MORENCI MINE TAILINGS DISCLOSURE REPORT

JUNE 2026

FREEPORT-MCMORAN

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Introduction

Freeport-McMoRan Inc. (FCX) is committed to transparency by ensuring relevant information regarding Tailings Storage Facilities (TSFs) at our operations is available through public disclosures and active engagement with stakeholders.

This report supports our efforts to publish and regularly update information on TSF management, implementation of our tailings governance framework, our policies, standards and approaches to the planning, design, construction, operation, monitoring, maintenance, closure and post-closure of tailings facilities in alignment with the Global Industry Standard on Tailings Management (Tailings Standard)[1] Requirement 15.1. It also supports our commitment to annually publish and update information on applicable TSFs in alignment with Tailings Standard Requirement 15.1B.

Summary of FCX's Approach to Tailings Management

Effective and responsible tailings management is critical to mining safely, protecting people and the environment, and earning and maintaining the trust of the communities and stakeholders where we operate. We strive to continuously manage, enhance and innovate our tailings management systems to minimize impacts on stakeholders and the environment. Recognizing that the failure of a TSF at any of our mining operations could cause severe harm, we operate with a bias for action by using appropriate management approaches and technologies to identify and address issues quickly to prevent and mitigate potential impacts at our TSFs. Our objective remains zero fatalities, zero catastrophic failures, and zero unplanned discharges. This objective is supported by robust governance and clear accountability.

Our **Tailings Management Policy** defines our continued commitment to the safe, responsible and effective management of TSFs across all sites and includes our commitment to implement the Tailings Standard at applicable TSFs. This policy is implemented in conjunction with our **Environmental**, **Human Rights**, and **Social Performance** policies and associated management systems. We are committed to providing the financial and technical resources necessary to maintain the safety and integrity of our tailings facilities.

Risk Informed Decision Making (RIDM) underpins our approach to tailings management. We conduct risk analyses and strengthen controls to minimize residual risks to as low as reasonably practicable, applying this discipline throughout the lifecycle of each TSF, from design and construction through operation and post-closure. Figure 1 depicts the safeguards incorporated in FCX's tailings management system, which is underpinned by RIDM.

Figure 1. FCX Tailings Management System Safeguards.

[1] The Tailings Standard was established by the International Council on Mining and Metals (ICMM), the United Nations Environment Program, and Principles for Responsible Investment.

Evolution of FCX's Tailings Management System and Implementation of the Tailings Standard

FCX established a tailings stewardship program more than 20 years ago, and it has evolved into a comprehensive Tailings Management System (TMS) that incorporates applicable regulations and international best practices, including the integration of the Tailings Standard.

Through the TMS, we promote continuous improvement at our TSFs. We systematically analyze potential failure modes, then work to eliminate or mitigate them to minimize the risk of failure scenarios associated with our TSFs.

FCX's TSFs are designed and managed throughout their lifecycles using an RIDM approach with precautionary or performance-based design approaches identified by each site's Engineer of Record (EoR) along with detailed inspections by the FCX Tailings Stewardship Team (TST) third-party reviewers, and reviews by the Independent Tailings Review Board (ITRB). Our sites' EoRs design new TSFs and analyze existing TSFs using the stringent criteria for earthquakes and floods, applicable to Extreme TSFs, regardless of actual consequence.

In accordance with the Tailings Standard, FCX's consequence classification approach incorporates each TSF's detailed information and analysis that has been enhanced over the years to reduce uncertainties and incorporate expert opinions on thresholds for Credible Failure Modes (CFMs). Our approach is derived from the Tailings Standard, and we take a conservative approach to consequences where there is a potential Population at Risk (see Section 1.3 and the Appendix for more information). For closed sites where no material risks remain, a "safe closure" designation is assigned, as described in Section 1.1.

In line with RIDM, we continue to conduct additional investigations, analyses, and, when necessary, enhancements of our controls or take additional actions to reduce residual risks to as low as reasonably practicable. In doing this work, we have reduced our uncertainties and increased our confidence in understanding our TSFs.

Monitoring our TSFs and striving to minimize potential risks is an ongoing process, and we plan to update our disclosures as required by the Tailings Standard.

1.0 Our Tailings Management System

FCX has comprehensive measures in place to help ensure our TSFs are designed, built, operated, closed, and monitored/maintained to minimize risk to our workforce, communities, and the environment.

The TMS comprises specific programs to address aspects of tailings planning, design, operation, maintenance, surveillance, and risk management over the TSF lifecycle. Although there is some overlap among the categories, our safeguards generally fall within four categories:

1. Engineering practices and safe designs

- We have robust stage-gate processes for engineering and design; our technical experts either manage or are embedded in projects to enhance shared knowledge and consistency in rigor and quality. In collaboration with the EoR, we conduct extensive site investigations and detailed site characterization to inform state-of-practice (or leading practice) engineering analyses and build a comprehensive knowledge base. Our EoRs design new TSFs and analyze existing TSFs using the stringent criteria for earthquakes and floods, applicable to Extreme TSFs, regardless of actual consequence.

2. Adherence to construction and operational parameters through monitoring and use of technology

- Our programs for operations, maintenance, inspections, and monitoring incorporate on-the-ground, automatically collected, and remote sensing data to enable regular analysis and internal reporting. Monitoring results are compared to established

performance criteria. Action plans are developed and tracked to completion to help verify that the TSF is operated in accordance with the design intent. Our Early Indicator Dashboard provides a mechanism to communicate performance in a timely manner to appropriate stakeholders at our sites and with our corporate leadership.

3. Multi-tiered oversight and management of change

- Our TMS includes mechanisms for internal and external reviews, including reviews by internal subject matter experts, Responsible Tailings Facility Engineers (RTFEs), EoRs, the TST, and ITRBs. See sections 1.2 and 1.4 for more information. Reporting on monitoring program results and findings from these reviews are distributed to site and corporate leadership, including the Accountable Executive (AE), to inform and drive our bias for action.
- We use a formalized management of change process to assess, control, and communicate changes that range from minor to material, as well as to handle temporary and permanent changes.

4. Adherence to practices grounded in continuous improvement and learning from past experiences, including industry failures and best practices

- We actively participate in industry technical conferences and research initiatives, apply lessons from case histories, and conduct regular operator and engineer education and training.

Our RIDM process is an example that spans all four categories of safeguards and is discussed further in Section 1.3.

Figure 2 shows the evolution of the FCX TMS and key programs that exemplify the categories discussed above.

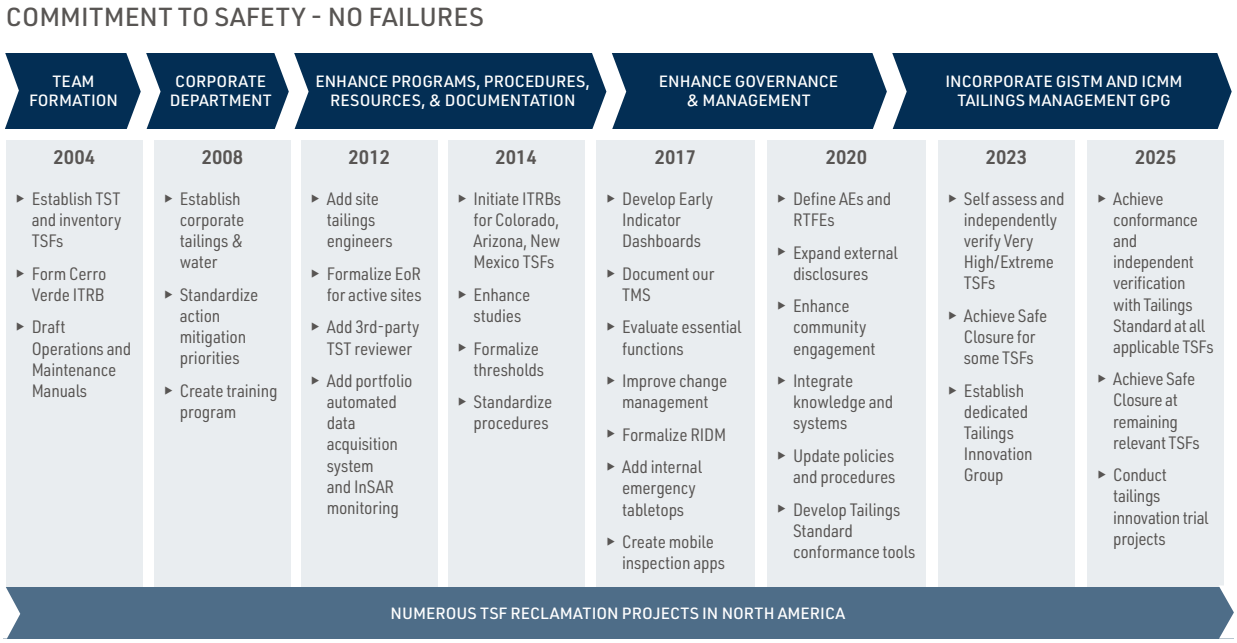


Figure 2. Tailings Stewardship & Management: A 20-Year Evolution.

