

# SOCIAL RESPONSIBILITY REPORT

2021

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## **The Social Conductivity of Copper**



**ATLANTIC COPPER**

*Una compañía del grupo Freeport-McMoRan*



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2021

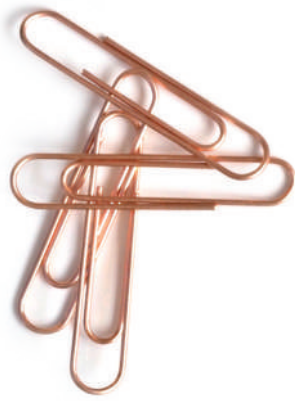
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## ***The Social Conductivity of Copper***

*Front and back cover photography:*

**“Interconexiones”**, Juan José Ponce Gañán

Winner of the *enCuadre* Competition, Atlantic Copper Foundation, 2019.



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# COVER LETTER

People, the planet and governance have become key pillars on which any economic and social activity must rest. Today, more than ever, our company conducts an exercise in transparency regarding its activity and alignment with protection of the environment, people, and respect for society and the land. And this document entitled *The Social Conductivity of Copper*, prepared based on our 2020 Non-financial Information Statement (2020 NFIS), for the second consecutive year provides a snapshot of Atlantic Copper's permanent connection to the places where it operates with a clear commitment to social integration.

However, before delving into some of the basic lines of this report, I would like to say something about the year we have all just lived through, 2020. It was a transcendent year due to the pandemic caused by COVID-19 that has marked our personal and family relationships and had an outsized effect of the global economy, on employment and on wealth generation. So, I have to congratulate everyone who works for Atlantic Copper, both its own employees and those of ancillary companies, for their extraordinary efforts. Because we've all responded superbly to this great health challenge, and we've strengthened our commitment to Huelvan society by preserving jobs and maintaining the company's production process and the activities of our foundation.

## A PLANET WITH NO REPLACEMENT

Responsibly and sustainably produced copper is of vital importance in confronting the new challenges of a planet with no replacement. Given its very nature and transformational capacity, this thousand year-old metal is and will be decisive in the new energy future, in decarbonisation, in digitalisation and in advanced technologies. This is also true of metals like gold, platinum, palladium, tin and zinc, and of sulphuric acid, all of which will be essential in this new era in which we are immersed.

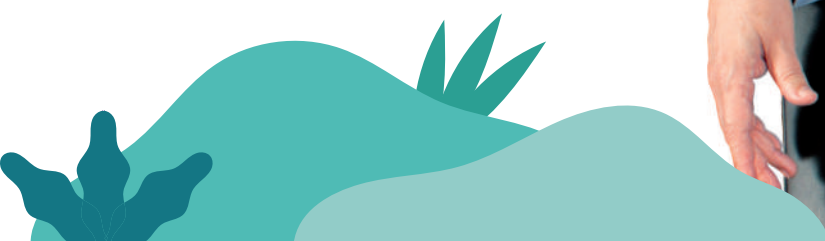
In this report, we review the Spanish and international commitments to achieving the economic, environmental and social goals assumed by our company. We are referring to, among others, our commitment, in close coordination with our sole shareholder, Freeport-McMoRan, to initiatives with respect to CSR and corporate reporting principles, as a complement to the principles of the ICMM (International Council on

Mining and Metals) and the GRI (Global Reporting Initiative) reporting. More recently, we have obtained various additional certifications in this area. We currently hold the IQNet SR10 certification of the CSR management systems (obtained in 2014 and already renewed twice); the ESG Rating (environmental, social and governance) from Vigeo Eiris of the Moody's group, which gave us the highest rating in 2020; as well as the *Copper Mark* accreditation, a new assurance framework developed to demonstrate responsible production practices in industry and the traceability of raw materials sourcing. All of this is aligned with the United Nations Sustainable Development Goals (SDG) and the European Green Deal.

*The Social Conductivity of Copper* provides a comprehensive and in-depth look at our main indicators in a wide range of areas, including safety, environment, human resources, sustainability, CSR, corporate governance, contribution to the community, ending with an appendix dedicated specifically to the 2030 SDGs.

Lastly, I would like to mention our 50th anniversary, which we celebrated with great excitement and pride in 2020 despite the pandemic. A half century of engagement with and commitment and responsibility to Huelva and Andalusia by Atlantic Copper.

**Javier Targhetta**  
President  
Atlantic Copper









# 01

## BUSINESS MODEL

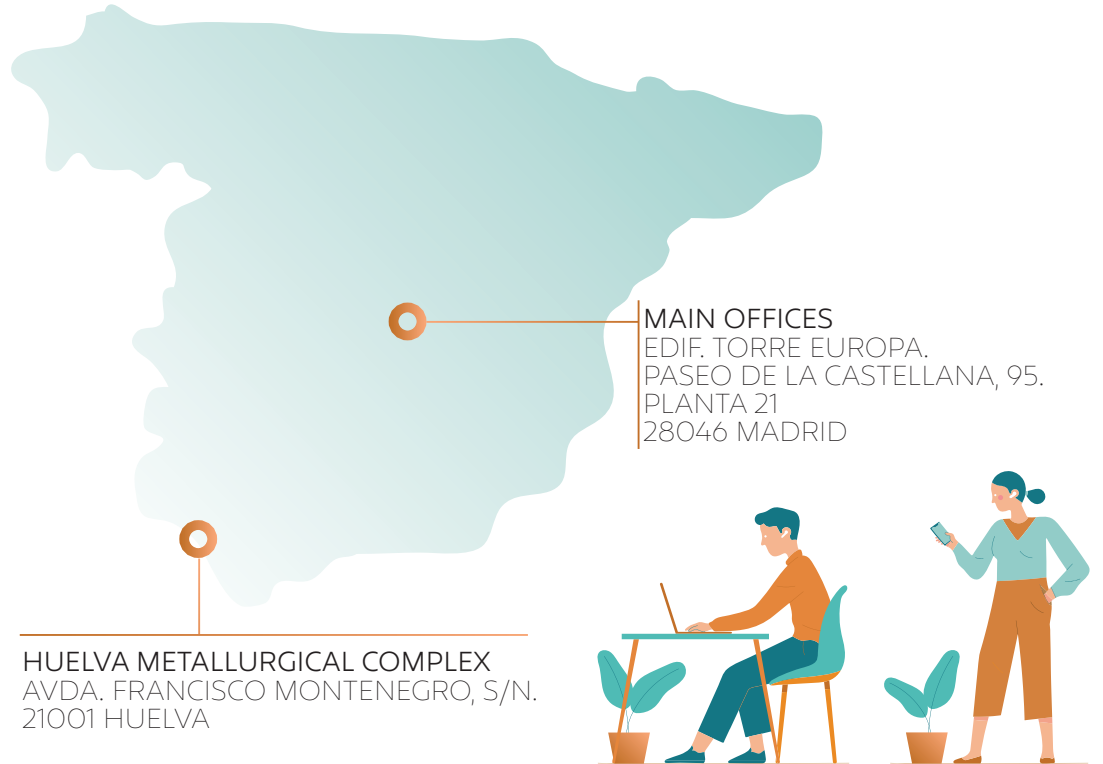
Atlantic Copper, S.L.U. (hereinafter Atlantic Copper or the Company) is a Spanish company, with its registered office and tax domicile in Huelva. Its sole shareholder is the North American company Freeport-McMoRan Spain, Inc., whose direct owner of 100% of its shares is Freeport-McMoRan, Inc. (hereinafter Freeport-McMoRan or FCX).

Freeport-McMoRan is listed on the New York Stock Exchange with the symbol FCX and operates major, long-lived assets all over the world which have proven and probable reserves of copper, gold and molybdenum. FCX is one of the largest publicly traded copper producers in the world.



Atlantic Copper has its production facilities in Huelva (Huelva Metallurgical Complex) and its main offices in Madrid, at which it engages in typical activities of a corporate office.

The addresses of the main facilities are:



Its core business is the production of high-grade refined copper from metallic mineral concentrate mined in different parts of the world.

Atlantic Copper's Metallurgical Complex in Huelva is an industrial production centre dedicated to the integral use of raw materials containing valuable elements.





These raw materials are mainly, although not solely, metallic mineral concentrates (hereinafter “concentrates”) and recycled metallic materials. A significant part of the latter come from electronic devices after the end of their useful life.

Specifically, Atlantic Copper’s Metallurgical Complex transforms more than one million tonnes of mineral concentrate into some 300,000 tonnes of refined copper each year.

The products resulting from the process include:



**METALLIC COPPER**  
COMMERCIALISED IN THE FORM OF  
COPPER ANODES OR CATHODES



**SULPHURIC ACID**



**ELECTROLYTIC SLUDGES**  
CONTAINING PRECIOUS METALS SUCH AS  
GOLD, SILVER, PALLADIUM, PLATINUM, ETC.



**IRON SILICATE**



**COMMERCIAL GYPSUM**



**NICKEL CARBONATE**



**COPPER TELLURIDE**



**SELF-GENERATED ELECTRICITY**

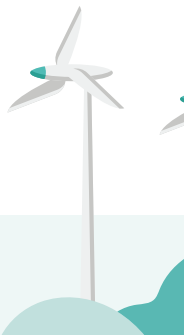
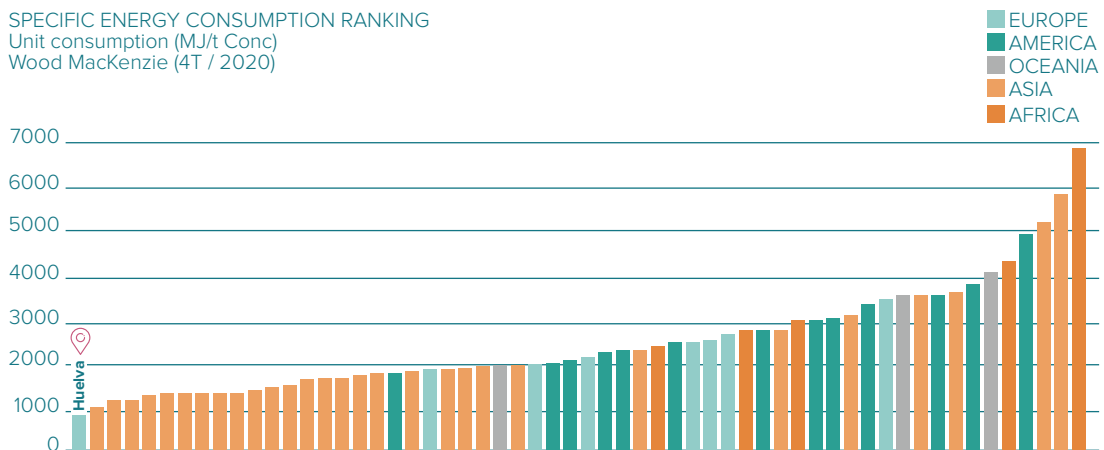




Our products are commercialised in globalised markets worldwide under prices set by the market at all times. Therefore, our competitive advantage is based on making maximum use of our production capacity at the lowest possible unit cost.

The Company has likewise developed different strategic plans in recent years oriented towards improving energy efficiency and flexibility in raw materials consumption and competitiveness, as well as others aimed at achieving excellence in management systems, such as those corresponding to safety, the environment and human resource management. As a result of these projects and earlier ones, Atlantic Copper was considered the world's leading smelter in terms of unit consumption of energy per tonne of smelted concentrate in the comparative evaluation performed by Wood-MacKenzie (according to data from 2020).

SPECIFIC ENERGY CONSUMPTION RANKING  
Unit consumption (MJ/t Conc)  
Wood MacKenzie (4T / 2020)



## 1.1. COPPER MARKET

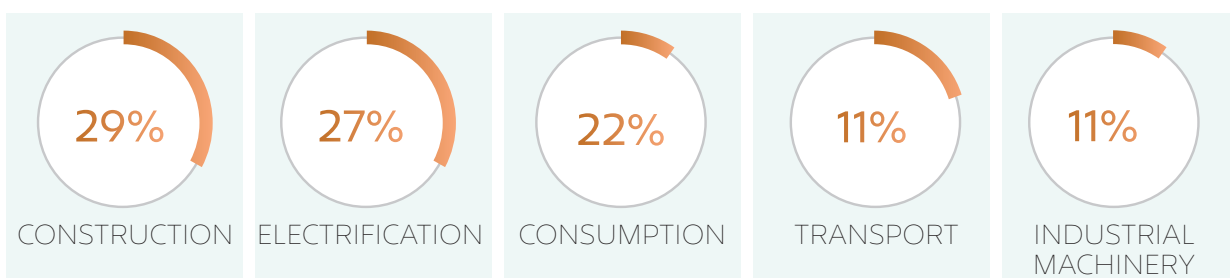
Copper is the third most-used metal in the world, after iron and aluminium, and it is employed in numerous industrial sectors, such as construction, automobiles, digitalisation, new technologies, renewable energies and the manufacture of industrial machinery, with electrification being its number two use worldwide.

Given its special characteristics, such as electrical and thermal conductivity, excellent corrosion resistance and malleability, copper is an essential material for the energy transition, decarbonisation, innovation in numerous sectors, and for the social transition to a more circular and sustainable economy.

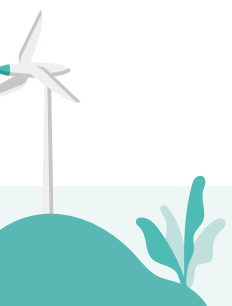
The copper industry in the EU is made up of 500 companies, with estimated turnover of 45,000 million euros, and employs some 50,000 people (most recent data available, 2018). In addition, Europe is the world leader in terms of recycling, covering around 42% of its demand with recycled copper. In 2020, Spain's copper sector moved nearly 5,100 million euros and employed 2,500 people directly and another 6,380 indirectly or through induced employment.

Demand for copper has doubled in the past 25 years and is expected to rise even more. According to a report by McKinsey Global Institute, copper consumption will grow 43% by 2035, driven in part by green technologies like renewable energies and electric vehicles, and by the growth of the Asian market.

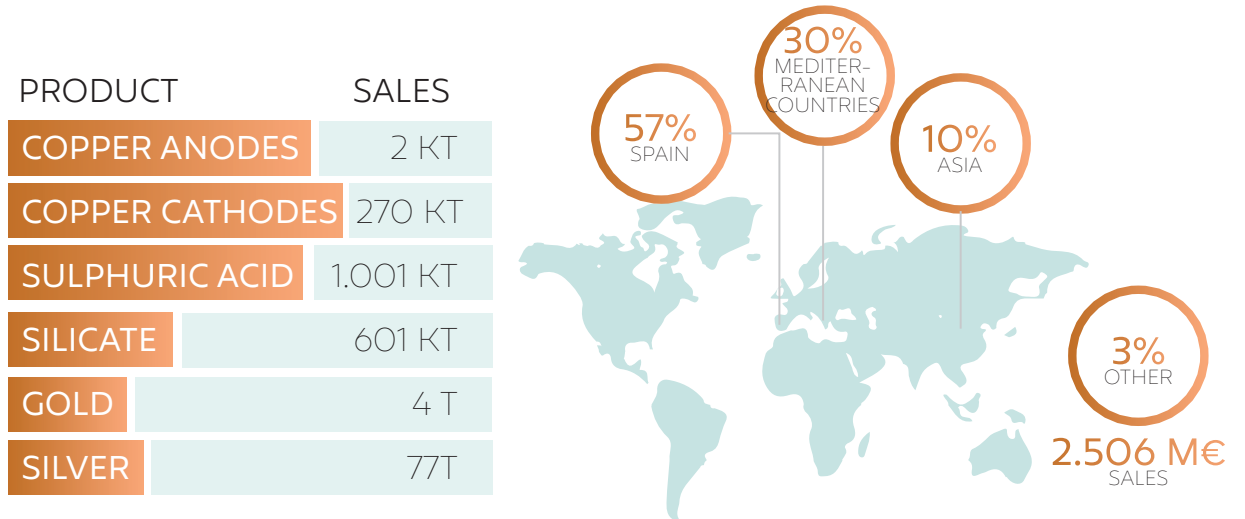
In 2021, copper consumption by use was as follows:



\*Source: Report by McKinsey Global Institute, 2021

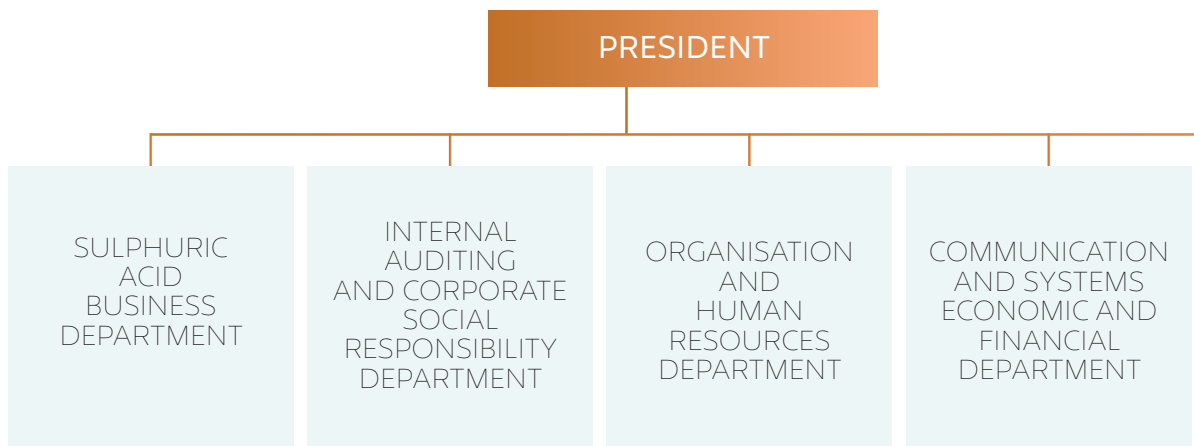


Regarding the Atlantic Copper market, we show the most relevant global data for sales and destinations below (data from 2021).



