “Information Windows”, electronic screens, meetings with the Cerro Verde Workers’ Union, with the Occupational Safety and Health Committee, Internal Satisfaction Analysis (ISA), which is carried out through surveys to measure the work environment, Corporate Compliance Line (Principles of Business Conduct), Performance Evaluations, Intranet and internal communications through the “Informados” initiative, accessible by e-mail, a mobile application and web page.
<b>Community</b>	Cerro Verde has 03 Permanent Information Offices (PIO) located in Arequipa (Cerro Verde Complex), Uchumayo and Yarabamba, monthly newsletters called Somos Yarabamba and Somos Uchumayo and since November 2018, Somos Tiabaya, direct meetings between authorized Cerro Verde officers with community leaders, as well as workshops, exhibits and website. As a result of the National State of Emergency, remote attention was implemented through phone calls, WhatsApp messaging, suggestion box and e-mails.
<b>Government</b>	The Vice-Presidency of Corporate Affairs is responsible for Cerro Verde’s sustainable development and its relations with the various government entities at different levels.
<b>Suppliers</b>	Cerro Verde has a Global Supply Chain Management, which is in charge of managing the purchases and services required by the organization and the relationship with our suppliers.
<b>Customers</b>	At Cerro Verde, the Sales Superintendence is responsible for relations with the corporate sales office and customers.

# VI. GRI Table of contents



<b>Declaration of use</b>	Sociedad Minera Cerro Verde S.A.A. has submitted the information mentioned in this GRI table of contents for the period between January 1 and December 31, 2022, using the GRI Standards and reference.
<b>GRI 1 used</b>	GRI 1: 2021 Fundamentals

<b>GRI Standard</b>	<b>Contents</b>	<b>Location</b>	<b>ODS</b>
<b>General Contents</b>			
<b>GRI 2: 2021 General Contents</b>			
	2-1 Organizational details	page 12	
	2-2 Entities included in sustainability reporting	page 12	
	2-3 Report period, frequency and contact person	page 91	
	2-4 Information update	page 17	
	2-5 External verification	page 91	
	2-6 Activities, value chain and other business relations	page 37	
	2-7 Employees	page 46	8, 10
	2-9 Governance structure and Composition	page 26	5, 16
	2-10 Appointment and selection of the highest governance body	page 27	5, 16
	2-11 President of the highest governance body	page 29	16
	2-12 Role of the highest governance body in overseeing the management of impacts	page 24	16
	2-13 Delegation of responsibility of impact management	page 24	
	2-14 Role of the highest governance body in the submission of sustainability	page 91	
	2-15 Conflicts of interest	page 30	16
	2-22 Statement about the strategy of sustainable development	page 5	
	2-23 Commitments and policies	pages 24 and 35	16
	2-24 Incorporation of commitments and policies	page 24	
	2-25 Processes to remedy negative impacts	page 32	

	2-28 Membership in associations	page 19	
	2-30 Collective bargaining agreements	page 47	8
<b>Material Topics</b>			
<b>GRI 3: 2021 Material Topics</b>	3-1 Process of determination of material topics	page 91	
	3-2 List of material topics	page 91	
<b>Economic Performance</b>			
<b>GRI 3: 2021 Material Topics</b>	3-3 Management of material topics		
<b>GRI 201: 2016 Economic Performance</b>	201-1: Direct economic value generated and distributed	page 43	1, 8, 9
<b>GRI 203: 2016 Indirect Economic Impacts</b>	Content 203-1: Investments in infrastructure and supported services	page 59	5, 9, 11
	Content 203-2: Significant indirect economic impacts	page 43	1, 3, 8
<b>GRI 204: 2016 Procurement practices</b>	Content 204-1 Proportion of expenditure on local suppliers	page 39	8
<b>GRI 205: 2016 Anti-corruption</b>	Content 205-1 Operations assessed for corruption-related risks	page 33	16
	Content 205-2 Communication and training on anti-corruption policies and procedures	page 34	16
<b>GRI 207: 2019 Taxation</b>	Content 207-1 Tax approach	page 44	1, 10, 17
	Content 207-4 Country-by-country report submission	page 44	1, 10, 17
<b>Environmental Performance</b>			
<b>GRI 3: 2021 Material Topics</b>	3-3 Management of material topics		
<b>GRI 302: 2016 Energy</b>	Content 302-1 Energy consumption within the organization	page 87	7, 8, 12
<b>GRI 303: 2018 Water and effluents</b>	Content 303-1 Interaction with water as a shared resource	page 77	6, 12
	Content 303-2 Management of impacts related to water discharges	page 78	6
	Content 303-3 Water extraction	page 88	6