1.1 Tailings Storage Facility Lifecycle

A TSF lifecycle includes the design, construction, operation, closure, and post-closure phases. A TSF undergoes changes over its lifecycle, and these changes should be considered and managed to maintain safety and structural integrity. FCX works closely with internal and external experts, including the EoR, TST, ITRB, and TMS Implementation Assessor, for management across the full lifecycle of the TSF.

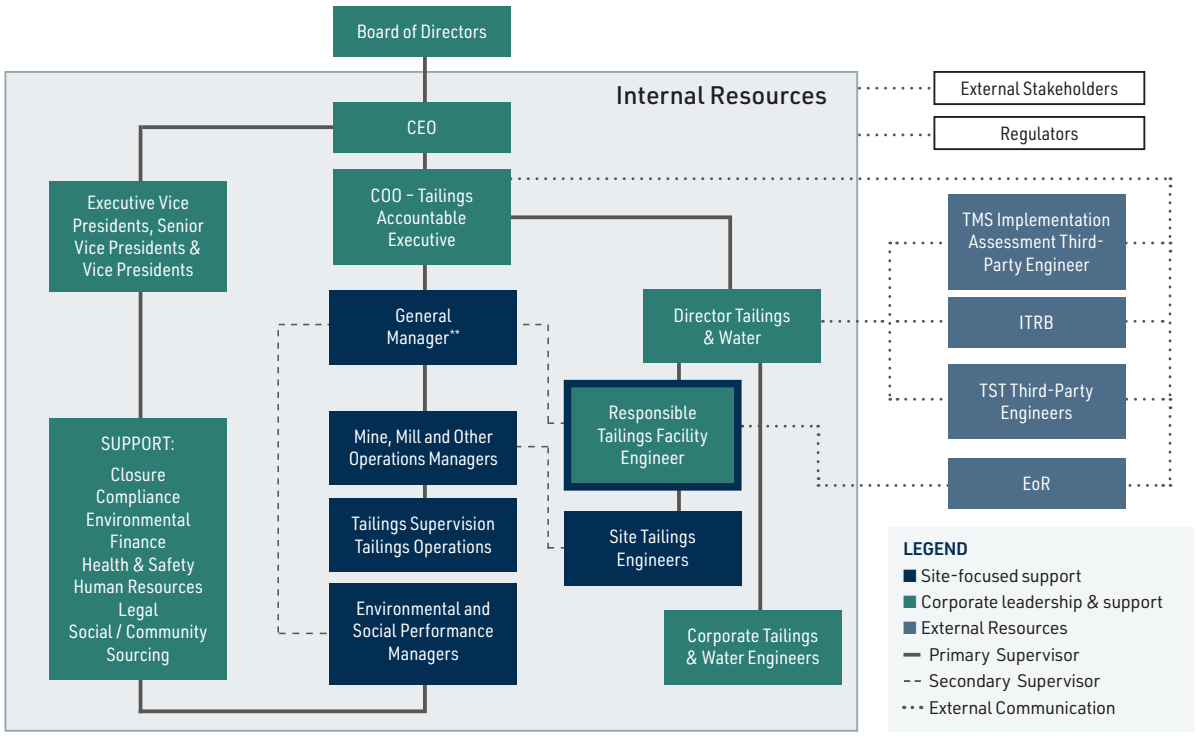
FCX provides the "Status" of our TSFs in our public disclosures as follows:

- **Development** - TSFs that have completed permitting and are in stages of design and/or construction through commissioning, prior to start of tailings deposition.
- **Active** - TSFs with tailings distribution infrastructure in place for the intent of raising dam crest.
- **Inactive** - TSFs that are not intended to receive tailings deposition in the current operating plan but have not yet implemented final closure activities.
- **Closed** - TSFs that are no longer in operation and have been closed to meet applicable design criteria, but for which safe closure under the Tailings Standard is not yet complete or confirmed.
- **Safely Closed** - TSFs that, upon collection and evaluation of additional data, have reached "Safe Closure" status as defined by the Tailings Standard; to receive this designation, TSFs require confirmation by an ITRB (and/or senior independent reviewer) and AE. A Safely Closed TSF does not pose ongoing material risk to people or the environment.

1.2 Governance Framework

We believe our programs and safeguards are effectively implemented through the promotion of open and ongoing communication throughout our organization and a bias for action.

We remain focused on the safe execution of our TMS by maintaining robust, multi-tiered governance of our tailings programs, which involves appropriately qualified personnel with clearly defined roles, responsibilities, and accountabilities. There are multiple layers of assurance we apply to all TSFs: site-level implementation, functional accountability, third-party review, and executive leadership and Board of Directors oversight as shown on Figure 3 and described as follows.



* Sites with only Inactive and/or Closed TSFs utilize a parallel structure reporting through the Chief Sustainability Officer.

** In some cases, the General Manager or Director Tailings and Water may report to a Division Vice President or President who in turn reports to the COO-President Americas.

Figure 3. Organizational Structure for Tailings Management System for Operating Sites that Facilitates Collaboration, Engagement, and Review.

Brief description of key roles in FCX's governance structure:

1. Site-Level Implementation

- **Site Tailings Management, Engineers, and Operators:** Internal team that implements the management program and regularly monitors, identifies, and addresses potential risks.
- **Responsible Tailings Facility Engineer (RTFE):** Internal engineer appointed by the AE responsible for the integrity of assigned TSFs. The RTFE provides technical expertise, manages risk, and liaises with the EoR. Corporate discipline experts provide regular support to the RTFE.
- **Engineer of Record (EoR):** External engineer who provides expert design and engineering analysis, technical support, inspection, review, and guidance to support an RTFE in achieving design intent of their assigned TSF.

2. Functional Accountability and Responsibilities

- **Accountable Executive (AE):** Chief Operating Officer (sites with active tailings operations) or Chief Sustainability Officer (sites without active tailings operations) who reports to the FCX Chief Executive Officer on tailings-related matters and is accountable for the safe management of TSFs and for minimizing the social and environmental consequences of any TSF failure.
- **Tailings and Water Director:** Oversees the RTFE's activities and has delegated responsibilities from the AE for engaging with and reviewing the site-level implementation of TMS activities.

3. Third-Party Review

- **Independent Tailings Review Board (ITRB):** Third-party, internationally known expert panels who provide independent opinions and guidance on the physical integrity, safety, and performance of TSFs and have access to corporate senior leadership. Members have decades of experience in applicable disciplines.
- **Tailings Stewardship Team (TST):** Third-party professional engineers who have not been directly involved with the design or operation of the TSFs and internal experts who inspect all TSFs, review documents and monitoring data, identify potential deficiencies, and recommend corrective actions.
- **Tailings Management System (TMS) Implementation Assessor:** External consultant with sufficient knowledge and understanding of the TMS to assess the efficacy of the TMS applied at a site-specific level, including key tasks, roles and responsibilities, and associated governance structure to support proper management and operation for maintaining TSF structural integrity.

4. Corporate Leadership and FCX Board Oversight

- **Corporate Leadership:** Leaders that participate in major decisions related to the tailings management program, including allocation of resources for TSF-related operations, initiatives, and projects.
- **Board of Directors:** Corporate governing body committed to providing active oversight and, with the Corporate Senior Leadership, the necessary financial and technical resources to maintain the safety and integrity of our tailings facilities globally, with a focus on risk management and continuous improvement. The AE regularly reports to the Corporate Responsibility Committee of the FCX Board of Directors on matters related to the tailings management, including implementation of the Tailings Standard.