## 1.2. ORGANISATION AND STRUCTURE

The organisational structure of Atlantic Copper is shown below in the form of the top-level organisation chart, which consists of the *Management Committee*.



Each Department that appears in the previous Organizational Chart is displayed at turn into lower-level Organizational Chart.

On the other hand, within the Management Committee there have been created the following Committees in 2021:

- 
- ▶ **Appointments and Remuneration Committee.** Responsible of Submit to the FCX Corporate HR Department annual fixed and variable remuneration proposal for each year for the Director staff and the one not subject to a collective agreement, to submit to the Board of Administration the appointment and remuneration of personnel manager, who reported directly to the Board or to any of its members, and to give its approval to the appointments of General Directors and Directors.

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  - ▶ **Audit Committee.** Its mission is to ensure the quality of the financial information of the company, in particular the Accounts Annual Reports and the Management Report for the year, of which it is a part the Statement of Non-Financial Information and to assist the Board of Management of Atlantic Copper in its responsibility to formulate the financial statement.

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  - ▶ **Sustainability Committee.** Its main functions are guiding and approving energy and environmental policies of Atlantic Copper, define the objectives and guidelines in the field environment and decarbonisation, and supervise the action and good practices plans derived from the aforementioned policies.

STRATEGY  
AND  
INTERNATIONAL  
DIVISION

MARKETING  
AND SALES  
DEPARTMENT

METALLURGY  
DEPARTMENT

ENERGY  
TRANSITION AND  
SUSTAINABILITY  
DEPARTMENT

LEGAL AFFAIRS  
DEPARTMENT,  
COMPLIANCE  
OFFICER AND  
DATA  
PROTECTION  
OFFICER



The most significant data related to the size of the organisation are the following:

	2020	2021
AVERAGE WORKFORCE (PEOPLE)*	744	755
PROPERTY, PLANT AND EQUIPMENT (M€)	166	168
TOTAL ASSETS (M€)	724	1.146
SALES	1.776	2.506
PROCUREMENTS OF RAW MATERIALS (M€)	1.630	2.382

\*INCLUDES SEMI-RETIRED WORKERS





## 1.3. ATLANTIC COPPER'S VISION, MISSION AND STRATEGY

Social Responsibility and Sustainability are in Atlantic Copper's DNA as part of a company strategy that is perfectly aligned with the needs and demands of today's society. To prosper over time, a company not only has to offer financial performance but also demonstrate how it contributes positively to society. Companies need to benefit all their stakeholders, including shareholders, employees, customers and the communities where they operate.

### VISION



To continue to be a key element in Freeport's business strategy while also being a profitable enterprise capable of generating net revenue in any global economic climate.

### MISSION



To continue on the path of excellence in all areas of the company, with a special emphasis on safety and the environment.



To give absolute priority to innovation as a crucial tool that enables the achievement of all the other objectives.



To be a financially profitable company, adding value to FCX while increasing our flexibility in raw materials processing and provide the Circular Economy.

Through our commitment, we aim to be a company that is:

- ▶ ECONOMICALLY VIABLE
- ▶ SOCIALLY BENEFICIAL
- ▶ ENVIRONMENTALLY RESPONSIBLE



## 1.4. 2019-22 OBJECTIVES AND STRATEGIC ACTIONS

These objectives and strategic actions are deployed in the following strategic projects.



CONTINUE ON THE PATH OF EXCELLENCE WITH A SPECIAL EMPHASIS ON SAFETY.

2

CONTINUE REDUCING ENVIRONMENTAL IMPACT AND ELIMINATING INTERDEPENDENCIES.



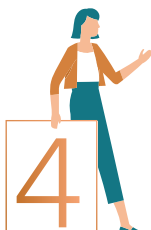
3

CONTINUOUS IMPROVEMENT IN REDUCING COSTS, INCREASING PRODUCTIVITY, RELIABILITY/AVAILABILITY OF ASSETS AND RECOVERY OF METALS.



4

ATTAIN AN ELECTRICAL SUPPLY THAT IS 50% SELF-GENERATED AND DRAWN FROM RENEWABLE SOURCES IN ORDER TO REDUCE COSTS AND BECOME INDEPENDENT OF ELECTRICITY MARKETS AS MUCH AS POSSIBLE.



5

INCREASE REVENUE THROUGH BETTER CONTRIBUTION MARGINS VIA THE PROCESSING OF COMPLEX CONCENTRATES.



6

SIGNIFICANTLY INCREASE THE MARGIN THROUGH ACTIONS FOCUSED ON THE PROCESSING OF RECYCLED MATERIALS. UNDERTAKE VIABILITY STUDY APPROVED BY FCX.



7

FORMULATE THE HR ACTIONS FOCUSED ON THE EMPLOYEE AND THE ORGANISATION NEEDED TO FACILITATE THE STRATEGIC OBJECTIVES DEFINED.



## 1.5. MEDIUM-AND LONG-TERM RISKS

Atlantic Copper uses a Risk Management model to identify and assess the risks which could affect the Company, as well as to establish control mechanisms and liabilities related to each of them. The model ultimately aims to provide reasonable assurance that the strategic, operational, compliance and reporting objectives will be achieved.

The company has several committees to monitor these risks.



### **Assessment and Monitoring of Sustainable Development Risks and Opportunities.**

Made up of people from senior management.

Multidisciplinary in nature, it comprises the main management areas (safety, environment, production, legal, internal auditing, human resources, engineering, sourcing, etc.). The entire process is coordinated by the Corporate Social Responsibility Department.

Its workings are governed by an FCX operating procedure, revised in August 2018 which is supervised by FCX and audited periodically by an independent third party.

Its scope comprises the risks related to the principles of the International Council on Mining and Metals (ICMM) and the Sustainable Development Goals (SDG) of the 2030 Agenda. A level is assigned to each risk element or opportunity according to a double entry matrix based on the degree of impact on multiple aspects (safety, the environment, stakeholders, legal, financial, etc.) and on the probability of occurrence.



**Supplier Certification Committee.** Made up of people from the company's senior management from various functional areas (marketing, legal, production, quality, environment, corporate social responsibility, finance, etc.).



Its main mission is to analyse potential raw materials suppliers in a variety of management aspects to ensure that the companies with which we establish business relationships in commercialising our raw materials are trustworthy and provide adequate performance.



**Hedging Committee.** Its main mission is to take the appropriate decisions to mitigate the potential effects of price fluctuations of raw materials, mainly copper, on the company.

The risk of copper pricing that is unfavourable for the company is reduced through hedging operations. Its management is led by the Marketing and Sales Department.

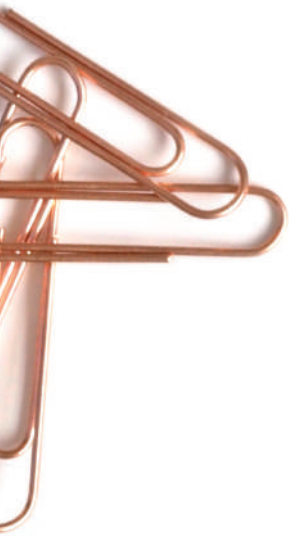


**Credit Risk Department.** Led by the Marketing and Sales and Sulphuric Acid Business Departments, its mission is to analyse the financial soundness and capacity of our potential customers to assess their ability to fulfil their business obligations in the purchase of our products.



**Responsible Sourcing Committee.** Its mission is to ensure responsible sourcing of raw materials (copper concentrate), following the principles included in the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and the *Responsible Sourcing of Minerals Policy* established by FCX. These initiatives were endorsed in December 2020 through the awarding to Atlantic Copper of The Copper Mark accreditation, which is recognised by the OECD as a guarantee of compliance with its *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. The Copper Mark is an assurance framework for demonstrating the copper industry's responsible production practices and its contribution to the United Nations SDGs.





## 1.6. MARKET RISKS

Spain and Europe are facing environmental, technological and social challenges, many of them related to the supply of raw materials that underpin their industrial activity and the quality of life of its population. Metals in general, and copper in particular, are essential to achieve the green and digital transition collected in the Green Deal, and its demand will increase.

Therefore, greater independence of copper supply, the exploitation of new polymetallic reserves, recycling, its processing and conversion into key products to meet the future demands for this metal and decarbonization goals will have an extraordinary impact on the copper value chain in Europe and in Spain.

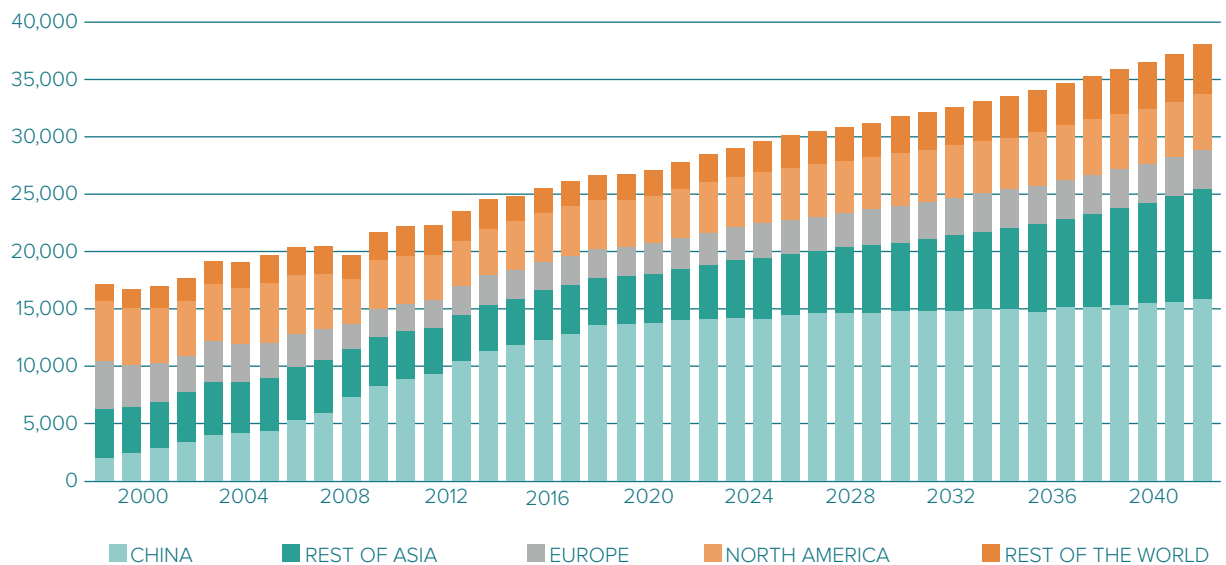
In general, copper demand reflects the rate of underlying world economic growth, particularly in industrial production and construction.

According to Wood Mackenzie, a renowned independent metals market consultant, the end-use markets for copper (and their estimated share of total consumption) are construction (29%), electrical applications (27%), consumer products (22%), transportation (11%), and industrial machinery (11%). We believe that copper will continue to be essential in these basic uses and will contribute significantly to new energy technologies, to advancing communications and improving public health.

Metals in general, and copper in particular, are essential to achieve the green and digital transition. Europe is deficient in raw materials and also in copper, with a dependence on the outside of a 30% of its consumption. For this reason, making the most of metal reserves, recycling and a commitment to the circular economy in all production processes is essential to achieve the objectives of the Green Deal.



The outlook for the future is encouraging. Copper is fundamental for sustainable development of the world economy and will continue contributing to its growth through its use in new markets such as renewable energy, construction, digitalisation, infrastructures and electric vehicles. Attached is a table of copper consumption forecasts by world regions (Source: Wood Mackenzie).



Another important product for the company is sulphuric acid, of which Atlantic Copper is the largest producer in Spain and the second-largest in Europe. Atlantic Copper has an important logistics platform that allows the company to supply the markets for this essential element for sectors such as agriculture and the pharmaceutical industry.

Despite the fact that Europe has a surplus of sulfuric acid production compared to what it consumes, Atlantic Copper is assured of medium and long-term demand for this product, provided that circumstances not currently foreseen didn't occur, such as could be legal or market reasons.

With respect to the risk of fluctuations in transformation costs, and, in particular, with respect to variations in the price of energy, Atlantic Copper has an Energy Management System (ISO 50001) that ensures the management of its purchase. Despite the significant price increases that have taken place, mainly in the second half of 2021, and the forecast of high prices in 2022, Atlantic Copper mitigates the price risk by having implemented a self-consumption model, while at the same time it has signed several PPA (Power Purchase Agreement) long-term agreements, which is why significant impact of this increase in the price of energy is not expected. As of December 31, 2021, the company has hedged the price of electricity for 51% of its consumption through self-production and long-term renewable energy contracts (PPA).

The supply risk, which has affected so many sectors in 2021, has not had a major impact on Atlantic Copper either, since it buys a percentage of its raw materials from companies in the FCX group, which guarantees a regular level of supply. Likewise, logistical impacts have mainly affected transport in containers, which are used for some of Atlantic Copper's product sales, but bulk shipments are the most used by Atlantic Copper, and no medium-term impacts are expected with respect to them.





## REFERENCE FRAMEWORKS

Atlantic Copper adheres to diverse reference frameworks within the scope of Law 11/2018, mentioned therein, as well as those of other organisations that have also developed reference frameworks in their area of application.

The reference frameworks adopted by Atlantic Copper are based on international standards and rules with broad consensus and validation at the international level.

Main reference frameworks used by Atlantic Copper:

### 2.1. FCX PRINCIPLES OF BUSINESS CONDUCT

Entitled *Strength in Values*, our *Principles of Business Conduct* (PBC) represent the culture and commitment of Freeport-McMoRan (FCX) to doing what is right. Designed to help guide all of us—from top-level management to entry-level employees—the PBCs reflect how we do business.

As an FCX company, Atlantic Copper assumes the commitments established in the FCX Principles of Business Conduct as its own.