<b>GRI 304: 2016 Bio-diversity</b>	Content 304-1 Operations centers owned, leased or managed located within or adjacent to protected areas or areas of high bio-diversity value outside protected areas	page 79	6, 14, 15
	Content 304-2 Significant impacts of activities, products and services on bio-diversity	page 79	6, 14, 15
	Content 304-3 Protected or restored habitats	page 88	6, 14, 15
	MM1: Amount of disturbed or remediated land (owned, leased, and managed for production activities or extractive use).	page 88	
	MM2: Mitigated areas	page 88	
<b>GRI 305: 2016 Emissions</b>	Content 305-1 Direct GHG emissions (scope1)	page 87	3, 12, 14, 15
	Content 305-2 Indirect GHG emissions from energy generation (scope 2)	page 87	3, 12, 14, 15
	Content 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	page 87	3, 12, 14, 15
<b>GRI 306: 2020 Waste</b>	Content 306-1 Waste generation and significant waste-related impacts	page 81	3, 6, 11, 12
	Content 306-2 Management of significant waste-related impacts	page 81	3, 8, 11, 12
	Content 306-3 Generated waste	page 89	3, 6, 11, 12, 15
	Content 306-5 Waste destined for disposal	page 89	6, 11, 12, 15
	MM3: Total quantity of overburden (waste rock), tailings, tailings from the electrolytic tank, sludges and their associated risks (metric tons)	page 89	
<b>GRI 308: 2016 Environmental evaluation of suppliers</b>	Content 308-1: New suppliers that have passed selection filters in accordance with environmental criteria	page 39	
<b>Social Performance</b>			
<b>GRI 3: 2021 Material Topics</b>	3-3 Management of material topics		
<b>GRI 401: 2016 Employment</b>	Content 401-1 New employee hires and staff turnover	page 46	4, 5, 8, 10
<b>GRI 403: 2018 Occupational Safety and Health</b>	Content 403-1 Occupational safety and health management system	page 50	8



	Content 403-2 Hazard identification, risk assessment and incident investigation	page 51	8
	Content 403-3 Health services at work	page 53	8
	Content 403-4 Worker participation, consultations and communication on health and safety at work	page 54	8, 16
	Content 403-5 Worker training on occupational safety and health	page 56	8
	Content 403-6 Promotion of workers' health	page 55	3
	Content 403-7 Prevention and mitigation of impacts on workers' health and safety directly linked to commercial relations	page 50	8
	Content 403-8 Coverage of the occupational health and safety management system	page 57	8
	Content 403-9 Injuries due to occupational accidents	page 57	3, 8, 16
	Content 403-10 Occupational diseases and illnesses	page 59	3, 8, 16
<b>GRI 404: 2016 Education and Training</b>	Content 404-1 Average hours of training per employee per year	pages 46 and 49	5, 8, 10
	Content 404-3 Percentage of employees receiving regular performance and professional development evaluations.	page 49	5, 10
<b>GRI 405: 2016 Diversity and equal opportunities</b>	Content 405-1 Diversity in governance bodies and employees	page 48	5, 8
<b>GRI 410: 2016 Safety practices</b>	Content 410-1 Security personnel trained in human rights policies or procedures	page 36	16
<b>GRI 413: 2016 Local communities</b>	Content 413-1 Operations with local community participation, impact assessments and development programs	pages 31 and 59	



## In 2022:

- **Sales or VBP<sub>1/1</sub>: US\$6,462 MM**

SMCV activities generated 2.6% and 34% of the national and Arequipa GDP, respectively. (VBP +0.7%)

- **Jobs: 111,759 jobs**

SMCV generated, directly and indirectly, a total of 112 thousand jobs in different sectors.

- **Production: 442 thousand MT**

SMCV had a participation of 19% and 34% in the extraction of copper and molybdenum at the national level, respectively.

- **Investment: US\$ 231 MM**

National capex represented 93% of the total CAPEX invested by SMCV.

- **Exports: 1,973 thousand MT**

1,948 thousand MT of copper concentrate and 25 thousand MT of copper cathodes were exported.