1.3 Risk Informed Decision Making

Risk is a combination of the potential consequences of an event and the probability, or likelihood, of that event occurring.

FCX applies an RIDM approach throughout the full lifecycle of each TSF, from design through post-closure. RIDM allows us to make informed decisions while linking the stability performance and risk level that is acceptable for the TSF; the process includes periodic updates, so that changes in the operation and/or performance, which may alter the risk profile of a TSF, can be considered.

As part of FCX's TMS, RIDM consists of three primary elements:

1. Risk Assessment
2. Risk Management
3. Surveillance and Review

1.3.1 Tailings Storage Facility Risk Assessment and Consequence Classification

TSF risk assessments include risk identification, analysis, and evaluation used to determine which measures are, or should be, in place to eliminate or minimize risk. Outcomes also inform TSF consequence classification.

The risk assessment focuses on potential physical failures of each TSF, which may include instability, slope failures, excessive slope erosion, overtopping of the impoundment, and internal erosion. For the purposes of the assessment, FCX defines a TSF failure as the unintended loss of the structural containment where the tailings and water released could be impactful.

Other risks related to TSFs include, but are not limited to, occupational health and safety, environmental, social, economic, value chain, and other potential long-term sustainability and business risks. These risks are documented in the site's sustainability risk register; see the **FCX's 2025 Annual Report on Sustainability** for more information.

The TSF risk assessment is updated with our full stakeholder group and workshop process every three years for applicable TSFs, and approximately every six years for Safely Closed TSFs. In the interim, the risk assessment is reviewed annually by the RTFE, site engineering staff, and the EoR.

During the risk identification and analysis workshops, multidisciplinary teams including the EoR, RTFE and internal team members and additional external experts as appropriate, use available information such as TSF-specific detailed data and engineering analysis, experience from team members, case histories, and regulatory data to identify a specific chain of events that could lead to a TSF failure. The group analyzes how a failure may occur, what factors exist that make the potentially credible failure modes more or less likely (considering the site-specific knowledge base, existing controls and uncertainties), and ultimately determine which are credible failure scenarios.

Risk analysis leads to an understanding of each credible failure scenario for a TSF; a scenario comprises a CFM and an associated consequence that is technically feasible considering analysis and expert opinion on a minimum threshold of possibility of occurrence during a structured analysis process. To determine whether a failure mode and an associated scenario are credible, workshop participants use tools such as semi quantitative risk analysis to estimate the likelihood of occurrence of each potentially credible failure mode, the likelihood of an adverse structural response, and the magnitude of potential adverse consequences. The group's best-estimate conservative ranking is used for the likelihood categorization of each CFM guided by information described in the Appendix.

CFMs reflect the residual uncertainty that exists around physical conditions and controls in the TSF considering site-specific information and analyses. The resulting consequence classification is not an indication that a credible failure scenario will occur and having CFMs is not a reflection of TSF safety.

The credible failure scenarios are then used to create a TSF consequence classification, as defined by the Tailings Standard. The TSF consequence classification is based on downstream conditions and potential impacts of CFMs, including incremental losses to Populations at Risk; environmental impacts; health, social, and cultural impacts; and infrastructure and economic impacts.

One of the ways FCX integrates safety into our tailings programs is by taking a conservative approach to consequence classification (see Appendix for additional detail). Our definitions for consequence classification align with the Tailings Standard except as outlined below.

- If there is at least one permanently situated person at risk (permanent Population at Risk) – including the public, employees, or contractors – the CFM is classified as Extreme, whereas the Tailings Standard requires a Population at Risk (see Appendix) greater than 1,000 people to be classified as Extreme.
- If there is no permanent Population at Risk, but there is a transient Population at Risk (see Appendix), the minimum consequence classification is Significant.
- Other metrics (as defined in the Tailings Standard for environmental and health; social and culture; and infrastructure and economics) help further determine the consequence classification (see Appendix).

Appropriate modeling of credible failure breach flow or slump runout scenarios is used to inform our understanding of potential consequences. In accordance with the Tailings Standard, we assign a TSF a consequence classification based on the highest consequence categorization of CFMs for that TSF. The consequence classification is primarily used for communications and disclosure purposes. The TSF consequence classification is formally revisited when the risk assessment is updated.

Regardless of the TSF consequence classification, all of FCX's operating and development TSFs are designed, analyzed, and operated using Extreme loading criteria. Design criteria for Inactive, Closed, and Safely Closed TSFs are informed by the Extreme loading criteria and assigned using the as low as reasonably practicable (ALARP) principle.

A risk assessment compares the outcomes of the risk analysis for existing conditions to determine if risks are within acceptable limits, whether existing risk reduction measures and controls are adequate, and what additional risk reduction measures should be considered (pursuant to the ICMM Tailings Management Good Practice Guide updated in 2025). The risk of each CFM is reviewed following the ALARP principle. In some cases, the ALARP principle may not be satisfied, and further risk reduction measures to reduce the likelihood of occurrence or the potential adverse consequences may be required.

1.3.2 Risk Management

Based on learnings from the TSF risk assessment, our expert teams use engineering and operational controls to prevent, minimize, and/or mitigate risks to meet the ALARP principle. These controls include an ongoing focus on quality engineering design, construction, and operating discipline. Controls could include a buttress or other mitigating construction activity (e.g., foundation improvements or stormwater management enhancements). Additionally, part of managing risk is engaging with our communities and external authorities to maintain a shared state of readiness through robust emergency preparedness and response planning for credible failure scenarios.

The risk assessment steps are repeated until the risk conforms to the ALARP principle and is followed by annual reviews and periodic TSF risk assessment updates.

1.3.3 Surveillance and Review

Surveillance and review in our RIDM program include activities as outlined in our Operations, Maintenance and Surveillance (OMS) Manual. Surveillance involves inspection and monitoring of the operation, structural integrity, and safety of the TSF. It consists of both qualitative and quantitative comparison of actual to expected behavior and its activities are performed by appropriately trained personnel. Review of surveillance information occurs throughout the year for each TSF and is facilitated via internal reporting.

1.4 Approach to Tailings Storage Facility Safety Performance Reviews

The TMS programs and their results are reviewed and evaluated for effectiveness regularly as part of routine operations and in focused performance reviews.

Internal and external reviews enhance confidence in safe tailings management, helping to confirm each TSF is performing in accordance with the design intent and to support informed decision making.

The following multifaceted review mechanisms are in accordance with the ICMM Tailings Management Good Practice Guide and satisfy the requirements of the Tailings Standard.

- **Annual Performance Review:** Each year, all TMS activities are reviewed to evaluate overall TSF performance and documented to serve as a record of tailings analyses, design, construction, inspections, and monitoring results from the preceding year with references to supporting documentation. The review summarizes key findings and assesses the cumulative impact of activities and changes to the TSF.

  The EoR provides an overall conclusion about the performance of each TSF and provides recommendations if deviances from the design intent or good practice are found. Opportunities are identified to improve or optimize TSF performance or other TMS activities. Where material changes have occurred, recommendations are made to update the design basis, performance objectives and monitoring criteria, or other OMS activities as relevant. Actions taken to address recommendations not resolved by the end of the previous reporting period are summarized in the following year's annual performance review.

- **TST Inspection:** This inspection is a review of TSFs and supporting infrastructure with a focus on TSF safety. The TST inspects all TSFs, identifies potentially significant deficiencies, recommends corrective actions, and reviews whether recommended actions were completed through acceptable measures. The TST performs annual inspections of all Active TSFs. Inspections of Inactive/Closed/Safely Closed TSFs occur every one to three years, depending on risk profile, status of ongoing care and maintenance programs, and progress towards safe closure.

- **ITRB Review:** The ITRB is comprised of a group of third-party experts that independently reviews and assesses design, construction, and tailings management practices for the applicable Americas TSFs. The ITRB holds periodic meetings as often as bi-annually, but no less frequently than quadrennially, for TSFs that are not Safely Closed. The ITRB meets at least every six years for Safely Closed TSFs. ITRBs review information from significant field investigations and geotechnical and hydrotechnical analyses, material maintenance activities or repairs, progress on recommendations, and otherwise provide input on technical or operational issues. The RTFE and site team work collaboratively with the EoR to develop an action plan to address each recommendation.