Atlantic Copper adheres to a variety of reference frameworks under which *all of us, everywhere, work every day*, and they can be summed up as follows:

- ▶ SAFETY
- ▶ INTEGRITY
- ▶ COMMITMENT
- ▶ RESPECT
- ▶ EXCELLENCE

In addition, the PBCs complement each other and are developed in the following specific documents:

- ▶ ANTI-CORRUPTION POLICY
- ▶ ANTI-CORRUPTION GUIDELINES
- ▶ POLICY ON THE COMMUNITY
- ▶ CONFLICT INTEREST GUIDE
- ▶ ENVIRONMENTAL POLICY
- ▶ EXTERNAL COMMUNICATION POLICY
- ▶ FAIR COMPETITION GUIDELINES
- ▶ GLOBAL SUPPLY CHAIN POLICY
- ▶ HUMAN RIGHTS POLICY
- ▶ INSIDER TRADING POLICY
- ▶ SUPPLIER CODE OF CONDUCT
- ▶ MIS END-USER POLICY
- ▶ OCCUPATIONAL HEALTH AND SAFETY POLICY
- ▶ RESPONSIBLE MINERALS SOURCING POLICY
- ▶ HARASSMENT PREVENTION PROTOCOL
- ▶ CONFLICT OF INTEREST GUIDELINES
- ▶ RECORDS MANAGEMENT POLICY AND RECORDS RETENTION PROGRAMME ON THE FM WEBSITE
- ▶ DEXTERNAL COMMUNICATION POLICY

The documents *Principles of Business Conduct* and *Supplier Code of Conduct* are available on our website at ([www.atlantic-copper.es](http://www.atlantic-copper.es)).



## 2.2. SUSTAINABLE DEVELOPMENT PRINCIPLES OF THE ICMM (INTERNATIONAL COUNCIL ON MINING & METALS)

Participation in ICMM requires adherence to a commitment based on 10 principles. These represent a framework of exemplary practices that favour sustainable development in the mining and metallurgical industry:

- 
**1.** APPLY ETHICAL BUSINESS PRACTICES AND ROBUST SYSTEMS OF CORPORATE GOVERNANCE

---

- 
**2.** INTEGRATE SUSTAINABLE DEVELOPMENT IN CORPORATE DECISION-MAKING PROCESSES

---

- 
**3.** RESPECT THE HUMAN RIGHTS AND THE INTERESTS, CULTURES, CUSTOMS AND VALUES OF OUR EMPLOYEES AND THE COMMUNITIES AFFECTED BY OUR ACTIVITIES

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- 
**4.** IMPLEMENT RISK-MANAGEMENT STRATEGIES AND SYSTEMS BASED ON VALID INFORMATION AND SOUND SCIENCE

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- 
**5.** PURSUE CONTINUOUS IMPROVEMENT IN OUR HEALTH AND SAFETY PERFORMANCE

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- 
**6.** PURSUE CONTINUOUS IMPROVEMENT IN OUR ENVIRONMENTAL PERFORMANCE

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- 
**7.** CONTRIBUTE TO THE CONSERVATION OF BIODIVERSITY AND INTEGRATED APPROACHES TO LAND-USE PLANNING

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- 
**8.** FACILITATE AND SUPPORT THE DESIGN, USE, RE-USE, RECYCLING AND RESPONSIBLE DISPOSAL OF OUR PRODUCTS


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- 
**9.** CONTRIBUTE TO THE SOCIAL, ECONOMIC AND INSTITUTIONAL DEVELOPMENT OF HOST COUNTRIES AND COMMUNITIES

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- 
**10.** APPLY MECHANISMS FOR EFFECTIVE, TRANSPARENT AND VERIFIABLE REPORTING, COMMUNICATION AND PARTICIPATION WITH OUR STAKEHOLDERS





In 2019, Atlantic Copper conducted a self-assessment, supervised by FCX, of compliance with the new performance expectations of the ICMM Principles. These performance expectations address society's expectations with respect to responsible production in the metals value chain. In 2020, Atlantic Copper underwent an audit by an independent third party (*Corporate Integrity*) of compliance with the performance expectations of the ICMM Principles (PEs). As a result of this independent assessment and analysis of other areas of its management, in December 2020, the company was awarded the Copper Mark, an accreditation that demonstrates to the London Metals Exchange and our stakeholders compliance with the 32 multi-functional criteria in the exercise of responsible production.

### 2.3. SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM (IQNET SR10 – ISO 26000)

Atlantic Copper has developed, implemented and certified, and keeps up-to-date, a Social Responsibility Management System (SRMS) applicable to the entire company which meets the *IQNet SR10* standard developed by *IQNet Association - The International Certification Network*.

Atlantic Copper has maintained its IQNet SR10 certification since 2014.

To continue progressing in the area of Social Responsibility and Sustainability, in 2019, Atlantic Copper began participating in an external evaluation according to the Vigeo Eiris model, based on the main worldwide reference frameworks for environmental, social and corporate governance (ESG) compliance. The results were very satisfactory, and the Company undertook the corresponding actions to address the improvement opportunities identified, having achieved an overall rating of *Advanced* (highest possible level and an improvement over the previous one) in the external evaluation conducted in 2020, which has been consolidated in 2021, increasing the score (from 60 to 64) and having moved up one position in comparison with the sector.



To further reinforce Atlantic Copper's commitment to Social Responsibility, in October the company joined the Spanish Global Compact Network, the world's largest corporate sustainability initiative.

## 2.4. ENVIRONMENTAL MANAGEMENT SYSTEM (ISO 14001)

Atlantic Copper has developed, implemented and certified, and keeps up-to-date, an Integrated Environmental Management System (IEMS) applicable to its facilities in Huelva which complies with the international standard *UNE-EN ISO 14001 Environmental Management Systems. Requirements with guidance for use*. This International standard specifies the requirements of an Environmental Management System for protecting the environment and responding to changing environmental conditions in balance with socio-economic needs. Atlantic Copper's IEMS was certified by AENOR according to the *UNE-EN ISO 14001* standard in 1999, and this certification has been kept current.

## 2.5. EMAS STATEMENT

Since 1997, Atlantic Copper has prepared Annual Statements of its Environmental Conduct as established in the Environmental Management and Auditing System (EMAS).

The additional EMAS requirements with respect to the *UNE-EN ISO 14001* international standard are integrated into Atlantic Copper's IEMS (2.4). We comply with these requirements through yearly publication of our Environmental Statement, which is verified by an accredited environmental verifier.



## 2.6. ENERGY MANAGEMENT SYSTEM (ISO 50001)

Atlantic Copper has developed, implemented and certified, and keeps up-to-date, an Energy Management System (EMS) applicable to its facilities in Huelva which complies with the international standard *UNE-EN ISO 50001 Energy Management Systems*.

Atlantic Copper's EMS was certified by AENOR according to the *UNE-EN ISO 50001* standard in 2011, and this certification has been kept current.

## 2.7. SAFETY MANAGEMENT SYSTEM (ISO 45001)

Atlantic Copper has developed, implemented and certified, and keeps up-to-date, an Integrated Occupational Risk and Accident Prevention System (IORAPS) applicable to the entire company which complies with the policies established in this area by FCX and current laws.

Regarding the preventive measures, we have an In-house Prevention Service that is recognised and registered with the four specialties, as well as our own 24-hour Medical Service.



## 2.8. HEALTHY WORKPLACE MANAGEMENT SYSTEM

Atlantic Copper has developed and implemented and certified, and keeps up-to-date, a Healthy Workplace Management System (HWMS) applicable to the entire company that complies with AENOR's Healthy Workplace Model. AENOR's Healthy Organization Model responds to the Model proposed by the World Health Organization (WHO) for a Healthy Work Environment in Organizations.

Atlantic Copper's SIGOS is based on the Identification, Evaluation and Control of the Factors that influence the Healthy Work Environment, considering: Physical Work Environment, Psychosocial Work Environment, Health Resources, and Community Involvement. Atlantic Copper's SIGOS also includes the necessary Policies and Procedures for the compliance with applicable requirements, including legal requirements.

Although the HWMS is mainly aimed at the people who work for the company, promotion of good health is one of Atlantic Copper's general strategic lines, which is also aimed at the rest of the stakeholders to the extent that we are able to influence them. The implementation of Atlantic Copper's SIGOS is monitored through:

- ▶ The follow-up and measurement activities foreseen in the SIGOS itself.
- ▶ Annual Internal Audits of the complete SIGOS.
- ▶ Annual external audits of the SIGOS by AENOR.

The HWMS was certified by AENOR according to AENOR's Healthy Workplace Model in 2018, and this certification has been kept current. This certification has been in force since then and has been adapted to the new AENOR's Healthy Organization Management Healthy Organization Management System dated 11/21/2021. The Healthy Organization Policy and the Certificate of Conformity issued by AENOR by AENOR, are available on its website ([www.atlanticcopper.es](http://www.atlanticcopper.es)).



In addition, in 2019 Atlantic Copper obtained official recognition as a *Heart Safe Zone*. In terms of health, the year 2020 was marked by the pandemic caused by COVID-19. In this respect, Atlantic Copper took numerous preventive measures, which enabled it to continue production without interruption, while also guaranteeing the health of its workers, subcontractors and other stakeholders, as well as strict compliance with laws and the recommendations of the competent health authorities. At the very beginning, a Crisis Committee was formed (made up of the Management Committee and the head of the Company's Medical Service) which led the various initiatives formalised in the *Atlantic Copper COVID-19 Protocol*, which was certified by AENOR on 15/07/2020.

## 2.9. MANAGEMENT SYSTEM FOR CRIMINAL COMPLIANCE (UNE 19601)

Atlantic Copper has developed and implemented a *Criminal Compliance Management System* for the purpose of continuously validating application of the established Criminal Compliance Policy.

Atlantic Copper's *Criminal Compliance Management System* was certified in 2019 by AENOR according to the standard *UNE 19601 Management Systems for Criminal Compliance*. Requirements with guidance for use. This certification has been maintained.

## 2.10. QUALITY MANAGEMENT SYSTEM (ISO 9001)

Atlantic Copper has developed, implemented and certified, and keeps up-to-date, a Quality Management System (QMS) applicable to the entire company which complies with the international standard *UNE-EN ISO 9001 Quality Management Systems*.

Atlantic Copper' QMS was certified by AENOR according to the *UNE-EN ISO 9001* standard in 1994, and this certification has been kept current.



## 2.11. ASSET MANAGEMENT SYSTEM (ISO 55001)

Atlantic Copper has developed, implemented and certified (in 2019), and keeps up-to-date, an Asset Management System (AMS) applicable to the entire company which complies with the international standard *UNE-ISO 55001 Asset Management. Management systems.*

## 2.12. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (2030 SDGS)

Atlantic Copper is committed to the set of global goals for eradicating poverty, protecting the planet and ensuring prosperity formulated by world leaders in the framework of the UN on 25 September 2015 as part of a new sustainable development agenda for implementation over in the next 15 years by governments, the private sector, civil society and individuals.

Atlantic Copper considers the 2030 SDGs in its strategies and actions in conjunction with the rest of the reference models indicated above. Atlantic Copper integrates the 2030 SDGs into its system for analysis and assessment of Sustainable Development risks and opportunities according to the FCX SD Risk Register Process.

Additionally, Atlantic Copper maintains a record of actions that are strategically aligned with the 2030 SDGs.

Chapter 8 of this document indicates the main relationships of the different sections of this report to the 2030 SDGs, as well as other initiatives aligned with same.





## 2.13. AUTHORISED ECONOMIC OPERATOR (ES AEOF 16000002EY)

Atlantic Copper is certified as an Authorised Economic Operator with Customs Simplification/Security and Safety (AEO) for its facilities in Huelva and Madrid.

The AEO certificate is a status awarded by the different community customs authorities to companies that carry out international trade operations. It identifies its holder as a reliable partner for customs operations. It gives its holder proof that it complies with rigorous security criteria and controls and that it can, therefore, be considered an efficient and trustworthy trade partner.

The concession of this certification was granted by the State Agency for Tax Administration in 2016, and has been in force since then, having passed a re-evaluation audit in 2018.



## 2.14. THE COPPER MARK

The Copper Mark is an initiative arising from the International Copper Association (ICA) and the input of external stakeholders. It subsequently became an independent organisation that establishes a rigorous global compliance system based on ESG principles and with a complete set of environmental, social and governance criteria. It is the first and only system developed specifically for the copper industry, and it enables companies in the sector to accredit to their customers, suppliers, investors, final manufacturers and other stakeholders a responsible production process aligned with the SDGs (2.12).

In the future, the Copper Mark may be admitted by the *London Metal Exchange* as a means of demonstrating implementation of a Responsible Sourcing Programme aligned with the OECD guidance, which is a requirement for products to be registered on same.

Atlantic Copper was the first European mining-metallurgical company to receive this seal of approval and was among just five companies in the world to have achieved it up to the date it was granted (10/12/2020). To do so, the company passed the Copper Mark Assurance Process, a voluntary programme open to all members of the copper industry that enables the producer to express its commitment to compliance with the industry's sustainability standards in its operating practices.

The evaluation is based on 32 criteria in a cycle structured in five phases: commitment, self-assessment, independent assessment, improvement plan and re-assessment every three years.



## 2.15. UNITED NATIONS GLOBAL COMPACT (SPANISH NETWORK).

In October 2021, Atlantic Copper joined the Spanish Network of the United Nations Global Compact, the world's largest CSR initiative, which to date has united more than 13,000 entities in 160 countries for the promotion of the Sustainable Development Goals (SDGs), as a signatory partner.

Following in Freeport-McMoRan's footsteps, the company has voluntarily committed to consolidate its strategies and operations with the ten universal principles on human rights, labor standards, environment and anti-corruption.

The implementation and evaluation of the ten principles is materialized through a Progress Report to be carried out annually, the year following the date of adherence to the United Nations Global Compact.

**THE TEN PRINCIPLES**  
of the United Nations Global Compact

HUMAN RIGHTS	LABOUR	ENVIRONMENT	ANTI-CORRUPTION
<ul style="list-style-type: none"><li>1 Businesses should support and respect the protection of internationally proclaimed human rights.</li><li>2 make sure that they are not complicit in human rights abuses.</li><li>3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</li><li>4 The elimination of all forms of forced and compulsory labour.</li><li>5 The effective abolition of child labour.</li></ul>	<ul style="list-style-type: none"><li>6 The elimination of discrimination in respect of employment and occupation.</li><li>7 Businesses should support a precautionary approach to environmental challenges.</li><li>8 Undertake initiatives to promote greater environmental responsibility.</li><li>9 Encourage the development and diffusion of environmentally friendly technologies.</li><li>10 Businesses should work against corruption in all its forms, including extortion and bribery.</li></ul>		

All certificates and documents regarding management systems are available on our website ([www.atlantic-copper.es](http://www.atlantic-copper.es)).



## ENVIRONMENT / RESULTS

### 3.1. ENVIRONMENTAL IMPACT

The emissions data presented below for 2020 and 2021 are already certified.

#### 3.1.1. CARBON EMISSIONS

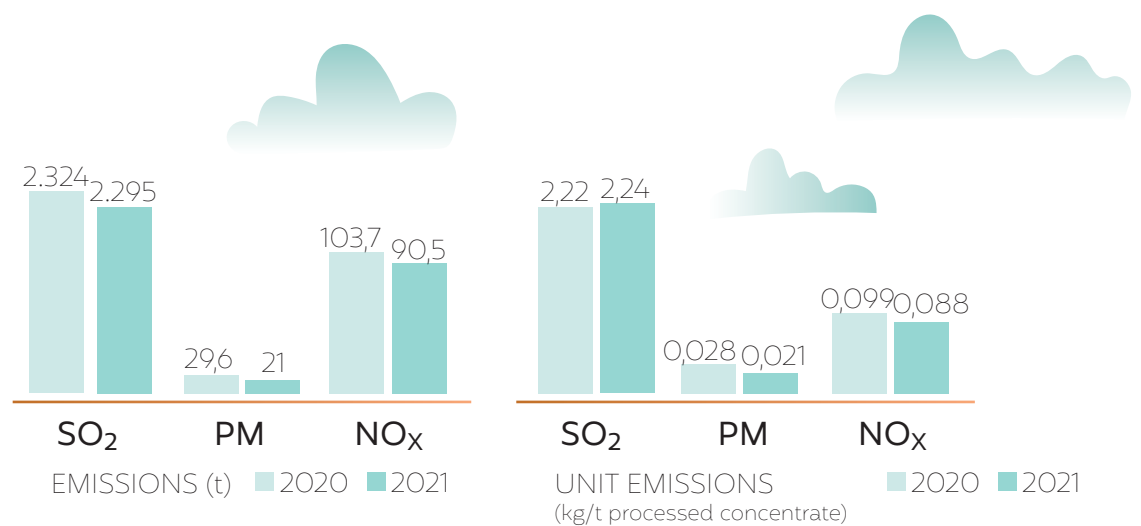
The main greenhouse gases emitted by Atlantic Copper include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and certain hydrofluorocarbon (HFC) compounds.