- **Tax contributions: US\$557 MM<sub>/2</sub>**

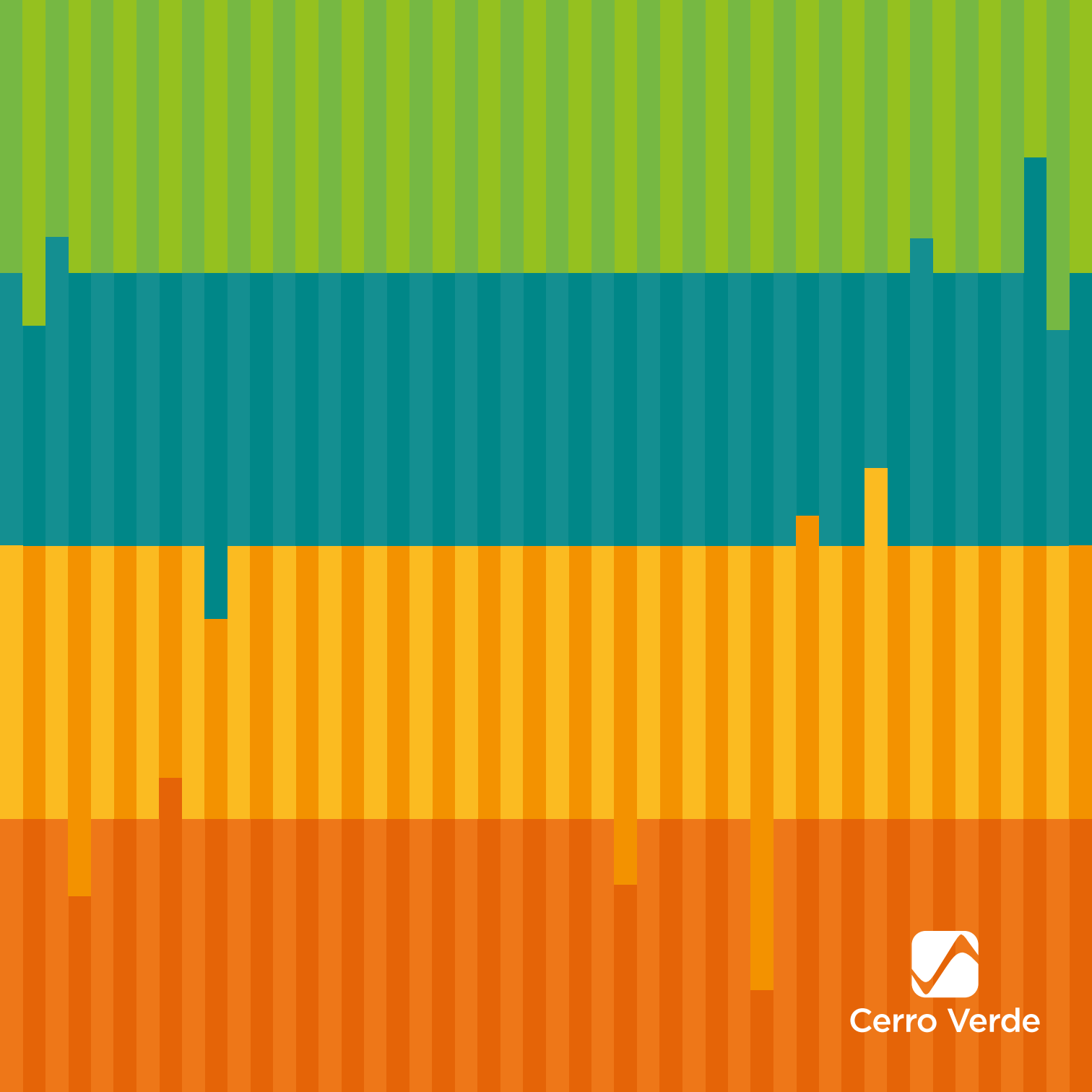
Tax contributions contract by 23% compared to the amount observed in 2021. However, this is the second highest amount in this category in the analysis period.

- **Canon contributions: US\$215 MM**

The canon contribution in Arequipa, constituted by 50% of the Income Tax in 2022, was reduced by 25% compared to 2021.

- **Voluntary contributions: US\$6.7 MM**

The accumulated contributions were made through Asociación Cerro Verde (US\$161 million) and directly by SMCV (US\$86 million).



Cerro Verde