- **TMS Implementation Assessment:** This periodic review typically occurs approximately every four to six years, depending on several factors, and is conducted to assess the efficacy of the TMS applied at a site-specific level, including key tasks, roles and responsibilities, and associated governance structures to support proper management and operation for maintaining TSF structural integrity. The RTFE and site team develop action plans and schedules to incorporate the recommendations.

In this context, a material finding for a TSF safety performance review means that the finding would result in:

- A significant update to the TSF design and/or design criteria, operations, or monitoring system; and/or
- Activation of the Emergency Preparedness and Response Plan (EPRP) or Emergency Response Plan (ERP) for an emergency event.

In addition to review processes with the EoR and independent reviewers, regulatory or permit-driven reviews are defined based on site- and TSF-specific factors.

2.0 Morenci Mine TSFs

This report presents a summary of the 2025 Annual Tailings Management Performance Review and other pertinent information for the TSFs at the Morenci Mine. The reporting period is January 1, 2025, to December 31, 2025, unless otherwise noted. This summary provides information per the Tailings Standard Requirement 15.1.

2.1 Description of the Morenci Mine, Mill and TSFs

This section provides a description of the Morenci Mine, Mill, and TSFs, including general background on the Morenci Mine, history of the milling operations, and details on each TSF.

The Morenci Mine is an active site located in Greenlee County, Arizona,. The Morenci mining complex is an unincorporated joint venture between Freeport-McMoRan Morenci Inc. (FMMI), Sumitomo Metal Mining Arizona, Inc. and SMM Morenci, Inc. holding 72%, 15% and 13% interests, respectively. FMMI is an indirect, wholly owned subsidiary of FCX. FCX is the operator of the Morenci Mine and holds a registered title to the mineral claims.

The Morenci Mine is a porphyry copper deposit that has oxide, secondary sulfide and primary sulfide mineralization. Ore mineralization was discovered in the Morenci district as early as 1863. Processing facilities in use today began operating in 1942, with additional TSF expansions and incremental capacity increases over time. Production rates have varied over the decades. The mine currently has eight TSFs as listed in Table 1. The Morenci TSFs lie west of the company-owned town of Morenci, Arizona. Figure 4 shows the general layout of the TSFs.

The site is situated in a rugged mountain terrain adjacent to the Gila River, San Francisco River, and Eagle Creek. In terms of seismicity, the Morenci Mine is located along the southeastern edge of the transition zone between the Colorado Plateau and Southern Basin and Range Province in southeastern Arizona near the New Mexico border. The historical seismicity in the region has been relatively low to moderate.

The habitats surrounding Morenci include desert scrub, chaparral, and generally riparian and mixed woodlands in the low-lying areas. The climate is characterized as semi-arid, between a high-altitude desert and cool plateau highlands with warm to hot summers and rainfall averaging 33 centimeters per year. Much of the rainfall occurs in June through September during the monsoon season and from December to March in the winter.

Table 1. Morenci TSFs

Name	Location	Status*	Description
2 West TSF	33° 1′ 51.90″ N 109° 20′ 27.07″ W	Inactive	2 West TSF initial deposition started in the early 1940s. The 2 West TSF is an upstream constructed TSF and has not received continuous deposition since the 1990s, only receiving occasional nominal launder bypass during mill outages. Outside of the nominal bypass flows, this TSF does not contain any depositional infrastructure nor does FMMI have intent to raise the crest in the future. This TSF is planned to be encapsulated by the West/East TSF as the latter is raised.
3 West TSF	33° 2′ 12.36″ N 109° 20′ 25.68″ W	Active	3 West TSF initial deposition started in the early 1940s. The 3 West TSF is an upstream constructed TSF and is typically operated in rotation with the other upstream TSFs, with focused deposition campaigns performed in 2025 and planned to be performed again in the next few years, with a plan to eventually merge with 4 West to be managed as one TSF.
4 West TSF	33° 2′ 38.11″ N 109° 20′ 22.83″ W	Active	4 West TSF initial deposition started in the early 1940s. The 4 West TSF is an upstream constructed TSF. This TSF last received limited deposition in December 2019 and is not targeted for deposition until 3 West impoundment elevation reaches the current 4 West impoundment elevation. FMMI plans to eventually merge 3 West TSF and 4 West TSF, to be managed as one TSF.
Silver Basin 1 TSF	33° 1′ 28.68″ N 109° 21′ 43.09″ W	Active	Silver Basin 1 TSF initial deposition started in 1965. The Silver Basin 1 TSF is an upstream constructed TSF. A deposition campaign began in December 2024 following a 16-month rest period and ended in April 2025.
Silver Basin 1X TSF	33° 0′ 56.06″ N 109° 21′ 18.22″ W	Inactive	Silver Basin 1X TSF initial deposition started in 1981. The Silver Basin 1X TSF is an upstream constructed TSF. The Silver Basin 1X TSF has not received deposition since 2016. This TSF does not contain any depositional infrastructure nor does FMMI plan to raise the crest in the future.
Southwest 1 TSF	33° 0′ 43.01″ N 109° 22′ 4.98″ W	Active	Southwest 1 TSF initial deposition started in 1979. The Southwest 1 TSF is an upstream constructed TSF. This facility started receiving deposition in April 2025 and FMMI plans for this facility to continue to receive tailings for the following 19 months.
Southwest 2 TSF	32° 59′ 49.80″ N 109° 22′ 9.08″ W	Closed	Southwest 2 TSF initial deposition started in 1981. The Southwest 2 TSF is an upstream constructed TSF and only operated for a few years. The TSF is closed and was reclaimed in 1998.
West/East TSF	33° 1′ 12.14″ N 109° 20′ 9.19″ W	Active	The West/East TSF is a cyclone sand centerline constructed TSF. The West/East TSF was commissioned in 2015 and is the primary active TSF at the Morenci Mine.

* See Section 1.1 for description of “Status.”

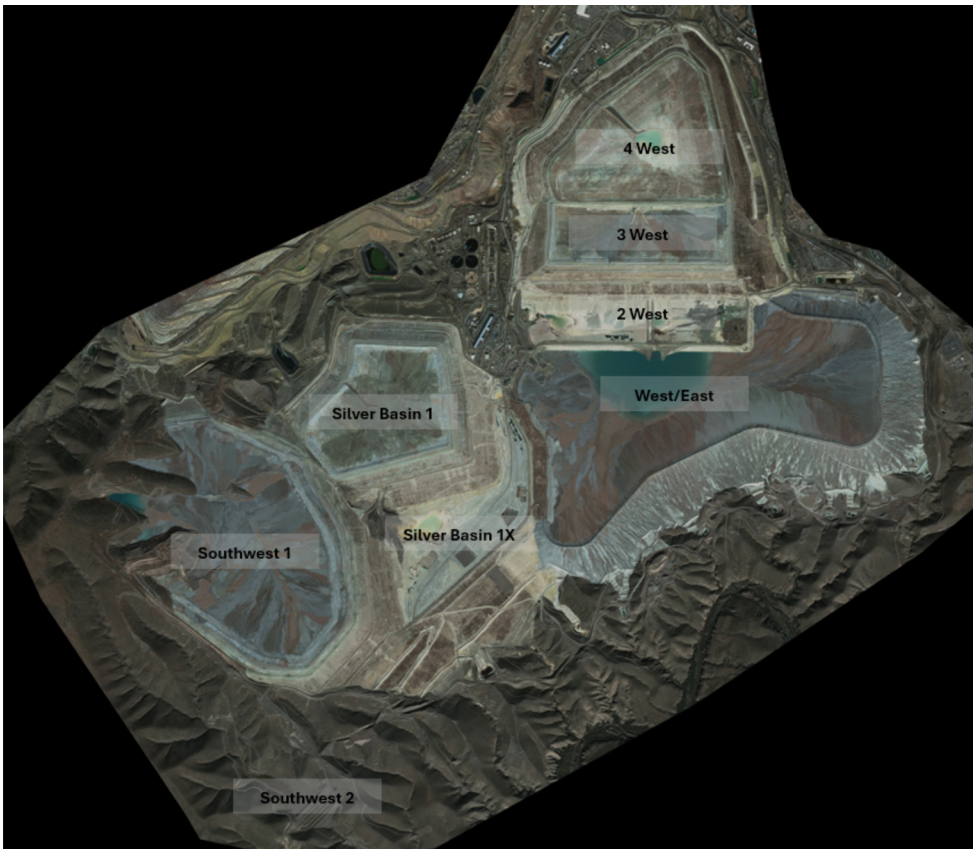


Figure 4. General Morenci TSF Layout (January 2026)

2.2 Tailings Storage Facility Designs

This section presents a summary of the designs for the upstream and centerline TSFs, including construction means and methods through the lifecycle of each TSF. The Morenci TSF designs are informed by assessment of TSF potential risk, site conditions, water management, mine plan operations, social and environmental impact studies, economic feasibility, and geotechnical evaluations. The design and operation of the Morenci TSFs are regularly reassessed and updated when appropriate to reduce risk and increase robustness. The updates are based on informed decisions derived from the regularly scheduled enhancements to instrumentation and geotechnical investigation data, regular inspections, instrumentation and operational monitoring, and geotechnical performance evaluations.