	2020	2021
CARBON EMISSIONS (t CO <sub>2</sub> eq)	59.618	52.908
RATIO PER TONNE OF CONCENTRATE PROCESSED (t CO <sub>2</sub> eq/t)	0,057	0,052

### 3.1.2. ATMOSPHERIC EMISSIONS

Atlantic Copper continuously monitors 90% of its SO<sub>2</sub> emissions. For all other emissions, which have low environmental impact, in accordance with current legislation, measurements are taken annually or biannually by collaborating entities in the area of environmental quality (ECCAs in their Spanish acronym). Regular self-monitoring is also done internally.

The emissions data for SO<sub>2</sub>, Particulate Matter (PM) and NO<sub>x</sub>, well below the limits in the current legislation, are shown below.



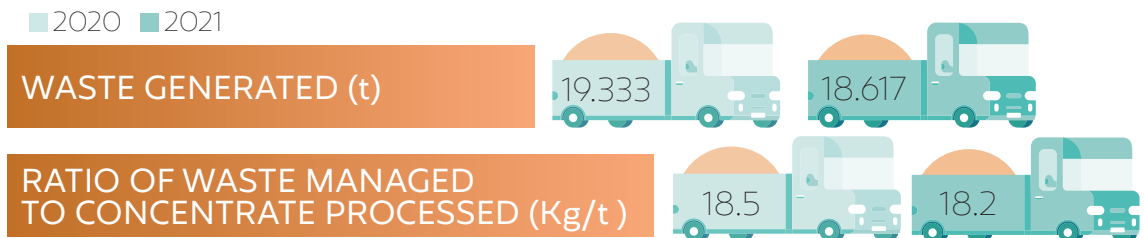
#### FALTA ESTE PÁRRAFO QUE SI ESTA EN CASTELLANO:

Cabe destacar la reducción del 25% de las emisiones de materia particulada (ratio kg MP/t concentrado) con respecto al año anterior gracias a las inversiones realizadas en los últimos años. Concretamente en 2021 se ha puesto en servicio y optimizado un nuevo filtro de mangas en serie tras los filtros de mangas de los secadores de vapor de concentrado, existentes previamente, reduciendo en un 95% las emisiones de materia particulada de esos equipos.

## 3.2. WASTE

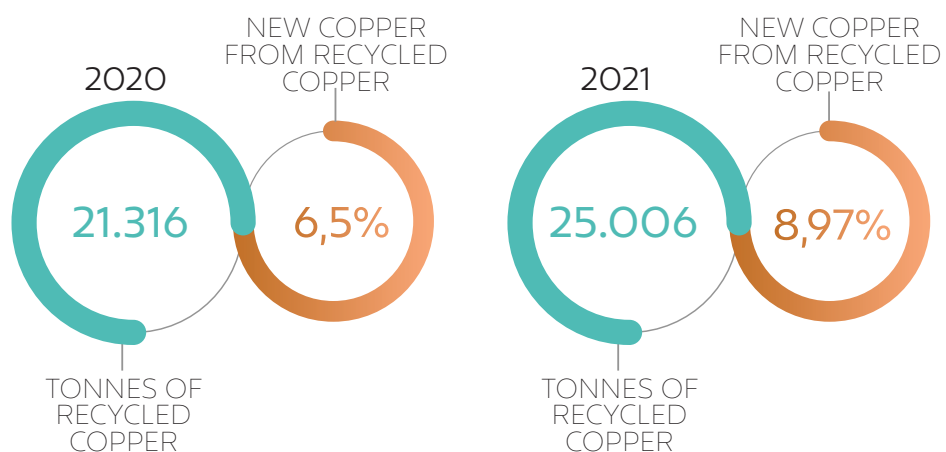
Atlantic Copper carries out numerous actions to comply with its management the waste hierarchy, including the following:

- ▶ APPLICATION OF NEW TECHNOLOGIES FOR THE PREVENTION AND MINIMISATION OF WASTE
- ▶ RECYCLING AND REUSE OF WASTE THROUGH AUTHORISED WASTE MANAGERS



### 3.2.1. RECYCLING

Atlantic Copper contributes significantly to the copper recycling, so that it can be reused indefinitely. Recycled products today come from industrial waste (scrap from production processes in the copper value chain and from products that have reached the end of their useful life). Atlantic Copper introduces this secondary copper as a raw material in its production process, where it is mixed with copper of primary origin. In line with the above, the amount of new copper obtained from recycled copper has increased by 36 % compared to 2020 and by 63 % compared to 2019.



Subsequent to year-end 2021, Atlantic Copper has received the Integrated Environmental Authorization (IEA) related to the Circular project that would treat 60,000 tpy of disused electrical and electronic material in a new plant to recover copper and precious metals.

### 3.2.2. WASTE RECOVERY AND DISPOSAL

As mentioned in the previous section, Atlantic Copper contributes significantly to the recycling of copper for its reuse. As a strategy for the prevention and minimization of waste the implementation of new technologies, which not only avoid the generation of waste, but also promote its transformation, into recoverable materials.

### 3.2.3 FOOD WASTE COMBAT ACTIONS

As mentioned in the previous section, at Atlantic Copper's Huelva Metallurgical Complex, there is a company canteen, managed by an entity specialized in collective catering, in which, under normal conditions, more than 130 meals a day are provided, subject to the regulations for collective canteens and to the food utilization and waste reduction policies. In addition, within the framework of the Healthy Organization Management System (3.8), Atlantic Copper's Medical Service has set up the Nutritional School, which provides guidelines for healthy and responsible eating.

## 3.3. WATER CONSUMPTION

Two types of water are consumed at the Atlantic Copper facilities in Huelva:

- ▶ DRINKING WATER FOR USE IN OFFICES, LABORATORIES, CHANGING ROOMS, THE MEDICAL SERVICE AND CAFETERIAS
- ▶ FRESH OR SWEET WATER FOR VARIOUS PLANT PROCESSES AND REPLENISHMENT OF COOLING WATER. SOME OF THIS WATER IS DEMINERALISED FOR USE AS BOILER WATER FOR STEAM PRODUCTION



The following table shows the evolution of water consumption over the last two years:

	2020	2021	2020	2021
<b>DRINKING WATER CONSUMPTION</b>	34,234	43,429	0.033	0.042
<b>FRESH OR SWEET WATER CONSUMPTION</b>	1,952,012	1,884,233	1.866	1.841
<b>TOTAL WATER CONSUMPTION</b>	1,986,246	1,927,662	1.899	1.883

WATER CONSUMPTION (m<sup>3</sup>)

WATER CONSUMPTION (m<sup>3</sup>/t concentrate processed)

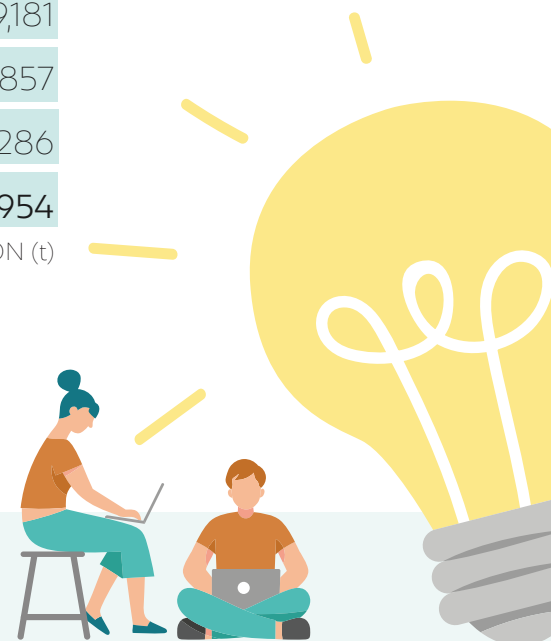
As the continuation of the *Red\_Scope (Recovery of Effluent Discharge for Sustainable Copper Processing in Europe)* pilot test, financed by the *EIT Raw Materials* European initiative, the “Elimination of unified discharge and recirculation of treated water” project was approved at plant scale for a total of 12.6 million euros. The investment proposal was submitted to FCX in 2020 and approved in early 2021. The new facilities of this project are scheduled to be commissioned up by the end of 2023 and will make it possible to reuse as fresh water the 90% of the current discharge from the process and reduce by 25% the consumption of fresh water.

### 3.3.1. RAW MATERIALS CONSUMPTION

The following table shows the evolution of raw materials consumption over the last two years:

	2020	2021
<b>CONCENTRATE</b>	1,045,851	1,023,630
<b>COPPER TO BE RECYCLED</b>	21,316	29,181
<b>FLUXES</b>	148,358	133,857
<b>LIME</b>	20,467	22,286
<b>TOTAL</b>	1,235,993	1,208,954

RAW MATERIALS CONSUMPTION (t)





### 3.3.2. DIRECT AND INDIRECT ENERGY CONSUMPTION

Atlantic Copper has an Energy Management System (EMS) that complies with the *UNE-EN ISO 50001* standard. This system obtained certification for the first time in 2011-the first copper smelter, the seventh major energy consumer in Spain and the first in Andalusia to do so-which placed us on the forefront and established us as a benchmark. The following table shows the evolution of energy consumption over the last two years.

	2020	2021
NATURAL GAS	622	557
FUEL OIL	186	175
DIESEL FUELS	16	18
ANTHRACITE/COKE	82	58
<b>TOTAL</b>	<b>905</b>	<b>808</b>

NON-RENEWABLE FUEL CONSUMPTION (TJ)

### 3.3.3. ENERGY EFFICIENCY

Energy efficiency improvements at Atlantic Copper are channelled through the EMS. The strategy that led us to decision-making within the framework of the EMS is based on:

- ▶ A GLOBAL VISION OF ENERGY MANAGEMENT, WHICH INCLUDES BENCHMARKING, THEORETICAL STUDIES AND A GENERAL REVIEW OF THE FACILITY'S MASS BALANCE AND OVERALL ENERGY
- ▶ ENERGY FLOW MAP, CHARACTERISING LOSSES AS BEING OF THREE TYPES: TRANSFORMATION, DISTRIBUTION AND PROCESS
- ▶ CLASSIFICATION OF THE TOOLS AND TECHNOLOGIES AVAILABLE ON THE MARKET

As a result of the above, the Company has defined the energy strategy and its corresponding Action Plans, with the completion of numerous projects, involving both management changes and investment projects, with overall efficiency improvements (specific consumption of total energy per unit of raw material processed) of 22% in 10 years, from 2011 to 2021, and 38% since 2000.



The most important projects in the area of energy efficiency are the following:

- ▶ INSTALLATION OF ENERGY RECOVERY BOILERS IN ACID PLANT 1, FOR STEAM PRODUCTION AND TRANSFORMATION INTO ELECTRIC POWER.

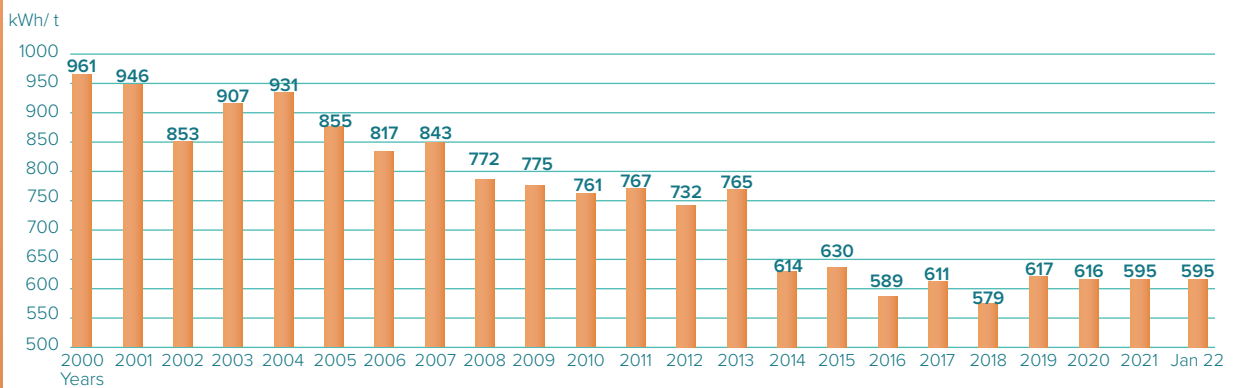
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- ▶ INSTALLATION OF NEW BURNERS WITH LOWER FUEL OIL CONSUMPTION.

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- ▶ PLANT OPERATIONAL CONTROL IMPROVEMENTS:
  - INCREASED WASTE HEAT RECOVERY FROM THE ELECTRIC FURNACE.
  - OPTIMIZATION OF THE SEAWATER PUMP DRIVE TO REDUCE POWER CONSUMPTION.
  - OPTIMIZATION OF GAS CONSUMPTION IN REFINING FURNACES.

Specific energy consumption, total power purchased / raw material processed



### 3.3.4. USE OF RENEWABLE ENERGIES

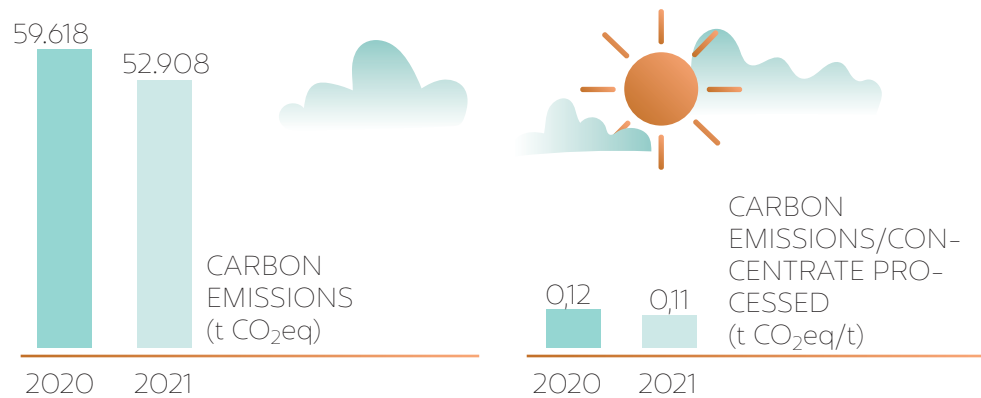
Atlantic Copper has signed four long-term power purchase agreements (PPA ) through Fortia Energía, a power purchasing platform for large industrial consumers, of which it is a founding member, the last one signed in 2021. These agreements boost the penetration of renewable energy in Spain, whose projects require greater price visibility that they will receive for the energy than that offered by the electricity market forecasts. For Atlantic Copper, the importance of these agreements lies in the fact that the energy to be supplied to the Huelva Metallurgical Complex will come mainly from renewable sources.

These contracts are, in fact, Atlantic Copper's first step in its strategy to achieve a mostly renewable electricity supply. By 2021, the consumption of electricity from renewable sources and high-efficiency cogeneration reached 31%.

### 3.4. CLIMATE CHANGE

#### 3.4.1. GREENHOUSE GASES (GHG)

As mentioned in section 3.1.1, the main greenhouse gases emitted by Atlantic Copper include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and certain hydrofluorocarbon (HFC) compounds.



#### 3.4.2. MEASURES FOR ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

As part of the environmental impact study of its CirCular project, Atlantic Copper conducted a study in 2021 of its vulnerability to climate change risks, covering current and future climate conditions. In addition, FCX conducted a global scenario analysis of all its operations and is conducting an additional analysis in 2022. Our assessment of these risks will be updated periodically over time to ensure that adaptation measures are sufficient.

Of all the analyzed effects of the CirCular project's environmental impact, reduced precipitation is the most likely effect. Therefore, as a measure to adapt to the consequences of climate change, in 2021 the "Reduction of unified discharge and recirculation of treated water" project has been approved in 2021 for a total of 12.6 million euros. The new facilities of this project will allow 90% of the current process discharge to be reused as fresh water, thus reducing dependence on external water supply. The plant is scheduled to be commissioned by the end of 2023.

In the same vein, Atlantic Copper plans to increase its fresh water storage capacity by 77% through a project to be executed between 2022 and 2023.

In addition, throughout 2021 Atlantic Copper has carried out a pilot plant for a dry granulation project for the iron silicate it produces, the conclusions of which will be presented in 2022. If feasible, the project would reduce the current consumption of fresh water by 40%.

### 3.4.3. MEASURES FOR REDUCING GHGS

Regarding the projects carried out in 2021 with an impact on the improvement of GHG emissions, within the framework of the Energy Management System (3.5), the following have been carried out:

- ▶ IMPROVEMENTS TO THE FUEL OIL BURNERS OF THE FLASH FURNACE, WHICH INCREASE COMBUSTION EFFICIENCY.

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- ▶ P1 ACID RECOVERY BOILER, WHICH ALLOWS THE HEAT RECOVERY, TAKEN TO THE THERMAL POWER PLANT, INCREASES SELF-PRODUCTION OF ELECTRICITY AND REDUCES THE PURCHASE OF ELECTRICITY FROM THE GRID.

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- ▶ IMPROVEMENTS IN GAS RECOVERY IN THE ELECTRIC FURNACE DRYER, WHICH ALLOWS GREATER USE OF HOT WASTE GASES, REDUCING THE CONSUMPTION OF NATURAL GAS.

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- ▶ VARIABLE SPEED DRIVE IN THE SEAWATER PUMP IN THE ACID AREA, WHICH PROVIDES A REDUCTION IN THE ELECTRICAL CONSUMPTION OF THE INSTALLATION.



In addition, several improvements have been made in operational control, such as in the area of refining and operational control, where natural gas consumption has been reduced thanks to these operational improvements. Also, through the introduction of improvements in the operational processes, the consumption of natural gas has been reduced.

## 3.5. BIODIVERSITY

### 3.5.1. MEASURES FOR PRESERVING OR RESTORING BIODIVERSITY

In line with the philosophy of our shareholder, Freeport-McMoRan, Atlantic Copper considers it essential to ensure that social and economic progress is compatible with protection of nature and of people, based on respect for the right of future generations to enjoy a healthy environment and a habitable planet and in accordance with the principle of sustainability. This is evidenced in an extremely strict *Environmental Policy*, designed using strategies based on continuous improvement, which establishes concrete objectives in an ongoing effort to reduce the impact of the production processes on the environment and supported by the application of the best available technologies at all times.

The commitments described in the *Environmental Policy* include that of considering the values of areas with cultural significance, biodiversity or ecological qualities, as well the potential for resource development, alongside the social and economic benefits. For that reason, Atlantic Copper, through its foundation, has maintained a collaboration agreement since 2011 with the *Council for the Environment of the Regional Government of Andalusia* to promote environmental education and awareness-raising in Huelvan society regarding its natural surroundings.



Within the framework of this agreement, in 2021, as it has been doing since 2012, the *Marismas del Odiel Nature Area*, declared a *Biosphere Reserve* by UNESCO, the “School for Explorers” project was carried out in the format of a day camp. The programme was implemented during the summer months in the Nature Area and its facilities for public use. In this context, children from 4 to 14 years of age participated in recreational and educational activities and workshops based on content on the environment in general and on the *Marismas del Odiel* in particular. Some of the children’s activities included: identification and following of tracks and signs, introduction to orienteering, observation and recognition of fauna and birds, crafts using natural and recycled products, and the construction of a forest plant nursery.

This edition marked the tenth anniversary of the project (in force since 2012), which was celebrated by burying a time capsule with symbolic objects of the participants and authorities who attended, which will be opened by future generations. Following the COVID-19 protocols, this tenth edition was successfully celebrated with a participation of 427 minors, who occupied 901 places, for a total of 4,505 stays. Thus, since the beginning of the project, more than 4,232 schoolchildren have taken part, with a total of 7,317 places occupied, for a total of 36,575 stays. In addition, as part of this same collaboration agreement, the Atlantic Copper Foundation also carries out other activities at the *Marismas del Odiel N. A.*, such the project “My marshland, my school”, aimed at schoolchildren from the municipalities bordering the Natural Park. In 2021, 29 centers participated (more than 1,400 students). All this, with the conviction that only what is known is respected, and only what is respected is preserved. This program was carried out during the 2020-2021 academic year.

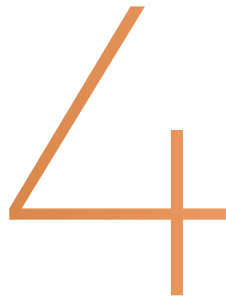
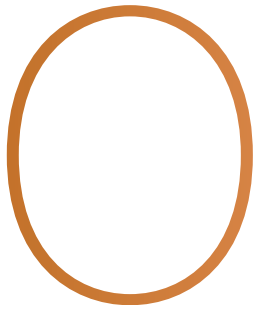
As a result of the experience with the *P. N. Marismas del Odiel*, Atlantic Copper is leading the SISTEM Project, consisting of the development of a best practices manual on the coexistence of industrial environments and natural sites, which will make it possible to replicate in other similar areas in the EU, the model of integration with biodiversity that has been developed.

In 2020, as an enhancement action, construction was begun on an observatory in the *Los Llanos de Bacuta* area (birdwatching point in the “*La Isla de Enmedio*” Nature Reserve and breeding ground of the osprey) for public use in the *Marismas del Odiel Biosphere Reserve*., whose inauguration took place in June 2021.

In 2021, a study was carried out, authorized and coordinated by the *Regional Government of Andalusia*, on the presence of the Palearctic otter in the Marismas del Odiel National Park, detecting at least, 15 otter activity hotspots at different points as reported in the book “*Mil y una formas de NO fotografiar nutrias en Marismas del Odiel*” ( *A Thousand and One Ways NOT Photographing Otters in Marismas del Odiel*), according to the research study carried out between 2020 and 2021 by the naturalist photographer *Manuel Gómez Cristóbal* and the doctor in Biology from the University of Seville *Enrique García Muñoz*.

The publication, sponsored by the Atlantic Copper Foundation and the company *Electroquímica Onubense* highlights not only the active presence of this mustelid, “a bioindicator that indicates the excellent state of the Huelva wetlands”; but also advances aspects about their feeding habits or behavior in the human presence. The study is available to the public on the Internet at the web [www.marismasdelodiel.com](http://www.marismasdelodiel.com).





## STAFF

### 4.1. POLICIES AND PROCEDURES

The human resources management policy is established in our Principles of Business Conduct (2.1). In addition to our values, which explain “who we are and how we work, all of us, everywhere, every day”, these establish that:

*Our employees are our greatest strength. Ensuring a safe and healthy workplace where everyone is treated fairly and with respect is a high priority at FCX. We operate in regions of varying ethnic, religious and cultural backgrounds and are often the largest employer in local communities. The diversity and various perspectives of our workforce make us stronger.*



## 4.2. PREVENTION OF OCCUPATIONAL RISKS

Atlantic Copper has established its Labor Risk Prevention Policy as a key part of its Integrated System of Prevention of Occupational Risks and Serious Accidents (SGPRLAG), which complies with the requirements established in Law 31/1995, Royal Decree 840/2015, and the ISO 45001 standard (2.7).

In accordance with the requirements established in this respect and the corresponding applicable procedures, Atlantic Copper establishes annual Preventive Objectives and the corresponding Preventive Activity Programs to achieve them. Both Objectives and Programs are monitored periodically and evaluated at the end of the established deadlines.

Over the years, Atlantic Copper has made numerous and continuous improvements in the area of Prevention of Occupational Risks carried out by the company, planned and evaluated following the documented procedures applicable to the SGPRLAG, among which we highlight as an example:

Start of implementation of the Atlantic Care Corporate Strategy through of 12 projects:

- ▶ 1 BEHAVIOR, SAFETY CULTURE.

---

- ▶ 2 VISIBLE COMMITMENT PROCUREMENT – HANDLING OF MATERIALS.

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- ▶ 3 VISIBLE COMPROMISE FURNACES.

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- ▶ 4 ROAD SAFETY (COMPLEMENTING THE RADAR PROJECT).

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- ▶ 5 FATALITIES RISK MANAGEMENT.

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- ▶ 6 COORDINATION OF BUSINESS ACTIVITIES.

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- ▶ 7 OWN PREVENTION SERVICE.

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- ▶ 8 5'S (CONVERTERS-MOLDING, MATERIAL HANDLING, ACID PLANT, ACID SHIPPING, REFINERY).

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- ▶ 9 COMMITTEES IN CASCADE.

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- ▶ 10 TEAMS OF SAFE HABITS ENHANCERS (FOCUS GROUP).

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▶ 11 INTERNAL AUDIT SYSTEM.

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▶ 12 RISK ASSESSMENT

- PSYCHOSOCIAL ASSESSMENT REVIEW (2021).
- REVIEW OF THE INVESTIGATION PROCEDURE OF ACCIDENTS.

## 4.3. OCCUPATIONAL HEALTH

Over the years, Atlantic Copper has made numerous and continuous improvements in occupational health. Improvements carried out by Atlantic Copper, planned and evaluated according to the applicable documented procedures of the SIGOS.

SIGOS, highlighting as an example:

- ▶ HEALTH CAMPAIGN "NUTRITIONAL SCHOOL".

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- ▶ HEALTH CAMPAIGN "BACK SCHOOL".

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- ▶ HEALTH CAMPAIGN "TAKE CARE OF YOURSELF".

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- ▶ HEALTH CAMPAIGN TO STOP SMOKING.

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- ▶ "CLINICAL WORK HISTORY" PROJECT.

Some of these campaigns have been affected in 2021 to prioritize resources against COVID-19.

Regarding the measures implemented in relation to COVID-19 since the beginning of the pandemic, we can highlight:

- ▶ SPECIFIC RISK MANAGEMENT IN THE ORGANIZATION:
  - Risk estimation in terms of type of activity, local epidemiological context and characteristics of the population to be protected.

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- ▶ OCCUPATIONAL HEALTH MANAGEMENT:
  - The key has been rigorous epidemiological metrics (continuous screening of the healthy population), transparency in the methodology (publication of an internal COVID-19 action protocol that is updated and disseminated weekly) and the commitment of the people to be protected. The protocol's structure and internal application were certified by AENOR on and internal application dated 07/15/2021.

- Continuous screening of own asymptomatic employees, home isolation of possible vectors, screening of contacts of positive contacts (workers and family members) and diagnostic tests after quarantine prior to reincorporation. A total of 359 PCR determinations and 11,558 rapid antigen tests were performed on Atlantic Copper's own employees during 2021. Sporadic screening of workers from contractor companies was also carried out.
  - Temperature control in access to workplaces.
  - Twice-weekly monitoring of viruses in wastewater, at 4 points in the Huelva Metallurgical Complex.
  - Stimulation of vaccinations, reaching 98% of complete vaccination schedule in the Metallurgical Complex of Huelva and 100% at the general offices in Madrid.
- 

▶ GOOD CLEANING AND HYGIENE PRACTICES:

- Provision of antiseptic and disinfectant to workers and family members, disinfection of transit routes, intensification of cleaning shifts in canteens and changing rooms (including daily treatment of areas with ozone). Application of specific disinfection procedures in response to the detection of a positive case.
  - Daily delivery of FFP2 masks and mandatory use in the plant, as well as maintaining the safety distance. The following have been delivered 13,800 FFP2 masks and 333,282 surgical masks.
- 

▶ ORGANIZATIONAL MEASURES:

- Identification and special protection of job positions in contact with people coming from risk areas. Procedure for loading and unloading of vessels avoiding contacts.
  - Cancellation of visits, classroom training, internships.
  - Implementation of remote work in some areas. Adaptation of schedules in face-to-face work. Digitalization of administrative processes in some areas.
- 

▶ PROTECTION MEASURES:

- Capacity control in dining rooms and meeting rooms.
  - Generalized placement of screens at work stations.
  - Provision of a new dressing room with capacity for 126 people.
- 



- ▶ TRAINING, INFORMATION AND COMMUNICATIONS:
    - Continuous information to the Management Committee, the shareholder and the Workers' Legal Representation.
    - Communication channels: e-mail, WhatsApp (messages, corporate videos), meetings at the workplace at the start of the working day, including COVID security.
    - Physical and telephone assistance 24/7 at the company's Medical Service.
- 
- ▶ CRISIS MANAGEMENT AND OPERATION CONTINUITY:
    - Provisioning and control plan for protection material.
    - Budget provisioning and control plan to cover the costs of the crisis.
    - Information and request to customers and suppliers of COVID Protocols addressing the maintenance of Atlantic Copper's activity and the supply of raw material.

The overall amount of expenditures for the pandemic caused by COVID-19 is 1,632,544 Euros, the most significant items being diagnostic tests and the costs of isolating infected workers.



## 4.4. KEY RESULTS

The distribution of the workforce, broken down by age and gender, for 2020 and 2021 (data to 31 December) is shown below.

	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
<b>WOMEN</b>	17	92	24	133	14	93	23	130
<b>MEN</b>	39	389	187	615	33	408	181	622
<b>TOTAL</b>	56	481	211	748	47	501	204	752
	2020				2021			

Distribution of the workforce by professional categories (Social Security Contribution Categories), segmented by gender for 2020 and 2021 (at 31 December).

	WOMEN		MEN	
<b>ENGINEERS AND GRADUATES</b>	54	82	50	71
<b>TECHNICAL ENGINEERS</b>	35	88	26	83
<b>ADMINISTRATIVE MANAGERS</b>	8	13	11	12
<b>UNQUALIFIED ASSISTANTS</b>	1	61	4	68
<b>ADMINISTRATIVE OFFICERS</b>	22	12	30	34
<b>AUXILIARY EMPLOYEES</b>	4	17	4	19
<b>SKILLED WORKERS</b>	9	342	5	335
<b>TOTAL</b>	133	615	130	622
	2020		2021	

Number of Atlantic Copper employees by contract type (permanent/temporary/full-time/part-time), segmented by gender for 2020 and 2021 (at 31 December).

2020		WOMEN	MEN	TOTAL
FULL-TIME EMPLOYEES	PERMANENT	88	458	546
	TEMPORARY	27	111	138
PART-TIME EMPLOYEES	PERMANENT	16	44	60
	TEMPORARY	2	2	4
TOTAL		133	615	748

2021		WOMEN	MEN	TOTAL
FULL-TIME EMPLOYEES	PERMANENT	87	486	573
	TEMPORARY	26	86	112
PART-TIME EMPLOYEES	PERMANENT	17	50	67
	TEMPORARY	-	-	-
TOTAL		130	622	752



The average number of employees in 2020 was 744, while in 2021 it was 755.

The following table shows the number of people hired at Atlantic Copper by type of contract (Permanent / Temporary, Full Time / Part Time), segmented by age for the years 2020 and 2021 (data as of December 31).

		<30	30-50	>50	<30	30-50	>50
FULL-TIME EMPLOYEES	PERMANENT	9	380	157	15	410	148
	TEMPORARY	45	90	3	31	79	2
PART-TIME EMPLOYEES	PERMANENT	1	9	50	1	12	54
	TEMPORARY	1	2	1	-	-	-
		2020			2021		

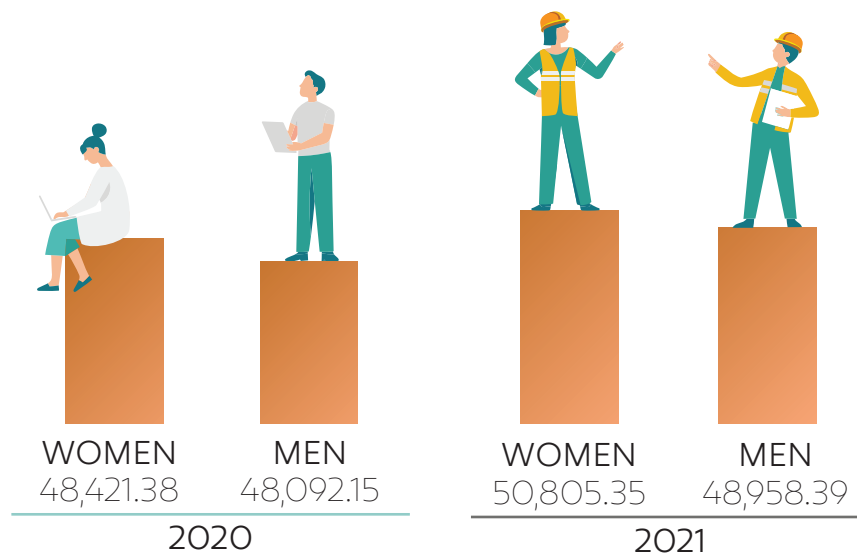
Number of Atlantic Copper employees by professional category (Social Security Contribution Categories), segmented by contract type (permanent/temporary/full-time/part-time) for 2020 and 2021 (at 31 December).