The Morenci TSF designs and analyses are overseen by the site's EoR. Based on available documents, the EoR's company and its predecessors have been involved with supporting the Morenci TSFs since 1971.

2.21 Upstream TSFs: 2 West, 3 West, 4 West, Silver Basin 1, Silver Basin 1X, Southwest 1, and Southwest 2

Seven of the eight Morenci TSFs were constructed using the upstream method. These include 2 West, 3 West, 4 West, Silver Basin 1, Silver Basin 1X, Southwest 1, and Southwest 2.

The main objectives for the upstream TSF designs are to:

- Provide safe, reliable tailings storage capacity throughout the TSF's life under both normal and upset operating conditions.
- Meet or exceed FCX design criteria, Tailings Standard requirements, and applicable Arizona regulatory requirements.

- Satisfy established stability criteria for upstream-constructed embankments under static, seismic, and post-earthquake loading, including extreme (10,000-year) seismic events.
- Manage extreme hydrologic events by providing sufficient storage for the Probable Maximum Flood (PMF) from the Probable Maximum Precipitation (PMP), while maintaining residual freeboard.
- Operate as closed-loop facilities with no routine discharges, relying on reclaim systems, seepage interception, and operational water management controls.
- Support monitoring, surveillance, and risk-informed decision-making through instrumentation, defined action levels, and documented design assumptions.

These TSFs were designed as cross-valley-fill impoundments. The starter dams for each TSF were generally composed of compacted Gila Conglomerate and tailings sands. The initial construction method for the upstream dams was traditional header and spigot whole tailings deposition. Since the mid- to late-1980s, these facilities have been constructed using the upstream method with crane mounted cyclone clusters for tailings deposition that forms an embankment downstream slope of 5H:1V. The crane mounted cyclone deposition method results in a coarse free-draining sand shell with fine-grained tailings located upstream of the shell and deposited into the impoundment.

As described in Section 1, the Morenci TSFs are actively monitored for performance and periodically re-evaluated for stability.

FMMI's closure strategy was approved as part of a May 2023 permit amendment. The closure strategy includes all upstream TSFs except Southwest 2, as that TSF has already been reclaimed/closed. The closure strategy includes the following planned concepts:

- The general closure concept for the Morenci TSFs includes reclaimed landforms with a cover system that limits net infiltration and a soil matrix supporting establishment of vegetation to mimic the natural local ecological and wildlife context. Embankment slopes and impoundment will include cover material and vegetation.
- Upstream constructed TSFs will remain at an overall 5H:1V inclusive of downstream slope stormwater management.
- PMP events, or extreme hydrological events, will be attenuated on the impoundments in lined basins with the intent to manage stormwater discharge rates, promote evaporation and minimize net infiltration with spillways to convey stormwater onto armored down chutes, side slope channels, and energy dissipation structures at the base of the TSFs.
- Designs intend to facilitate a slow release of a portion of the design storm event within the run-on area into natural drainages.
- Point of compliance wells from the operational period will be used to monitor closure and post-closure performance of the TSFs.

Select design information for the Morenci TSFs is included in Table 2.

2.2.2 Centerline TSF: West/East

The main objectives for the West/East TSF design are to:

- Provide safe, reliable tailings storage capacity throughout the TSF's life under both normal and upset operating conditions.
- Meet or exceed FCX design criteria, Tailings Standard requirements, and applicable Arizona regulatory requirements.
- Satisfy established stability criteria for upstream-constructed embankments under static, seismic, and post-earthquake loading, including extreme (10,000-year) seismic events.

- Provide adequate freeboard and safely manage extreme hydrologic events, including containment of the PMF, through integrated material balance, water balance, and operational pond management strategies.
- Maximize recovery, capture, and reuse of impacted water through reclaim water systems and seepage collection systems.
- Control the phreatic surface through engineered underdrain systems and deposition practices that promote drainage and beach development.
- Provide operational flexibility through dual tailings delivery lines and adaptable deposition planning to accommodate variability in production.
- Support monitoring, surveillance, and risk-informed decision-making through instrumentation, defined action levels, and documented design assumptions.

The West/East TSF was designed with a centerline raise embankment that consists of a compacted Gila Conglomerate starter dam, a centerline raised cyclone underflow (coarse tailings) embankment, and fine-grained overflow tailings impounded upstream of the embankment. Tailings are deposited from cyclones mounted on a tailings delivery line jacking tower system located along the centerline crest, raising the TSF while maintaining the crest alignment above the starter dam. The downstream embankment is constructed at a target 3H:1V slope, with a portion constructed at a 4H:1V slope. FMMI is evaluating extending portions of the embankment to a 3.5H:1V slope during operations to support closure. Underflow construction, water and seepage from the impoundment are collected by a system of underdrains and seepage collection ponds. Seepage from the West/East TSF is expected to continue for up to 40 years after deposition stops. The seepage collection ponds will remain in operation until seepage ceases.

Select portions of the West/East TSF are underlain by historic upstream TSFs.

- The east portion of the TSF (left abutment) is constructed across a historic TSF. FMMI performed extensive investigations and analyses to inform additional design features to ensure safe performance of this TSF. The embankment is constructed at a 4H:1V slope in this area. As described in Section 2.5, the ITRB has reviewed and concurs with the design features, monitoring approach and observed performance of this area.
- Originally, the west portion of the TSF (right abutment) was designed to cross the Silver Basin 1X impoundment. Recognizing associated challenges, the site's EoR developed realignment options and conducted a multiple account analysis structured decision making process with the project team (considering technical, economic and sustainability risks and opportunities) to select the most effective design option for the right abutment. The design changes included realignment to avoid crossing the Silver Basin 1X impoundment and incorporated mechanically placed embankment materials. Extensive investigations and analyses were conducted to inform the design changes. As described in Section 2.5, the ITRB has reviewed and concurs with these design changes.

Closure measures for the West/East TSF are also described in the 2023 closure strategy approved by ADEQ as part of Morenci's APP and generally align with the description above for the upstream TSFs, except that the final grade for the West/East TSF embankment slopes, inclusive of stormwater conveyance, is targeting an overall slope of 3H:1V to 3.5H:1V.

Select design information for the West/East TSF is included in Table 2.

Table 2. Select Design Information for Morenci TSFs as of December 31, 2025

	2 West TSF	3 West TSF	4 West TSF	Silver Basin 1 TSF	Silver Basin 1X[2] TSF	Southwest 1 TSF	Southwest 2 TSF	West/East TSF
Primary Construction Material	Tailings							Tailings/Gila Conglomerate
Construction Method	Upstream							Centerline
Tailings Embankment Downstream Slope (Horizontal Distance to Vertical Rise)	5:1							Varies 3:1 to 4:1
Maximum Current Embankment Height[3]/Elevation (meters)	10[4]/ 1,246	80/ 1,295	74/ 1,297	100/ 1,304	166/ 1,245	211/ 1,322	76/ 1,173[5]	163/1,242
Permitted Max. Embankment Elevation (meters)	1,305	1,305	1,305	1,355	1,355	1,366	1,173	1,305[6]
Stored Tailings (million metric tons)	60	36	31	123	105	433	16	271
Permitted Capacity (million metric tons)	N/A	46	52	174	290	602	16	676
Inflow Design Flood[7]	PMF							
Safety Evaluation Earthquake	1/10,000-year annual exceedance probability							

[2] Silver Basin 1X is an Inactive TSF. Even though there is remaining capacity, FMMI does not plan to operate this TSF.