2020	FULL-TIME		PART-TIME	
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY
ENGINEERS AND GRADUATES	120	9	6	1
TECHNICAL ENGINEERS	90	12	20	1
ADMINISTRATIVE MANAGERS	18	2	1	0
UNQUALIFIED ASSISTANTS	61	1	0	0
ADMINISTRATIVE OFFICERS	18	11	3	2
AUXILIARY EMPLOYEES	17	4	0	0
SKILLED WORKERS	222	99	30	0



2021	FULL-TIME		PART-TIME	
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY
ENGINEERS AND GRADUATES	107	4	10	-
TECHNICAL ENGINEERS	92	2	15	-
ADMINISTRATIVE MANAGERS	18	2	3	-
UNQUALIFIED ASSISTANTS	60	4	8	-
ADMINISTRATIVE OFFICERS	25	36	3	-
AUXILIARY EMPLOYEES	20	2	1	-
SKILLED WORKERS	251	62	27	-

Average total annual remuneration (in euros) of Atlantic Copper employees.



#### 4.4.1. ABSENTEEISM

Annual absenteeism (accumulated data at December) for 2020 and 2021. In 2020, half of the absenteeism percentage was due to the effects of COVID -19.

	SICKLEAVE HOURS	ACCIDENT HOURS	THEORETICAL HOURS	ABSENTEEISM (S+A)
2020	33,363	8,236	1,055,500	3.94 %
2021	34,798	10,960	1,113,357	4.11 %



## 4.4.2. WORK-LIFE BALANCE

In July 2018, paternity leave was expanded by law to give male workers in this situation the right to five continuous weeks off. Female employees of Atlantic Copper were already enjoying two weeks in addition to those required by law such that, since 2008, maternity leave at Atlantic Copper had been 18 weeks.

Putting into practice one of our values, the focus on people, and as evidence of the Company's unflagging commitment to encouraging a balance between personal life and working time, we took the initiative of granting an additional 2 weeks of maternity and paternity leave, bringing the total time in 2018 to 20 and 7 weeks, respectively.

Paternity leave at Atlantic Copper in 2021 was 18 weeks, 16 by law plus 2 additional weeks granted by the Company.

In 2018, Atlantic Copper modified the distribution of work for shift workers to achieve a uniform 6x4 distribution (six working days and four days off), including a break of 14 consecutive days off in summer (June, July, August and September). For staff not subject to shifts, in 2019 summer hours were expanded to include the month of July.

In 2021, due to the health crisis resulting from COVID-19, family circumstances were also taken into consideration in telecommuting and flexible working hours.



## 4.5. ACCIDENTS AT WORK

Below we present the data and rates for accidents in 2020 and 2021, segmented by gender.

2020	HOURS	WORK-FORCE	ACCIDENTS		WORK-DAYS LOST
			WITH ABSENCE	W/O ABSENCE	
<b>WOMEN</b>	163,853	119	0	1	0
<b>MEN</b>	783,465	569	7	14	107
<b>TOTAL</b>	947,318	688	7	15	107

	GENERAL FR	SR		IR		GENERAL IR
		ABSENCE	SR	ABSENCE	SR	
<b>WOMEN</b>	6.10	0	0	0	0	8.40
<b>MEN</b>	26.80	8.93	0.14	12.30	0.14	36.91
<b>TOTAL</b>	23.22	7.39	0.11	10.17	0.11	31.98

2021	HOURS	WORK-FORCE	ACCIDENTS		WORK-DAYS LOST
			WITH ABSENCE	W/O ABSENCE	
<b>WOMEN</b>	192,392	113	1	-	108
<b>MEN</b>	920,526	572	8	17	414
<b>TOTAL</b>	1,112,918	685	9	17	522

	GENERAL FR	SR		IR		GENERAL IR
		ABSENCE	SR	ABSENCE	SR	
<b>WOMEN</b>	5.20	5.20	0.56	7.69	0.56	7.69
<b>MEN</b>	27.16	8.69	0.45	12.86	0.45	40.19
<b>TOTAL</b>	23.36	8.09	0.47	11.97	0.47	34.57

Note 1: Does not include *in itinere* accidents, following recommendation NTP 1 of the INSHT.

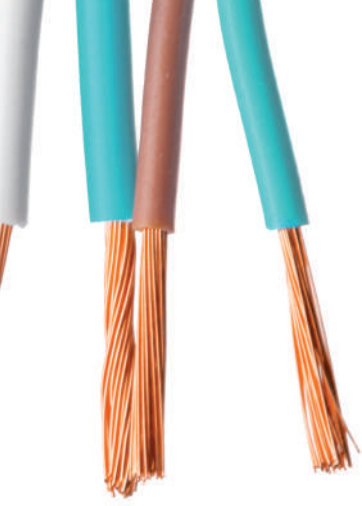
Note 2: Does not include the telecommuting hours of partial retirees.

FR: Frequency Rate = No. of accidents per million hours worked

SR: Severity Rate = No. of workdays lost for every 1000 hours worked.

IR: Incidence Rate = No. of accidents for every 1000 workers.

The workforce calculations are “full-time equivalent” employees, the result of dividing the real number of hours worked by the annual number of working days stipulated in the Agreement. Therefore, they do not necessarily match the average workforce or workforce data at 31/12 that appear in other sections.



### 4.5.1. OCCUPATIONAL DISEASES

Below we present the data for occupational diseases in 2020 and 2021, segmented by gender.

	2020	2021
WOMEN	0	0
MEN	0	0
TOTAL	0	0

Neither in 2020 nor in 2021 were any occupational diseases identified among Atlantic Copper personnel.

### 4.6. LABOUR RELATIONS

Atlantic Copper has a Work Council made up of 17 legal representatives of the workers. Its last election was held in December 2018. Likewise, Atlantic Copper has three union sections: UGT, CCOO and USO, which, in turn, contribute two union delegates per section.

Following the termination of the 6th Collective Agreement for the Atlantic Copper Metallurgical Complex, in November 2019, a new text was negotiated and a negotiating table was set up. Negotiations were interrupted due to the Covid-19 pandemic and the successive states of alarm that took place during 2020, resuming during the months of June and July 2020. In accordance with the usual practice of not altering the vacation period of the workers, the negotiations were halted during the month of August. From September until the end of the negotiation, reflecting the desire of both parties to reach an agreement as quickly as possible, meetings were held on a weekly basis, which finally led to the signing of the 7th Collective Agreement on October 17, 2021. The duration of the 7th Collective Agreement has a fixed duration of 3 years (2020-2022).

The 7th Collective Agreement, like its predecessor, formalises several forums for social dialogue. Firstly, it contains the basic regulation of the Joint Committee, quintessential organ for the interpretation of this, and in parallel, dedicates its Chapter IX to the enshrinement of trade union rights.



It also provides for the existence and functioning of a Job Evaluation Commission, of bipartite and parity composition, which establishes the description and level of the job positions of the personnel subject to the Agreement, whether these are newly or face technical/functional evolutions. In the text of the VII Agreement, it has been agreed to adapt this assessment to the principles of equality, non-discrimination and gender perspective, will be carried out by the Commission for the Adaptation of the Occupational Classification, as provided for in art. 7 of the current collective agreement.

This Agreement also provides for quarterly meetings, where Human Resources indicators (staff, hiring, working hours, absenteeism...) and results are reported and discussed, and the economic-financial results of the company and the parent company.

Likewise, an annual meeting is scheduled in order to learn about and evaluate technological innovation projects and their socio-economic repercussions.

Due to the pandemic caused by COVID-19 and the necessary intensification of the measures to be taken and the communication between the parties, to a daily dialogue, informal and adjusted to the needs of each moment, incorporated the holding of fortnightly meetings with the Prevention Delegates, the President of the Company Committee and the Secretary of the Company Committee. As a result of these meetings, many of the agreed measures have been put into and the necessary agreements have been reached to articulate the organisational measures to ensure the continuity of operations.

All these pre-established forums do not preclude the emergence of more spontaneous and more in line with the needs of the moment. In this way, Company or Workers' Representatives have been requesting the holding of monographic meetings in order to address issues of concern or of current affairs, for example, recent meetings have dealt with issues such as partial retirement or training processes.





To facilitate communication between the parties, information exchange and availability, in 2020, a shared space was created on our Intranet using the Share Point platform, where all the necessary information can be found, with access rights according to the position held by each member. All of this was done to achieve the transparent labour relations model that the Organisation and Human Resources Department aspires to.

Finally, the Works Council meets on a monthly basis with Human Resources to deal with day-to-day issues, as well as having a fluid channel of relations with both unitary and trade union representation.



## 4.6.1. INFORMATION, CONSULTATION AND NEGOTIATION

The human resources processes contain a good number of communications, to both the interested parties and their legal/union representatives, for the purpose of sharing the circumstances and decisions that affect them directly (in addition to employee disability status changes, information regarding job consolidations, positions filled, substantial modifications of working conditions, application of new employee schedules, overtime scheduling, and other matters is shared).

It also facilitates the expression of the joint will of the workforce on special occasions, for example by making available all possible resources to promote the widest possible participation in trade union elections, by agreeing to the granting of leave at the Company's expense for the opening of the Works Council secretariat on one day a week, or by accepting that the agreements reached at the negotiating table for the revision of the Collective Agreement be subject to the holding of assemblies and referendums organised by the Social Partners.

In addition to these individual communications, Atlantic Copper has corporate e-mail, backed up by bulletin boards and an intranet, through which circulars are and intranet, through which circulars are communicated and mass announcements (organizational decisions, corporate events, communications on security, achievement of objectives, etc.). In 2020, a space shared by the RLT and the company was set up on the Intranet to provide the necessary information and speed up agility in the signature processes.

Every three years since 2012, Atlantic Copper has launched a Labour Climate Survey with the aim of gathering the opinion of the workforce on various labour issues (training, promotion, remuneration, etc.). Based on this information, an analysis is carried out on the concerns of the of the staff's concerns and measures are designed to be adopted within the strategy of the Organization and Human Resources Department



for the coming years. To date, four labour climate surveys have been launched, with the last one corresponding to the year 2021, with good results in terms of participation rates (69% in 2012, 64% in 2015, 70% in 2018 and 64% in 2021), and in the degree of commitment (84% in 2012, 87% in 2015, 89% in 2018 and 87% in 2021).

In 2020, a commission was formed to carry out a new evaluation of Psychosocial Risks, which will begin working in 2021 as part of Prevention of Psychosocial Risks.

Likewise, in 2021, the Company continued the Suggestion Box process, started in 2018, with very positive results. Thanks to this tool, employees can submit complaints and suggestions, even anonymously, to express opinions and make requests. These complaints/ suggestions, posted on the Intranet, can be handled electronically or on paper and receive attention and a response from the different managers in the organisation.

	2012	2015	2018	2021
PARTICIPATION	69%	64%	70%	64%
COMMITMENT	84%	87%	89%	87%

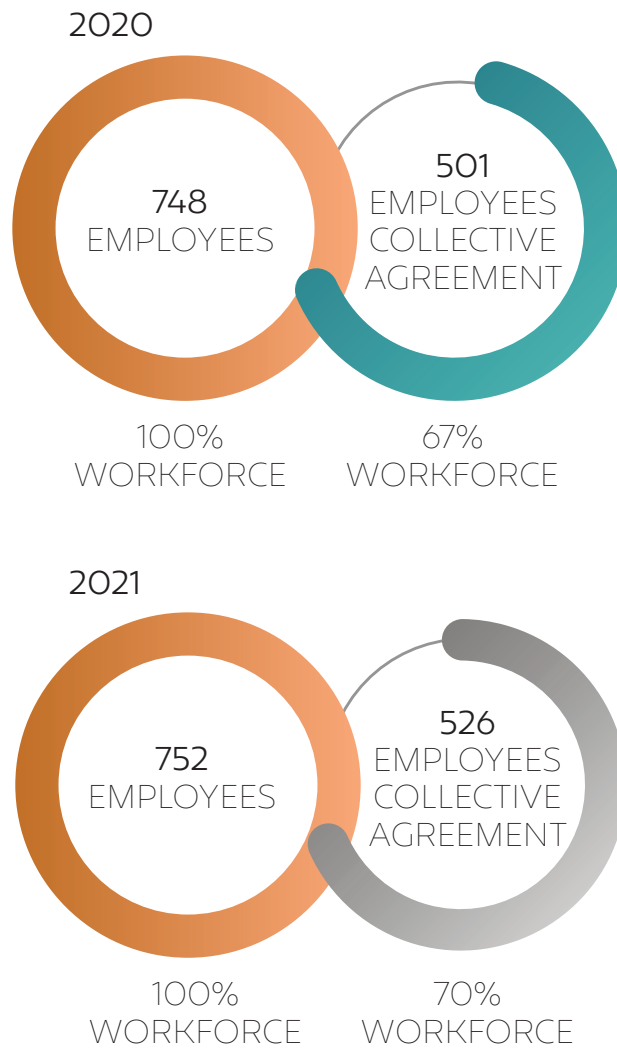
#### 4.6.2. COLLECTIVE AGREEMENT COVERAGE

At year-end 2020, Atlantic Copper's total workforce stood at 748 workers, 501 of whom were employed under the Sixth Collective Agreement. Therefore, 67% were covered by this Agreement.

At the end of 2021, Atlantic Copper had a total workforce of 752 employees, of which 526 were employed under the 6th Collective Agreement until October 2021 and under the 7th Collective Agreement as of November 2021, which represents a percentage of 70% of the total workforce.



The rest of the workers belong to the group called "supervision", which is outside the scope of application of the collective agreement negotiated with with the Workers' Representation and whose conditions are contractually governed on an individual basis.



Successive Collective Agreements at Atlantic Copper have expressly stated the willingness of the Company and the Workers' Representatives to promote occupational risk prevention policies, in accordance with the regulations, the ILO Conventions and consultation with workers' representatives.

Since the signing of the 7th Collective Agreement at Atlantic Copper, commitments in this respect have been included in the III Metal Agreement, to which, in addition, the regulation of Cascade Committees is established in Article 77 of the VII Collective Agreement.

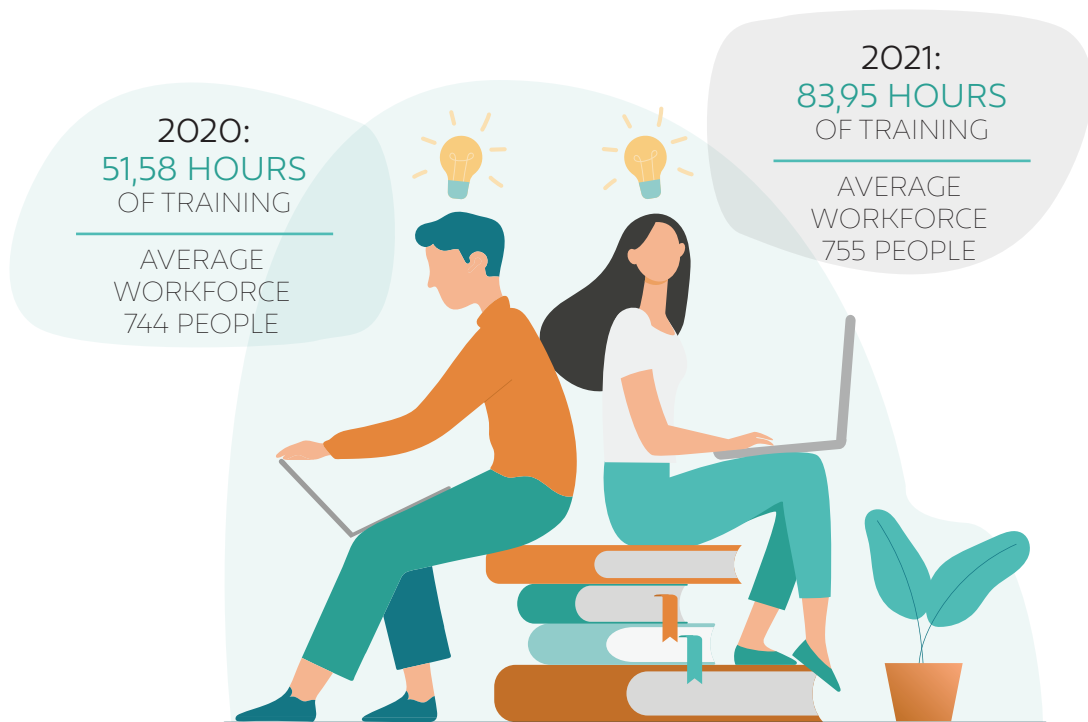


## 4.7. HOURS OF TRAINING

Below we show the hours of training by professional category.