[3] Embankment height is defined at the vertical distance from the embankment crest to the downstream toe at the location of the maximum cross section.

[4] 2 West is an Inactive TSF; its embankment height is expected to decrease as the West/East TSF is raised and ultimately encapsulates 2 West.

[5] The final Southwest 2 deposited upstream raise crest elevation is 1,173 meters. A maintenance road was constructed of local construction materials above the crest of Southwest 2 to about elevation 1,175 meters as part of closure activities.

[6] West/East is permitted for dam crest elevation of 1,305 meters, but the current design elevation is 1,265 meters.

[7] "Probable Maximum Precipitation" (PMP) or "Probable Maximum Flood" (PMF) are terms often used to denote extreme hydrological events. The Morenci TSFs' available capacities exceed the required capacity of "Extreme" external flood design criteria referenced in the Tailings Standard and applicable regulations. FCX considered the potential impacts of climate change when evaluating robustness of designs.

2.3 Risk Assessment, Impact Assessment, and Consequence Classification

This section provides a summary of risk assessment findings for the Morenci TSFs and consequence classifications, as well as a summary of impact assessments and human exposure and vulnerability to credible failure scenarios.

In accordance with the Tailings Standard, a comprehensive risk assessment for the Morenci TSFs was completed in the first half of 2026 and is expected to be presented to the ITRB in an update meeting in 2026. Our risk assessment process is described in Section 1.3.1.

Using information collected over many years and enhanced with recent updates to Morenci's knowledge base, a multi-disciplinary stakeholder group – including the RTFE, EoR, and other internal stakeholders – led by an expert risk assessment facilitator, initially identified 114 potentially credible failure modes among Morenci's eight TSFs through a series of semi-quantitative risk analyses workshops.

Extensive engineering, monitoring and instrumentation, operational practices, analyses (geotechnical and hydrotechnical), and field and laboratory testing data were reviewed and utilized to analyze each potentially credible failure mode, understand how the potential failure may occur, what factors exist that make the potential failure mode more or less likely to occur, and analyze and determine which are CFMs. Ultimately, the group determined that there were twelve CFMs among the eight Morenci TSFs during the risk assessment process. This represents a change from the previous assessment, during which there were six CFMs, reflecting several changes in recent years, including increases in dam crest elevations, expansion of the Southwest 1 TSF to support future growth, and future encapsulation of 2 West impoundment by expansion of the West/East TSF. Additional changes included updated material characterization, expanded instrumentation for improved monitoring, construction of a stormwater diversion structure at the Southwest 2 TSF and introduction of additional downstream stormwater management measures.

These 12 CFMs were further evaluated to assess if they could result in flow of material, also known as a credible flow failure scenario, to determine the consequence classification of each TSF. The consequence classifications of the TSFs are "Significant" for Southwest 1 and 4 West, "Extreme" for 3 West, Silver Basin 1, and the West/East TSF. The 2 West, Silver Basin 1X and Southwest 2 TSFs are "Not Applicable" as they have no CFMs.

As summarized in Table 3, one TSF has a CFM that could result in a flow failure, four TSFs have CFMs that could lead to a slump runout, and three TSFs have no CFMs. See the Appendix for the consequence classification flowchart and matrix as well as the likelihood categorization matrix.

Table 3. Credible Failure Scenarios (Modes and Consequences) as of April 2026

TSF	Credible Failure Scenario	Likelihood	Consequence	Potential Impact
2 West	None	N/A	N/A	No credible failure scenarios
3 West	Saturated foundation material leads to instability resulting in slump runout	Low	Significant	Transient (see Appendix) personnel at risk
3 West	Seismic loading of saturated foundation material leads to instability resulting in slump runout	Moderate	Significant	Transient personnel at risk
3 West	Excessive raise rates due to sustained deposition leads to instability resulting in slump runout	Low	Extreme	Personnel and transient population at risk

TSF	Credible Failure Scenario	Likelihood	Consequence	Potential Impact
3 West	Pond migration towards embankment leads to instability resulting in slump runout	Moderate	Very High	Environmental, Transient personnel and population at risk
4 West	Saturated foundation material leads to instability resulting in slump runout	Low	Significant	Transient personnel at risk
4 West	Seismic loading of saturated foundation material leads to instability resulting in slump runout	Moderate	Significant	Transient personnel at risk
Silver Basin 1	Excessive raise rates due to sustained deposition leads to instability resulting in slump runout	Low	Extreme	Personnel at risk
Silver Basin 1X	None	N/A	N/A	No credible failure scenarios
Southwest 1	New construction methodology leads to instability resulting in slump runout	Moderate	Significant	Transient personnel at risk
Southwest 1	Concentrated deposition leads to instability resulting in slump runout	Moderate	Significant	Transient personnel at risk
Southwest 2	None	N/A	N/A	No credible failure scenarios
West/East	Failure of the foundation leads to breach flow	Moderate	Extreme	Population and personnel at risk
West/East	Deposition near abutment increases pore pressure and leads to instability resulting in breach flow	Moderate-High	Extreme	Population and personnel at risk
West/East	Ineffective drainage leads to increased saturation and foundation instability resulting in breach flow	Low	Very High	Environmental, Transient personnel and population at risk

The risk assessment considered whether there are any measures needed to minimize risk to ALARP. The risk of each CFM was evaluated following the ALARP principle. Resulting actions are summarized in Section 2.6.

Potential consequences in the event of a CFM were informed by appropriate breach or slump runout models; the assessment of potential human exposure and vulnerability was most recently updated in early 2026. We aim to update this assessment when there is a material change to any of the Morenci TSFs or an update to the knowledge base, including the social and economic context characterized by the social baseline study. Possible consequences may include impacts to transient and permanent Populations at Risk in the immediately adjacent town of Morenci and site personnel within the mine processing areas, damage to homes and buildings, road closures, temporary loss of utilities such as power and sewage, and/or reduced water quality in the San Francisco River.

2.4 Emergency Preparedness and Response Plan

The EPRP is reviewed annually and is informed by the Morenci TSFs risk assessment. The EPRP was reviewed and updated as applicable in 2025. The update was developed using the CFMs identified in the comprehensive risk assessment completed in 2023 and associated breach or slump analysis where applicable; local emergency management agencies also provided input. The EPRP is expected to be updated in 2026 and based on the current CFMs.

A summary version of the Morenci tailings EPRP, referred to as **A Guide to Tailings Storage Facilities**, is available on fcx.com and morencitown.com. This guide was developed through engagement with community members and local emergency management agencies.

A tabletop exercise to test the response procedures to a credible failure scenario was completed in 2023, during which site employees, local emergency management agencies, and community members participated. The next exercise is scheduled to be completed in 2026.

2.5 Dates of Most Recent and Next Independent Reviews

Per Morenci's OMS manual, its internal site engineers performed routine inspections during the reporting period. The RTFE and multiple levels of internal leadership, as well as the EoR, received monthly early indicator reporting for review. The AE reviewed summaries of the quarterly early indicator reporting.

The EoR conducted quarterly inspections and data reviews and provided a detailed 2025 annual performance review with input from the RTFE, site engineers, and operators.

In addition, FCX's TST, led by a third-party reviewer, completed an annual inspection and data review of the Morenci TSFs in October 2025. The next annual inspection is planned for October 2026.

The ITRB for the Morenci TSFs is engaged in periodic reviews over the TSFs' lifecycles. The most recent ITRB comprehensive review was conducted in January 2024. Update meetings occurred in June 2025 and September 2025 and the next comprehensive review is planned for 2028.

The most recent Tailings Management System Implementation Assessment was completed in August 2023, with the next review planned for 2026.

A summary of material findings from these inspections and reviews is presented in the following section. Open material recommendations from the previous reporting period were brought forward and are shown in Table 4.

2.6 Material Findings from TSF Safety Performance Reviews at Morenci and Mitigations to Reach ALARP

As described in Section 1.4, FCX and its subsidiaries conduct multifaceted reviews of TSF safety. Reviews consider annual performance data, observations, and documentation and provide conclusions on the overall performance of the TSFs. Reviews may result in TSF Safety Performance material[8] findings as defined in Section 1.4.

There were three new material findings identified in 2025, as described in Table 4. There were two material findings carried over from previous reporting periods. There were no activations of the EPRP for any Morenci TSF in 2025.