	2020	2021
EXECUTIVE STAFF	5,632	10,792
TECHNICAL STAFF	9,389	13,699
ADMINISTRATIVE, COMMERCIAL AND SERVICE STAFF	1,368	5,071
OPERATIONS STAFF	21,986	33,283
<b>TOTAL</b>	<b>38,375</b>	<b>63,382</b>

This means an average of 51.58 hours of training per person in the 2020 financial year (for an average workforce of 744 people), and 83.95 training hours per person in the financial year 2021 (for an average workforce of 755 people).



## 4.7.1. EMPLOYMENT PROMOTION MEASURES

Atlantic Copper applies numerous measures to promote employment, the most noteworthy being the following.

- ▶ WORK-STUDY POSITIONS

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- ▶ DUAL VOCATIONAL TRAINING

---

- ▶ TEACHING COLLABORATION IN SPECIALISED CENTRES

---

- ▶ ENDOWED CHAIRS WITH THE FOLLOWING INSTITUTIONS
  - UNIVERSITY OF HUELVA

---

  - HIGHER TECHNICAL SCHOOL OF MINING AND ENERGY ENGINEERING OF MADRID

---

  - INTERNATIONAL UNIVERSITY OF ANDALUSIA

Atlantic Copper began its journey in Dual Vocational Training in 2018, and our Foundation plans to join the Alliance for Dual Vocational Training in January 2022.



## 4.8. DIVERSITY MANAGEMENT

Atlantic Copper manages the diversity of the people with whom it interacts based on the specific needs derived from the personal characteristics identified, for each individual or collective, to the extent that it is capable of satisfying them in a way that is compatible with its business model. The following table shows some of the most important actions we carried out in the dimensions we consider most relevant in the area of diversity management:

DIMENSION	ACTIONS
GENDER	EQUALITY PLAN
	HARASSMENT PREVENTION PROTOCOL
AGE	WORK DISCONNECTION PROTOCOL
DISABILITY	INTEGRATION
	ACCESSIBILITY
HEALTH	HEALTHY WORKPLACE MANAGEMENT SYSTEM
FAMILY	WORK-LIFE BALANCE
	SOCIAL ACTION: FAMILY PLAN COLLECTIVE AGREEMENT





# 05

## HUMAN RIGHTS

### 5.1. HUMAN RIGHTS VIOLATION RISK PREVENTION

No cases of violation of human rights have been identified at Atlantic Copper. In addition to the *SGRS IQNet SR10*, the Company has applied the following measures:

- ▶ PRINCIPLES OF ETHICAL BUSINESS CONDUCT (PBC), WITH A WHISTLEBLOWER CHANNEL AND THE REST OF THE CORPORATE POLICIES OF FCX AND ATLANTIC COPPER (2.1)

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- ▶ PBC TRAINING PLAN (2.1)

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- ▶ CRIMINAL COMPLIANCE POLICY, WITH INFORMATION AND WHISTLEBLOWER CHANNEL (2.9)

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- ▶ CRIMINAL COMPLIANCE TRAINING PLAN (2.9)

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- ▶ HARASSMENT PREVENTION PLAN

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No cases of abuse have been detected in Atlantic Copper.

No complaints of violation of human rights have occurred.



# 06

## ETHICAL MANAGEMENT IN BUSINESS



The measures adopted to prevent corruption and bribery are integrated into Atlantic Copper's Criminal Compliance Management System mentioned in previous sections.

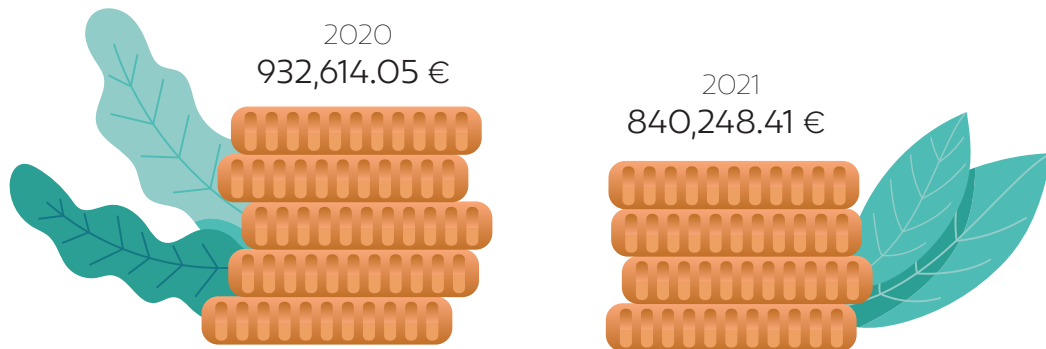
The relevant measures taken to prevent corruption and bribery include training that we provide to Atlantic Copper workers, on both anti-corruption policies and the Principles of Business Conduct (PBC). The training data for the 2020 and 2021 campaigns are as follows:

2020	NO. OF PEOPLE TARGETED	NO. OF PEOPLE TRAINED	PERCENTAGE
ANTI-CORRUPTION POLICIES	140	113	81 %
PBC FOR SUPERVISORS AND EXECUTIVES	88	78	89 %
PBC FOR REST OF STAFF	613	545	89 %
PBC FOR NEW HIRES	71	60	84 %

2021	NO. OF PEOPLE TARGETED	NO. OF PEOPLE TRAINED	PERCENTAGE
ANTI-CORRUPTION POLICIES	120	120	100 %
PBC FOR SUPERVISORS AND EXECUTIVES	87	87	100 %
PBC FOR REST OF STAFF	546	546	100 %
PBC FOR NEW HIRES	63	59	94 %

No cases of corruption or bribery have come to light or been recorded in 2019 or 2020.

## 6.1. CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ORGANISATIONS:







# 07

## SOCIETY

### 7.1. POLICIES AND PROCEDURES

Atlantic Copper has established its Social Responsibility Policy as a fundamental part of its Social Responsibility Management System (SRMS), which meets the requirements of the international *IQNet SR 10* standard (2.3), based on the international standard *ISO 26000 Guidance on social responsibility*. In accordance with this standard, Social Responsibility Objectives are set and Action Plans are established to achieve them, which are monitored and evaluated periodically.

### 7.2. COMMITMENTS TO SUSTAINABLE DEVELOPMENT

Atlantic Copper is firmly committed to adopting the sustainable development goals SDG 2030 and applying them in its activities (2.12).

As a result of this commitment, social responsibility measures are adopted to collaborate with society on an ongoing basis and we join the Spanish Network of the United Nations Global Compact (2.15) in October 2021.



## 7.2.1. IMPACT ON EMPLOYMENT AND LOCAL DEVELOPMENT

Atlantic Copper's impact (Gross Value Added and Employment) on local development and on the territory in the 2019 and 2020 financial years is shown below. The data for the 2021 financial year were not available on the date this document was prepared.

### 2019 / GVA (thousands of €)

	DIRECT	INDIRECT	INDUCED	TOTAL
<b>VALUE</b>	127,649.45	26,616.43	26,743.34	181,009.22
<b>% AIQBE</b>	10 %	10 %	20 %	11 %
<b>% HUELVA</b>	-	-	-	1,8 %

### 2019 / EMPLOYMENT

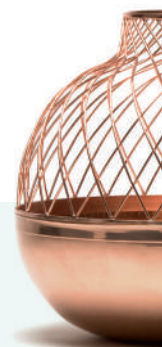
	DIRECT	INDIRECT	INDUCED	TOTAL
<b>VALUE</b>	606	373	466	1,644
<b>% AIQBE</b>	27 %	11 %	20 %	17 %
<b>% HUELVA</b>	-	-	-	0.8 %

### 2020 / GVA (thousands of €)

	DIRECT	INDIRECT	INDUCED	TOTAL
<b>VALUE</b>	91,282.46	45,25.15	21,350.40	157,892.00
<b>% AIQBE</b>	19.7 %	20.4 %	20.4 %	20 %
<b>% HUELVA</b>	-	-	-	16 %

### 2020 / EMPLOYMENT

	DIRECT	INDIRECT	INDUCED	TOTAL
<b>VALUE</b>	606	929	372	1,907
<b>% AIQBE</b>	23.6%	20.3%	20.4%	21.3%
<b>% HUELVA</b>	-	-	-	1%



## 7.2.2. RELATIONS AND DIALOGUE WITH LOCAL COMMUNITIES

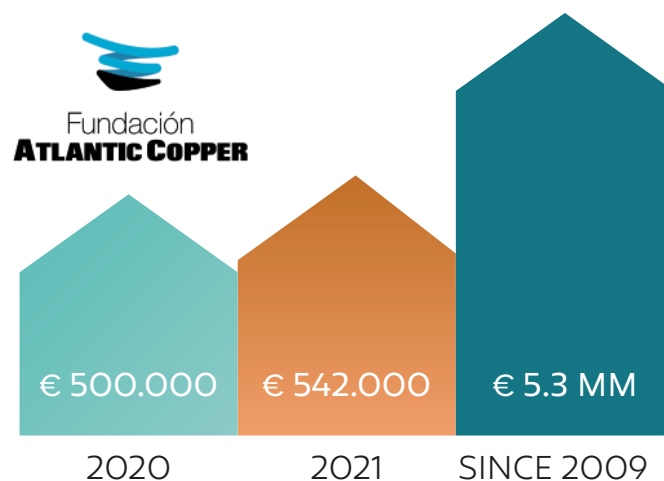
Atlantic Copper, on a voluntary basis, has established in a Social Responsibility Management System (SRMS). It has been certified by AENOR according to the *IQNet SR10* standard (which contains the recommendations from the *ISO 26000* standard on social responsibility).

## 7.2.3. PARTNERSHIP OR SPONSORSHIP ACTIONS

Atlantic Copper launched its own corporate Foundation in 2009 to channel External Social Responsibility actions.

Its Board of Trustees includes not only company executives but also stakeholders. Employees are represented by the President of the Work Council, who is an ex-officio board member. Society and the community are represented on its Board of Trustees by the main local authorities: Mayor of the City, President of the Provincial Council, Government Delegate of the Regional Government of Andalusia, President of the Port Authority, and Dean of the University of Huelva.

In 2021, the Atlantic Copper Foundation invested more than 542,000 euros in direct actions in fulfilment of its foundational purposes. The increase in investments for social purposes has been maintained. Since its inception, over 5,3 million euros have been used by the foundation in the execution of its educational, environmental, cultural, social and sports programmes.



As a product of these, the following data is noteworthy:

- ▶ OVER **550 SCHOLARSHIPS** FOR UNIVERSITY STUDY IN SPAIN OR ABROAD
- ▶ OVER **590 INTERNSHIPS** IN ATLANTIC COPPER
- ▶ OVER **14,900 SCHOOLCHILDREN** PARTICIPATING IN ITS ENVIRONMENTAL EDUCATION ACTIVITIES
- ▶ OVER **480 MEAL GRANTS** FOR UNIVERSITY STUDENTS
- ▶ SUPPORT TO OVER **35 SOCIAL AND CHARITABLE ORGANISATIONS**
- ▶ OVER **2,240 PARTICIPANTS** IN ITS LITERARY AND PHOTOGRAPHY COMPETITIONS
- ▶ OVER **50,000 BENEFICIARIES**, DIRECT AND INDIRECT, OF ITS SUPPORT FOR CULTURAL INITIATIVES (HUELVA FILM FESTIVAL, LATITUDES PHOTOGRAPHY FESTIVAL)

More details are available at [www.fundacion.atlantic-copper.com](http://www.fundacion.atlantic-copper.com)



## 7.3. SUBCONTRACTORS AND SUPPLIERS

### 7.3.1. PURCHASING POLICY

The Atlantic Copper purchasing policy is established in our Principles of Business Conduct (2.1) and in the FCX Global Supply Chain Policy, Version 1.3, of June 2020.

This Policy is further developed in the Supplier Code of Conduct, which is now called the Code of Conduct for Business Partners and implements all the Principles of Business Conduct in relation to the behaviour of Atlantic Copper's suppliers.

### 7.3.2. CONSIDERATION OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Atlantic Copper promotes social responsibility principles and requirements among its direct suppliers through its supplier evaluation process; by sending them its Principles of Business Conduct with instructions for complying with it and sharing it internally and through the Supplier Code of Conduct, with which the supplier agrees to comply in its contracts with Atlantic Copper.

### 7.3.3. OVERSIGHT AND AUDITING SYSTEMS

Atlantic Copper's suppliers undergo a prior evaluation, certification and selection process, as established in Procedure *AP-MA-Pr 01 Prior evaluation, certification and selection of suppliers and contractors*, which establishes the pre-requisites for establishing a contractual relationship with Atlantic Copper as a supplier.

As indicated this procedure, the supplier must fill out a preliminary evaluation questionnaire, which, among other things, includes aspects related to human resources, safety and the environment, quality, and corporate social responsibility. The responses to this questionnaire are analysed and evaluated by Atlantic Copper, and a minimum score is required in order for acceptance as a supplier.

Following this prior evaluation, the Compliance Department uses a *Due Diligence* tool for the final supplier certification before acceptance.



Once a relationship is established, the supplier is monitored according to Procedure *AP-MA-In 04 Monitoring of suppliers and contractors*, which describes the oversight mechanisms in place at Atlantic Copper. These include the following:

- ▶ MONITORING OF NON-CONFORMITIES IN THE STANDARDISED MANAGEMENT SYSTEMS, WHICH INCLUDE THE SRMS (2.3), IEMS (2.4), IORAPS, (2.7), HWMS (2.8), AND QMS (2.10)
- ▶ INDUSTRIAL ACCIDENTS / INCIDENTS REPORTING PRACTICES
- ▶ COMPLIANCE WITH SAFETY AND ENVIRONMENTAL PLANS

### 7.3.4. RESPONSIBLE SOURCING OF MINERALS

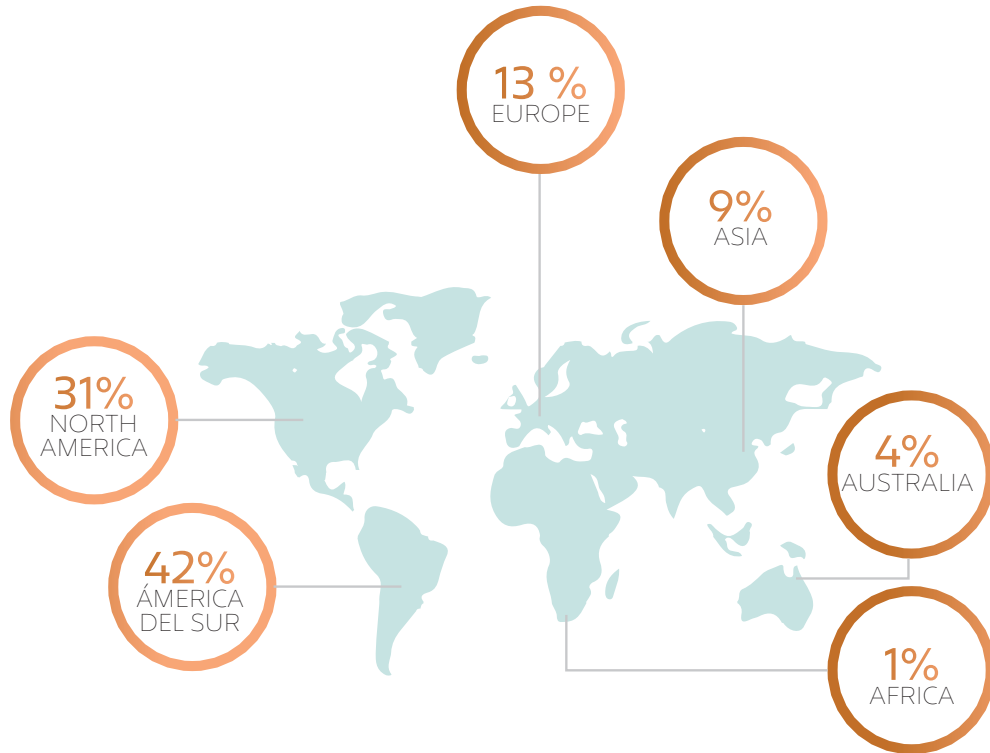
Atlantic Copper recognises the potential risks of significant adverse impacts that can be associated with the extraction and commercialisation of minerals and their derivatives on the areas affected by conflicts and high risk. It also recognises its responsibility to respect human rights and to refrain from contributing to any type of conflict.

Consequently, during 2021 Atlantic Copper has aligned its Responsible Sourcing Programme with the Copper Mark's Joint Due Diligence Standard (3.14). The programme consists of the following sections:

- ▶ ADHERENCE TO THE RESPONSIBLE SOURCING OF MINERALS POLICY
- ▶ ASSESSMENT OF RISKS FOR DUE DILIGENCE IN OUR MINERALS SUPPLY CHAIN, EVALUATING AND PRIORITISING SOURCES AND SUPPLIERS, COLLECTING DATA ON THE ORIGIN OF THE CONCENTRATES AND METALS WE PURCHASE
- ▶ RESPONSIBLE SOURCING COMMITTEE
- ▶ MANAGEMENT OF RISKS IN PURCHASING AND SUPPLIERS
- ▶ DIRECT COMMUNICATION WITH EMPLOYEES, MEMBERS OF THE COMMUNITY AND SUPPLY CHAINS
- ▶ ASSURANCE PROGRAMME, CARRIED OUT BY AN INDEPENDENT EXTERNAL AUDITOR, TO ENSURE COMPLIANCE WITH THE POLICY AND ITS ALIGNMENT WITH THE COPPER MARK'S JOINT DUE DILIGENCE STANDARD.



In 2021, copper concentrate was received, directly and through traders, from the areas of the world indicated on the map.



## 7.4. CUSTOMERS, USERS AND CONSUMERS

Atlantic Copper's Social Responsibility with respect to its customers is established in the Social Responsibility Management System (SRMS) (2.3), certified by AENOR according to the IQNet SR10 standard (which contains the recommendations from the *ISO 26000* standard on social responsibility). The most important aspects in this area are the following:

- ▶ ATLANTIC COPPER DOES NOT PROMOTE OR ADVERTISE ITS PRODUCTS, AS THEY ARE COMMODITIES
- ▶ IN OUR COMMERCIAL ACTIONS, WE DO NOT ALLOW MISLEADING CLAIMS, NOR MAY THEY INVOLVE ANY TYPE OF HAZARD OR BE CONTRARY TO THE *SOCIAL RESPONSIBILITY PRINCIPLES*, WHICH IS GUARANTEED THROUGH COMPLIANCE WITH THE PBCS (2.1)
- ▶ ATLANTIC COPPER CREATES AND FULFILS ITS CONTRACTS WITH ITS CUSTOMERS IN ACCORDANCE WITH THE PRINCIPLES OF TRANSPARENCY, TRUTHFULNESS, TRUST AND GOOD FAITH, AVOIDING ABUSIVE ACTIONS DERIVED FROM POSSIBLE DOMINANT POSITIONS
- ▶ FULFILMENT OF THE COMMITMENTS MADE TO CUSTOMERS IS GUARANTEED THROUGH APPLICATION OF THE *QUALITY MANAGEMENT SYSTEM* (2.10)

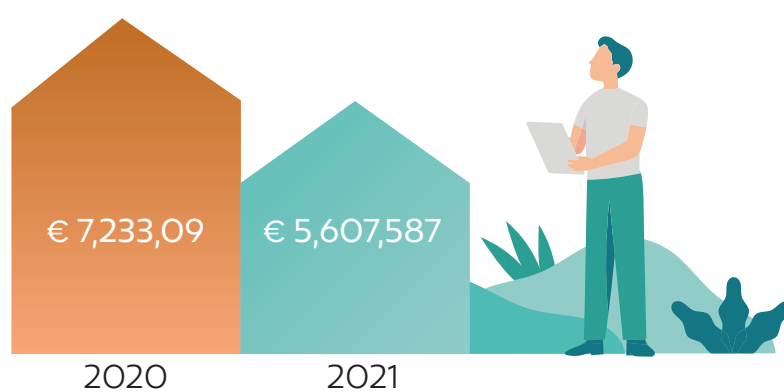


- ▶ ALL OF ATLANTIC COPPER'S PURCHASE ORDERS AND CONTRACTS WITH ITS CUSTOMERS ARE CONFIDENTIAL AND INCLUDE INDIVIDUALISED TERMS FOR EACH CUSTOMER, IF APPLICABLE, AND THE PERTINENT CONFIDENTIALITY CLAUSES
- ▶ ATLANTIC COPPER HAS ESTABLISHED SYSTEM FOR MANAGING CUSTOMER SUGGESTIONS, COMPLAINTS AND CLAIMS IN PROCEDURE "CC-PR 10 CUSTOMERS. SURVEYS AND COMPLAINT MANAGEMENT"
- ▶ ATLANTIC COPPER'S PRODUCTS AND SERVICES MEET ALL THE APPLICABLE LEGAL REQUIREMENTS AND INCLUDE QUALITY, SAFETY, ENVIRONMENTAL PROTECTION AND RELIABILITY CRITERIA
- ▶ THE CUSTOMER IS PROVIDED WITH ALL THE INFORMATION NECESSARY FOR RESPONSIBLE USE OF THE PRODUCTS AND SERVICES, MAINLY BY SENDING TECHNICAL SPECIFICATIONS, SAFETY DATA SHEETS AND EXPOSURE SCENARIOS

## 7.5. TAX INFORMATION

### 7.5.1. PROFITS OBTAINED

The profits obtained by Atlantic Copper in the 2020 and 2021 financial years are shown below.

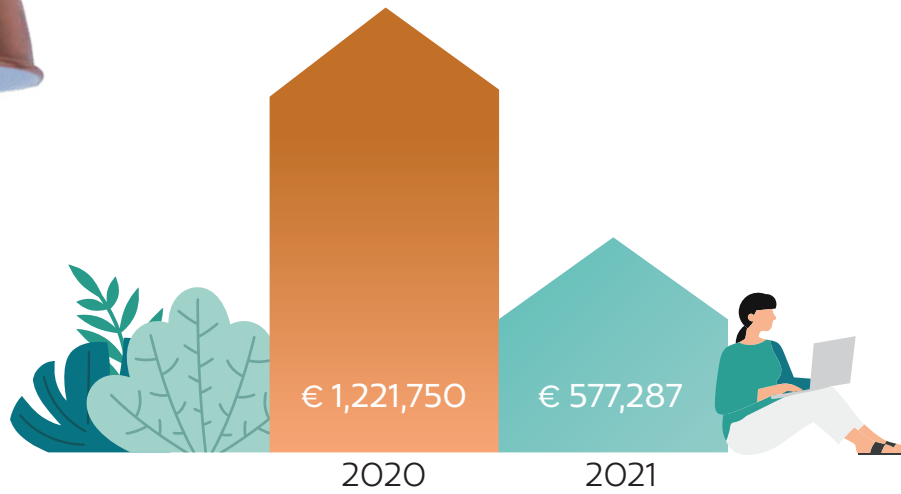


Profit for each year.



## 7.5.2. TAX ON PROFITS PAID

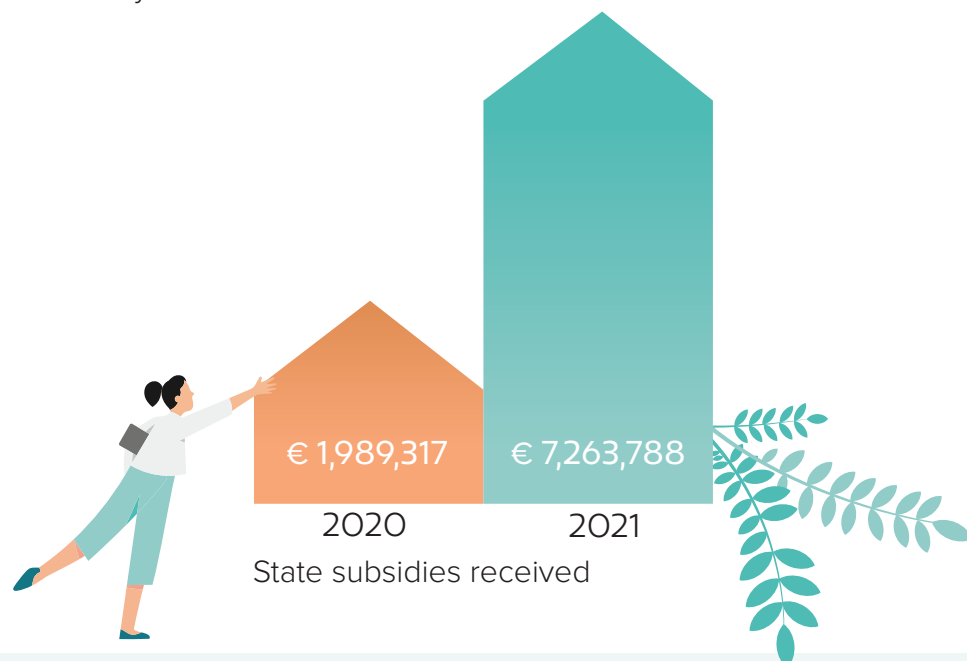
The taxes on profits paid by Atlantic Copper in the 2020 and 2021 financial years are shown below.



Tax on Profits  
(Charge for the financial year)

## 7.5.3. STATE SUBSIDIES RECEIVED

The subsidies received by Atlantic Copper in the 2020 and 2021 financial years are shown below.



State subsidies received



## INTEGRATION OF THIS REPORT IN THE 2030 SDGS

### 1 NO POVERTY



Employment	4.4.
Collective agreement	4.6.2.
Impact on employment and local development	7.2.1.
Foundation's sponsorship activities	7.2.3.
Purchasing policy	7.3.1..
Tax on profits paid	7.5.2.

### 2 ZERO HUNGER



Collective agreement	4.6.2.
Impact on employment and local development	7.2.1.
Foundation's sponsorship activities	7.2.3.
Responsible Sourcing of Minerals	7.3.4.

### 3 GOOD HEALTH AND WELL-BEING



Healthy Organisation Management System	2.8.
COVID-19 Protocol	2.8.
Environment	3.
Prevention of occupational risks	4.1./4.2./4.3./4.5.
Occupational health	4.3.
Health Insurance	4.1.



**4 QUALITY EDUCATION**



Training	4.7.
Employment promotion measures	4.1.
Foundation scholarship programmes	7.2.

**5 GENDER EQUALITY**



Work-life balance	4.4.2.
Gender-equality measures	4.6./4.8.
Equality plans	4.6./4.8.
Protocols to fight sexual and gender-based harassment	4.6./4.8.
Anti-discrimination policies	4.6./4.8.
Diversity management	4.8.
Elimination of discrimination in employment and occupation	4.6./4.8.

**6 CLEAN WATER AND SANITATION**



Water consumption	3.3.
Biodiversity	3.5.1.

**7 AFFORDABLE AND CLEAN ENERGY**



Direct and indirect energy consumption	3.3.2.
Energy efficiency	3.3.3.
Use of renewable energies	3.3.4.

**8 DECENT WORK AND ECONOMIC GROWTH**



Employment	4.4.
Collective Agreement	4.6.2..
Employment promotion measures	4.7.1.
Purchasing policy	7.3.1.
Profits	7.5.1.
Tax on profits paid	7.5.2.



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



Business model	1.
Reference frameworks	2.
Environment. Measures applied	3.4.2.
Staff. Measures applied	4.1.
Company and Foundation chairs	4.7.1.

**10** REDUCED  
INEQUALITIES



Gender-equality measures	4.6.
Equality plans	4.6.
Diversity management	4.8.
Elimination of discrimination in employment and occupation	4.7.
Foundation's sponsorship activities	7.2.3.

**11** SUSTAINABLE CITIES  
AND COMMUNITIES



Environment	3.
Employment	4.4.
Human rights	5.
Impact on employment and local development	7.2.1.
Relations and dialogue with local communities	7.2.2.

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



Waste	3.2.
Health and safety	4.5.
Suppliers. Social and environmental responsibility	7.3.
Responsible sourcing of minerals	7.3.4.
Customers, users and consumers	7.4.
The Copper Mark	2.14.

**13** CLIMATE  
ACTION



Environment	3.
Environmental Impact	3.1.
Climate change	3.4.
Biodiversity	3.5.
Suppliers. Social and environmental responsibility	7.3.





Environment	3.
Water consumption	3.3.
Biodiversity	3.5.



Environment	3.
Pollution	3.1.
Climate Change	3.4.
Biodiversity	3.5.
Suppliers Social and Environmental Responsibility	7.3.



Work organisation	4.4.
Human rights	5.
Fight against corruption and bribery	6.
Society	7.





Relations and dialogue with local communities	7.2.2.
Partnership or sponsorship actions	7.2.3.
Subcontracting and suppliers	7.3.
Adherence to the Spanish Global Compact Network	2.15.






## INTEGRATION OF THIS REPORT INTO THE PRINCIPLES OF THE GLOBAL COMPACT

 <b>HUMAN RIGHTS</b>	<b>1 Support and respect the protection of human rights.</b>	
	Human Rights	5.
	Relations and dialogue with local communities	7.2.2.
	<b>2 Not to be complicit in human rights abuses.</b>	
	Environmental and Social Responsibility of Suppliers	7.3.
	Responsible mineral supply	7.3.4.
 <b>LABOUR</b>	<b>3 Support freedom of association and collective bargaining.</b>	
	Social Dialogue	4.6.
	Information, consultation and negotiation	4.6.1.
	Freedom of association and the right to collective bargaining	4.6.1.
	<b>4 Support the elimination of all forms of forced and compulsory labour and the under coercion</b>	
	Elimination of forced or compulsory labour	4.1.1.
	<b>5 Supporting the elimination of child labour</b>	
	Abolición efectiva del trabajo infantil	5.1.
	Suministro responsable de minerales	7.3.4.
	<b>6 Supporting the abolition of discriminatory practices</b>	
Wage gap	4.4.	
Anti-discrimination policies	4.8./4.6.	
Elimination of discrimination in employment and occupation	6.5.6.	

	<b>7 Maintain a preventative approach that favours the environment</b>	
	Environmental Management System (ISO 14001)	2.4.
	Energy Management System (ISO 50001)	2.6.
	EMAS Statement	2.5.
	Policies and procedures	2.1.
	<b>8 Encourage initiatives that promote greater environmental responsibility</b>	
	Circular economy and waste prevention and management	3.2./2.2.
	Biodiversity	3.5.
	<b>9 Encourage the development and dissemination of environmentally friendly technologies</b>	
	Measures implemented	3.4.2.
Energy efficiency	3.3.3.	
Energy recovery and use of renewable energies	3.2.	
Climate change	3.4.	

	<b>10 Working against corruption in all its forms</b>	
	FCX Principles of Business Conduct	2.1.
	Anti-corruption policy and guidelines	2.1.
	Anti-corruption and anti-bribery	6.
	Supplier Code of Conduct	2.1.











**ATLANTIC COPPER**

*Una compañía del grupo Freeport-McMoRan*