[8] As used in this report, the term "material" is based on a different definition of materiality than used in U.S. securities laws and regulations or the disclosure requirements of the U.S. Securities and Exchange Commission (SEC). Please refer to Cautionary Statement on Page 23 of this report.

Table 4. Summary of Material Findings from TSF Safety Performance Reviews

TSF	Material Finding	Impact	Action Plan	Status
West/East	2024 Finding. The potential exists for saturation of the 3 West foundation tailings at the left abutment that could lead to performance issues in the future.	The potential could exist to not meet the minimum targeted factors of safety, which could impact deposition in the area and deviate from planned use of West/East.	Preliminary analyses indicated mechanically constructing and compacting underflow sand reduces the potential for saturation in the foundation tailings. Additional analyses are planned for 2026 to evaluate benefits of pond relocation and potential flattening of the downstream slope.	In progress
West/East	2024 Finding. Due to current and projected settlement, Morenci does not need to compact the downstream slope of the embankment section crossing an old tailings impoundment. However, slope stability factors of safety are expected to decrease in future years. No current dam stability concerns.	Reduction in depositional impacts as a result of slope compaction at 3 East crossing location, including compaction at the toe, provides additional support and time to evaluate ultimate TSF height challenges and potential mitigations.	Field investigation was completed in 1Q25 to address ITRB recommendations and support ultimate TSF height performance and potential mitigations.	Resolved
West/East	Slope stability factors of safety less than the minimum targeted for the 3 East crossing area when embankment approaches ultimate height.	Not meeting the minimum targeted factors of safety for undrained loading conditions resulted in an increased likelihood of failure occurrence in an area with downstream population at risk.	Mitigation design analyses planned for 2026 for a buttress and slope flattening.	In progress
Southwest 1	Large pile heights were observed at the location on Southwest 1 at the downstream side of the crest.	Resulted in exceedance of piezometer thresholds. This resulted in undrained loading.	Add pile height specifications to the construction plan.	Resolved
Southwest 1	Piezometer exceeded its threshold level because of ongoing deposition.	Potential for rapid undrained loading.	Evaluate the water levels in piezometers within the same section and use of fill stakes as an additional control for deposition.	Resolved

The Morenci TSFs met the design intent and performed within expectations in 2025 based on the multifaceted dam safety reviews and the annual performance review completed by FCX and the EoR. Several operational and sustaining capital projects were ongoing or completed in 2025 to support continued safe operations.

The risk of each CFM was reviewed following the ALARP principle. The risk reduction measures that were identified and implemented, or are ongoing, include:

- Morenci is evaluating multiple opportunities to reduce water-related risk within the tailings storage facilities, including optimization of the reclaim pond location and the reduction of pond size through alternative deposition strategies and emerging technologies. Additional evaluations are underway to determine whether it is possible to maintain the reclaim pond in its current location while minimizing stored water volume.
- Morenci is advancing water management and structural resilience through evaluation of buttressing options, slope flattening, and improvements to stormwater and process water management practices. These efforts are focused on reducing water ponding, improving stability conditions, and maximizing the effectiveness of downstream structural controls.
- Morenci is strengthening operational controls and monitoring systems by introducing additional performance-based key performance indicators, enhancing operator training, and evaluating expanded instrumentation and monitoring approaches. This includes assessment of movement monitoring technologies and identification of areas where additional pore pressure instrumentation may provide early detection benefits. In parallel, formal processes for managing deposition deviations are being implemented to ensure changes to deposition plans are reviewed and approved in a controlled manner.

The successful completion of these risk reduction measures is expected to demonstrate that the Morenci TSFs meet the ALARP principle and that additional planned risk reduction measures are not expected to be required. Although projects to meet the ALARP principle are being identified and are in progress, periodic Morenci TSF risk assessment updates and annual reviews will be performed as summarized in Section 1.3.

2.7 Material Findings of Annual Performance Review of Environmental and Social Monitoring Programs

Social and environmental monitoring programs were completed and reported per company and regulatory requirements, as applicable. The Morenci TSFs are subject to the APP program administered by ADEQ.

FCX's Social Performance Management System (SPMS) is an internal system with the goal of driving consistent social performance, internal coordination, communication and accountability across operations and various other functions of the business to support the process of identifying and eliminating, managing or mitigating the actual or potential social impacts of any of our activities. The SPMS monitoring program includes community-related grievances; a human rights impact assessment (last conducted for the five active Arizona operations in 2021-2022); ongoing engagement, dialogue, and feedback with the Population at Risk and the broader population of project-affected people; and a social baseline study to characterize the social and economic conditions, including potential vulnerabilities and human rights issues, of the areas proximate to the Morenci TSFs to provide the necessary contextual information to inform future decisions about the TSFs for the continued protection of public safety. Further, the SPMS monitoring program includes identification of social risks associated with the Morenci TSFs via the TSF-specific and site risk register processes. There were no material social performance findings[9] from the SPMS monitoring program in 2025.

[9] As used in this report, a material social performance finding is identified from social performance monitoring and reviews of aspects related to or impacted by TSFs. Material findings may be caused by a material change in the local social, economic, or environmental context (including climate) that would reasonably be expected to have a significant effect on the quality of life or stability of the local community, or any change in the business or operation (or its assets, liabilities, or capital) that would reasonably be expected to have a significant effect on the nature of the operation and/or its positive or negative effects and impacts on the local community and/or other project-affected people.

FCX's Environmental Management System (EMS) includes monitoring and management of water, air quality, soil quality, vegetation, and wildlife, as well as waste generated by Morenci. There were no material environmental findings[10] resulting from the EMS monitoring program, no material environmental changes associated with the Morenci TSFs, and no material environmental impacts due to events during 2025.

2.8 Confirmation of Adequate Financial Capacity

As stated in **FCX's 2025 Annual Report on Form 10-K**, we believe we have the financial capacity to meet current estimated lifecycle costs, including estimated closure, post-closure obligations associated with our TSFs.

[10] As used in this report, a material environmental finding or material finding resulting from a review of environmental monitoring is information that is identified from environmental monitoring and audits of TSFs that may have a significant consequence to human health or the environment, a significant legal component or a significant operational impact.

CAUTIONARY STATEMENT

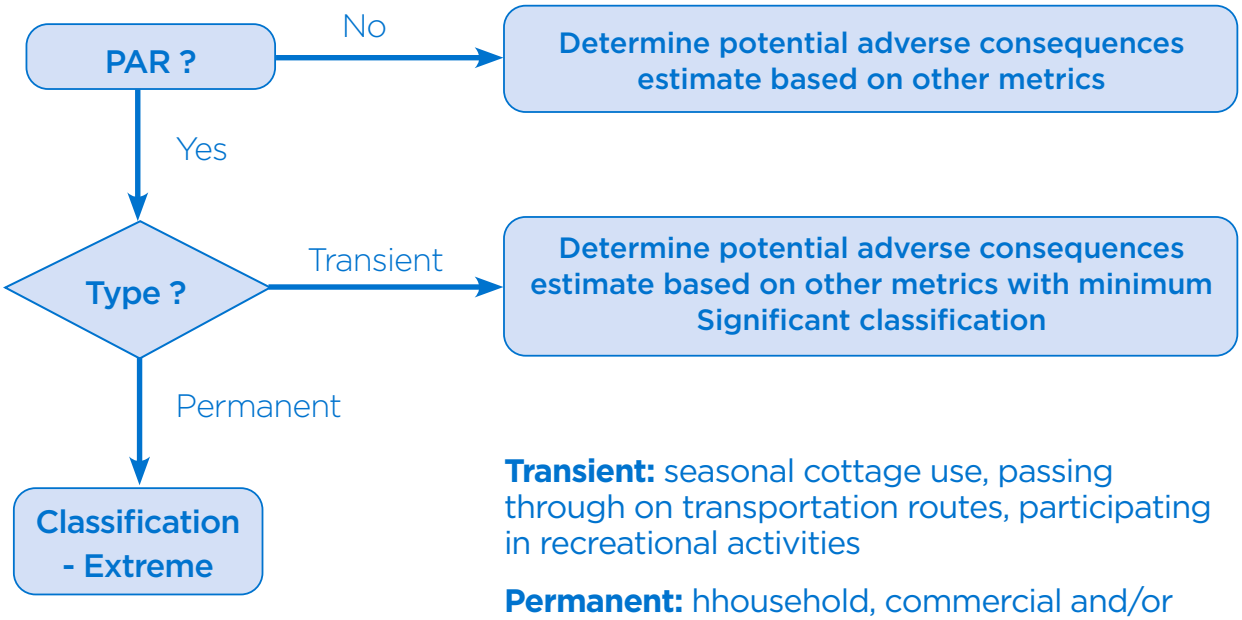
This report contains forward-looking statements. Forward-looking statements are all statements other than statements of historical facts, such as plans, projections, expectations, targets, objectives, strategies, commitments or goals relating to TSF-related performance, operations, risks, and projects, and the underlying assumptions and estimated impacts on our business and stakeholders related thereto; future risk mitigation; our continuing commitment to safe and reliable operations; our commitment to operating our TSFs in conformance with the Tailings Standard; the anticipated benefits of the Tailings Standard, including improved tailings management practices across the industry and reduced risks to people and the environment due to TSF failures; our commitment to ensuring our TSFs meet global best practice standards for safety; our tailings management programs, standards, and practices, including with respect to engineering, inspection, and surety; closure or divestment of certain operations or TSFs, including associated costs; improvements in operating procedures and technology innovations and applications relating to tailings management; anticipated tailings production; anticipated productive lives of TSFs; post-closure liabilities; regulatory developments; and our commitment to deliver responsibly produced copper and molybdenum, including plans to implement, validate, and maintain validation of our operating sites under specific frameworks. The words "anticipates," "may," "can," "plans," "believes," "efforts," "estimates," "expects," "seeks," "strives," "goals," "strategy," "objective," "projects," "targets," "intends," "likely," "will," "should," "could," "to be," "potential," "assumptions," "guidance," "forecasts," "future," "commitments," "initiatives," "opportunities," and any similar expressions are intended to identify those assertions as forward-looking statements. Goals and expected timing to achieve goals are subject to change without notice due to a number of factors. We caution readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, expected, projected or assumed in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, the factors described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission (SEC), as updated by our subsequent filings with the SEC, and available on our website at **fcx.com**.

Many of the assumptions upon which our forward-looking statements are based are likely to change after the forward-looking statements are made. Further, we may make changes to our business plans that could affect our results. We undertake no obligation to update any forward-looking statements, which speak only as of the date made, notwithstanding any changes in our assumptions, changes in business plans, actual experience, or other changes.

This report contains statements based on hypothetical scenarios and assumptions, and these statements should not be viewed as representative of current risks or forecasts of expected risks. Any third-party scenarios discussed in this report reflect the modeling assumptions and outputs of their respective authors, and their use or inclusion herein is not an endorsement of their underlying assumptions, likelihood, or probability. While certain matters discussed in this report may be significant and relevant to our investors, any significance should not be read as rising to the level of materiality for purposes of complying with the U.S. federal securities laws and regulations or the disclosure requirements of the SEC. The goals and projects described in this report are aspirational; as such, no guarantees or promises are made that these goals and projects will be met or successfully executed.

Appendix: Consequence of Failure Classification

Flowchart for Population at Risk (PAR)



Transient: seasonal cottage use, passing through on transportation routes, participating in recreational activities

Permanent: hhousehold, commercial and/or mine site work offices or facilities

Other Metrics

Consequence Classification	Incremental Losses		
	Environmental	Health, Social and Cultural	Infrastructure and Economics
Low	Minimal short-term loss or deterioration of habitat or rare and endangered species.	Minimal effects and disruption of business and livelihoods. No measurable effect on human health. No disruption of heritage, recreation, community, or cultural assets.	Low economic losses: area contains limited infrastructure or services. <US$1,000,000.
Significant	No significant loss or deterioration of habitat. Potential contamination of livestock/fauna water supply with no health effects. Process water has low potential toxicity. Tailings not potentially acid generating and have low to neutral leaching potential. Restoration possible within 1 to 5 years.	Significant disruption of business, service or social dislocation. Low likelihood of loss of regional heritage, recreation, community, or cultural assets. Low likelihood of health effects.	Losses to recreational facilities, seasonal workplaces, and infrequently used transportation routes. <US$10,000,000.
High	Significant loss or deterioration of critical habitat or rare and endangered species. Potential contamination of livestock/fauna water supply with no health effects. Process water moderately toxic. Low potential for acid rock drainage or metal leaching effects of released tailings. Potential area of impact 10-20 square kilometers. Restoration possible but difficult and could take > 5 years.	500-1,000 people affected by disruption of business, services, or social dislocation. Disruption of regional heritage, recreation, community, or cultural assets. Potential for short-term human health effects.	High economic losses affecting infrastructure, public transportation, commercial facilities or employment. Moderate relocation/compensation to communities. <US$100,000,000.
Very High	Major loss or deterioration of critical habitat or rare and endangered species. Process water is highly toxic. High potential for acid rock drainage or metal leaching effects from re-leased tailings. Potential area of impact is >20 square kilometers. Restoration or compensation possible but difficult and requires a long time (5-20 years).	1,000 people affected by disruption of business, services, or social dislocation for more than one year. Significant loss of national heritage, community, or cultural assets. Potential for significant long-term human health effects.	Very high economic losses affecting important infrastructure or services (e.g. highway, industrial facility, storage facilities for dangerous substances) or employment. High relocation/compensation to communities. <US$1,000,000,000.
Extreme	Catastrophic loss of critical habitat or rare and endangered species. Process water is highly toxic. Very high potential for acid rock drainage or metal leaching effects from released tailings. Potential area of impact >20 square kilometers. Restoration or compensation in kind impossible or requires a long time (>20 years).	5,000 people affected by disruption of business, services, or social dislocation for years. Significant national heritage or community facilities or cultural assets destroyed. Potential for severe and/or long-term human health effects.	Extreme economic losses affecting critical infrastructure or services (e.g. hospital, major industrial complex, major storage facilities for dangerous substances) or employment. Very high relocation/compensation to communities and very high social readjustment costs. >US$1,000,000,000.

Likelihood Categorization

Failure Likelihood Categories	
Likelihood	**Description**
Very High	There is direct evidence or substantial indirect evidence to suggest it has initiated or is likely to occur in the near future. The annual failure likelihood is more frequent than 1/1,000.
High	The fundamental condition or defect is known to exist; indirect evidence suggests it is plausible; and key evidence is weighted more heavily toward more likely than less likely. The annual failure likelihood is between 1/1,000 and 1/10,000.
Moderate	The fundamental condition of defect is known to exist; indirect evidence suggests it is plausible; and key evidence is weighted more heavily toward less likely than more likely. The annual failure likelihood is between 1/10,000 and 1/100,000.
Low	The possibility cannot be ruled out, but there is no compelling evidence to suggest it has occurred or that a condition or flaw exists that could lead to initiation. The annual failure likelihood is between 1/100,000 and 1/1,000,000.
Remote	Several events must occur concurrently or in series to cause failure, and most, if not all, have negligible likeli-hood such that failure likelihood is negligible. The annual failure likelihood is more remote than 1/1,000,000.

US Army Corps of Engineers and US Bureau of Reclamation. Best Practices in Dam and Levee Safety Risk Analysis. Version 4.0, July 2019.

ANNEX 1: Acronym Definitions

ADEQ	Arizona Department of Environmental Quality
AE	Accountable Executive
ALARP	As Low As Reasonably Practicable
APP	Aquifer Protection Permit
CFM	Credible Failure Mode
EoR	Engineer of Record
EMS	Environmental Management System
EPRP	Emergency Preparedness and Response Plan
FCX	Freeport-McMoRan Inc.
FMMI	Freeport-McMoRan Morenci Inc.
ICMM	International Council on Mining and Metals
ITRB	Independent Tailings Review Board
OMS	Operations, Maintenance and Surveillance
PMF	Probable Maximum Flood
PMP	Probable Maximum Precipitation
RIDM	Risk Informed Decision Making
RTFE	Responsible Tailings Facility Engineer
SPMS	Social Performance Management System
Tailings Standard	Global Industry Standard on Tailings Management
TMS	Tailings Management System
TSF	Tailings Storage Facility
TST	Tailings Stewardship Team

END OF THE DOCUMENT